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## **GF SECURITIES CO., LTD.**

**廣發証券股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1776)**

### **2023 FIRST QUARTERLY REPORT**

This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Set out below is the 2023 first quarterly report of GF Securities Co., Ltd. (the “**Company**” or “**Parent Company**”) and its subsidiaries (the “**Group**”) as of March 31, 2023. The financial report contained herein is prepared in accordance with the China Accounting Standards for Business Enterprises and has not been audited.

This report is prepared in both Chinese and English languages. In the event of any inconsistency between these two versions, the Chinese version shall prevail.

By order of the Board of Directors  
**GF Securities Co., Ltd.**  
**Lin Chuanhui**  
*Chairman*

Guangzhou, the PRC  
April 28, 2023

*As at the date of this announcement, the Board of the Company comprises Mr. Lin Chuanhui, Mr. Ge Changwei, Ms. Sun Xiaoyan and Mr. Qin Li as executive directors; Mr. Li Xiulin, Mr. Shang Shuzhi and Mr. Guo Jingyi as non-executive directors; and Mr. Fan Lifu, Mr. Hu Bin, Ms. Leung Shek Ling Olivia and Mr. Li Wenjing as independent non-executive directors.*

**GF SECURITIES CO., LTD.**  
**2023 FIRST QUARTERLY REPORT**

**Important Content Notice**

The Board of Directors, Supervisory Committee and the Directors, Supervisors and senior management of the Company confirm the truthfulness, accuracy and completeness of the contents in this quarterly report, and there is no false representation, misleading statement or material omission therein, and they will assume joint and several legal responsibilities thereof.

All Directors of the Company attended the board meeting for consideration of this quarterly report.

Mr. Lin Chuanhui, the legal representative of the Company, Ms. Sun Xiaoyan, the person-in-charge of accounting affairs, and Ms. Yu Lihong, the head of the accounting department (person-in-charge of accounting) hereby declare that the financial information contained in this quarterly report are true, accurate and complete.

This quarterly report has not been audited. Unless otherwise specified, all data in this quarterly report are presented in Renminbi.

## I. Key Financial Data

### (1) Key Accounting Data and Financial Indicators

Whether the Company has to make retrospective adjustment or restatement of the accounting data of prior years

No

	The reporting period	Corresponding period of last year	Increase/decrease for the reporting period as compared with the corresponding period of last year
Total operating revenue (RMB)	6,477,062,887.66	4,773,517,945.43	35.69%
Net profit attributable to owners of the Company (RMB)	2,156,742,527.33	1,302,527,153.83	65.58%
Net profit attributable to owners of the Company excluding non-recurring gains and losses (RMB)	2,130,337,906.06	1,223,934,265.46	74.06%
Net cash flows from operating activities (RMB)	-4,582,031,552.90	13,721,694,703.99	-
Basic earnings per share (RMB/share)	0.27	0.17	58.82%
Diluted earnings per share (RMB/share)	0.27	0.17	58.82%
Return on weighted average net assets	1.87%	1.22%	Increased by 0.65 percentage point

	As at the end of the reporting period	As at the end of last year	Increase/decrease at the end of the reporting period as compared with the end of last year
Total assets (RMB)	664,447,965,942.89	617,256,282,027.40	7.65%
Equity attributable to owners of the Company (RMB)	122,851,060,375.85	120,145,632,761.88	2.25%

Total share capital of the Company as of the trading day preceding the date of publication of this quarterly report:

Total share capital of the Company as of the trading day preceding the date of publication of this quarterly report (shares)	7,621,087,664
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Fully-diluted earnings per share based on the latest share capital:

Interest on perpetual bonds attributable from the beginning of the year to the end of the reporting period (RMB)	99,457,808.22
Fully-diluted earnings per share based on the latest share capital (RMB/share)	0.27

