中信建投証券股份有限公司
CSC FINANCIAL CO., LTD.

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

(Stock Code: 6066)

2019 THIRD QUARTERLY RESULTS

This announcement is made pursuant to the disclosure obligations under Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Summary of the unaudited results of the Group for the third quarter ended 30 September 2019:

- For the third quarter of 2019, the Group recorded an operating revenue of RMB3,791,428,089.86. The net profit attributable to the equity holders of the Company amounted to RMB1,490,255,177.71.

- This results report was prepared in accordance with the relevant disclosure requirements applicable to quarterly reports of listed companies issued by the CSRC.

- The financial information contained in this results report was prepared in accordance with the PRC GAAP.

- Unless otherwise indicated, Renminbi is the recording currency in this report.

The contents of this results report are consistent with the relevant announcement published by the Company on the Shanghai Stock Exchange. This announcement is published simultaneously in Hong Kong and Mainland China.

I. IMPORTANT NOTICE

1.1 The board of directors and the supervisory committee, together with the directors, supervisors and senior management of CSC Financial Co., Ltd. (the "**Company**") warrant the truthfulness, accuracy and completeness of this quarterly report and that there is no false representation, misleading statement contained herein or material omission from this quarterly report, and for which they will assume joint and several legal liabilities.

1.2 This quarterly report was considered and approved at the 15th meeting of the second session of the board of directors of the Company. All directors of the Company attended the board meeting, and none of the directors raised any objection to this report.

1.3 WANG Changqing, chairman of the Company, and LI Geping, general manager and chief financial officer, and ZHAO Ming, head of the Company's accounting department, warrant that the financial statements set out in this quarterly report are true, accurate and complete.

1.4 This quarterly report is unaudited.

1.5 "The Reporting Period" or "Reporting Period" refers to July to September 2019.

II. BASIC INFORMATION OF THE COMPANY

2.1 Key financial data

In RMB Yuan

	As at the end of the Reporting Period (30 September 2019)	As at the end of last year (31 December 2018)	Increase/ decrease as at the end of the Reporting Period as compared to the end of last year *(%)*
Total assets	**246,619,258,755.81**	195,082,313,194.77	26.42
Equity attributable to equity holders of the Company	**55,316,588,767.74**	47,577,246,337.52	16.27

	From the beginning of the year to the end of the Reporting Period (January to September 2019)	From the beginning of last year to the end of the reporting period of last year (January to September 2018)	Change as compared to the same period of last year *(%)*
Net cash inflows from operating activities	**15,225,083,939.56**	9,498,087,840.81	60.30

	From the beginning of the year to the end of the Reporting Period (January to September 2019)	From the beginning of last year to the end of the reporting period of last year (January to September 2018)	Change as compared to the same period of last year *(%)*
Operating revenue	**9,696,990,134.10**	7,811,102,811.43	24.14
Net profit attributable to equity holders of the Company	**3,819,770,013.26**	2,185,474,314.88	74.78
Net profit attributable to equity holders of the Company excluding extraordinary gains and losses	**3,811,875,919.47**	2,174,454,421.50	75.30
Return on weighted average equity *(%)*	**8.65**	5.36	Increased by 3.29 percentage points
Basic earnings per share *(RMB/share)*	**0.50**	0.30	66.67
Diluted earnings per share *(RMB/share)*	**0.50**	0.30	66.67

Items and amounts of extraordinary gains and losses

☑ Applicable ☐ Not applicable

In RMB Yuan

Items	Amount for the period (July to September 2019)	Amount for the beginning of the year to the end of the Reporting Period (January to September 2019)	Note
Profits and losses from disposal of non-current assets	38,976.02	-74,922.51	–
Government subsidies through profit or loss except for government subsidies closely related to the Company's ordinary business, which are in line with national policies, calculated according to certain standards or continuously granted in fixed amount	7,217,240.74	34,920,515.71	–
Non-operating income/expenses other than the above items	-12,738,806.54	-14,596,212.40	–
Effect on non-controlling interests, after tax	-1,750,276.76	-7,366,213.31	–
Effect on income tax	1,428,266.93	-4,989,073.70	–
Total	-5,804,599.61	7,894,093.79	–

2.2 **Total number of shareholders and shareholdings of the top 10 shareholders and top 10 holders of tradable shares (or shareholders whose shares are not subject to trading moratorium) as at the end of the Reporting Period**

Unit: Share

Total number of shareholders	119,141 Including 119,068 A shareholders and 73 H shareholders

Shareholdings of the top 10 shareholders

Name of shareholder	Number of shares held at the end of the Reporting Period	Percentage	Number of shares held subject to trading moratorium	Pledged or frozen: Status	Pledged or frozen: Number of shares	Type of shareholder
		(%)				
Beijing State-owned Capital Operation and Management Center	2,684,309,017	35.11	2,684,309,017	Nil	–	State-owned legal person
Central Huijin Investment Limited	2,386,052,459	31.21	2,386,052,459	Nil	–	State
HKSCC Nominees Limited *(Note)*	805,152,192	10.53	–	Unknown	–	Foreign legal person
CITIC Securities Co., Ltd.	383,529,268	5.02	–	Nil	–	Domestic non-state-owned legal person
Glasslake Holdings Limited	351,647,000	4.60	–	Nil	–	Foreign legal person
Xizang Tengyun Investment Management Limited	300,000,000	3.92	300,000,000	Pledged	100,000,000	Domestic non-state-owned legal person
Shanghai Shangyan Investment Center (Limited Partnership)	150,624,815	1.97	150,624,815	Nil	–	Domestic non-state-owned legal person
China Structural Reform Fund Co., Ltd.	112,740,500	1.47	–	Nil	–	State-owned legal person
Chen Zhong	10,535,812	0.14	–	Nil	–	Domestic natural person
Vanguard Investments Australia Limited – Vanguard Emerging Market Index Fund (Stock Exchange)	5,789,277	0.08	–	Nil	–	Others

Shareholdings of the top 10 shareholders whose shares are not subject to trading moratorium

Name of shareholder	Number of tradable shares not subject to trading moratorium	Class and number of shares	
		Class	Number
HKSCC Nominees Limited *(Note)*	805,152,192	Overseas listed foreign shares	796,341,685
		RMB-denominated ordinary shares	8,810,507
CITIC Securities Co., Ltd.	383,529,268	RMB-denominated ordinary shares	383,529,268
Glasslake Holdings Limited	351,647,000	Overseas listed foreign shares	351,647,000
China Structural Reform Fund Co., Ltd.	112,740,500	Overseas listed foreign shares	112,740,500
Chen Zhong	10,535,812	RMB-denominated ordinary shares	10,535,812
Vanguard Investments Australia Limited – Vanguard Emerging Market Index Fund (Stock Exchange)	5,789,277	RMB-denominated ordinary shares	5,789,277
Xu Jiandong	5,000,090	RMB-denominated ordinary shares	5,000,090
Sichuan Trust Co., Ltd. (四川信託有限公司) —Sichuan Trust — Value Growth No. 2 Securities Investment List (價值成長2號證券投資單) — Capital Trust	4,732,177	RMB-denominated ordinary shares	4,732,177
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	4,288,400	RMB-denominated ordinary shares	4,288,400
Ma Tengyun	3,823,100	RMB-denominated ordinary shares	3,823,100

Explanation on related relationship or concerted action among the above shareholders	As of the end of the Reporting Period, there was related relationship between CITIC Securities Co., Ltd. and Glasslake Holdings Limited. For specific details, please refer to the Prospectus of the Initial Public Offering of Shares (A Shares) disclosed by the Company to the public. Saved as the above condition, the Company is not aware of the related relationship among other shareholders or whether they are parties acting in concert as stipulated in the Measures for the Administration of the Takeover of Listed Companies.
Explanation on holders of preferred shares with recovered voting rights and their shareholdings	N/A

Note: The shares held by HKSCC Nominees Limited in the above table are holding shares, including 796,341,685 H shares and 8,810,507 A shares, of which H shares are holding shares other than Glasslake Holdings and China Structural Reform Fund Co., Ltd..

