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(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 06881)

2023 FIRST QUARTERLY REPORT

This announcement is made by China Galaxy Securities Co., Ltd. (the “**Company**”) 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 “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09(2) and 13.10B of the Listing Rules.

IMPORTANT NOTICE

1. The board of directors (the “**Board**”), the supervisory committee, and the directors, supervisors and senior management officers of the Company warrant that the information contained in the quarterly report is true, accurate and complete without any false and misleading statements or material omissions, and individually and jointly assume legal liability for the contents of the report.
2. Chen Liang, the person-in-charge of the Company, Xue Jun, the person-in-charge of the accounting affairs, and Fan Minfei, the person-in-charge of the accounting department (head of accounting), warrant that the financial information contained in the quarterly report is true, accurate and complete.
3. The 2023 first quarterly financial statements of the Company are unaudited.

I. MAJOR FINANCIAL DATA

(I) Major Accounting Data and Financial Indicators

Unit: Yuan
Currency: RMB

Items	During the reporting period	The same period last year		Increase/Decrease for the reporting period as compared with the same period last year (%)
		Before adjustment	After adjustment	After adjustment
Operating income	8,697,432,828.40	7,337,087,526.07	7,337,087,526.07	18.54
Net profit attributable to shareholders of the Company	2,249,061,846.86	1,555,288,063.74	1,559,331,678.54	44.23
Net profit attributable to shareholders of the Company excluding non-recurring gains or losses	2,255,680,832.50	1,549,008,499.89	1,553,052,114.69	45.24
Net cash flow generated from operating activities	5,404,471,130.60	17,432,704,552.09	17,432,704,552.09	-69.00
Basic earnings per share (Yuan/share)	0.21	0.14	0.14	50.00
Diluted earnings per share (Yuan/share)	0.19	0.14	0.14	35.71
Weighted average return on net assets (%)	2.36	1.64	1.64	Increased by 0.72 percentage point
	As at the end of the reporting period	As at the end of last year		Increase/Decrease as at the end of the reporting period as compared with the end of last year (%)
		Before adjustment	After adjustment	After adjustment
Total assets	656,073,418,853.59	625,215,724,194.40	625,222,928,196.19	4.93
Owners' equity attributable to shareholders of the Company	105,570,540,862.22	102,589,713,169.38	102,598,725,946.18	2.90

Note 1: The "reporting period" refers to the three-month period from 1 January 2023 to 31 March 2023, hereinafter the same.

Note 2: The "end of the reporting period" refers to 31 March 2023, hereinafter the same.

Explanation on the reasons for retrospective adjustment or restatement

On 30 November 2022, the Ministry of Finance of the People’s Republic of China promulgated the Notice on the Issuance of the Interpretation No. 16 of the Accounting Standards for Business Enterprises (Caikuai [2022] No. 31), clarifying the “accounting treatment that exemption from initial recognition does not apply to deferred income tax associated with assets and liabilities arising from a single transaction”, which took effect from 1 January 2023. In accordance with the interpretation and the requirements of the Accounting Standards for Business Enterprises No. 18 – Income Tax, the Company adjusted the cumulative effect amount to the opening retained earnings and other related financial statement items in the earliest period in which the financial statements were presented, and adjusted the related accounting figures in the balance sheet as at 31 December 2022 and the income statement figures of the same period last year. The adjusted financial statement figures are shown in “IV. Quarterly Financial Statements” of this report.

(II) Non-recurring Items of Gains or Losses and Amount

Applicable Not Applicable

Unit: Yuan
Currency: RMB

Items	Amount for the reporting period	Note
Gains or losses from disposal of non-current assets	-1,040,407.39	Mainly refers to the gains or losses on disposal of fixed assets
Government subsidies included in the profit or loss for the current period (except for those closely associated with the normal operations of the Company which were granted on an on-going basis and accounted for in certain standard amount or volume in compliance with the requirements of the policies of the State)	5,317,528.52	Mainly refers to the income from government subsidies
Other non-operating income and expenses save for the above items	-12,786,356.53	Mainly refers to the non-operating expenses provided for litigation
Less: Effect of income tax	-1,890,249.76	
Effect of non-controlling interests (net of tax)	—	
Total	<u><u>-6,618,985.64</u></u>	

Explanation on the identification of non-recurring items of gain or loss set out in the “Explanatory Announcement No. 1 on Information Disclosure for Companies Issuing Their Securities to the Public – Non-recurring Items of Gain or Loss” as recurring items of gain or loss

Applicable Not Applicable

(III) Particulars of and Reasons for Changes in Major Accounting Data and Financial Indicators