## (2) Non-recurring Gain and Loss Items and Amounts

Unit: RMB

Items	Amounts for the reporting period	Note
Profits and losses from disposal of non-current assets (including write-offs of accrued asset impairment provisions)	730,852.41	
Government subsidies recorded under profit and loss of the current period (except for those continually entitled that are closely related to the normal business of the Company, and in a fixed or quantifiable amount in compliance with the policy requirements of the State and in conformity with the common standards)	24,230,244.12	Mainly including fiscal incentives.
Other non-operating income and expenses other than the above items	37,109,761.49	
Other profit or loss items falling within the definition of non-recurring gains and losses	-20,079,343.62	
Less: Income tax effect	10,484,227.07	
Impact on non-controlling interests (after tax)	5,102,666.06	
Total	26,404,621.27	-

The Group's gains and losses from changes in fair value of financial instruments held for trading and derivative financial instruments, the gains of financial assets held for trading, debt investments, other debt investments and other equity instrument investments during the periods, and the investment gains from disposal of other debt investments, financial instruments held for trading and derivative financial instruments have been defined as recurring gain and loss items rather than non-recurring gain and loss items. The reason is that such business is in the ordinary course of business of the Group as a securities firm.

The investment gains from holding and disposal of the long-term equity investments of GF Xinde Investment Management Co., Ltd. (廣發信德投資管理有限公司) and GF Qianhe Investment Co., Ltd. (廣發乾和投資有限公司), both of which are subsidiaries of the Group, have been defined as recurring gain and loss items rather than non-recurring gain and loss items. The reason is that the business scope of GF Xinde Investment Management Co., Ltd. includes equity investments and that of GF Qianhe Investment Co., Ltd. includes project investments and investment management, all of which are in the ordinary course of business.

### (3) Changes in the Key Accounting Data and Financial Indicators and Reasons for Changes

Unit: RMB

Items	March 31, 2023	December 31, 2022	Increase/ decrease	Main reasons for changes
Financial assets held for trading	209,488,894,233.11	157,800,506,159.32	32.76%	Increase in the scale of investments including bonds and fund as at the end of the period.
Financial liabilities held for trading	20,009,095,026.88	11,985,143,748.15	66.95%	Increase in the scale of liabilities held for trading including structured notes as at the end of the period.
Derivative financial liabilities	3,691,732,848.40	2,098,281,485.49	75.94%	Increase in the scale of derivative financial instruments as at the end of the period.
Amounts payable to underwriting clients	40,000,000.00	149,300,000.00	-73.21%	Decrease in amounts payable to underwriting clients as at the end of the period.
Long-term loans	2,330,713.68	64,669,507.09	-96.40%	Decrease in pledged loans as at the end of the period.

Items	From January to March 2023	From January to March 2022	Increase/ decrease	Main reasons for changes
Investment gains	1,504,600,613.70	-571,686,079.49	-	Increase in investment gains from disposal of financial instruments held for trading during the period.
Other gains	61,007,915.36	130,298,589.91	-53.18%	Decrease in government subsidies during the period.
Gains from changes in fair value	212,734,947.58	-490,448,143.88	-	Increase in gains from changes in fair value of financial assets held for trading during the period.
Other operating income	48,833,876.11	464,638,433.56	-89.49%	Decrease in commodity trading income during the period.
Gains from disposal of assets	730,852.41	1,529,028.44	-52.20%	Decrease in gains from disposal of assets during the period.
General and administrative expenses	3,624,425,152.69	2,563,883,585.34	41.36%	Increase in general and administrative expenses during the period.
Impairment loss on credit	-65,214,072.38	-124,690,486.44	-	Decrease in reversal of impairment loss during the period.
Impairment loss on other assets	74,426.62	12,500.01	495.41%	Increase in loss from declining prices of inventories during the period.

<b>Items</b>	<b>From January to March 2023</b>	<b>From January to March 2022</b>	<b>Increase/decrease</b>	<b>Main reasons for changes</b>
Other operating expenses	39,917,459.51	461,113,420.31	-91.34%	Decrease in commodity trading costs during the period.
Non-operating income	760,893.02	121,287.67	527.35%	Increase in non-operating income during the period.
Non-operating expenses	428,802.77	5,006,336.31	-91.43%	Decrease in donation expenses during the period.
Income tax expenses	412,231,360.57	253,873,942.17	62.38%	Increase in taxable income during the period.
Other comprehensive income (net of tax)	46,669,635.73	-329,483,598.75	–	Increase in fair value changes of other debt investments during the period.
Net cash flows from operating activities	-4,582,031,552.90	13,721,694,703.99	–	Mainly due to increase in net cash outflow from advances to customers and financial instruments held for trading.
Net cash flows from financing activities	-625,919,980.87	-20,718,552,201.05	–	Mainly due to decrease in net cash outflow from issuance and repayment of bonds.