2.3 Total number of holders of preferred shares and shareholdings of the top 10 holders of preferred shares and top 10 holders of preferred shares not subject to trading moratorium as at the end of the Reporting Period

☐ Applicable ☑ Not applicable

III. SIGNIFICANT EVENTS

3.1 Significant changes in major financial statement items and financial indicators of the Company and the reasons thereof

☑ Applicable ☐ Not applicable

3.1.1 Significant changes in the items of statement of financial position of the Company and the reasons thereof

In RMB Yuan

Items	Amount at the end of the Reporting Period (30 September 2019)	Amount at the end of last year (31 December 2018)	Increase/ Decrease *(%)*	Main reason
Cash and bank balances	**61,401,878,569.15**	43,126,477,585.87	42.38	Mainly due to the increase in cash held on behalf of customers.
Settlement deposits	**10,440,770,433.68**	7,627,666,278.11	36.88	Mainly due to the increase in settlement deposits held on behalf of customers.
Accounts receivable	**2,357,448,506.48**	1,440,037,505.75	63.71	Mainly due to the increase in the initial trading deposits of return swap.
Refundable deposits	**2,468,491,161.86**	1,880,554,154.28	31.26	Mainly due to the increase in performance bonds.
Financial assets held for trading	**80,427,474,843.79**	57,326,070,563.57	40.30	Mainly due to the increase in bond investment for the period.
Debt investments	**–**	187,062,801.60	-100.00	Mainly due to the decrease in bond investment at amortized cost for the period.

Items	Amount at the end of the Reporting Period (30 September 2019)	Amount at the end of last year (31 December 2018)	Increase/ Decrease *(%)*	Main reason
Right-of-use assets	**1,184,505,640.87**	N/A	N/A	Mainly due to the confirmation of the right-of-use assets and lease liabilities based on the Notice on Amendment to the Accounting Standards for Enterprises No. 21 – Leases (《關於修訂印發〈企業會計準則第21號–租賃〉的通知》(財會[2018] 35號)) (Cai Kuai [2018] No.35) issued by the Ministry of Finance in December 2018.
Short-term borrowings	**365,822,746.19**	1,118,475,203.84	-67.29	Mainly due to the decrease in the amount of credit loans.
Placements from banks and other financial institutions	**10,524,478,888.90**	4,048,838,888.89	159.94	Mainly due to the increase in the interbank borrowings at the end of the Reporting Period.
Financial liabilities held for trading	**302,366,100.00**	1,252,581,270.00	-75.86	Mainly due to the decrease in securities borrowing business.
Derivative financial liabilities	**464,101,132.86**	177,460,941.81	161.52	Mainly due to the increase in derivative financial liabilities formed by equity derivative instruments.
Financial assets sold under repurchase agreements	**45,224,946,419.34**	32,531,875,228.35	39.02	Mainly due to the increase in debt securities repurchase and sale of gold price inquiries.
Accounts payable to brokerage clients	**48,615,572,086.87**	35,038,584,724.10	38.75	Mainly due to the increase in deposits from brokerage customers.
Accounts payable to underwriting clients	**96,198,369.98**	24,666,795.63	289.99	Mainly due to the increase in funds payable to debts issuers.
Taxes payable	**520,227,455.59**	302,981,327.80	71.70	Mainly due to the increase in corporate income tax payable.
Accounts payable	**3,715,603,889.90**	2,708,319,449.12	37.19	Mainly due to the increase in the initial trading deposits of return swap.

Items	Amount at the end of the Reporting Period (30 September 2019)	Amount at the end of last year (31 December 2018)	Increase/ Decrease *(%)*	Main reason
Provision	**66,030,672.51**	50,570,000.00	30.57	Mainly due to the litigation expenses in advance for the Reporting Period.
Deferred tax liabilities	**537,879,642.23**	342,642,039.75	56.98	Mainly due to the increase in deferred tax liabilities arising from changes in fair value of financial assets held for trading.
Lease liabilities	**1,125,169,315.08**	N/A	N/A	Mainly due to the confirmation of the right-of-use assets and lease liabilities based on the Notice on Amendment to the Accounting Standards for Enterprises No. 21 – Leases (《關於修訂印發<企業會計準則第21號－租賃>的通知》(財會[2018] 35號)) (Cai Kuai [2018] No.35) issued by the Ministry of Finance in December 2018.
Other equity instruments	**10,000,000,000.00**	5,000,000,000.00	100.00	Mainly due to the issuance of perpetual subordinated bonds for the Reporting Period.
Other comprehensive income	**419,880,437.71**	123,958,677.91	238.73	Mainly due to the gains in fair value in the Reporting Period of other debt investments and other investments in equity instruments.

3.1.2 Significant changes in the items of income statement and statement of cash flows of the Company and the reasons thereof

In RMB Yuan

Items	From the beginning of the year to the end of the Reporting Period (January to September 2019)	From the beginning of last year to the end of the reporting period of last year (January to September 2018)	Increase/ Decrease *(%)*	Main reason
Investment income	**1,959,322,983.00**	764,451,438.69	156.30	Mainly due to the increase in investment income from financial assets held for trading for the period.
Gains and losses arising from changes in fair value	**1,013,770,317.73**	771,951,626.20	31.33	Mainly due to the increase in floating profit of financial assets held for trading for the period.
Foreign exchange gains and losses	**2,362,069.12**	-21,287,751.73	N/A	Mainly due to change in the exchange rate for the period.
Credit impairment losses	**-7,443,995.60**	759,368,837.00	N/A	Mainly due to the reversal of the impairment loss of margin financing and securities lending.
Non-operating income	**13,636,996.16**	8,745,781.87	55.93	Mainly due to the receipt of rewards for the period.
Non-operating expenses	**18,108,131.07**	-171,374.97	N/A	Mainly due to the increase in provision for the period.
Income tax expenses	**1,206,051,024.94**	729,219,746.95	65.39	Mainly due to the increase in total profit for the period.
Other comprehensive income, net of tax	**295,921,759.80**	464,654,856.14	-36.31	Mainly due to the decrease in floating profit of fair value of other debt investments for the period.
Net cash inflows/(outflows) from operating activities	**15,225,083,939.56**	9,498,087,840.81	60.30	Mainly due to the increase in net cash received from accounts payable to brokerage clients and placements from banks and other financial institutions.
Net cash inflows/(outflows) from financing activities	**8,881,668,710.88**	-4,915,658,106.19	N/A	Mainly due to decrease in repayment of cash outflow from short-term financing instruments payable.

Note: The Ministry of Finance revised and issued the Notice on Revising and Issuing the Format of Financial Statements of Financial Enterprises (Cai Kuai [2018] No. 36) (《關於修訂印發2018年度金融企業財務報表格式的通知》(財會[2018]36號)) in December 2018. The Company prepared the financial statements of the 2019 Third Quarterly Report in accordance with the format required by the Notice. In order to improve the comparability of the data presented in financial statements, the Company made reclassification adjustments to items including "investment gains" and "net interest income" in the income statement set out in the 2018 third quarterly report in accordance with new format. Such adjustments had no effect on the 2018 third quarterly operating revenue and net profit of the Company.