✓ Applicable □ Not Applicable

Item Name	Changes (%)	Main reasons
Operating income	18.54	Mainly due to an increase in investment business income during the reporting period
Net profit attributable to shareholders of the Company	44.23	Mainly due to an increase in operating income during the reporting period
Net profit attributable to shareholders of the Company excluding non-recurring gains or losses	45.24	Mainly due to an increase in operating income during the reporting period
Basic earnings per share (Yuan/share)	50.00	Mainly due to an increase in net profit attributable to shareholders of the Company during the reporting period
Diluted earnings per share (Yuan/share)	35.71	Mainly due to an increase in net profit attributable to shareholders of the Company during the reporting period
Weighted average return on net assets (%)	43.90	Mainly due to an increase in net profit attributable to shareholders of the Company during the reporting period
Long-term equity investments	192.28	Mainly due to an increase in the size of long-term equity investments
Deferred tax assets	-42.41	Mainly due to the impacts such as the changes in fair value of financial instruments
Financial liabilities held for trading	50.44	Mainly due to an increase in the size of financial liabilities held for trading and the impact of the changes in value of financial instruments
Tax payable	38.91	Mainly due to an increase in personal income tax and VAT payable
Deferred tax liabilities	288.59	Mainly due to the impacts such as the changes in the fair value of financial instruments
Other comprehensive income	N/A	Mainly due to the impact of fair value changes of other debt investments and investments in other equity instruments

Item Name	Changes (%)	Main reasons
Investment gains	88.92	Mainly due to an increase in investment gains on financial instruments for trading
Gains from changes in fair value	N/A	Mainly due to the impact of fluctuations in the fair value of financial instruments
Foreign exchange gains	115.95	Mainly due to the impact of exchange rate fluctuations
Gain on disposal of assets	N/A	Mainly due to a decrease in gain on disposal of fixed assets
Impairment losses on credits	-102.38	Mainly due to a decrease in impairment losses on credits from financing business
Impairment losses of other assets	N/A	Mainly due to an increase in loss on diminution in value of inventories of subsidiaries
Non-operating income	-98.87	Mainly due to a decrease in non-operating government subsidies income
Non-operating expenses	791.72	Mainly due to an increase in non-operating expenses provided for litigation
Income tax expense	102.99	Mainly due to an increase in total profits during the reporting period
Other comprehensive income (net of tax)	N/A	Mainly due to an increase in fair value changes of other debt investments and investments in other equity instruments
Net cash flow generated from operating activities	-69.00	Mainly due to a decrease in net cash flows arising from advances to customers and repurchase businesses
Net cash flow generated from investing activities	N/A	Mainly due to a decrease in net cash flows from other debt investments
Net cash flow generated from financing activities	-312.56	Mainly due to a decrease in cash flows received from the issuance of financing instruments such as bonds

II. INFORMATION OF THE SHAREHOLDERS

(I) Total Number of Ordinary Shareholders and the Number of Preferred Shareholders with Restored Voting Rights and the Shareholding of Top Ten Shareholders

Unit: Share

Total number of ordinary shareholders as at the end of the reporting period ^(Note 1)	90,171	Total number of preferred shareholders with restored voting rights as at the end of the reporting period (if any)	0
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Shareholding of Top Ten Shareholders

Name of shareholder	Nature of shareholder	Number of shares held	Percentage of shareholding (%)	Number of shares subject to selling restrictions	Pledged, marked or frozen	
					Status of shares	Number of shares
China Galaxy Financial Holdings Company Limited	State-owned legal person	5,186,538,364	51.16	0	Nil	0
HKSCC Nominees Limited ^(Note 2)	Overseas legal person	3,688,343,046	36.38	0	Nil	0
China Securities Finance Corporation Limited	State-owned legal person	84,078,210	0.83	0	Nil	0
Hong Kong Securities Clearing Company Limited ^(Note 3)	Overseas legal person	56,322,714	0.56	0	Nil	0
Bank of Lanzhou Co., Ltd.	Domestic non-state-owned legal person	41,941,882	0.41	0	Nil	0
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	Others	28,137,547	0.28	0	Nil	0
China Construction Bank Corporation – Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	Others	20,826,782	0.21	0	Nil	0
Zhongshan Financial Investment Holdings Co., Ltd.	State-owned legal person	19,189,313	0.19	0	Nil	0
Jiaying Highway Investment Co., Ltd.	State-owned legal person	11,497,828	0.11	0	Nil	0
Shanghai Huashi Asset Management Co., Ltd.	State-owned legal person	10,000,000	0.10	0	Nil	0

Shareholding of Top Ten Shareholders not Subject to Selling Restrictions

Name of shareholder	Number of circulating shares not subject to selling restrictions	Class and number of shares	
		Class of shares	Number of shares
China Galaxy Financial Holdings Company Limited	5,186,538,364	A shares	5,160,610,864
		H shares	25,927,500
HKSCC Nominees Limited ^(Note 2)	3,688,343,046	H shares	3,688,343,046
China Securities Finance Corporation Limited	84,078,210	A shares	84,078,210
Hong Kong Securities Clearing Company Limited ^(Note 3)	56,322,714	A shares	56,322,714
Bank of Lanzhou Co., Ltd.	41,941,882	A shares	41,941,882
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	28,137,547	A shares	28,137,547
China Construction Bank Corporation – Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	20,826,782	A shares	20,826,782
Zhongshan Financial Investment Holdings Co., Ltd.	19,189,313	A shares	19,189,313
Jiaxing Highway Investment Co., Ltd.	11,497,828	A shares	11,497,828
Shanghai Huashi Asset Management Co., Ltd.	10,000,000	A shares	10,000,000

Description of the associated relationship of or action in concert among the aforesaid shareholders The Company is not aware of any associated/connected relationship of or any parties acting in concert among the aforesaid shareholders. In particular, the shares held by HKSCC Nominees Limited are H shares entrusted by overseas investors; the shares held by Hong Kong Securities Clearing Company Limited are A shares held by overseas investors through Shanghai Stock Connect.