## II. Shareholders Information

### (I) Statement of the Total Number of Shareholders of Ordinary Shares and Shareholders of Preference Shares with Restored Voting Rights and the Shareholdings of the Top 10 Shareholders

Unit: share

Total number of shareholders of ordinary shares as at the end of the reporting period	244,409, of which there were 242,921 shareholders of A Shares and 1,488 registered shareholders of H Shares	Total number of shareholders of preference shares with restored voting rights as at the end of the reporting period (if any)	Nil
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Shareholdings of the top 10 shareholders						
Name of shareholder	Nature of shareholder	Percentage of shareholding	Number of shares held	Number of shares held subject to trading moratorium	Pledged, remarked or frozen	
					Status of shares	Number of shares
HKSCC Nominees Limited	Overseas legal entity	22.31%	1,700,147,050	0	-	-
Jilin Aodong Pharmaceutical Group Co., Ltd.	Domestic general legal entity	16.43%	1,252,297,867	0	-	-
Liaoning Cheng Da Co., Ltd.	State-owned legal entity	16.40%	1,250,154,088	0	-	-
Zhongshan Public Utilities Group Co., Ltd.	State-owned legal entity	9.01%	686,754,216	0	-	-
China Securities Finance Corporation Limited	Domestic general legal entity	2.99%	227,870,638	0	-	-
Hong Kong Securities Clearing Company Limited	Overseas legal entity	1.27%	96,491,978	0	-	-
National Social Insurance Fund No. 118 Portfolio	Fund and wealth management products, etc	0.96%	72,891,920	0	-	-
China Construction Bank Corporation – Guotai CSI All Share Investment Banking & Brokerage Index Exchange-traded Fund	Fund and wealth management products, etc	0.83%	63,137,113	0	-	-
China Construction Bank Corporation – Huabao CSI All Share Investment Banking & Brokerage Index Exchange-traded Fund	Fund and wealth management products, etc	0.63%	47,934,534	0	-	-
Huaxia Life Insurance Co., Ltd. – Self-owned funds	Fund and wealth management products, etc	0.38%	29,224,353	0	-	-

<b>Shareholdings of the top 10 ordinary shareholders not subject to trading moratorium</b>			
<b>Name of shareholder</b>	<b>Number of shares held not subject to trading moratorium</b>	<b>Class of shares</b>	
		<b>Class of shares</b>	<b>Number of shares</b>
HKSCC Nominees Limited	1,700,147,050	Overseas listed foreign shares	1,700,147,050
Jilin Aodong Pharmaceutical Group Co., Ltd.	1,252,297,867	RMB-denominated ordinary shares	1,252,297,867
Liaoning Cheng Da Co., Ltd.	1,250,154,088	RMB-denominated ordinary shares	1,250,154,088
Zhongshan Public Utilities Group Co., Ltd.	686,754,216	RMB-denominated ordinary shares	686,754,216
China Securities Finance Corporation Limited	227,870,638	RMB-denominated ordinary shares	227,870,638
Hong Kong Securities Clearing Company Limited	96,491,978	RMB-denominated ordinary shares	96,491,978
National Social Insurance Fund No. 118 Portfolio	72,891,920	RMB-denominated ordinary shares	72,891,920
China Construction Bank Corporation – Guotai CSI All Share Investment Banking & Brokerage Index Exchange-traded Fund	63,137,113	RMB-denominated ordinary shares	63,137,113
China Construction Bank Corporation – Huabao CSI All Share Investment Banking & Brokerage Index Exchange-traded Fund	47,934,534	RMB-denominated ordinary shares	47,934,534
Huaxia Life Insurance Co., Ltd. – Self-owned funds	29,224,353	RMB-denominated ordinary shares	29,224,353