3.2 Analysis and explanations of the progress of significant events and their impacts and solutions

☑ Applicable ☐ Not applicable

3.2.1 Changes to Securities Business Branches

1. *Securities branches of CSC*

As at the third quarter of 2019, the Company completed the change in the registered address of 4 securities branches, details of which are as follows:

No.	Original name of securities branch	Current name of securities branch	Address after the change
1	Yantai Qingnian Road Securities Branch	Yantai South Street Securities Branch	10/F, Block A and Southern 1/F, Block C, No. 303 South Street, Zhifu District, Yantai City, Shandong Province
2	Jinchang Gongyuan Road Securities Branch	Jinchang Jianshe Road Securities Branch	2103 and 2104, 1/F, Zhonggang PARK, Jianshe Road, Jinchuan District, Jinchang City, Gansu Province
3	Beijing Xicui Road Securities Branch	Beijing Xicui Road Securities Branch	Shop 9, 1/F, 20 Building, 17 Xicui Road, Haidian District, Beijing City
4	Zhengzhou Shangwu West 7th Street Securities Branch	Zhengzhou Shangwu West 7th Street Securities Branch	1/F, Zhonghua Building, 3 Shangwu Outer Ring Road, Zhengzhou Area (Zhengdong), Henan Pilot Free Trade Zone

2. *Futures branches of CSC*

As at the third quarter of 2019, CSC completed the change of registered address of 1 branch office and 1 futures branch, details of which are as follows:

No.	Original name of futures branch	Current name of securities branch	Address after the change
1	Heibei Branch	4010, 4012, 4013, 4015, 4017, West Wing, 4/F, No. 1 Shengtai Wealth Centre, 66 Jinguang Road, Guangyang District, Langfang City, Hebei Province	1/F to 3/F of 20-11 Shops and 3/F of 20-1-12 Shops, Jixiang Community, Guangyang District, Langfang City, Hebei Province
2	Wuhan Branch	3/F, Industrial Bank Building, 108 Zhongbei Road, Wuchang District, Wuhan City, Hubei Province	1301-06, 07, 13/F, Zhonghua Cheng Office A, 193 Xianggang Road, Jianghan District, Wuhan City, Hubei Province

On 5 August 2019, China Futures Co., Ltd. newly founded the Beijing Guomao Branch, being its 25th futures branch, details of which are as follows:

Name of the Branch	Location	Time of establishment	Person in charge	Customer service and complaints hotline	Detailed address
Beijing Guomao Branch	Beijing City	5 August 2019	LIU Xiangyan	010-85951101	Room A113, 1/F, Block 17, 8 Guanghua Road, Chaoyang District, Beijing City

3.2.2 Material litigation and arbitration

As at the third quarter of 2019, there were no material litigation and arbitration cases of the Company with amount involving more than RMB10 million and accounting for more than 10% of the absolute value of the latest audited net assets of the Company, which are required to be disclosed by the Rules Governing the Listing of Shares on the Shanghai Stock Exchange.

As at the third quarter of 2019, litigation and arbitration cases of the Company disclosed in the regular reports in the past are as follows:

The Company disclosed the contract dispute between Zou Rong and QIC Group Holdings Ltd. and the Company in the regular reports in the past. For relevant background information, please refer to the 2018 interim report of the Company. On 30 August 2019, the Higher People's Court of Beijing Municipality issued its verdict ([2018] Jing Min Zhong No. 483), ruled out the appeal and arguments of Zhou Rong, the appellant, and dismissed the appeal while upholding its original judgment. The case is currently closed.

In addition, from the date of disclosure of the 2019 interim report of the Company to the date of disclosure of this report, the Company, as the subject of bond issuance, has issued the following interim announcements on involvement in litigation and arbitration on the bond section published on the website of SSE:

Summary and type of events	Index for inquiries
The case that the Company, as the applicant, applied for arbitration in relation to the event of default in margin financing and securities lending business by Lv Xioaqi, the financier	Announcement on Involvement in Litigation and Arbitration of CSC Financial Co., Ltd. issued on the bond section on the website of SSE on 8 October 2019

3.2.3 Issuance of bonds by the Company

During the Reporting Period, the Company completed the issuance of two tranches of short-term financing bonds, one tranche of financial bonds and one tranche of perpetual subordinated bonds with a total issuance size of RMB16 billion. Of which, issuance of 2019 fourth tranche of short-term bonds has been completed on 12 July 2019, with an issuance size of RMB3 billion, a term of 90 days and a coupon rate of 2.70%. Issuance of the fifth tranche of short-term bonds has been completed on 16 September 2019, with an issuance size of RMB4 billion, a term of 88 days and a coupon rate of 2.75%. Issuance of 2019 financial bond (first tranche) has been completed on 5 August 2019, with an issuance size of RMB4 billion, a term of 3 years and a coupon rate of 3.52%. Issuance of 2019 perpetual subordinated bonds (first tranche) has been completed on 27 August 2019, with an issuance size of RMB5 billion and it is repriced every 5 interest-accruing years. At the end of each repricing cycle, the Company is entitled to extend the tranche of bonds for another repricing cycle (i.e. an extension of 5 years) or redeem the bonds in full, the bonds in its first repricing cycle have a coupon rate of 4.45%. If the Company has not exercised the redemption right, the coupon rate shall be reset every 5 years since the sixth interest-accruing year.

Subsequent event:

The Company completed the issuance of 2019 short-term financing bonds (sixth tranche) on 9 October 2019 with an issuance size of RMB4 billion, a term of 91 days and a coupon rate at 2.88%. The Company completed the issuance of 2019 short-term financing bonds (seventh tranche) on 24 October 2019 with an issuance size of RMB4 billion, a term of 90 days and a coupon rate at 3.02%.

3.3 Overdue undertakings of the Company during the Reporting Period

☐ Applicable ☑ Not applicable

3.4 Warning and explanation on reasons for accumulated net loss expected to be recorded from the beginning of the year to the end of the next reporting period or material change as compared to those of the same period last year

☐ Applicable ☑ Not applicable

Name of the Company	**CSC Financial Co., Ltd.**
Legal Representative	**WANG Changqing**
Date	29 October 2019

IV. APPENDIX

4.1 Financial Statements

Consolidated Statement of Financial Position
30 September 2019

Prepared by: CSC Financial Co., Ltd.

In RMB Yuan (unaudited)

Items	30 September 2019	31 December 2018
ASSETS:		
Cash and bank balances	**61,401,878,569.15**	43,126,477,585.87
Including: cash held on behalf of customers	**39,525,321,137.78**	29,288,008,293.61
Settlement deposits	**10,440,770,433.68**	7,627,666,278.11
Including: deposits held on behalf of customersa	**7,347,735,487.89**	4,410,326,370.76
Margin accounts	**26,593,272,013.89**	25,148,082,638.63
Derivative financial assets	**998,125,861.57**	1,239,583,970.36
Financial assets held under resale agreements	**22,501,120,157.31**	23,797,236,169.13
Accounts receivable	**2,357,448,506.48**	1,440,037,505.75
Refundable deposits	**2,468,491,161.86**	1,880,554,154.28
FINANCIAL INVESTMENT		
Financial assets held for trading	**80,427,474,843.79**	57,326,070,563.57
Debt investments	**–**	187,062,801.60
Other debt investments	**32,665,352,179.73**	27,911,317,285.81
Other investments in equity instruments	**3,227,343,076.40**	3,057,811,690.29
Long-term equity investment	**151,244,272.04**	162,713,397.00
Investment properties	**43,799,856.53**	47,742,402.33
Property, plant and equipment	**458,619,995.43**	451,375,984.54
Right-of-use assets	**1,184,505,640.87**	
Intangible assets	**189,136,468.55**	186,914,872.39
Deferred tax assets	**971,774,638.93**	974,506,465.04
Other assets	**538,901,079.60**	517,159,430.07
Total assets	**246,619,258,755.81**	195,082,313,194.77