Description of the participation of top Ten shareholders and top Ten shareholders not subject to selling restrictions in the margin financing and securities lending and margin and securities refinancing businesses (if any) Nil

Note 1: The total of shareholders consist of ordinary A shares shareholders and H shares registered holders. As at the end of the reporting period, there are 89,510 holders of ordinary A shares and 661 are registered holders of H shares.

Note 2: HKSCC Nominees Limited is the nominee holder of shares held by non-registered shareholders of the H shares of the Company, which held the H shares on behalf of various customers, including 25,927,500 H shares of the Company held by China Galaxy Financial Holdings Company Limited.

Note 3: Hong Kong Securities Clearing Company Limited is the nominee holder of the A shares of the Company held by the investors through Shanghai Stock Connect.

III. OTHER REMINDERS

Other significant information regarding the Company’s operations during the reporting period should be brought to the attention of investors

Applicable Not Applicable

1. Change of Director

On 10 March 2023, the Company convened the first extraordinary general meeting of 2023 and elected Ms. Li Hui as a non-executive director of the fourth session of the Board of the Company.

2. Conversion of “China Galaxy Convertible Bonds” into shares

During the reporting period, the A share convertible corporate bonds of the Company (the “China Galaxy Convertible Bonds”) in a total amount of RMB62,000 were converted into ordinary A shares of the Company, and the number of shares resulting from the conversion was 6,204 shares. During the period from the commencement of conversion on 30 September 2022 to the end of the reporting period, the “China Galaxy Convertible Bonds” in a total amount of RMB271,000 were converted into ordinary A shares, and the total number of shares resulting from the conversion was 27,123 shares, representing 0.000268% of the total issued shares of the Company before the conversion of “China Galaxy Convertible Bonds”. The Company will register the change of registered capital in a timely manner in accordance with the relevant regulations. As at the end of the reporting period, the outstanding “China Galaxy Convertible Bonds” amounted to RMB7,799,729,000, representing 99.996526% of the total amount of “China Galaxy Convertible Bonds” in issue.

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Type of Audit Opinion

Applicable Not Applicable

(II) Financial Statements

Consolidated Balance Sheet 31 March 2023

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan

Currency: RMB

Type of audit: Unaudited

Items	31 March 2023	31 December 2022
Assets:		
Cash and bank balances	111,807,092,832.25	115,995,340,538.15
Including: Cash held on behalf of customers	95,055,928,362.89	97,230,303,426.09
Clearing settlement funds	34,445,178,796.50	39,811,102,770.13
Including: Customer settlement funds	25,226,126,751.89	29,856,237,546.64
Advances to customers	86,918,531,327.05	84,329,316,416.57
Derivative financial assets	3,040,540,063.83	2,630,533,468.95
Deposits with exchanges and non-bank financial institutions	17,079,046,357.12	16,069,696,108.65
Accounts receivable	12,294,809,889.71	10,481,417,359.41
Financial assets held under resale agreements	24,797,385,233.85	20,293,397,520.86
Financial investments:		
Financial assets held for trading	189,579,488,833.70	171,922,778,715.68
Debt investments	2,763,920,442.27	2,707,918,533.69
Other debt investments	119,565,748,418.62	109,324,962,360.40
Investments in other equity instruments	40,775,434,533.53	38,395,017,429.52
Long-term equity investments	180,539,812.73	61,769,084.26
Investment properties	7,378,687.50	7,444,237.50
Fixed assets	575,872,960.35	578,818,831.74
Right-of-use assets	1,620,342,323.56	1,687,952,338.10
Intangible assets	737,550,233.51	750,259,129.09
Goodwill	1,033,739,951.69	1,046,185,376.52
Deferred tax assets	227,375,913.69	394,848,157.89
Other assets	8,623,442,242.13	8,734,169,819.08
Total assets	656,073,418,853.59	625,222,928,196.19