*Note 1:* Among the H shareholders of the Company, shares of the non-registered shareholders are held by HKSCC Nominees Limited on their behalf;

*Note 2:* In the table above, shares held by HKSCC Nominees Limited are overseas listed foreign shares (H Shares), and shares held by other shareholders are RMB-denominated ordinary shares (A Shares);



*Note 3:* According to the information provided by Jilin Aodong Pharmaceutical Group Co., Ltd. (“**Jilin Aodong**”), Liaoning Cheng Da Co., Ltd. (“**Liaoning Cheng Da**”) and Zhongshan Public Utilities Group Co., Ltd. (“**Zhongshan Public Utilities**”), as of March 31, 2023, Jilin Aodong held 213,702,600 H Shares of the Company by itself and 36,868,800 H Shares of the Company through its wholly-owned subsidiary, Aodong International (Hong Kong) Industrials Co., Limited, totaling 250,571,400 H Shares, representing 3.29% of the total share capital of the Company; Liaoning Cheng Da held 115,300,000 H Shares of the Company by itself and 1,473,600 H Shares of the Company through Chengda Steel Hong Kong Co., Limited, a wholly-owned subsidiary of Liaoning Cheng Da Steel Co., Ltd. (遼寧成大鋼鐵貿易有限公司), which was in turn a wholly-owned subsidiary of Liaoning Cheng Da, totaling 116,773,600 H Shares, representing 1.53% of the total share capital of the Company; and Zhongshan Public Utilities held 100,904,000 H Shares of the Company through its wholly-owned subsidiary, Public Utilities International (Hong Kong) Investment Company Limited, representing 1.32% of the total share capital of the Company. As of March 31, 2023, the shareholding percentages of Jilin Aodong and its parties acting in concert, Liaoning Cheng Da and its parties acting in concert and Zhongshan Public Utilities and its parties acting in concert in the A Shares and H Shares of the Company were 19.72%, 17.94% and 10.34%, respectively, of the total share capital of the Company;

*Note 4:* According to the public disclosure information on the HKEXnews website of the Hong Kong Stock Exchange, as of March 31, 2023, the shareholders holding 5% or more of the H Shares of the Company (except for the disclosure set out in Note 3) were as follows: As of January 31, 2020, the Labor Union Committee of GF Securities Co., Ltd. held a total of 272,500,600 H Shares (long position) of the Company, representing 16.01% of the H Share capital of the Company. The above shares are held by HKSCC Nominees Limited on their behalf;

*Note 5:* As at the end of the reporting period, none of the above shareholders of A Shares held the shares of the Company through credit securities accounts;

*Note 6:* As at the end of the reporting period, none of the above shareholders of A Shares had conducted any agreed repurchase transactions.

**(II) Statement of the Total Number of Preference Shareholders and the Shareholdings of the Top 10 Preference Shareholders of the Company**

Not applicable

### III. Other Significant Events

#### (1) Relocation of branch offices and brokerage branches

As of the end of March 2023, the Company had 25 branch offices and 315 securities brokerage branches located in 31 provinces, municipalities directly under the central government and autonomous regions in China. During the reporting period, 5 branches of the Company have completed relocation or change of names.

#### (2) On January 11, 2023, the Company published the Announcement on Receipt of Regulatory Opinions from China Securities Regulatory Commission on Applying for the Stock Index Options Market Making Business (《關於申請開展股指期權做市業務獲得中國證券監督管理委員會監管意見書的公告》), announcing that the Company received the Regulatory Opinions on GF Securities Co., Ltd.'s Application for the Stock Index Options Market Making Business (Ji Gou Bu Han (2023) No. 13) (《關於廣發証券股份有限公司申請開展股指期權做市業務的監管意見書》(機構部函(2023)13號)) from China Securities Regulatory Commission (the “CSRC”), pursuant to which the CSRC had no objection to the conduct of the stock index options market making business by the Company. The Company will conduct the stock index options market making business in strict accordance with laws, regulations and regulatory requirements.