Items	30 September 2019	31 December 2018
LIABILITIES:		
Short-term borrowings	**365,822,746.19**	1,118,475,203.84
Short-term financing instruments payable	**9,881,900,101.10**	13,753,705,797.64
Placements from banks and other financial institutions	**10,524,478,888.90**	4,048,838,888.89
Financial liabilities held for trading	**302,366,100.00**	1,252,581,270.00
Derivative financial liabilities	**464,101,132.86**	177,460,941.81
Financial assets sold under repurchase agreements	**45,224,946,419.34**	32,531,875,228.35
Accounts payable to brokerage clients	**48,615,572,086.87**	35,038,584,724.10
Accounts payable to underwriting clients	**96,198,369.98**	24,666,795.63
Salaries, bonuses and allowances payable	**2,365,900,749.43**	2,340,802,814.55
Taxes payable	**520,227,455.59**	302,981,327.80
Accounts payable	**3,715,603,889.90**	2,708,319,449.12
Provision	**66,030,672.51**	50,570,000.00
Bonds payable	**57,703,480,262.36**	44,852,709,182.83
Lease liabilities	**1,125,169,315.08**	
Deferred tax liabilities	**537,879,642.23**	342,642,039.75
Other liabilities	**9,472,546,294.69**	8,674,702,764.45
Total liabilities	**190,982,224,127.03**	147,218,916,428.76

Items	**30 September 2019**	31 December 2018
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	**7,646,385,238.00**	7,646,385,238.00
Other equity instruments	**10,000,000,000.00**	5,000,000,000.00
Including: perpetual bonds	**10,000,000,000.00**	5,000,000,000.00
Capital reserve	**8,753,212,699.52**	8,753,212,699.52
Other comprehensive income	**419,880,437.71**	123,958,677.91
Surplus reserves	**3,013,065,350.47**	3,013,065,350.47
General risk reserve	**7,575,699,190.63**	7,535,426,897.78
Retained earnings	**17,908,345,851.41**	15,505,197,473.84
Equity attributable to the owners (or shareholders) of the Company	**55,316,588,767.74**	47,577,246,337.52
Non-controlling interests	**320,445,861.04**	286,150,428.49
Total equity of the owners (or shareholders)	**55,637,034,628.78**	47,863,396,766.01
Liabilities and total equity of the owners (or shareholders)	**246,619,258,755.81**	195,082,313,194.77

Legal Representative:	*Chief Financial Officer:*	*Person-in-charge of accounting department:*
WANG Changqing	**LI Geping**	**ZHAO Ming**

Statement of Financial Position of the Parent Company
30 September 2019

Prepared by: CSC Financial Co., Ltd. *In RMB Yuan (unaudited)*

Items:	30 September 2019	31 December 2018
ASSETS:		
Cash and bank balances	**55,826,767,942.45**	37,607,947,475.18
Including: cash held on behalf of customers	**36,650,227,319.54**	26,324,025,081.33
Settlement deposits	**9,341,119,507.74**	6,525,526,371.25
Including: deposits held on behalf of customers	**6,362,177,513.14**	3,552,297,990.51
Margin accounts	**26,476,783,451.23**	24,347,080,345.76
Derivative financial assets	**998,125,861.57**	1,239,583,970.36
Financial assets held under resale agreements	**20,709,597,236.50**	22,693,288,362.84
Accounts receivable	**2,239,509,675.04**	947,910,053.60
Refundable deposits	**851,473,982.82**	629,612,371.24
FINANCIAL INVESTMENT:		
Financial assets held for trading	**68,816,771,331.54**	45,773,894,728.60
Other debt investments	**31,470,000,180.49**	27,606,443,519.31
Other investments in equity instruments	**3,169,126,349.77**	3,003,548,957.25
Long-term equity investment	**5,339,290,922.88**	4,140,688,058.62
Investment properties	**43,799,856.53**	47,742,402.33
Property, plant and equipment	**445,054,159.46**	439,704,277.48
Right-of-use assets	**897,037,861.57**	
Intangible assets	**164,695,846.12**	161,781,063.27
Deferred tax assets	**856,167,531.53**	899,232,559.99
Other assets	**353,541,496.20**	347,983,899.62
Total assets	**227,998,863,193.44**	176,411,968,416.70

Items:	**30 September 2019**	31 December 2018
LIABILITIES:		
Short-term financing instruments payable	**9,881,900,101.10**	13,847,958,778.46
Placements from banks and other financial institutions	**10,524,478,888.90**	4,048,838,888.89
Financial liabilities held for trading	**302,366,100.00**	1,252,581,270.00
Derivative financial liabilities	**462,571,299.63**	177,306,981.30
Financial assets sold under repurchase agreements	**44,438,932,259.75**	31,413,928,653.15
Accounts payable to brokerage clients	**43,145,036,234.48**	29,983,709,431.48
Accounts payable to underwriting clients	**96,198,369.98**	24,666,795.63
Salaries, bonuses and allowances payable	**2,243,682,847.32**	2,142,377,453.42
Taxes payable	**436,438,206.05**	211,998,157.56
Accounts payable	**3,635,059,432.29**	2,571,479,607.52
Provision	**66,030,672.51**	50,570,000.00
Bonds payable	**56,413,336,397.44**	43,781,946,549.38
Lease liabilities	**841,457,306.54**	
Deferred tax liabilities	**499,275,037.32**	321,587,708.37
Other liabilities	**1,399,561,323.49**	528,163,641.94
Total liabilities	**174,386,324,476.80**	130,357,113,917.10

Items:	**30 September 2019**	31 December 2018
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	**7,646,385,238.00**	7,646,385,238.00
Other equity instruments	**10,000,000,000.00**	5,000,000,000.00
Including: perpetual bonds	**10,000,000,000.00**	5,000,000,000.00
Capital reserve	**8,690,960,420.09**	8,690,960,420.09
Other comprehensive income	**241,724,058.93**	4,935,985.35
Surplus reserves	**2,876,985,779.00**	2,876,985,779.00
General risk reserve	**7,435,275,891.82**	7,419,394,742.28
Retained earnings	**16,721,207,328.80**	14,416,192,334.88
Total equity of the owners (or shareholders)	**53,612,538,716.64**	46,054,854,499.60
Liabilities and total equity of the owners (or shareholders)	**227,998,863,193.44**	176,411,968,416.70

Legal Representative:	*Chief Financial Officer:*	*Person-in-charge of accounting department:*
WANG Changqing	**LI Geping**	**ZHAO Ming**

Consolidated Income Statement
From January to September 2019

Prepared by: CSC Financial Co., Ltd.