Items	31 March 2023	31 December 2022
Liabilities:		
Short-term borrowings	8,705,477,837.22	8,390,374,238.19
Short-term financing payables	24,315,088,519.88	28,108,143,350.14
Due to banks	17,624,699,546.60	19,033,264,163.61
Financial liabilities held for trading	50,604,548,099.60	33,637,794,769.13
Derivative financial liabilities	4,592,552,696.49	2,597,859,584.74
Financial assets sold under repurchase agreements	176,425,016,524.31	158,495,396,133.20
Accounts payable to brokerage customers	123,218,085,037.47	129,645,925,398.92
Accrued staff costs	5,189,453,832.96	5,677,301,478.23
Tax payable	445,153,647.28	320,450,521.01
Accounts payable	8,953,608,689.16	7,986,424,412.53
Bonds payable	97,730,561,583.27	96,917,518,404.47
Lease liabilities	1,649,719,037.13	1,724,003,445.29
Deferred tax liabilities	739,966,001.55	190,425,743.40
Other liabilities	30,286,005,826.31	29,876,136,057.23
Total liabilities	<u>550,479,936,879.23</u>	<u>522,601,017,700.09</u>
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	10,137,285,880.00	10,137,279,676.00
Other equity instruments	15,935,682,186.75	15,935,690,533.20
Including: Preference shares	-	-
Perpetual bonds	14,885,850,943.44	14,885,850,943.44
Capital reserve	25,051,707,010.00	25,051,651,212.07
Less: Treasury shares	-	-
Other comprehensive income	728,343,297.73	-116,832,802.17
Surplus reserve	8,428,158,723.86	8,428,158,723.86
General risk reserve	15,200,448,709.86	15,188,399,700.06
Retained earnings	30,088,915,054.02	27,974,378,903.16
Total owners' equity (or shareholders' equity) attributable to the parent company	<u>105,570,540,862.22</u>	<u>102,598,725,946.18</u>

Items	31 March 2023	31 December 2022
Non-controlling interests	<u>22,941,112.14</u>	<u>23,184,549.92</u>
Total owners' equity (or shareholders' equity)	<u>105,593,481,974.36</u>	<u>102,621,910,496.10</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>656,073,418,853.59</u>	<u>625,222,928,196.19</u>

Person-in-charge
of the Company:
Chen Liang

Person-in-charge
of accounting affairs:
Xue Jun

Person-in-charge of
accounting department:
Fan Minfei

Consolidated Statement of Profit or Loss*January to March of 2023*

Prepared by: China Galaxy Securities Co., Ltd.

*Unit: Yuan**Currency: RMB**Type of audit: Unaudited*

Items	First quarter of 2023	First quarter of 2022
I. Total operating income	8,697,432,828.40	7,337,087,526.07
Net interest income	1,118,894,373.32	1,299,038,449.96
Including: Interest income	3,644,987,705.63	3,550,356,397.32
Interest expenses	2,526,093,332.31	2,251,317,947.36
Net fee and commission income	1,524,629,383.51	2,055,847,846.74
Including: Net fee income from brokerage business	1,392,695,932.33	1,784,577,821.73
Net fee income from investment banking business	57,434,749.49	121,509,806.46
Net fee income from asset management business	101,974,493.23	121,961,275.56
Investment gains (losses presented by “-”)	1,583,079,903.38	837,950,183.75
Including: Gains from investment in associates and joint ventures	1,127,955.67	-162,080.04
Gains from derecognition of financial assets measured at amortisation costs (losses presented by “-”)	-	19,049,623.76
Gain from net exposure hedges (losses presented by “-”)	-	-
Other income	40,143,192.80	38,980,718.50
Gains from changes in fair value (losses presented by “-”)	830,966,534.51	-272,559,149.58
Foreign exchange gains (losses presented by “-”)	20,702,234.18	9,586,380.63
Other operating income	3,580,057,614.09	3,368,488,105.90
Gains on disposal of assets (losses presented by “-”)	-1,040,407.39	-245,009.83

Items	First quarter of 2023	First quarter of 2022
II. Total operating expenses	6,122,922,489.17	5,632,376,750.93
Taxes and surcharges	35,489,267.20	34,278,608.65
General and administrative expenses	2,546,779,494.86	2,102,388,390.21
Impairment losses on credits	-3,317,049.10	139,083,532.14
Impairment losses of other assets	23,288,984.34	-7,674,577.04
Other operating expenses	3,520,681,791.87	3,364,300,796.97
III. Operating profits (losses presented by “-”)	2,574,510,339.23	1,704,710,775.14
Add: Non-operating income	115,323.24	10,222,649.80
Less: Non-operating expense	12,901,679.77	1,446,822.90
IV. Total profits (total losses presented by “-”)	2,561,723,982.70	1,713,486,602.04
Less: Income tax expense	312,905,573.62	154,146,173.85
V. Net profit (net losses presented by “-”)	2,248,818,409.08	1,559,340,428.19
(I) Classified by continuity of operations		
1. Net profit from continuing operations (net losses presented by “-”)	2,248,818,409.08	1,559,340,428.19
2. Net profit from discontinued operations (net losses presented by “-”)	-	-
(II) Classified by ownerships		
1. Net profit attributable to shareholders of the parent company (net losses presented by “-”)	2,249,061,846.86	1,559,331,678.54
2. Profit or loss attributable to non-controlling shareholders (net losses presented by “-”)	-243,437.78	8,749.65