#### (3) On February 24, 2023, the Resolution on Adjusting the Organizational Structure of the Company's Retail Business (《關於調整公司零售業務組織架構的議案》) was considered and approved at the 27th meeting of the 10th session of the Board of the Company. Pursuant to the resolution, the Board agreed that the Retail Business Management Division was renamed as the “Wealth Management and Brokerage Business Division”; the original Institutional and Interbank Department and the Integrated Business Department were merged into the “Institutional Client Department”; and the E-Commerce Department was renamed as the “Digital Platform Department”. The adjusted Wealth Management and Brokerage Business Division consists of four first-tier departments: Wealth Management Department, Digital Platform Department, Institutional Client Department and Operation Management Department.

At the same meeting, the Board considered and approved the Resolution on the Integration of the Company's Derivatives Business (《關於公司衍生品業務整合的議案》). Pursuant to the resolution, the Board agreed that the Equity and Derivatives Investment Department was renamed as the “Equity Investment Department”; the Over-the-counter Market Department was renamed as the “Equity Derivatives Business Department”.

- (4) On April 8, 2023, the Company published the Announcement on the Cumulative Additional Borrowings for the Current Year Exceeding Twenty Percent of the Net Assets as of the End of Previous Year (《當年累計新增借款超過上年末淨資產的百分之二十的公告》). As of December 31, 2022, the Company's audited net assets were RMB124.793 billion and the borrowings balance was RMB314.208 billion. As of March 31, 2023, the Company's borrowings balance was RMB346.187 billion, and the cumulative amount of additional borrowings was RMB31.979 billion, which accounting for 25.63% of the net assets at the end of the previous year, exceeding 20%.

The above-mentioned new borrowings are in compliance with the relevant laws and regulations and are within the scope of the Company's normal operating activities. The Company's financial position is stable and sound and all debts have been settled on time so far. The above-mentioned new borrowings will not adversely affect the Company's operation and solvency.

- (5) On April 17, 2023, the Company received the Notice of Case Filing (Zheng Jian Li An Zi No. 0382023005) (《立案告知書》(證監立案字0382023005號)) issued by the CSRC. The Company failed to exercise due diligence during its engagement for the sponsor business of non-public issuance of shares of Misho Ecology & Landscape Co., Ltd. (美尚生態景觀股份有限公司) in 2018, and is therefore suspected to be in breach of laws. The CSRC has decided to file a case against the Company in accordance with the Securities Law of the People's Republic of China, Law of the People's Republic of China on Administrative Penalty and other laws and regulations.

The Company shall actively cooperate in the investigation of CSRC and fulfill the information disclosure obligations in strict compliance with regulatory requirements. Currently, the Company is under normal business operations.

For details, please refer to the disclosures published in relevant announcements by the Company in China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily, the website of the Shenzhen Stock Exchange ([www.szse.cn](http://www.szse.cn)), CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the HKEXnews website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

#### IV. Quarterly Financial Statements

##### (1) Financial Statements

##### 1. Consolidated Statement of Financial Position

Name of Enterprise: GF Securities Co., Ltd.

Unit: RMB

Items	Balance as at the end of the period	Balance as at the beginning of the year
Assets:		
Cash and bank balances	127,858,450,606.45	129,176,482,662.16
Including: Cash held on behalf of customers	106,726,082,816.87	107,606,853,787.44
Clearing settlement funds	26,946,338,422.95	27,680,241,495.68
Including: Settlement funds held on behalf of customers	21,387,306,409.54	23,398,343,871.50
Advances to customers	86,130,778,919.42	82,822,991,016.21
Derivative financial assets	2,869,294,658.24	2,642,473,701.65
Refundable deposits	21,825,441,300.68	20,342,291,718.71
Accounts receivable	11,981,761,049.80	13,771,756,279.06
Financial assets held under resale agreements	15,507,229,341.63	18,940,289,253.67
Financial investments:	352,256,925,781.50	302,820,195,081.68
Financial assets held for trading	209,488,894,233.11	157,800,506,159.32
Debt investments	288,151,557.99	354,134,713.88
Other debt investments	141,736,095,872.20	143,937,771,560.53
Other equity instrument investments	743,784,118.20	727,782,647.95
Long-term equity investments	8,844,909,130.17	8,744,152,015.31
Investment properties	192,021,045.45	187,433,357.92
Fixed assets	2,879,115,256.17	2,833,054,210.78
Construction-in-progress	246,301,316.80	246,301,316.80
Right-of-use assets	798,678,007.57	765,471,357.57
Intangible assets	1,517,752,628.82	1,546,141,680.86
Goodwill	2,271,678.97	2,318,129.79
Deferred tax assets	2,478,790,940.79	2,582,609,483.10
Other assets	2,111,905,857.48	2,152,079,266.45
Total assets	664,447,965,942.89	617,256,282,027.40