In RMB Yuan (unaudited)

Items	**Third quarter of 2019 (July to September)**	Third quarter of 2018 (July to September)	**First three quarters of 2019 (January to September)**	First three quarters of 2018 (January to September)
I. Total operating revenue	**3,791,428,089.86**	2,548,293,039.38	**9,696,990,134.10**	7,811,102,811.43
Net fee and commission income	**1,938,102,007.47**	1,367,079,816.16	**5,499,334,822.90**	4,587,238,765.70
Including: Net fee income from brokerage business	**692,097,707.89**	501,400,364.24	**2,191,062,423.15**	1,835,963,152.04
Net fee income from investment banking business	**911,098,498.62**	595,359,275.21	**2,532,314,820.65**	2,016,099,963.63
Net fee income from asset management business	**216,377,954.56**	182,121,116.00	**546,767,539.71**	481,167,332.27
Net interest income	**366,085,953.14**	563,815,670.21	**1,178,825,478.79**	1,655,991,521.46
Including: Interest income	**1,584,522,983.89**	1,742,029,108.07	**4,621,325,832.03**	5,319,755,739.92
Interest expenses	**1,218,437,030.75**	1,178,213,437.86	**3,442,500,353.24**	3,663,764,218.46
Investment income (loss denoted by "-")	**856,538,636.78**	244,519,574.06	**1,959,322,983.00**	764,451,438.69
Including: Investment income from associates and joint ventures	**(10,789,200.24)**	(5,471,279.23)	**(9,016,726.14)**	(4,214,931.66)
Income from derecognition of financial assets at amortized cost (loss denoted by "-")	**–**	–	**1,087,662.34**	–
Gains and losses arising from changes in the fair value (loss denoted by "-")	**613,519,660.39**	355,297,068.99	**1,013,770,317.73**	771,951,626.20
Foreign exchange gains and losses (loss denoted by "-")	**2,328,856.72**	7,541,114.23	**2,362,069.12**	(21,287,751.73)
Other operating income	**3,764,091.16**	6,448,952.89	**14,067,817.10**	15,701,916.78
Other income	**11,088,884.20**	3,590,842.84	**29,306,645.46**	37,055,294.33

Items	**Third quarter of 2019 (July to September)**	Third quarter of 2018 (July to September)	**First three quarters of 2019 (January to September)**	First three quarters of 2018 (January to September)
2. Total operating expenses	**1,789,976,296.91**	1,862,178,482.77	**4,638,752,528.44**	4,892,528,088.42
Tax and surcharges	**27,317,027.04**	17,397,893.41	**70,666,929.07**	60,068,291.92
Operating and administrative expenses	**1,669,730,701.74**	1,339,733,582.61	**4,571,974,126.12**	4,070,163,200.50
Credit impairment losses	**92,460,203.00**	503,072,001.07	**(7,443,995.60)**	759,368,837.00
Other impairment losses	**–**	–	**–**	–
Other operating costs	**468,365.13**	1,975,005.68	**3,555,468.85**	2,927,759.00
3. Operating profit (loss denoted by "-")	**2,001,451,792.95**	686,114,556.61	**5,058,237,605.66**	2,918,574,723.01
Add: Non-operating income	**1,511,863.60**	775,421.81	**13,636,996.16**	8,745,781.87
Less: Non-operating expenses	**14,011,694.12**	(1,542,701.07)	**18,108,131.07**	(171,374.97)
4. Profit before income tax (gross loss denoted by "-")	**1,988,951,962.43**	688,432,679.49	**5,053,766,470.75**	2,927,491,879.85
Less: Income tax expense	**483,163,429.36**	196,550,584.68	**1,206,051,024.94**	729,219,746.95
5 Net profit (net loss denoted by "-")	**1,505,788,533.07**	491,882,094.81	**3,847,715,445.81**	2,198,272,132.90
(I) Classified by business continuity				
1. Net profit from continuing operations (net loss denoted by "-")	**1,505,788,533.07**	491,882,094.81	**3,847,715,445.81**	2,198,272,132.90
2. Net profit from discontinued operations (net loss denoted by "-")	**–**	–	**–**	–
(II) Classified by ownership				
1. Net profit attributable to equity holders of the Company (net loss denoted by "-")	**1,490,255,177.71**	492,612,048.73	**3,819,770,013.26**	2,185,474,314.88
2. Non-controlling interests (net loss denoted by "-")	**15,533,355.36**	(729,953.92)	**27,945,432.55**	12,797,818.02

Items	**Third quarter of 2019 (July to September)**	Third quarter of 2018 (July to September)	**First three quarters of 2019 (January to September)**	First three quarters of 2018 (January to September)
6. Other comprehensive income, net of tax	**63,375,319.04**	304,147,554.00	**295,921,759.80**	464,654,856.14
Other comprehensive income attributable to owners of the parent, net of tax	**63,375,319.04**	304,147,554.00	**295,921,759.80**	464,654,856.14
(I) Other comprehensive income not to be reclassified to profit and loss				
1. Changes in fair value of other investments in equity instruments	**(35,292,390.44)**	42,648,245.01	**126,465,623.03**	(63,034,311.34)
(II) Other comprehensive income to be reclassified to profit or loss				
1. Other comprehensive income to be transferred to profit and loss under equity method	**–**	–	**(1,352,427.35)**	1,130,846.20
2. Changes in fair value of other debt investments	**53,303,773.87**	191,419,210.75	**113,614,481.27**	406,563,774.77
3. Credit impairment provisions for other debt investments	**2,439,927.71**	(1,156,009.55)	**7,534,488.15**	1,267,340.44
4. Foreign currency translation differences	**42,924,007.90**	71,236,107.79	**49,659,594.70**	118,727,206.07
Other comprehensive income attributable to non-controlling interests, net of tax	**–**	–	**–**	–
7. Total comprehensive income	**1,569,163,852.11**	796,029,648.81	**4,143,637,205.61**	2,662,926,989.04
Comprehensive income attributable to the owners of the Company	**1,553,630,496.75**	796,759,602.73	**4,115,691,773.06**	2,650,129,171.02
Comprehensive income attributable to non-controlling interests	**15,533,355.36**	(729,953.92)	**27,945,432.55**	12,797,818.02
8. Earnings per share:				
(1) Basic earnings per share *(RMB/share)*	**0.20**	0.06	**0.50**	0.30
(2) Diluted earnings per share *(RMB/share)*	**0.20**	0.06	**0.50**	0.30

Legal Representative:	*Chief Financial Officer:*	*Person-in-charge of accounting department:*
WANG Changqing	**LI Geping**	**ZHAO Ming**

Income Statement of the Parent Company
From January to September 2019

Prepared by: CSC Financial Co., Ltd.

In RMB Yuan (unaudited)

Items	**Third quarter of 2019 (July to September 2019)**	Third quarter of 2018 (July to September 2018)	**First three quarters of 2019 (January to September 2019)**	First three quarters of 2018 (January to September 2018)
I. Total operating revenue	**3,462,436,383.84**	2,296,700,599.74	**9,019,703,068.23**	7,183,980,562.29
Net fee and commission income	**1,765,223,961.54**	1,169,353,225.96	**5,125,934,249.49**	4,072,089,949.73
Including: Net fee income from brokerage business	**617,643,667.59**	437,776,025.54	**2,028,646,591.74**	1,673,308,941.48
Net fee income from investment banking business	**902,681,202.20**	524,852,946.83	**2,483,194,051.90**	1,845,884,210.33
Net fee income from asset management business	**226,260,960.93**	190,242,229.07	**602,819,750.61**	508,100,319.34
Net interest income	**331,836,957.40**	508,557,046.99	**1,056,586,281.62**	1,504,708,938.90
Including: Interest income	**1,517,283,174.63**	1,641,588,610.44	**4,401,022,259.89**	5,035,470,385.46
Interest expenses	**1,185,446,217.23**	1,133,031,563.45	**3,344,435,978.27**	3,530,761,446.56
Investment income (loss denoted by "-")	**819,867,686.56**	294,228,627.44	**2,171,281,603.46**	723,691,764.30
Including: Investment income from associates and joint ventures	**(304,030.68)**	(444,853.75)	**(44,708.39)**	(1,539,658.40)
Income from derecognition of financial assets at amortized cost (loss denoted by "-")	**–**	–	**–**	–
Gains and losses arising from changes in the fair value (loss denoted by "-")	**530,335,445.89**	303,263,183.24	**639,993,458.46**	858,714,254.83
Foreign exchange gains and losses (loss denoted by "-")	**5,205,746.65**	14,526,144.71	**6,505,969.15**	(17,754,274.96)
Other operating income	**3,763,755.57**	3,759,490.98	**11,670,831.77**	11,730,200.06
Other income	**6,202,830.23**	3,012,880.42	**7,730,674.28**	30,799,729.43