Items	First quarter of 2023	First quarter of 2022
VI. Other comprehensive income (net of tax)	722,699,413.70	-83,610,916.86
Other comprehensive income attributable to owners of the parent company (net of tax)	722,699,413.70	-83,610,916.86
(I) Other comprehensive income that will not be reclassified into profits or losses subsequently	423,776,091.44	40,978,848.54
1. Changes arising from remeasurement of defined benefit plan	136,093.39	2,849,065.23
2. Other comprehensive income that cannot be reclassified into profit or loss under equity method	-	-
3. Changes in fair value of investments in other equity instruments	423,639,998.05	38,129,783.31
4. Changes in fair value due to enterprise's own credit risk	-	-
(II) Other comprehensive income that will be reclassified into profits or losses subsequently	298,923,322.26	-124,589,765.40
1. Other comprehensive income that can be reclassified into profit or loss under equity method	-	54,908.28
2. Changes in fair value of other debt investments	370,493,153.62	-83,483,335.57
3. Amount recognised in other comprehensive income resulting from the reclassification of financial assets	-	-
4. Provision for credit impairment of other debt investments	-414,785.48	5,286,023.66
5. Cash flow hedge reserve	2,307,047.00	-204,090.32
6. Exchange differences on translation of foreign currency financial statements	-73,462,092.88	-46,243,271.45
7. Others	-	-
Other comprehensive income attributable to non-controlling interests (net of tax)	-	-

Items	First quarter of 2023	First quarter of 2022
VII.Total comprehensive income	2,971,517,822.78	1,475,729,511.33
Total comprehensive income attributable to the owners of the parent company	2,971,761,260.56	1,475,720,761.68
Total comprehensive income attributable to non- controlling interests	-243,437.78	8,749.65
VIII. Earnings per share:		
(I) Basic earnings per share (Yuan/share)	0.21	0.14
(II) Diluted earnings per share (Yuan/share)	0.19	0.14
Person-in-charge of the Company: Chen Liang	Person-in-charge of accounting affairs: Xue Jun	Person-in-charge of accounting department: Fan Minfei

Consolidated Statement of Cash Flows

January to March of 2023

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan

Currency: RMB

Type of audit: Unaudited

Items	First quarter of 2023	First quarter of 2022
I. Cash flows generated from operating activities:		
Net decrease in financial assets and liabilities held for trading and derivative financial instruments	1,827,968,457.84	2,012,130,442.96
Cash received from interests, fees and commissions	5,641,539,599.99	5,542,876,253.28
Net increase in repurchase businesses	13,497,713,499.49	17,127,306,474.26
Net decrease in advances to customers	–	7,138,877,755.26
Cash received from other operating activities	6,422,626,430.22	4,421,138,399.35
Sub-total of cash inflows from operating activities	<u>27,389,847,987.54</u>	<u>36,242,329,325.11</u>
Net decrease in due to banks	1,460,000,000.00	6,275,000,000.00
Net increase in advances to customers	2,369,302,590.78	–
Cash for the payment of interests, fees and commissions	2,133,167,744.57	320,164,217.42
Net cash paid to brokerage customers	6,427,424,363.33	3,963,443,325.61
Cash payments for employees	2,170,271,945.57	2,573,665,240.30
Cash paid for various taxes	563,220,691.14	583,380,494.59
Cash paid for other operating activities	6,861,989,521.55	5,093,971,495.10
Sub-total of cash outflows from operating activities	<u>21,985,376,856.94</u>	<u>18,809,624,773.02</u>
Net cash flow generated from operating activities	<u>5,404,471,130.60</u>	<u>17,432,704,552.09</u>

Items	First quarter of 2023	First quarter of 2022
II. Cash flows generated from investing activities:		
Cash received from realized investment gains	1,569,276,464.46	1,110,190,529.47
Net decrease in debt investments	–	960,807,211.98
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	–	150,657.25
Cash received from other investing activities	<u>509,412,771.60</u>	<u>464,675,552.50</u>
Sub-total of cash inflows from investing activities	<u>2,078,689,236.06</u>	<u>2,535,823,951.20</u>
Cash paid for investments	117,642,772.80	6,500,000.00
Net increase in debt investments	53,470,455.73	–
Net increase in other debt investments	9,412,395,103.78	16,870,812,753.36
Cash paid for disposal of fixed assets, intangible assets and other long-term assets	1,056,907.96	–
Net increase in investments in other equity instruments	1,774,575,866.19	1,690,215,251.47
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	122,168,850.90	130,841,334.92
Cash paid for other investing activities	<u>4,910,032,461.53</u>	<u>7,242,015,741.35</u>
Sub-total of cash outflows from investing activities	<u>16,391,342,418.89</u>	<u>25,940,385,081.10</u>
Net cash flow generated from investing activities	<u>-14,312,653,182.83</u>	<u>-23,404,561,129.90</u>
III. Cash flows generated from financing activities:		
Cash received from borrowings	325,388,659.00	15,025,753.39
Cash received from issuance of bonds payable and long-term beneficiary certificates	11,358,090,000.00	5,420,910,000.00
Cash received from issuance of short-term bonds and short-term beneficiary certificates	5,287,380,000.00	20,888,480,000.00
Cash received from issuance of convertible corporate bonds	–	7,744,170,923.40
Cash received from other financing activities	<u>–</u>	<u>–</u>
Sub-total of cash inflows from financing activities	<u>16,970,858,659.00</u>	<u>34,068,586,676.79</u>

