东方证券
DFZQ

(A joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name "东方证券股份有限公司" and carrying on business in Hong Kong as "東方證券" (in Chinese) and "DFZQ" (in English))

(Stock Code: 03958)

THE THIRD QUARTERLY REPORT FOR THE YEAR 2020

The board (the "**Board**") of directors (the "**Directors**") of 東方證券股份有限公司 (the "**Company**") hereby announces the unaudited results of the Company and its subsidiaries for the third quarter ended September 30, 2020, prepared in accordance with General Accepted Accounting Principles of the People's Republic of China. This announcement is made pursuant to the Inside Information Provisions (as defined in The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") (the "**Listing Rules**")) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rules 13.09(2) and 13.10B of the Listing Rules.

This announcement contains the Chinese original version and English translation of "The Third Quarterly Report for the Year 2020 of Orient Securities Company Limited" as published on the website of the Shanghai Stock Exchange, and is provided for your reference only. In case of discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

By order of the Board of Directors
JIN Wenzhong
Executive Director

Shanghai, PRC
October 29, 2020

As at the date of this announcement, the Board of Directors comprises Mr. JIN Wenzhong as executive Director; Mr. LIU Wei, Mr. WU Junhao, Mr. ZHOU Donghui, Mr. LI Xiang, Ms. XIA Jinghan, Mr. XU Jianguo and Mr. CHEN Xiaobo as non-executive Directors; and Mr. XU Guoxiang, Mr. TAO Xiuming, Mr. WEI Anning, Mr. XU Zhiming and Mr. JIN Qinglu as independent non-executive Directors.

Orient Securities Company Limited

The Third Quarterly Report for the Year 2020

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I. IMPORTANT NOTICE

1.1 The Board, the supervisory committee of the Company and its Directors, supervisors and senior management warrant that the information contained herein is true, accurate and complete and there are no false representations, misleading statements contained in or material omissions from this third quarterly report, for which they will assume joint and several liabilities.

1.2 All the Directors attended the Board meeting to consider this third quarterly report.

1.3 The person-in-charge of the Company, Mr. Jin Wenzhong, the accounting chief, Mr. Zhang Jianhui, and person-in-charge of the accounting department (head of the accounting department), Mr. You Wenjie, warrant the truthfulness, accuracy and completeness of the financial statements set out in this third quarterly report.

1.4 This third quarterly report of the Company was unaudited.

II. COMPANY PROFILE

2.1 Key financial information

Unit: Yuan Currency: RMB

	At the end of this reporting period	At the end of the previous year	Increase/decrease recorded at the end of this reporting period as compared with the end of the previous year (%)
Total assets	293,689,189,648.42	262,971,441,570.13	11.68
Net assets attributable to the shareholders of the Company	60,469,303,922.04	53,965,516,313.13	12.05

	From the beginning of the year to the end of this reporting period (January-September)	From the beginning of the previous year to the end of the reporting period of the previous year (January-September)	Increase/decrease as compared with the corresponding period of the previous year (%)
Net cash flows from operating activities	15,205,891,410.37	12,286,006,071.57	23.77

	From the beginning of the year to the end of this reporting period (January-September)	From the beginning of the previous year to the end of the reporting period of the previous year (January-September)	Increase/decrease as compared with the corresponding period of the previous year (%)
Operating income	16,051,491,328.23	13,607,480,201.38	17.96
Net profit attributable to the shareholders of the Company	3,050,882,853.98	1,741,410,722.22	75.20
Net profit attributable to the shareholders of the Company after deducting non-recurring profit or loss	2,961,331,588.43	1,670,962,223.75	77.22
Weighted average returns on net assets (%)	5.53	3.31	Increased by 2.22 percentage points
Basic earnings per share (RMB/share)	0.43	0.25	72.00
Diluted earnings per share (RMB/share)	N/A	N/A	N/A

Non-recurring items and amounts

✓Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Items	Amounts for this period (July – September)	Amounts from the beginning of the year to the end of this reporting period (January – September)	Remarks
Gains or losses from disposals of non-current assets	-47,294.49	-942,634.01	
Government grants recognized in current profit or loss, excluding those closely related to the Company's normal operations and granted on an ongoing basis under the State's policies according to certain quota of amount or volume	7,576,535.44	136,306,114.66	Financial subsidies
Other non-operating income and expenses except the items above	-7,860,128.10	-28,400,254.83	Primarily attributable to donation expenditure
Other gains or losses that meet the definition of non-recurring gains or losses	3,732,154.39	12,438,461.58	
Effect of income tax	-850,316.81	-29,850,421.85	
Total	2,550,950.43	89,551,265.55	

2.2 The table below sets out the total number of shareholders, and the shareholding of the top ten shareholders and the top ten shareholders of circulating shares (or shareholders not subject to restriction on sales) as at the end of the reporting period

Unit: Share

Total number of shareholders (accounts)						**157,917**
	Shareholding of the top ten shareholders					
Name of shareholders (Full name)	**Number of shares held as at the end of the reporting period**	**Percentage (%)**	**Number of restricted shares held**	**Pledged or frozen**		**Nature of shareholders**
				Status of shares	*Number of shares*	
Shenergy (Group) Company Limited	1,767,522,422	25.27	230,000,000	Nil	–	State-owned legal person
Hong Kong Securities Clearing Company Nominees Limited	1,026,967,530	14.68	–	Nil	–	Foreign legal person
Shanghai Haiyan Investment Management Company Limited	345,486,596	4.94	59,215,263	Nil	–	State-owned legal person
Shanghai United Media Group	240,783,406	3.44	–	Nil	–	State-owned legal person
China Securities Finance Corporation Limited	209,110,425	2.99	–	Nil	–	Unknown
Zheneng Capital Holdings Limited (浙能資本控股有限公司)	208,700,000	2.98	–	Nil	–	State-owned legal person
China Post Group Corporation	178,743,236	2.56	–	Nil	–	State-owned legal person
Shanghai Construction Group Co., Ltd.	133,523,008	1.91	–	Nil	–	State-owned legal person
Shanghai Jinqiao Export Processing Zone Development Co., Ltd. (上海金橋出口加工區開發股份有限公司)	133,140,504	1.90	–	Nil	–	Domestic non-state-owned legal person
Hong Kong Securities Clearing Company Limited	80,423,678	1.15	–	Nil	–	Foreign legal person