Items	**Third quarter of 2019 (July to September 2019)**	Third quarter of 2018 (July to September 2018)	**First three quarters of 2019 (January to September 2019)**	First three quarters of 2018 (January to September 2018)
2. Total operating expenses	**1,572,618,535.63**	1,660,899,326.25	**4,125,763,743.87**	4,380,346,430.45
Tax and surcharges	**22,161,889.10**	16,033,097.49	**63,530,588.52**	56,206,796.88
Operating and administrative expenses	**1,494,422,232.38**	1,159,615,342.56	**4,098,329,905.72**	3,593,307,804.16
Credit impairment losses	**55,566,049.02**	484,774,509.57	**(37,517,913.64)**	729,402,699.46
Other impairment losses	**–**	–	**–**	–
Other operating costs	**468,365.13**	476,376.63	**1,421,163.27**	1,429,129.95
3. Operating profit (loss denoted by "-")	**1,889,817,848.21**	635,801,273.49	**4,893,939,324.36**	2,803,634,131.84
Add: Non-operating income	**592,599.99**	340,264.02	**12,419,811.42**	7,949,177.47
Less: Non-operating expenses	**13,795,203.98**	(1,616,940.13)	**17,702,854.65**	(467,439.56)
4. Profit before income tax (gross loss denoted by "-")	**1,876,615,244.22**	637,758,477.64	**4,888,656,281.13**	2,812,050,748.87
Less: Income tax expense	**457,010,010.68**	183,842,049.16	**1,191,410,794.83**	703,427,877.76
5. Net profit (net loss denoted by "-")	**1,419,605,233.54**	453,916,428.48	**3,697,245,486.30**	2,108,622,871.11
(I) Net profit from continuing operations (net loss denoted by "-")	**1,419,605,233.54**	453,916,428.48	**3,697,245,486.30**	2,108,622,871.11
(II) Net profit from discontinued operations (net loss denoted by "-")	**–**	–	**–**	–

Items	Third quarter of 2019 (July to September 2019)	Third quarter of 2018 (July to September 2018)	First three quarters of 2019 (January to September 2019)	First three quarters of 2018 (January to September 2018)
6. Other comprehensive income, net of tax	**22,438,458.72**	258,983,196.36	**236,788,073.58**	368,588,511.91
(I) Other comprehensive income not to be reclassified to profit and loss				
1. Changes in fair value of other investments in equity instruments	**(31,776,006.31)**	66,763,181.40	**124,183,044.39**	(38,919,374.95)
(II) Other comprehensive income to be reclassified to profit or loss				
1. Other comprehensive income to be transferred to profit and loss under equity method	**–**	–	**(1,352,427.35)**	1,130,846.20
2. Changes in fair value of other debt investments	**52,602,646.89**	192,264,371.46	**107,749,061.32**	406,602,627.62
3. Credit impairment provisions for other debt investments	**1,611,818.14**	(44,356.50)	**6,208,395.22**	(225,586.96)
7. Total comprehensive income	**1,442,043,692.26**	712,899,624.84	**3,934,033,559.88**	2,477,211,383.02

Legal Representative:	*Chief Financial Officer:*	*Person-in-charge of accounting department:*
WANG Changqing	**LI Geping**	**ZHAO Ming**

Consolidated Cash Flow Statement
From January to September 2019

Prepared by: CSC Financial Co., Ltd.

In RMB Yuan (unaudited)

Items	First three quarters of 2019 (January to September 2019)	First three quarters of 2018 (January to September 2018)
I. Cash flows from operating activities:		
Net increase in placements from banks and other financial institutions	**6,500,000,000.00**	–
Net increase in funds from repurchase business	**13,936,017,985.48**	10,864,623,034.61
Net decrease in margin accounts	**–**	16,315,709,602.77
Net cash received from accounts payable to brokerage clients	**13,576,987,362.77**	–
Cash received from interest, fee and commission	**11,967,152,977.21**	11,269,149,397.02
Cash received from other operating activities	**2,593,391,492.76**	1,324,281,387.21
Sub-total of cash inflows from operating activities	**48,573,549,818.22**	39,773,763,421.61
Net increase in financial assets held for trading	**21,540,979,171.89**	10,111,823,323.22
Net increase in margin accounts	**1,518,028,607.25**	–
Net decrease in placements from banks and other financial institutions	**–**	8,000,000,000.00
Net cash paid for accounts payable to brokerage clients	**–**	4,052,053,508.70
Cash payment of interests, fees and commissions	**2,001,095,526.69**	2,301,467,740.24
Cash paid to and on behalf of employees	**3,319,594,586.26**	3,027,545,809.28
Cash payments of taxes and rates	**1,453,271,775.85**	1,272,137,643.22
Cash paid for other operating activities	**3,515,496,210.72**	1,510,647,556.14
Sub-total of cash outflows from operating activities	**33,348,465,878.66**	30,275,675,580.80
Net cash inflows/(outflows) from operating activities	**15,225,083,939.56**	9,498,087,840.81

Items	First three quarters of 2019 (January to September 2019)	First three quarters of 2018 (January to September 2018)
II. Cash flows from investing activities:		
Cash received from investments	**108,625,364.28**	7,527,000.00
Dividends received from investments	**4,030,459.45**	4,055,847.99
Cash received from other investing activities	**186,362,379.38**	276,599,458.09
Sub-total of cash inflows from investing activities	**299,018,203.11**	288,182,306.08
Cash paid for investments	**3,639,361,633.98**	2,785,985,088.02
Cash paid for purchase of property, plant and equipment, intangible assets and other long-term assets	**141,160,178.20**	105,610,750.55
Cash paid for other investing activities	**–**	311,134,160.83
Sub-total of cash outflows from investing activities	**3,780,521,812.18**	3,202,729,999.40
Net cash inflows/(outflows) from investing activities	**(3,481,503,609.07)**	(2,914,547,693.32)

Items	**First three quarters of 2019 (January to September 2019)**	First three quarters of 2018 (January to September 2018)
III. Cash flows from financing activities:		
Cash received from capital injection	**5,008,350,000.00**	2,190,925,000.00
Including: Cash inflows from public offering	**–**	2,168,000,000.00
Cash received from capital injected by non-controlling interests	**8,350,000.00**	22,925,000.00
Cash received from borrowing activities	**28,212,164,398.00**	15,037,619,394.00
Cash received from issuing bonds	**53,602,649,000.00**	62,114,163,000.00
Sub-total of cash inflows from financing activities	**86,823,163,398.00**	79,342,707,394.00
Payments of debts	**73,542,172,855.65**	81,541,468,063.00
Cash outflows due to payment of dividends, profit or interests	**4,102,968,085.27**	2,689,880,610.88
Including: Distribution to other equity instrument holders	**294,000,000.00**	294,000,000.00
Cash paid for other financing activities	**296,353,746.20**	27,016,826.31
Sub-total of cash outflows from financing activities	**77,941,494,687.12**	84,258,365,500.19
Net cash inflows/(outflows) from financing activities	**8,881,668,710.88**	(4,915,658,106.19)
IV. Effect of exchange rate changes on cash and cash equivalents	**90,995,619.48**	87,508,554.96
V. Net increase in cash and cash equivalents	**20,716,244,660.85**	1,755,390,596.26
Add: cash and cash equivalent balance at the beginning of the period	**50,525,772,232.63**	50,924,814,023.47
VI. Cash and cash equivalents at the end of the period	**71,242,016,893.48**	52,680,204,619.73

Legal Representative:	*Chief Financial Officer:*	*Person-in-charge of accounting department:*
WANG Changqing	**LI Geping**	**ZHAO Ming**

Statement of Cash Flows of the Parent Company
From January to September 2019

by: CSC Financial Co., Ltd.