<b>Items</b>	<b>Balance as at the end of the period</b>	<b>Balance as at the beginning of the year</b>
Liabilities:		
Short-term borrowings	4,322,964,012.68	4,491,782,298.20
Short-term financing payables	42,780,683,386.71	37,308,357,450.04
Due to banks and other financial institutions	18,535,761,618.54	19,071,425,822.36
Financial liabilities held for trading	20,009,095,026.88	11,985,143,748.15
Derivative financial liabilities	3,691,732,848.40	2,098,281,485.49
Financial assets sold under repurchase agreements	156,903,143,145.30	125,057,825,631.82
Accounts payable to brokerage clients	137,339,856,519.14	137,585,256,054.85
Amounts payable to underwriting clients	40,000,000.00	149,300,000.00
Accrued staff costs	11,127,309,731.69	10,147,067,252.42
Taxes payable	853,800,894.08	900,119,720.24
Accounts payable	24,365,097,630.81	21,808,657,732.85
Contract liabilities	94,461,986.78	93,690,885.92
Provisions	436,104,224.55	439,510,666.31
Long-term loans	2,330,713.68	64,669,507.09
Bonds payable	110,515,196,474.94	115,887,029,333.79
Lease liabilities	823,568,111.29	788,715,500.42
Deferred tax liabilities	546,003,243.18	574,491,288.17
Other liabilities	4,296,042,669.78	4,012,117,173.14
Total liabilities	536,683,152,238.43	492,463,441,551.26

Items	Balance as at the end of the period	Balance as at the beginning of the year
Equity:		
Share capital	7,621,087,664.00	7,621,087,664.00
Other equity instruments	11,489,500,000.00	10,990,000,000.00
Including: Perpetual bonds	11,489,500,000.00	10,990,000,000.00
Capital reserve	31,286,181,318.30	31,286,181,318.30
Less: Treasury shares	233,608,724.73	233,608,724.73
Other comprehensive income	784,120,153.60	734,935,066.96
Surplus reserve	8,732,777,622.74	8,732,777,622.74
General risk reserve	21,852,486,155.48	21,748,066,595.40
Retained profits	41,318,516,186.46	39,266,193,219.21
Equity attributable to owners of the Company	122,851,060,375.85	120,145,632,761.88
Non-controlling interests	4,913,753,328.61	4,647,207,714.26
Total equity	127,764,813,704.46	124,792,840,476.14
Total liabilities and equity	664,447,965,942.89	617,256,282,027.40

Legal representative:  
Lin Chuanhui

Person-in-charge of  
accounting affairs:  
Sun Xiaoyan

Head of accounting  
department:  
Yu Lihong

## 2. Consolidated Statement of Profit or Loss

Name of Enterprise: GF Securities Co., Ltd.