Unit: Share

Shareholding of the top ten shareholders of non-restricted shares			
Name of shareholders	**Number of circulating non-restricted shares held**	**Type and number of shares**	
		Type	*Number*
Shenergy (Group) Company Limited	1,537,522,422	RMB ordinary shares	1,537,522,422
Hong Kong Securities Clearing Company Nominees Limited	1,026,967,530	Overseas listed foreign shares	1,026,967,530
Shanghai Haiyan Investment Management Company Limited	286,271,333	RMB ordinary shares	286,271,333
Shanghai United Media Group	240,783,406	RMB ordinary shares	240,783,406
China Securities Finance Corporation Limited	209,110,425	RMB ordinary shares	209,110,425
Zheneng Capital Holdings Limited (浙能資本控股有限公司)	208,700,000	RMB ordinary shares	208,700,000
China Post Group Corporation	178,743,236	RMB ordinary shares	178,743,236
Shanghai Construction Group Co., Ltd.	133,523,008	RMB ordinary shares	133,523,008
Shanghai Jinqiao Export Processing Zone Development Co., Ltd. (上海金橋出口加工區開發股份有限公司)	133,140,504	RMB ordinary shares	133,140,504
Hong Kong Securities Clearing Company Limited	80,423,678	RMB ordinary shares	80,423,678
Related party relationship or parties acting in concert among above shareholders		N/A	

2.3 The table below sets out the total number of preferred shareholders, and shareholding of top ten preferred shareholders and top ten preferred shareholders not subject to restriction on sales as at the end of the reporting period

☐ Applicable ✓Not Applicable

III. MATERIAL EVENTS

3.1 Material changes in major accounting statement items and financial indicators of the Company and the reasons for such changes

✓Applicable ☐ Not Applicable

Items	September 30, 2020	December 31, 2019	Increase/ Decrease (%)	Reason
Clearing settlement funds	20,657,218,179.94	13,243,653,713.68	55.98	Mainly due to increase in clearing settlement funds held on behalf of customers
Advance to customers	18,462,672,868.37	13,214,262,240.75	39.72	Increase in scale of financing business
Deposits with exchanges and financial institutions	2,544,838,831.34	1,642,894,348.47	54.90	Increase in derivative business and deposits with exchanges and financial institutions of subsidiaries
Receivables	4,830,660,051.71	1,019,919,667.42	373.63	Mainly due to increase in receivables of subsidiaries
Investment properties	41,481,082.44	30,071,334.10	37.94	New property for rent during the current period
Short-term borrowings	4,219,749,385.00	640,153,529.20	559.18	Mainly due to increase in short-term borrowings of subsidiaries
Due to banks and other financial institutions	3,107,919,583.34	6,384,658,783.33	-51.32	Decrease in amounts due to banks and other financial institutions
Derivative financial liabilities	570,966,543.03	2,643,374,802.36	-78.40	Mainly due to decrease in scale of commodity options
Account payable to brokerage clients	57,598,875,754.85	40,179,178,362.34	43.36	Increase in amount of deposits from clients
Taxes payable	399,851,408.71	278,223,978.52	43.72	Mainly due to increase in corporate income tax payable
Payables	890,789,179.37	480,101,048.74	85.54	Mainly due to increase in payables of subsidiaries

Items	September 30, 2020	December 31, 2019	Increase/ Decrease (%)	Reason
Contract liabilities	566,926,550.53	208,113,569.43	172.41	Increase in advance receivables of subsidiaries
Deferred income tax liabilities	62,593,414.88	19,031,249.53	228.90	Increase in temporary differences of tax payable
Other equity instruments	5,000,000,000.00	0.00	N/A	Perpetual subordinated bonds issued during the reporting period
Other comprehensive income	-9,682,089.61	499,960,781.41	-101.94	Mainly due to changes in the fair value of other equity investment
Non-controlling interests	27,338,716.21	46,120,419.71	-40.72	Due to acquisition by the Company of non-controlling interests of subsidiaries

Items	January-September 2020	January-September 2019	Increase/ Decrease (%)	Reason
Net fee and commission income	4,820,248,516.50	3,293,282,682.00	46.37	Increase in fee income of the brokerage, asset management and investment banking business
Investment gains	3,476,690,018.30	1,933,436,049.09	79.82	Increase in investment gains from securities proprietary trading business
Foreign exchange gains	134,571,588.19	-28,922,275.08	N/A	Effect of changes in foreign exchange rates
Gains from asset disposal	-474,692.45	-159,453.79	N/A	Increase in losses from disposal of fixed assets
Business tax and surcharges	69,111,020.99	47,947,584.63	44.14	Increase in expenditures such as urban construction tax, education surcharges and others
Business and administrative expenses	5,367,650,495.80	4,086,194,775.13	31.36	Increase in revenue-related principal operating costs

Items	January-September 2020	January-September 2019	Increase/Decrease (%)	Reason
Credit impairment loss	1,294,743,815.10	932,909,204.82	38.79	Increase in impairment provision made for the share collateralized repurchase business
Non-operating expenses	31,108,696.74	49,629,368.16	-37.32	Decrease in compensations
Income tax expenses	489,904,665.45	287,919,897.18	70.15	Increase in taxable profits
Other comprehensive income after tax, net	-486,553,752.47	486,339,810.85	-200.04	Due to changes in the fair value of other equity investment
Basic earnings per share (RMB/share)	0.43	0.25	72.00	Due to increase in profit