Items	First quarter of 2023	First quarter of 2022
Cash paid for debt repayment	19,773,207,211.15	29,779,680,000.00
Cash paid for dividend and profit distribution or interest payment	1,450,598,923.06	1,659,722,766.98
Including: Dividend and profits paid by subsidiaries to non-controlling shareholders	—	—
Cash paid for consolidation of structured entities	301,077,652.72	212,069,631.67
Cash paid for other financing activities	192,118,334.48	184,217,114.18
	<u>21,717,002,121.41</u>	<u>31,835,689,512.83</u>
Sub-total of cash outflows from financing activities	<u>21,717,002,121.41</u>	<u>31,835,689,512.83</u>
Net cash flow generated from financing activities	<u>-4,746,143,462.41</u>	<u>2,232,897,163.96</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-96,956,943.07	-48,190,281.80
V. Net increase in cash and cash equivalents.	-13,751,282,457.71	-3,787,149,695.65
Add: Balance of cash and cash equivalents at the beginning of the period	134,685,625,232.25	122,515,013,386.31
VI. Balance of cash and cash equivalents at the end of the period	120,934,342,774.54	118,727,863,690.66
Person-in-charge of the Company: Chen Liang	Person-in-charge of accounting affairs: Xue Jun	Person-in-charge of accounting department: Fan Minfei

Balance Sheet of the Parent Company

31 March 2023

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan

Currency: RMB

Type of audit: Unaudited

Items	31 March 2023	31 December 2022
Assets:		
Cash and bank balances	70,718,194,393.47	72,833,797,504.06
Including: Cash held on behalf of customers	61,627,918,867.44	60,955,132,238.24
Clearing settlement funds	22,042,137,715.22	29,797,130,582.43
Including: Customer settlement funds	12,976,158,054.69	20,208,507,290.42
Advances to customers	81,073,490,014.65	78,352,672,734.40
Derivative financial assets	2,039,993,364.19	1,875,111,851.58
Deposits with exchanges and non-bank financial institutions	5,445,116,176.42	5,059,509,462.07
Accounts receivable	276,350,698.04	239,942,475.32
Financial assets held under resale agreements	24,271,674,760.54	20,025,586,141.22
Financial investments:		
Financial assets held for trading	169,052,063,504.83	150,727,826,788.40
Debt investments	1,827,826,596.24	1,823,552,842.88
Other debt investments	119,565,748,418.62	109,324,962,360.40
Investments in other equity instruments	40,736,625,054.08	38,355,796,296.57
Long-term equity investments	16,283,208,970.57	15,283,208,970.57
Fixed assets	486,793,052.17	494,386,497.38
Right-of-use assets	1,371,276,560.38	1,418,662,733.90
Intangible assets	564,281,256.40	566,867,229.10
Goodwill	223,277,619.51	223,277,619.51
Deferred tax assets	–	161,956,620.01
Other assets	12,269,235,941.76	11,256,300,772.73
Total assets	568,247,294,097.09	537,820,549,482.53

Items	31 March 2023	31 December 2022
Liabilities:		
Short-term financing payables	24,315,088,519.88	28,108,143,350.14
Due to banks	17,624,699,546.60	19,033,264,163.61
Financial liabilities held for trading	49,129,374,150.32	31,681,745,287.83
Derivative financial liabilities	3,897,895,690.90	2,543,721,852.25
Financial assets sold under repurchase agreements	175,231,104,524.10	157,334,577,925.00
Accounts payable to brokerage customers	74,812,986,455.22	81,411,762,328.79
Accrued staff costs	4,343,918,862.52	4,628,683,037.34
Tax payable	215,430,718.06	136,192,931.09
Accounts payable	172,256,550.32	113,478,001.46
Bonds payable	97,730,561,583.27	96,917,518,404.47
Lease liabilities	1,382,371,673.57	1,435,587,052.14
Deferred tax liabilities	523,749,578.84	–
Other liabilities	16,910,682,255.66	15,228,535,724.97
	<u>466,290,120,109.26</u>	<u>438,573,210,059.09</u>
Total liabilities		
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	10,137,285,880.00	10,137,279,676.00
Other equity instruments	15,935,682,186.75	15,935,690,533.20
Including: Preference shares	–	–
Perpetual bonds	14,885,850,943.44	14,885,850,943.44
Capital reserve	25,007,144,833.88	25,007,089,035.95
Less: Treasury shares	–	–
Other comprehensive income	820,351,798.90	-96,179,490.30
Surplus reserve	8,428,158,723.86	8,428,158,723.86
General risk reserve	14,493,359,923.22	14,493,359,923.22
Retained earnings	27,135,190,641.22	25,341,941,021.51
	<u>101,957,173,987.83</u>	<u>99,247,339,423.44</u>
Total owners' equity (or shareholders' equity)		
Total liabilities and owners' equity		
(or shareholders' equity)		
	<u>568,247,294,097.09</u>	<u>537,820,549,482.53</u>