Unit: RMB

Items	Amounts of the current period	Amounts of the prior period
<b>1. Total operating revenue</b>	6,477,062,887.66	4,773,517,945.43
Net interest income	937,302,735.92	990,484,711.00
Including: Interest income	3,460,267,569.79	3,243,470,309.70
Interest expenses	2,522,964,833.87	2,252,985,598.70
Net fee and commission income	3,721,428,628.85	4,259,408,663.73
Including: Net fee income from brokerage business	1,447,166,485.06	1,653,846,685.91
Net fee income from investment banking business	100,537,627.10	149,938,046.75
Net fee income from asset management and fund management business	2,087,182,091.55	2,340,287,530.47
Investment gains (loss denoted by “-”)	1,504,600,613.70	-571,686,079.49
Including: Gains from investment in associates and joint ventures	249,463,336.45	74,375,459.55
Other gains	61,007,915.36	130,298,589.91
Gains from changes in fair value (loss denoted by “-”)	212,734,947.58	-490,448,143.88
Foreign exchange gains (loss denoted by “-”)	-9,576,682.27	-10,707,257.84
Other operating income	48,833,876.11	464,638,433.56
Gains from disposal of assets (loss denoted by “-”)	730,852.41	1,529,028.44
<b>2. Total operating expenses</b>	3,639,360,024.75	2,947,176,720.62
Tax and surcharges	40,157,058.31	46,857,701.40
General and administrative expenses	3,624,425,152.69	2,563,883,585.34
Impairment loss on credit	-65,214,072.38	-124,690,486.44
Impairment loss on other assets	74,426.62	12,500.01
Other operating expenses	39,917,459.51	461,113,420.31
<b>3. Operating profits (loss denoted by “-”)</b>	2,837,702,862.91	1,826,341,224.81
Add: Non-operating income	760,893.02	121,287.67
Less: Non-operating expenses	428,802.77	5,006,336.31

Items	Amounts of the current period	Amounts of the prior period
<b>4. Profit before income tax (total loss denoted by “-”)</b>	2,838,034,953.16	1,821,456,176.17
Less: Income tax expense	412,231,360.57	253,873,942.17
<b>5. Net profit (net loss denoted by “-”)</b>	2,425,803,592.59	1,567,582,234.00
(1) Classified by continuity of operations:		
1. Net profit from continuing operations (net loss denoted by “-”)	2,425,803,592.59	1,567,582,234.00
2. Net profit from discontinued operations (net loss denoted by “-”)	–	–
(2) Classified by ownership of equity		
1. Attributable to owners of the Company	2,156,742,527.33	1,302,527,153.83
2. Attributable to non-controlling interests	269,061,065.26	265,055,080.17
<b>6. Other comprehensive income (net of tax)</b>	46,669,635.73	-329,483,598.75
Other comprehensive income attributable to owners of the Company (net of tax)	49,185,086.64	-328,368,517.98
(1) Other comprehensive income that will not be reclassified into profits or losses	11,136,470.34	-23,187,393.77
1. Changes in fair value of other equity instrument investments	11,136,470.34	-23,187,393.77
(2) Other comprehensive income that will be reclassified into profits or losses	38,048,616.30	-305,181,124.21
1. Other comprehensive income under equity method that can be reclassified into profits or losses	-1,482,764.15	-615,476.69
2. Fair value changes of other debt investments	152,765,163.86	-267,056,936.61
3. Credit impairment provisions for other debt investments	-3,509,797.71	5,431,493.63
4. Translation differences on foreign currency financial statements	-109,723,985.70	-42,940,204.54
Other comprehensive income attributable to non-controlling interests (net of tax)	-2,515,450.91	-1,115,080.77



Items	Amounts of the current period	Amounts of the prior period
<b>7. Total comprehensive income</b>	2,472,473,228.32	1,238,098,635.25
Including: Total comprehensive income attributable to owners (or shareholders) of the Company	2,205,927,613.97	974,158,635.85
Total comprehensive income attributable to non-controlling interests	266,545,614.35	263,939,999.40
<b>8. Earnings per share</b>		
(1) Basic earnings per share	0.27	0.17
(2) Diluted earnings per share	0.27	0.17

Legal representative:  
Lin Chuanhui

Person-in-charge of  
accounting affairs:  
Sun Xiaoyan

Head of accounting  
department:  
Yu Lihong

### 3. Consolidated Statement of Cash Flows

Name of Enterprise: GF Securities Co., Ltd.