3.2 Analysis and description on the updates, impacts and solutions of material events

✓Applicable ☐ Not Applicable

3.2.1 The H share employee stock ownership plan (the "ESOP") of the Company

At the 2020 first extraordinary general meeting of the Company convened on July 13, 2020, the Resolution in Relation to the Employee Stock Ownership Plan (Draft) and its Abstract of 東方證券股份有限公司 and the Resolution in Relation to the Authorization to the Board to Fully Handle Matters Related to the Employee Stock Ownership Plan of the Company (for details, please refer to the relevant announcements disclosed by the Company on July 14, 2020) were considered and approved. The ESOP covered 3,588 participants and raised a total of RMB316,657,000, of which subscription amount of the Directors, supervisors and senior management of the Company accounted for 8.27% of the total amount of the ESOP.

As of the end of the reporting period, the DFZQ ESOP Single Asset Management Scheme No. 1 and DFZQ ESOP Single Asset Management Scheme No. 2 have been approved under the ESOP, a total of 39,419,200 H shares of the Company have been purchased from the secondary market, representing approximately 0.564% of the total share capital of the Company, and the transaction amount totaled RMB177 million.

3.2.2 *Changes of the Directors, supervisors and senior management of the Company during the reporting period*

3.2.2.1 Changes of Director

Mr. XU Guoxiang, an independent Director, tendered the written resignation report on August 14, 2020 for resigning from the office as an independent Director and a member of each of the Remuneration and Nomination Committee and the Audit Committee of the fourth session of the Board due to expiry of his term as an independent Director.

Given that the resignation of Mr. XU Guoxiang will result in the number of independent Directors falling below one third of the members of the Board, pursuant to the Company Law, the Guidance to Establishment of Independent Director System in Listed Companies (《關於在上市公司建立獨立董事制度的指導意見》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association of the Company, such resignation shall take effect upon appointment of a new independent Director by the Company to satisfy the requirement that independent directors shall account for at least one third of the members of the board of directors. Prior to that, Mr. XU Guoxiang will continue to perform his duties as an independent Director and a member of each of the Remuneration and Nomination Committee and the Audit Committee under the Board according to the requirements of relevant laws, regulations and the Articles of Association of the Company.

3.2.2.2 Changes of the senior management

The 22nd meeting of the fourth session of the Board was convened on September 10, 2020, at which the Resolution in Relation to Appointment of Vice President of the Company was considered and approved, pursuant to which, Mr. LU Weiming was approved to be appointed as the vice president of the Company, with a term commencing from approval at such Board meeting until the expiry of the current session of the Board.

3.2.3 Capital increase in a subsidiary

In August 2020, the Company increased capital contribution of RMB500 million (equivalent to HK$554,078,015.00 at the rate of exchange between Renminbi and Hong Kong dollars prevailing on the date when such contribution was actually financed) to Orient Finance Holdings (Hong Kong) Limited ("**Orient Finance Holdings**"), a wholly-owned subsidiary of the Company, and has completed change of share capital information with the Companies Registry in Hong Kong. As such, the paid-in capital of Orient Finance Holdings increased from HK$2.2 billion to HK$2,754,078,015.00.

3.2.4 Issuance of perpetual subordinated bonds

Pursuant to the Letter of Reply to Opinions Relating to the Issuance of Perpetual Subordinated Bonds by Orient Securities Company Limited (Ji Gou Bu Han [2020] No. 1577) (《關於東方證券股份有限公司發行永續次級債券有關意見的覆函》(機構部函[2020]1577號)) of the Securities and Fund Institution Supervision Department of the China Securities Regulatory Commission, the Securities and Fund Institution Supervision Department of the China Securities Regulatory Commission had no objection to the public issuance of perpetual subordinated bonds by the Company.

The Company completed the 2020 public issuance of perpetual subordinated bonds (first tranche) (the "**Bonds**") on August 26, 2020. The Bonds were issued through offline price inquiry and placement to professional investors and the final issuance size was RMB5 billion at a coupon rate of 4.75% and for a term of 5 years.

3.3 Undertakings that have not yet been duly fulfilled during the reporting period

☐ Applicable ✓Not Applicable

3.4 Profit warning and explanation of expected accumulated net loss from the beginning of the year to the end of the next reporting period or material changes over the corresponding period of previous year

☐ Applicable ✓Not Applicable

Name of the Company	ORIENT SECURITIES COMPANY LIMITED
Legal representative	Jin Wenzhong
Date	October 29, 2020

IV. APPENDICES

4.1 Financial Statements

Consolidated Balance Sheet
September 30, 2020

Prepared by: ORIENT SECURITIES COMPANY LIMITED

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	September 30, 2020	December 31, 2019
Assets:		
Cash and bank balances	62,191,464,918.64	48,940,833,855.08
Of which: Deposits held on behalf of customers	40,297,072,895.52	29,749,885,413.76
Clearing settlement funds	20,657,218,179.94	13,243,653,713.68
Of which: Settlement funds held on behalf of customers	17,305,542,647.36	10,832,489,059.97
Precious metal		
Placements to banks and other financial institutions		
Advance to customers	18,462,672,868.37	13,214,262,240.75
Derivative financial assets	681,184,459.81	609,102,138.41
Deposits with exchanges and financial institutions	2,544,838,831.34	1,642,894,348.47
Receivables	4,830,660,051.71	1,019,919,667.42
Receivables financing		
Contract assets		
Financial assets acquired under resale agreements	18,133,740,801.25	24,206,541,982.29
Assets classified as held for sale		
Financial investment:		
Transactional financial assets	73,436,305,738.85	66,901,093,485.91
Debt investment	6,237,632,820.26	7,193,554,228.81
Other debt investment	64,583,588,434.37	64,895,563,425.25
Other equity instruments investment	10,622,258,780.28	10,832,873,153.66
Long-term equity investments	5,403,425,172.40	4,453,754,152.13
Investment properties	41,481,082.44	30,071,334.10
Fixed assets	1,994,271,411.66	2,040,273,431.66
Construction in progress	39,913,518.84	50,034,280.51
Right-of-use assets	892,160,576.77	1,002,749,135.63
Intangible assets	174,429,881.30	168,519,080.82
Goodwill	32,135,375.10	32,135,375.10
Deferred income tax assets	755,845,985.55	760,993,782.62
Other assets	1,973,960,759.54	1,732,618,757.83
Total assets	293,689,189,648.42	262,971,441,570.13