In RMB Yuan (unaudited)

Items	**First three quarters of 2019 (January to September 2019)**	First three quarters of 2018 (January to September 2018)
1. Cash flows from operating activities:		
Net increase in placements from banks and other financial institutions	**6,500,000,000.00**	–
Net increase in funds from repurchase business	**14,953,373,169.78**	12,060,558,939.54
Net decrease in margin accounts	**–**	16,302,499,395.03
Net cash received from accounts payable to brokerage clients	**13,161,326,803.00**	–
Cash received from interest, fee and commission	**10,936,321,314.40**	10,245,626,378.32
Cash received from other operating activities	**1,980,340,192.96**	933,890,180.84
Sub-total of cash inflows from operating activities	**47,531,361,480.14**	39,542,574,893.73
Net increase in financial assets held for trading	**21,636,741,000.09**	10,860,682,220.36
Net increase in margin accounts	**2,163,457,938.07**	–
Net decrease in placements from banks and other financial institutions	**–**	8,000,000,000.00
Net cash paid for accounts payable to brokerage clients	**–**	3,669,538,346.90
Cash payment of interests, fees and commissions	**1,948,446,265.71**	2,160,070,034.94
Cash paid to and on behalf of employees	**2,976,761,155.30**	2,659,891,803.14
Cash payments of taxes and rates	**1,379,215,100.82**	1,183,704,601.65
Cash paid for other operating activities	**2,371,404,856.02**	1,226,425,372.39
Sub-total of cash outflows from operating activities	**32,476,026,316.01**	29,760,312,379.38
Net cash inflows/(outflows) from operating activities	**15,055,335,164.13**	9,782,262,514.35

Items	**First three quarters of 2019 (January to September 2019)**	First three quarters of 2018 (January to September 2018)
II. Cash flows from investing activities:		
Cash received from other investing activities	**233,566.51**	156,050.20
Sub-total of cash inflows from investing activities	**233,566.51**	156,050.20
Cash paid for investments	**3,892,988,269.56**	3,755,240,634.40
Cash paid for purchase of property, plant and equipment, intangible assets and other long-term assets	**127,106,663.56**	89,239,084.14
Sub-total of cash outflows from investing activities	**4,020,094,933.12**	3,844,479,718.54
Net cash inflows/(outflows) from investing activities	**(4,019,861,366.61)**	(3,844,323,668.34)
III. Cash flows from financing activities:		
Cash received from capital injection	**5,000,000,000.00**	2,168,000,000.00
Including: Cash inflows from public offering	**–**	2,168,000,000.00
Cash received from issuing bonds	**53,482,649,000.00**	62,244,163,000.00
Sub-total of cash inflows from financing activities	**58,482,649,000.00**	64,412,163,000.00
Payments of debts	**44,727,356,000.00**	65,958,834,000.00
Cash outflows due to payments of dividends, profits or interests	**3,848,921,538.59**	2,453,146,603.91
Including: Distribution to other equity instrument holders	**294,000,000.00**	294,000,000.00
Cash paid for other financing activities	**263,836,739.47**	26,980,826.31
Sub-total of cash outflows from financing activities	**48,840,114,278.06**	68,438,961,430.22
Net cash inflows/(outflows) from financing activities	**9,642,534,721.94**	(4,026,798,430.22)

Items	**First three quarters of 2019 (January to September 2019)**	First three quarters of 2018 (January to September 2018)
IV. Effects of changes in foreign exchange rates on cash and cash equivalents	**6,505,969.15**	(17,754,274.96)
V. Net increase in cash and cash equivalents	**20,684,514,488.61**	1,893,386,140.83
Add: Cash and cash equivalents at the beginning of the period	**44,132,491,278.32**	44,804,461,865.94
VI. Cash and cash equivalents at the end of the period	**64,817,005,766.93**	46,697,848,006.77

Legal Representative:	*Chief Financial Officer:*	*Person-in-charge of accounting department:*
WANG Changqing	**LI Geping**	**ZHAO Ming**

4.2 Adjustments of the opening balance of the relevant items in financial statements at the beginning of the year in which new financial instrument standards or new revenue standards or new leases standards were firstly implemented

☑ Applicable ☐ Not applicable

Consolidated Statement of Financial Position

In RMB Yuan

Items	31 December 2018	1 January 2019	Adjustments
Assets			
Cash and bank balances	43,126,477,585.87	43,126,477,585.87	
Including: cash held on behalf of customers	29,288,008,293.61	29,288,008,293.61	
Settlement deposits	7,627,666,278.11	7,627,666,278.11	
Including: deposits held on behalf of customers	4,410,326,370.76	4,410,326,370.76	
Margin accounts	25,148,082,638.63	25,148,082,638.63	
Derivative financial assets	1,239,583,970.36	1,239,583,970.36	
Refundable deposits	1,880,554,154.28	1,880,554,154.28	
Accounts receivable	1,440,037,505.75	1,440,037,505.75	
Financial assets held under resale agreements	23,797,236,169.13	23,797,236,169.13	
FINANCIAL INVESTMENT			
Financial assets held for trading	57,326,070,563.57	57,326,070,563.57	
Debt investments	187,062,801.60	187,062,801.60	
Other debt investments	27,911,317,285.81	27,911,317,285.81	
Other investments in equity instruments	3,057,811,690.29	3,057,811,690.29	
Long-term equity investment	162,713,397.00	162,713,397.00	
Investment properties	47,742,402.33	47,742,402.33	
Property, plant and equipment	451,375,984.54	451,375,984.54	
Right-of-use assets		1,048,490,010.01	1,048,490,010.01
Intangible assets	186,914,872.39	186,914,872.39	
Deferred tax assets	974,506,465.04	974,506,465.04	
Other assets	517,159,430.07	483,781,881.90	-33,377,548.17
Total assets	195,082,313,194.77	196,097,425,656.61	1,015,112,461.84