Person-in-charge of
the Company:
Chen Liang

Person-in-charge of
accounting affairs:
Xue Jun

Person-in-charge of
accounting department:
Fan Minfei

Statement of Profit or Loss of the Parent Company
January to March 2023

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan
Currency: RMB
Type of audit: Unaudited

Items	First quarter of 2023	First quarter of 2022
I. Total operating income	3,961,936,635.80	2,890,690,167.96
Net interest income	738,138,511.23	1,020,937,046.23
Including: Interest income	2,964,851,419.63	3,063,415,899.35
Interest expenses	2,226,712,908.40	2,042,478,853.12
Net fee and commission income	1,202,124,876.99	1,609,540,314.55
Including: Net fee income from brokerage business	1,157,771,578.08	1,479,658,516.21
Net fee income from investment banking business	47,949,802.42	104,162,791.51
Net fee income from asset management business	—	—
Investment gains (losses presented by “-”)	1,182,305,828.10	505,325,182.82
Including: Gains from investment in associates and joint ventures	—	—
Gains from derecognition of financial assets measured at amortisation costs (losses presented by “-”)	—	18,848,431.98
Gains from net exposure hedges (losses presented by “-”)	—	—
Other income	28,913,380.21	36,200,041.80
Gains from changes in fair value (losses presented by “-”)	793,258,974.23	-282,283,797.15
Foreign exchange gains (losses presented by “-”)	14,802,789.35	-500,648.34
Other operating income	1,374,755.89	1,329,898.57
Gains from disposal of assets (losses presented by “-”)	1,017,519.80	142,129.48

Items	First quarter of 2023	First quarter of 2022
II. Total operating expenses	1,858,859,365.01	1,533,652,005.79
Taxes and surcharges	20,524,443.90	26,681,355.29
General and administrative expenses	1,833,167,291.67	1,419,056,244.75
Impairment losses on credits	5,167,629.44	87,914,405.75
Impairment losses of other assets	—	—
Other operating expenses	—	—
III. Operating profits (losses presented by “-”)	2,103,077,270.79	1,357,038,162.17
Add: Non-operating income	76,093.57	10,147,456.80
Less: Non-operating expense	5,768,151.54	703,214.63
IV. Total profits (total losses presented by “-”)	2,097,385,212.82	1,366,482,404.34
Less: Income tax expense	181,658,906.91	48,098,526.53
V. Net profit (net losses presented by “-”)	1,915,726,305.91	1,318,383,877.81
(I) Net profit from continuing operations (net losses presented by “-”)	1,915,726,305.91	1,318,383,877.81
(II) Net profit from discontinued operations (net losses presented by “-”)	—	—
VI. Other comprehensive income (net of tax)	794,054,603.00	-40,067,528.60
(I) Other comprehensive income that will not be reclassified into profits or losses subsequently	423,639,998.05	38,129,783.31
1. Changes arising from remeasurement of defined benefit plan	—	—
2. Other comprehensive income that cannot be reclassified into profit or loss under equity method	—	—
3. Changes in fair value of investments in other equity instruments	423,639,998.05	38,129,783.31
4. Changes in fair value due to enterprise’s own credit risk	—	—

Items	First quarter of 2023	First quarter of 2022
(II) Other comprehensive income that will be reclassified into profits or losses subsequently	370,414,604.95	-78,197,311.91
1. Other comprehensive income that can be reclassified into profit or loss under equity method	–	–
2. Changes in fair value of other debt investments	370,829,390.43	-83,483,335.57
3. Amount recognised in other comprehensive income resulting from the reclassification of financial assets	–	–
4. Provision for credit impairment of other debt investments	-414,785.48	5,286,023.66
5. Cash flow hedge reserve	–	–
6. Exchange differences on translation of foreign currency financial statements	–	–
7. Others	–	–
VII. Total comprehensive income	2,709,780,908.91	1,278,316,349.21

VIII. Earnings per share:

(I) Basic earnings per share (Yuan/share)	N/A	N/A
(II) Diluted earnings per share (Yuan/share)	N/A	N/A

Person-in-charge of
the Company:
Chen Liang

Person-in-charge of
accounting affairs:
Xue Jun

Person-in-charge of
accounting department:
Fan Minfei

Statement of Cash Flows of the Parent Company
January to March 2023

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan
Currency: RMB
Type of audit: Unaudited