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	**September 30, 2020**	**December 31, 2019**
Liabilities:		
Short-term borrowings	4,219,749,385.00	640,153,529.20
Short-term financial bills payable	17,917,339,903.17	16,113,199,559.50
Due to banks and other financial institutions	3,107,919,583.34	6,384,658,783.33
Transactional financial liabilities	13,220,782,817.67	12,630,960,595.06
Derivative financial liabilities	570,966,543.03	2,643,374,802.36
Financial assets sold under repurchase agreements	59,713,970,785.01	57,478,062,865.93
Account payable to brokerage clients	57,598,875,754.85	40,179,178,362.34
Funds payable to securities issuers	82,877,450.00	80,000,000.00
Accrued staff costs	1,896,809,512.61	1,601,085,895.75
Taxes payable	399,851,408.71	278,223,978.52
Payables	890,789,179.37	480,101,048.74
Contract liabilities	566,926,550.53	208,113,569.43
Held-for-sale liabilities		
Provision		
Long-term borrowings		
Bonds payable	70,557,258,719.64	67,309,198,769.40
Of which: Preferred shares		
Perpetual debts		
Lease liabilities	899,087,208.10	995,005,231.20
Deferred income		
Deferred income tax liabilities	62,593,414.88	19,031,249.53
Other liabilities	1,486,748,794.26	1,919,456,597.00
Total liabilities	233,192,547,010.17	208,959,804,837.29

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	September 30, 2020	December 31, 2019
Equity of owners (or equity of shareholders):		
Share capital	6,993,655,803.00	6,993,655,803.00
Other equity instruments	5,000,000,000.00	
Of which: Preferred shares		
Perpetual debts	5,000,000,000.00	
Capital reserve	28,266,858,030.08	28,254,929,991.63
Less: Treasury shares		
Other comprehensive income	-9,682,089.61	499,960,781.41
Surplus reserve	3,445,689,429.69	3,445,689,429.69
General risk reserve	8,138,409,281.51	7,997,676,253.44
Undistributed profits	8,634,373,467.37	6,773,604,053.96
Total equity attributable to the owners (or shareholders) of the parent company	60,469,303,922.04	53,965,516,313.13
Non-controlling interests	27,338,716.21	46,120,419.71
Total equity of owners (or equity of shareholders)	60,496,642,638.25	54,011,636,732.84
Total liabilities and equity of owners (or equity of shareholders)	293,689,189,648.42	262,971,441,570.13

Legal representative:	Accounting chief:	Person-in-charge of the accounting department:
Jin Wenzhong	Zhang Jianhui	You Wenjie

Balance Sheet of the Parent Company

September 30, 2020

Prepared by: ORIENT SECURITIES COMPANY LIMITED

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	September 30, 2020	December 31, 2019
Assets:		
Cash and bank balances	33,032,742,639.22	27,584,528,645.46
Of which: Deposits held on behalf of customers	19,055,855,930.41	15,328,726,447.66
Clearing settlement funds	7,371,749,176.65	5,964,640,336.28
Of which: Settlement funds held on behalf of customers	4,096,422,276.94	3,624,212,744.79
Precious metal		
Placements to banks and other financial institutions		
Advance to customers	18,202,983,081.16	12,924,954,996.12
Derivative financial assets	674,451,610.25	575,515,312.04
Deposits with exchanges and financial institutions	1,360,298,760.08	1,039,478,872.81
Receivables	455,011,761.61	515,023,059.52
Receivables financing		
Contract assets		
Financial assets acquired under resale agreements	17,816,412,453.20	23,189,665,726.78
Assets classified as held for sale		
Financial investment:		
Transactional financial assets	52,979,426,438.24	45,611,235,174.41
Debt investment	6,237,632,820.26	7,193,554,228.81
Other debt investment	64,583,588,434.37	64,895,563,425.25
Other equity instruments investment	10,586,406,405.71	10,796,863,763.79
Long-term equity investments	18,041,494,692.46	16,052,295,287.16
Investment properties	42,167,902.17	31,207,205.57
Fixed assets	1,955,410,707.33	2,003,468,158.30
Construction in progress	28,972,270.19	32,053,112.19
Right-of-use assets	534,964,548.54	600,692,065.06
Intangible assets	132,218,681.05	133,358,159.27
Goodwill	18,947,605.48	18,947,605.48
Deferred income tax assets	504,957,249.72	483,544,028.25
Other assets	382,454,821.97	248,445,432.89
Total assets	234,942,292,059.66	219,895,034,595.44