Unit: RMB

Items	Amounts of the current period	Amounts of the prior period
<b>1. Cash flows from operating activities:</b>		
Net decrease in advances to customers	–	8,555,974,021.36
Cash received from interest, fee and commission	6,379,239,638.37	7,019,302,239.76
Net increase in due to banks and other financial institutions	–	121,870,354.70
Net increase in repurchase businesses	34,976,259,669.16	36,266,683,953.35
Net cash received from accounts payable to brokerage clients	–	2,397,128,239.79
Cash received from other operating activities	6,552,060,127.93	3,837,719,662.51
<b>Cash inflow from operating activities, subtotal</b>	<b>47,907,559,435.46</b>	<b>58,198,678,471.47</b>
Net increase in advances to customers	3,511,263,834.51	–
Net decrease in cash from financial instruments held for trading	40,828,802,390.12	35,761,686,224.55
Net decrease in due to banks and other financial institutions	512,852,237.66	–
Net cash used in accounts payable to brokerage clients	171,687,869.88	–
Net cash used in accounts payable to underwriting clients	109,300,000.00	–
Cash payment of interest, fee and commission	1,355,519,347.88	960,870,510.72
Cash payments to and for employees	1,568,187,788.56	1,994,101,474.78
Tax expenses paid	815,310,087.66	1,424,615,733.00
Cash paid for other operating activities	3,616,667,432.09	4,335,709,824.43
<b>Cash outflow from operating activities, subtotal</b>	<b>52,489,590,988.36</b>	<b>44,476,983,767.48</b>
<b>Net cash flows from operating activities</b>	<b>-4,582,031,552.90</b>	<b>13,721,694,703.99</b>
<b>2. Cash flows from investing activities:</b>		
Cash received from divestment	2,726,613,448.47	3,686,270,895.74
Cash received from realized investment gains	868,657,316.31	903,429,083.59
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	5,634,929.78	6,251,224.10
<b>Cash inflow from investing activities, subtotal</b>	<b>3,600,905,694.56</b>	<b>4,595,951,203.43</b>
Cash paid for investment	51,163,463.43	233,480,421.82
Cash paid for the purchase of fixed assets, intangible assets and other long-term assets	247,053,160.36	115,607,900.42

Items	Amounts of the current period	Amounts of the prior period
<b>Cash outflow from investing activities, subtotal</b>	298,216,623.79	349,088,322.24
<b>Net cash flows from investing activities</b>	3,302,689,070.77	4,246,862,881.19
<b>3. Cash flows from financing activities:</b>		
Cash received from incoming investments	500,000,000.00	–
Including: Cash received from issuance of perpetual bonds	500,000,000.00	–
Cash received from borrowings	202,942,973.48	519,000,272.64
Cash received from bond issuance	24,300,000,000.00	9,000,000,000.00
Cash received from other financing activities	4,259,008,882.16	16,028,181,446.62
<b>Cash inflow from financing activities, subtotal</b>	29,261,951,855.64	25,547,181,719.26
Cash paid for repayment of debts	25,147,598,107.77	41,195,049,185.12
Cash paid for distribution of dividends, profit and interest expenses	870,391,818.68	2,115,708,319.56
Including: dividends and profit paid to non-controlling interests by subsidiaries	–	56,923,025.73
Cash paid for other financing activities	3,869,881,910.06	2,954,976,415.63
<b>Cash outflow from financing activities, subtotal</b>	29,887,871,836.51	46,265,733,920.31
<b>Net cash flows from financing activities</b>	-625,919,980.87	-20,718,552,201.05
<b>4. Effect of foreign exchange rate changes on cash and cash equivalents</b>	-180,869,093.66	-55,935,275.88
<b>5. Net increase in cash and cash equivalents</b>	-2,086,131,556.66	-2,805,929,891.75
<b>Add: Cash and cash equivalents at the beginning of the period</b>	149,831,673,420.82	141,769,343,344.08
<b>6. Cash and cash equivalents at the end of the period</b>	147,745,541,864.16	138,963,413,452.33

Legal representative:  
Lin Chuanhui

Person-in-charge of  
accounting affairs:  
Sun Xiaoyan

Head of accounting  
department:  
Yu Lihong

## (2) Auditor's report

The first quarterly report of the Company has not been audited.

Hereby notify the above.