Items	First quarter of 2023	First quarter of 2022
I. Cash flows generated from operating activities:		
Net decrease in financial assets and liabilities held for trading and derivative financial instruments	1,288,378,238.31	2,616,700,074.22
Cash received from interests, fees and commissions	3,978,638,369.89	4,530,151,472.30
Net increase in repurchase businesses	13,713,867,956.10	17,297,634,110.92
Net decrease in advances to customers	–	7,036,807,761.60
Cash received from other operating activities	<u>2,017,850,527.54</u>	<u>801,437,276.95</u>
 Sub-total of cash inflows from operating activities	 <u>20,998,735,091.84</u>	 <u>32,282,730,695.99</u>
 Net decrease in due to banks	 1,460,000,000.00	 6,275,000,000.00
Net increase in advances to customers	2,541,811,066.70	–
Cash for the payment of interests, fees and commissions	1,554,053,959.17	1,121,587,079.21
Net cash paid to brokerage customers	6,598,359,875.45	456,971,677.75
Cash payments for employees	1,612,506,311.69	1,903,604,109.87
Cash paid for various taxes	444,522,853.12	449,720,765.87
Cash paid for other operating activities	<u>1,269,394,449.24</u>	<u>1,244,095,402.88</u>
 Sub-total of cash outflows from operating activities	 <u>15,480,648,515.37</u>	 <u>11,450,979,035.58</u>
 Net cash flow generated from operating activities	 <u>5,518,086,576.47</u>	 <u>20,831,751,660.41</u>

Items	First quarter of 2023	First quarter of 2022
II. Cash flows generated from investing activities:		
Cash received from realized investment gains	1,153,414,287.39	874,740,781.78
Net decrease in debt investments	–	1,013,224,827.73
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,078,570.99	150,657.25
Cash received from other investing activities	–	541,200.00
Sub-total of cash inflows from investing activities	<u>1,154,492,858.38</u>	<u>1,888,657,466.76</u>
Cash paid for investments	1,000,000,000.00	–
Net increase in other debt investments	9,412,395,103.78	16,870,812,753.36
Net increase in investments in other equity instruments	1,775,149,864.50	1,690,215,845.36
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	106,712,716.15	113,653,905.45
Cash paid for other investing activities	–	57,015,741.35
Sub-total of cash outflows from investing activities	<u>12,294,257,684.43</u>	<u>18,731,698,245.52</u>
Net cash flow generated from investing activities	<u>-11,139,764,826.05</u>	<u>-16,843,040,778.76</u>
III. Cash flows generated from financing activities:		
Cash received from issuance of long-term bonds and long-term financing instruments	11,358,090,000.00	5,420,910,000.00
Cash received from issuance of short-term bonds and short-term financing instruments	5,287,380,000.00	20,888,480,000.00
Cash received from issuance of convertible corporate bonds	–	7,744,170,923.40
Cash received from other financing activities	–	–
Sub-total of cash inflows from financing activities	<u>16,645,470,000.00</u>	<u>34,053,560,923.40</u>
Cash paid for debt repayment	19,773,145,211.15	29,779,680,000.00
Cash paid for dividend and profit distribution or interest payment	1,036,220,014.14	1,565,444,592.41
Cash paid for other financing activities	203,736,576.52	158,328,200.29
Sub-total of cash outflows from financing activities	<u>21,013,101,801.81</u>	<u>31,503,452,792.70</u>
Net cash flow generated from financing activities	<u>-4,367,631,801.81</u>	<u>2,550,108,130.70</u>

Items	First quarter of 2023	First quarter of 2022
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-29,073,260.95	-7,801,015.87
V. Net increase in cash and cash equivalents	-10,018,383,312.34	6,531,017,996.48
Add: Balance of cash and cash equivalents at the beginning of the period	102,466,223,484.17	92,665,663,016.82
VI. Balance of cash and cash equivalents at the end of the period	92,447,840,171.83	99,196,681,013.30

Person-in-charge of
the Company:
Chen Liang

Person-in-charge of
accounting affairs:
Xue Jun

Person-in-charge of
accounting department:
Fan Minfei

(III) Adjustment to the Financial Statements at the Beginning of the Year upon Initial Application of the New Accounting Standards or Interpretation of Accounting Standards from 2023

Applicable Not Applicable

By order of the Board
China Galaxy Securities Co., Ltd.
CHEN Liang
Chairman and Executive Director

Beijing, the PRC
27 April 2023

As at the date of this announcement, the executive directors of the Company are Mr. CHEN Liang (Chairman) and Mr. WANG Sheng (Vice Chairman and President); the non-executive directors are Mr. YANG Tijun, Ms. LI Hui, Ms. LIU Chang, Mr. LIU Zhihong and Mr. JIANG Yuesheng; and the independent non-executive directors are Mr. LIU Ruizhong, Mr. WANG Zhenjun, Ms. LIU Chun and Mr. LAW Cheuk Kin Stephen.