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	**September 30, 2020**	**December 31, 2019**
Liabilities:		
Short-term borrowings		
Short-term financial bills payable	17,916,507,711.39	14,988,990,739.57
Due to banks and other financial institutions	3,107,919,583.34	6,384,658,783.33
Transactional financial liabilities	10,848,341,501.00	11,190,368,847.52
Derivative financial liabilities	565,142,955.51	2,618,097,637.41
Financial assets sold under repurchase agreements	55,513,005,059.67	51,950,254,756.90
Account payable to brokerage clients	23,115,895,886.01	18,598,949,938.01
Funds payable to securities issuers		
Accrued staff costs	686,007,698.88	516,763,731.76
Taxes payable	54,543,955.17	85,429,345.37
Payables	62,023,558.18	109,310,735.36
Contract liabilities		
Held-for-sale liabilities		
Provision		
Long-term borrowings		
Bonds payable	65,158,485,471.31	62,122,472,455.10
Of which: Preferred shares		
Perpetual debts		
Lease liabilities	528,234,177.42	591,193,431.56
Deferred income		
Deferred income tax liabilities		
Other liabilities	822,534,632.90	151,648,228.15
Total liabilities	178,378,642,190.78	169,308,138,630.04

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	**September 30, 2020**	**December 31, 2019**
Equity of owners (or equity of shareholders):		
Share capital	6,993,655,803.00	6,993,655,803.00
Other equity instruments	4,996,458,767.21	
Of which: Preferred shares		
Perpetual debts	4,996,458,767.21	
Capital reserve	28,157,008,370.79	28,157,008,370.79
Less: Treasury shares		
Other comprehensive income	99,777,060.05	556,061,852.46
Surplus reserve	3,445,689,429.69	3,445,689,429.69
General risk reserve	6,667,924,209.17	6,667,921,526.55
Undistributed profits	6,203,136,228.97	4,766,558,982.91
Total equity of owners (or equity of shareholders)	56,563,649,868.88	50,586,895,965.40
Total liabilities and equity of owners (or equity of shareholders)	234,942,292,059.66	219,895,034,595.44

Legal representative:	Accounting chief:	Person-in-charge of the accounting department:
Jin Wenzhong	Zhang Jianhui	You Wenjie

Consolidated Income Statement

January – September 2020

Prepared by: ORIENT SECURITIES COMPANY LIMITED

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items		Third quarter of 2020 (July – September)	Third quarter of 2019 (July – September)	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
I.	**Total operating income**	6,426,198,024.31	5,528,576,562.25	16,051,491,328.23	13,607,480,201.38
	Net interest income	260,397,285.78	261,799,338.33	597,005,526.61	780,706,872.25
	Of which: Interest income	1,450,501,386.45	1,573,070,691.52	4,168,788,344.44	4,652,886,909.26
	Interest expense	1,190,104,100.67	1,311,271,353.19	3,571,782,817.83	3,872,180,037.01
	Net fee and commission income	2,002,998,192.58	1,083,754,312.50	4,820,248,516.50	3,293,282,682.00
	Of which: Net fee income from brokerage business	782,437,577.90	377,564,688.22	1,868,268,488.88	1,155,332,538.02
	Net fee income from investment banking business	454,306,157.92	189,429,364.84	1,007,474,502.31	718,124,566.19
	Net fee income from asset management business	662,626,739.96	500,835,439.33	1,776,325,028.42	1,334,619,024.59
	Investment gains ("-" indicating losses)	1,531,761,229.10	723,104,655.14	3,476,690,018.30	1,933,436,049.09
	Of which: Gains from investments in associates and joint ventures	285,779,684.73	86,598,701.54	728,591,530.37	415,887,654.55
	Income generated from the derecognition of financial assets measured at amortized cost ("-" indicating losses)				
	Net open hedge income ("-" indicating losses)				
	Other income	941,757.65	200,082.66	16,973,636.04	200,082.66
	Gains from changes in fair value ("-" indicating losses)	140,052,000.27	297,533,507.82	1,155,641,268.34	1,054,307,774.97
	Foreign exchange gains ("-" indicating losses)	56,503,960.09	-29,682,528.82	134,571,588.19	-28,922,275.08
	Other business income	2,433,943,511.89	3,191,889,926.56	5,850,835,466.70	6,574,628,469.28
	Gains from asset disposal ("-" indicating losses)	-399,913.05	-22,731.94	-474,692.45	-159,453.79
II.	**Total operating expenses**	4,667,088,451.28	4,963,945,223.51	12,615,321,810.03	11,628,090,478.71
	Business tax and surcharges	24,631,397.33	15,003,594.70	69,111,020.99	47,947,584.63
	Business and administrative expenses	2,179,204,683.45	1,282,353,428.21	5,367,650,495.80	4,086,194,775.13
	Credit impairment loss	4,634,073.97	462,161,395.91	1,294,743,815.10	932,909,204.82
	Other asset impairment loss				
	Other business cost	2,458,618,296.53	3,204,426,804.69	5,883,816,478.14	6,561,038,914.13

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Third quarter of 2020 (July – September)	Third quarter of 2019 (July – September)	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
III. Operating profit ("-" indicating loss)	1,759,109,573.03	564,631,338.74	3,436,169,518.20	1,979,389,722.67
Add: Non-operating income	11,162,030.93	2,837,325.47	134,011,440.55	143,720,153.25
Less: Non-operating expenses	8,302,608.29	3,237,909.37	31,108,696.74	49,629,368.16
IV. Total profit ("-" indicating total loss)	1,761,968,995.67	564,230,754.84	3,539,072,262.01	2,073,480,507.76
Less: Income tax expenses	237,672,107.57	32,614,111.02	489,904,665.45	287,919,897.18
V. Net profit ("-" indicating net loss)	1,524,296,888.10	531,616,643.82	3,049,167,596.56	1,785,560,610.58
(i) Classified based on continuing operation				
1. Net profit from continuing operation ("-" indicating net loss)	1,524,296,888.10	531,616,643.82	3,049,167,596.56	1,785,560,610.58
2. Net profit from discontinued operation ("-" indicating net loss)				
(ii) Classified based on the nature of ownership				
1. Net profit attributable to shareholders of the parent company ("-" indicating net loss)	1,524,859,069.80	531,794,815.98	3,050,882,853.98	1,741,410,722.22
2. Profit or loss attributable to non-controlling interests ("-" indicating net loss)	-562,181.70	-178,172.16	-1,715,257.42	44,149,888.36
VI. Other comprehensive income after tax, net	-490,380,185.28	63,029,798.31	-486,553,752.47	486,339,810.85
Other comprehensive income attributable to the owners of the parent company after tax, net	-490,380,185.28	63,029,798.31	-486,553,752.47	486,339,810.85
(i) Other comprehensive income that cannot be reclassified to profit or loss	-68,236,204.50	-183,380,946.45	-118,567,716.82	112,434,939.02
1. Re-measurement of amount of changes in defined benefit scheme				
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method				
3. Changes in fair value of other equity instruments investment	-68,236,204.50	-183,380,946.45	-118,567,716.82	112,434,939.02
4. Changes in the fair value of the Company's own credit risk				