Items	31 December 2018	1 January 2019	Adjustments
LIABILITIES:			
Short-term borrowings	1,118,475,203.84	1,118,475,203.84	
Short-term financing instruments payable	13,753,705,797.64	13,753,705,797.64	
Placements from banks and other financial institutions	4,048,838,888.89	4,048,838,888.89	
Financial liabilities held for trading	1,252,581,270.00	1,252,581,270.00	
Derivative financial liabilities	177,460,941.81	177,460,941.81	
Financial assets sold under repurchase agreements	32,531,875,228.35	32,531,875,228.35	
Accounts payable to brokerage clients	35,038,584,724.10	35,038,584,724.10	
Accounts payable to underwriting clients	24,666,795.63	24,666,795.63	
Salaries, bonuses and allowances payable	2,340,802,814.55	2,340,802,814.55	
Taxes payable	302,981,327.80	302,981,327.80	
Accounts payable	2,708,319,449.12	2,708,319,449.12	
Provision	50,570,000.00	50,570,000.00	
Bonds payable	44,852,709,182.83	44,852,709,182.83	
Lease liabilities		1,015,112,461.84	1,015,112,461.84
Deferred tax liabilities	342,642,039.75	342,642,039.75	
Other liabilities	8,674,702,764.45	8,674,702,764.45	
Total liabilities	147,218,916,428.76	148,234,028,890.60	1,015,112,461.84
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	7,646,385,238.00	7,646,385,238.00	
Other equity instruments	5,000,000,000.00	5,000,000,000.00	
Including: perpetual bonds	5,000,000,000.00	5,000,000,000.00	
Capital reserve	8,753,212,699.52	8,753,212,699.52	
Other comprehensive income	123,958,677.91	123,958,677.91	
Surplus reserves	3,013,065,350.47	3,013,065,350.47	
General risk reserve	7,535,426,897.78	7,535,426,897.78	
Retained earnings	15,505,197,473.84	15,505,197,473.84	
Equity attributable to the owners (or shareholders) of the Company	47,577,246,337.52	47,577,246,337.52	
Non-controlling interests	286,150,428.49	286,150,428.49	
Total equity of the owners (or shareholders)	47,863,396,766.01	47,863,396,766.01	
Liabilities and total equity of the owners (or shareholders)	195,082,313,194.77	196,097,425,656.61	1,015,112,461.84

Explanations for the adjustment of items

☑ Applicable ☐ Not applicable

For operating lease contracts that exist before the initial implementation of the new lease standard, the Group adopts different methods according to the remaining lease period:

1) If the remaining lease period is longer than one year, the Group recognises lease liabilities based on the remaining lease payment and incremental borrowing rate on 1 January 2019. Right-of-use assets are recognised as the same amount as lease liabilities, and are adjusted according to prepaid rent.

2) If the remaining lease period is less than one year, the Group adopts a simplified method of not recognising the right-of-use assets and lease liabilities, with no significant impact on the financial statements.

3) For low value operating lease contracts that exist before the initial implementation of the new lease standard, the Group adopts a simplified method of not recognising the right-of-use assets and lease liabilities, with no significant impact on the financial statements.

The changes give no significant impact on the net assets of the Consolidated Statement of Financial Position of the Group on 1 January 2019.

Statement of Financial Position of the Parent Company

In RMB Yuan

Items	31 December 2018	1 January 2019	Adjustments
ASSETS:			
Cash and bank balances	37,607,947,475.18	37,607,947,475.18	
Including: cash held on behalf of customers	26,324,025,081.33	26,324,025,081.33	
Settlement deposits	6,525,526,371.25	6,525,526,371.25	
Including: deposits held on behalf of customers	3,552,297,990.51	3,552,297,990.51	
Margin accounts	24,347,080,345.76	24,347,080,345.76	
Derivative financial assets	1,239,583,970.36	1,239,583,970.36	
Refundable deposits	629,612,371.24	629,612,371.24	
Accounts receivable	947,910,053.60	947,910,053.60	
Financial assets held under resale agreements	22,693,288,362.84	22,693,288,362.84	
FINANCIAL INVESTMENT			
Financial assets held for trading	45,773,894,728.60	45,773,894,728.60	
Other debt investments	27,606,443,519.31	27,606,443,519.31	
Other investments in equity instruments	3,003,548,957.25	3,003,548,957.25	
Long-term equity investment	4,140,688,058.62	4,140,688,058.62	
Investment properties	47,742,402.33	47,742,402.33	
Property, plant and equipment	439,704,277.48	439,704,277.48	
Right-of-use assets		981,766,888.21	981,766,888.21
Intangible assets	161,781,063.27	161,781,063.27	
Deferred tax assets	899,232,559.99	899,232,559.99	
Other assets	347,983,899.62	315,693,036.19	-32,290,863.43
Total assets	176,411,968,416.70	177,361,444,441.48	949,476,024.78

Items	31 December 2018	1 January 2019	Adjustments
LIABILITIES:			
Short-term financing instruments payable	13,847,958,778.46	13,847,958,778.46	
Placements from banks and other financial institutions	4,048,838,888.89	4,048,838,888.89	
Financial liabilities held for trading	1,252,581,270.00	1,252,581,270.00	
Derivative financial liabilities	177,306,981.30	177,306,981.30	
Financial assets sold under repurchase agreements	31,413,928,653.15	31,413,928,653.15	
Accounts payable to brokerage clients	29,983,709,431.48	29,983,709,431.48	
Accounts payable to underwriting clients	24,666,795.63	24,666,795.63	
Salaries, bonuses and allowances payable	2,142,377,453.42	2,142,377,453.42	
Taxes payable	211,998,157.56	211,998,157.56	
Accounts payable	2,571,479,607.52	2,571,479,607.52	
Provision	50,570,000.00	50,570,000.00	
Bonds payable	43,781,946,549.38	43,781,946,549.38	
Lease liabilities		949,476,024.78	949,476,024.78
Deferred tax liabilities	321,587,708.37	321,587,708.37	
Other liabilities	528,163,641.94	528,163,641.94	
Total liabilities	130,357,113,917.10	131,306,589,941.88	949,476,024.78
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	7,646,385,238.00	7,646,385,238.00	
Other equity instruments	5,000,000,000.00	5,000,000,000.00	
Including: perpetual bonds	5,000,000,000.00	5,000,000,000.00	
Capital reserve	8,690,960,420.09	8,690,960,420.09	
Other comprehensive income	4,935,985.35	4,935,985.35	
Surplus reserves	2,876,985,779.00	2,876,985,779.00	
General risk reserve	7,419,394,742.28	7,419,394,742.28	
Retained earnings	14,416,192,334.88	14,416,192,334.88	
Total equity of the owners (or shareholders)	46,054,854,499.60	46,054,854,499.60	
Liabilities and total equity of the owners (or shareholders)	176,411,968,416.70	177,361,444,441.48	949,476,024.78

Explanations for the adjustment of items

☑ Applicable ☐ Not applicable

For operating lease contracts that exist before the initial implementation of the new lease standard, the Company adopts different methods according to the remaining lease period:

1) If the remaining lease period is longer than one year, the Company recognises lease liabilities based on the remaining lease payment and incremental borrowing rate on 1 January 2019. Right-of-use assets are recognised as the same amount as lease liabilities, and are adjusted according to prepaid rent.

2) If the remaining lease period is less than one year, the Company adopts a simplified method of not recognising the right-of-use assets and lease liabilities, with no significant impact on the financial statements.

3) For low value operating lease contracts that exist before the initial implementation of the new lease standard, the Company adopts a simplified method of not recognising the right-of-use assets and lease liabilities, with no significant impact on the financial statements.

The changes give no significant impact on the net assets of the Company on 1 January 2019.

4.3 Notes on the previous comparative data subject to the retroactive adjustments during the first implementation of New Financial Instrument Standards and New Lease Standards

☐ Applicable ☑ Not applicable

4.4 Audit report

☐ Applicable ☑ Not applicable

By Order of the Board
CSC Financial Co., Ltd.
Wang Changqing
Chairman

Beijing, the PRC
29 October 2019

As at the date of this announcement, the executive Directors of the Company are Mr. WANG Changqing and Mr. LI Geping; the non-executive Directors of the Company are Mr. YU Zhongfu, Mr. DONG Shi, Ms. ZHANG Qin, Ms. ZHU Jia, Mr. WANG Hao, Mr. WANG Bo and Mr. XU Gang; and the independent non-executive Directors of the Company are Mr. FENG Genfu, Ms. ZHU Shengqin, Mr. DAI Deming, Mr. BAI Jianjun and Mr. LIU Qiao.