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Third quarter of 2020 (July – September)	Third quarter of 2019 (July – September)	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
(ii) Other comprehensive income that will be reclassified to profit and loss	-422,143,980.78	246,410,744.76	-367,986,035.65	373,904,871.83
1. Other comprehensive income that can be transferred to profit or loss under the equity method	4,958,085.19	-8,086,161.77	-1,635,660.83	-8,953,041.23
2. Changes in fair value of other debt investments	-362,096,843.46	230,612,918.91	-323,158,735.34	354,663,099.38
3. The amount of financial assets reclassified into other comprehensive income				
4. Credit impairment provisions of other debt investment	317,265.52	345,788.69	9,826,813.72	4,546,205.28
5. Cash flow hedge reserve				
6. Exchange differences from translation of financial statements denominated in foreign currencies	-65,322,488.03	23,538,198.93	-53,018,453.20	23,648,608.40
7. Others				
Other comprehensive income after tax attributable to non-controlling interests, net				
VII. Total comprehensive income	1,033,916,702.82	594,646,442.13	2,562,613,844.09	2,271,900,421.43
Total comprehensive income attributable to owners of the parent company	1,034,478,884.52	594,824,614.29	2,564,329,101.51	2,227,750,533.07
Total comprehensive income attributable to non-controlling interests	-562,181.70	-178,172.16	-1,715,257.42	44,149,888.36
VIII. Earnings per share:				
(i) Basic (RMB/share)	0.21	0.08	0.43	0.25
(ii) Diluted (RMB/share)	N/A	N/A	N/A	N/A

Legal representative:	Accounting chief:	Person-in-charge of the accounting department:
Jin Wenzhong	Zhang Jianhui	You Wenjie

Income Statement of the Parent Company

January – September 2020

Prepared by: ORIENT SECURITIES COMPANY LIMITED

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Third quarter of 2020 (July – September)	Third quarter of 2019 (July – September)	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
I. Total operating income	2,300,412,270.04	1,745,126,375.15	6,746,906,857.00	4,587,752,163.64
Net interest income	222,011,848.40	245,726,347.24	548,663,538.09	746,612,818.17
Of which: Interest income	1,331,175,431.60	1,446,159,945.45	3,839,889,616.02	4,302,423,339.21
Interest expense	1,109,163,583.20	1,200,433,598.21	3,291,226,077.93	3,555,810,521.04
Net fee and commission income	817,698,484.25	377,154,209.08	1,914,071,185.70	1,212,964,765.28
Of which: Net fee income from brokerage business	659,518,991.14	301,964,158.24	1,536,030,487.12	957,485,210.00
Net fee income from investment banking business	170,901,995.86	87,194,057.38	435,060,886.79	270,448,970.54
Net fee income from asset management business				
Investment gains ("-" indicating losses)	1,358,877,658.01	722,509,534.02	3,645,830,081.47	1,449,220,213.81
Of which: Gains from investments in associates and joint ventures	238,245,453.56	117,146,639.27	467,501,970.10	307,333,647.83
Income generated from the derecognition of financial assets measured at amortized cost ("-" indicating losses)				
Net open hedge income ("-" indicating losses)				
Other income	827,192.79		12,211,533.52	
Gains from changes in fair value ("-" indicating losses)	-152,719,982.83	394,077,168.39	542,834,828.32	1,164,354,230.53
Foreign exchange gains ("-" indicating losses)	52,387,300.91	3,724,285.42	79,048,976.79	4,088,820.51
Other business income	1,729,570.00	1,957,562.94	4,722,680.19	10,670,769.13
Gains from asset disposal ("-" indicating losses)	-399,801.49	-22,731.94	-475,967.08	-159,453.79
II. Total operating expenses	1,252,873,192.49	1,159,885,939.61	4,155,282,311.08	3,132,145,879.28
Business tax and surcharges	17,327,816.34	10,772,528.02	51,345,821.95	36,309,994.60
Business and administrative expenses	1,235,115,518.01	686,197,357.85	2,812,869,966.06	2,163,813,962.96
Credit impairment loss	-160,686.25	461,069,625.40	1,288,322,978.77	926,332,061.30
Other asset impairment loss				
Other business cost	590,544.39	1,846,428.34	2,743,544.30	5,689,860.42

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Third quarter of 2020 (July – September)	Third quarter of 2019 (July – September)	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
III. Operating profit ("-" indicating loss)	1,047,539,077.55	585,240,435.54	2,591,624,545.92	1,455,606,284.36
Add: Non-operating income	44,733.68	272,416.87	36,914,077.64	30,966,133.14
Less: Non-operating expenses	5,611,294.94	1,736,686.83	20,064,223.91	43,504,476.87
IV. Total profit ("-" indicating total loss)	1,041,972,516.29	583,776,165.58	2,608,474,399.65	1,443,067,940.63
Less: Income tax expenses	101,258,491.54	-45,136,132.37	122,514,058.48	-72,663,597.54
V. Net profit ("-" indicating net loss)	940,714,024.75	628,912,297.95	2,485,960,341.17	1,515,731,538.17
(i) Net profit from continuing operation ("-" indicating net loss)	940,714,024.75	628,912,297.95	2,485,960,341.17	1,515,731,538.17
(ii) Net profit from discontinued operation ("-" indicating net loss)				
VI. Other comprehensive income after tax, net	-433,496,872.14	71,922,456.88	-433,195,673.86	492,550,441.60
(i) Other comprehensive income that cannot be reclassified to profit or loss	-68,148,994.50	-161,271,136.25	-118,449,955.35	130,767,039.67
1. Re-measurement of amount of changes in defined benefit scheme				
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method				
3. Changes in fair value of other equity instruments investment	-68,148,994.50	-161,271,136.25	-118,449,955.35	130,767,039.67
4. Changes in the fair value of the Company's own credit risk				

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Third quarter of 2020 (July – September)	Third quarter of 2019 (July – September)	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
(ii) Other comprehensive income that will be reclassified to profit and loss	-365,347,877.64	233,193,593.13	-314,745,718.51	361,783,401.93
1. Other comprehensive income that can be transferred to profit or loss under the equity method	-3,568,299.70	2,234,885.53	-1,413,834.30	2,574,097.27
2. Changes in fair value of other debt investments	-362,096,843.46	230,612,918.91	-323,158,697.93	354,663,099.38
3. The amount of financial assets reclassified into other comprehensive income				
4. Credit impairment provisions of other debt investment	317,265.52	345,788.69	9,826,813.72	4,546,205.28
5. Cash flow hedge reserve				
6. Exchange differences from translation of financial statements denominated in foreign currencies				
7. Others				
VII. Total comprehensive income	507,217,152.61	700,834,754.83	2,052,764,667.31	2,008,281,979.77
VIII. Earnings per share:				
(i) Basic (RMB/share)				
(ii) Diluted (RMB/share)				

Legal representative:	Accounting chief:	Person-in-charge of the accounting department:
Jin Wenzhong	Zhang Jianhui	You Wenjie

Consolidated Statement of Cash Flows
January – September 2020

Prepared by: ORIENT SECURITIES COMPANY LIMITED

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items		First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
I.	**Cash flows from operating activities:**		
	Cash received from sale of commodities and rendering of services		
	Net increase in amount due to other financial institutions		
	Net decrease in financial assets held for transaction purposes	767,894,616.36	
	Cash received for interests, fees and commissions	8,254,060,575.06	5,902,070,923.77
	Net increase in transactional financial liabilities	206,940,555.40	3,130,112,296.28
	Net increase in amount due to banks and other financial institutions		
	Net increase in funds from repurchase business	7,670,156,118.90	16,071,170,305.97
	Net cash received from securities trading agency services	17,641,534,806.14	3,953,467,331.35
	Net cash received from securities underwriting agency services	2,877,450.00	
	Cash received relating to other operating activities	5,897,790,125.93	8,989,892,381.07
	Sub-total of cash inflows from operating activities	40,441,254,247.79	38,046,713,238.44
	Net increase in financial assets held for transaction purposes		7,172,142,839.78
	Net increase in placements to banks and other financial institutions		
	Net decrease in amount due to banks and other financial institutions	3,276,739,199.99	3,000,000,000.00
	Net increase in financial assets acquired under resale agreements		
	Net increase in advances to customers	5,275,373,715.28	1,304,004,003.01
	Cash paid for interests, fees and commissions	2,409,848,347.49	2,009,512,179.40
	Cash paid to and paid for staff	3,151,685,269.72	2,604,881,053.63
	Taxes paid	875,064,679.27	971,350,768.83
	Cash paid relating to other operating activities	10,246,651,625.67	8,698,816,322.22
	Sub-total of cash outflows from operating activities	25,235,362,837.42	25,760,707,166.87
	Net cash from operating activities	15,205,891,410.37	12,286,006,071.57

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items		First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
II.	**Cash flows from investing activities:**		
	Cash received from disposal of investment	831,994,938.32	237,976,855.72
	Cash received from investment gains	2,416,942,906.68	2,707,434,390.49
	Net decrease in other debt investment	255,883,534.04	
	Net decrease in debt investment	956,553,348.15	283,872,162.63
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
	Net cash received from disposal of subsidiaries and other operating units		
	Cash received relating to other investing activities	402,209.89	7,648,821.99
	Sub-total of cash inflows from investing activities	4,461,776,937.08	3,236,932,230.83
	Cash paid for investments	622,492,506.90	596,905,000.00
	Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	311,936,279.49	181,275,844.89
	Net increase in other transactional financial assets	4,026,176,113.72	3,505,032,571.78
	Net increase in other debt investment		4,361,299,492.49
	Net increase in other equity investment	9,046,898.50	527,066,558.79
	Net cash paid for acquisition of subsidiaries and other operating units		
	Cash paid for other investing activities		
	Sub-total of cash outflows from investing activities	4,969,651,798.61	9,171,579,467.95
	Net cash flows from investing activities	-507,874,861.53	-5,934,647,237.12

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
III. Cash flows from financing activities:		
Cash received from investments	5,000,000,000.00	
Of which: Cash received by subsidiaries from investments from non-controlling shareholders		
Cash received from borrowings	1,222,155,855.80	3,683,652,543.87
Cash received from issue of bonds	64,976,939,476.25	44,347,626,992.15
Cash received relating to other financing activities		
Sub-total of cash inflows from financing activities	71,199,095,332.05	48,031,279,536.02
Cash repayment of debts	62,915,701,080.28	39,974,734,464.33
Cash paid for distribution of dividends, profits or interest payment	3,261,027,087.30	3,255,457,857.18
Of which: Dividends and profits paid to non-controlling interests by subsidiaries	37,279,381.26	14,169,890.57
Cash paid relating to other financing activities	263,697,173.39	104,563,061.10
Sub-total of cash outflows from financing activities	66,440,425,340.97	43,334,755,382.61
Net cash from financing activities	4,758,669,991.08	4,696,524,153.41
IV. Effect of foreign exchange rate changes on cash and cash equivalents	76,704,951.19	-24,377,355.06
V. Net increase in cash and cash equivalents	19,533,391,491.11	11,023,505,632.80
Add: Balance of cash and cash equivalents at the beginning of the period	61,940,172,286.80	46,079,670,480.45
VI. Balance of cash and cash equivalents at the end of the period	81,473,563,777.91	57,103,176,113.25

Legal representative:	Accounting chief:	Person-in-charge of the accounting department:
Jin Wenzhong	Zhang Jianhui	You Wenjie

Cash Flow Statement of the Parent Company
January – September 2020

Prepared by: ORIENT SECURITIES COMPANY LIMITED

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items		First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
I.	**Cash flows from operating activities:**		
	Cash received from sale of commodities and rendering of services		
	Net increase in amount due to other financial institutions		
	Cash received for interests, fees and commissions	4,133,320,941.92	3,298,648,861.42
	Net increase in transactional financial liabilities		2,885,463,802.42
	Net increase in amount due to banks and other financial institutions		
	Net increase in funds from repurchase business	8,208,825,237.32	15,950,515,650.33
	Net cash received from securities trading agency services	4,711,603,246.11	5,344,941,213.47
	Cash received relating to other operating activities	658,217,893.79	384,016,225.33
	Sub-total of cash inflows from operating activities	17,711,967,319.14	27,863,585,752.97
	Net increase in financial assets held for transaction purposes	1,111,032,032.14	6,978,712,248.49
	Net increase in placements to banks and other financial institutions		
	Net decrease in amount due to banks and other financial institutions	3,276,739,199.99	3,000,000,000.00
	Net increase in advances to customers	5,299,719,831.77	1,387,361,947.93
	Net decrease in transactional financial liabilities	438,424,406.58	
	Net increase in financial assets acquired under resale agreements		
	Cash paid for interests, fees and commissions	1,638,174,583.88	1,682,835,293.70
	Cash paid to and paid for staff	1,776,744,990.65	1,393,255,176.45
	Taxes paid	344,596,623.19	341,277,028.25
	Cash paid relating to other operating activities	1,149,440,679.06	594,141,872.24
	Sub-total of cash outflows from operating activities	15,034,872,347.26	15,377,583,567.06
	Net cash from operating activities	2,677,094,971.88	12,486,002,185.91

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items		First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
II.	**Cash flows from investing activities:**		
	Cash received from disposal of investment	264,399,160.03	
	Cash received from investment gains	2,814,150,553.86	3,158,201,492.28
	Net decrease in other debt investment	255,883,534.04	
	Net decrease in debt investment	956,553,348.15	
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
	Cash received relating to other investing activities	445,592.38	4,974,345.64
	Sub-total of cash inflows from investing activities	4,291,432,188.46	3,163,175,837.92
	Cash paid for investments	1,787,510,429.53	1,088,902,588.24
	Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	236,424,789.39	123,630,294.07
	Net increase in other transactional financial assets	4,026,689,861.72	3,506,032,571.78
	Net increase in other debt investment		4,361,299,492.49
	Net increase in other equity investment	9,046,898.50	549,082,358.64
	Net increase in debt investment		16,127,837.37
	Cash paid for other investing activities		
	Sub-total of cash outflows from investing activities	6,059,671,979.14	9,645,075,142.59
	Net cash flows from investing activities	-1,768,239,790.68	-6,481,899,304.67

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items		First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
III.	**Cash flows from financing activities:**		
	Cash received from investments	5,000,000,000.00	
	Cash received from borrowings	584,400,000.00	2,557,751,448.67
	Cash received from issue of bonds	64,919,047,978.83	43,251,997,424.15
	Cash received relating to other financing activities		
	Sub-total of cash inflows from financing activities	70,503,447,978.83	45,809,748,872.82
	Cash repayment of debts	61,731,492,260.35	37,439,212,901.60
	Cash paid for distribution of dividends, profits or interest payment	3,195,608,770.10	3,198,472,878.05
	Cash paid relating to other financing activities	165,152,522.86	47,141,005.16
	Sub-total of cash outflows from financing activities	65,092,253,553.31	40,684,826,784.81
	Net cash from financing activities	5,411,194,425.52	5,124,922,088.01
IV.	**Effect of foreign exchange rate changes on cash and cash equivalents**	24,693,181.99	1,338,820.51
V.	**Net increase in cash and cash equivalents**	6,344,742,788.71	11,130,363,789.76
	Add: Balance of cash and cash equivalents at the beginning of the period	33,351,673,065.35	21,747,700,505.58
VI.	**Balance of cash and cash equivalents at the end of the period**	39,696,415,854.06	32,878,064,295.34

Legal representative: Jin Wenzhong   Accounting chief: Zhang Jianhui   Person-in-charge of the accounting department: You Wenjie

4.2 Adjustment made to the financial statements of the beginning of the year due to implementing the New Standards on Revenue and New Standards on Leases for the first time since 2020

☐ Applicable ✓Not Applicable

4.3 Description of the implementation of the New Standards on Revenue and the New Standards on Leases for the first time since 2020 for retrospective adjustment of previous comparison information

☐ Applicable ✓Not Applicable

4.4 Audit Report

☐ Applicable ✓Not Applicable