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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)

2023 FIRST 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 first quarter ended March 31, 2023:

- In the first quarter of 2023, the Group recorded an operating revenue of RMB6,700,378,176.07. The net profit attributable to the equity holders of the Company amounted to RMB2,432,549,554.65.
- This results report was prepared in accordance with the relevant disclosure requirements applicable to quarterly reports of listed companies issued by the China Securities Regulatory Commission.
- 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 the results report are consistent with the main contents of the relevant announcement published by CSC Financial Co., Ltd. (the “**Company**”) on the Shanghai Stock Exchange. This announcement is published simultaneously in Hong Kong and Mainland China.

IMPORTANT NOTICE

- (I) The board of directors and the supervisory committee, together with the directors, supervisors and senior management of 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.
- (II) This report was considered and approved at the 52nd meeting of the 2nd session of the board of directors of the Company. None of the directors present at the meeting raised any objection to this report. Mr. ZHOU Chengyue, an independent non-executive director of the Company, was temporarily unable to perform his duties for personal reasons and did not attend this meeting of the board of directors. For details, please refer to Inside Information Announcement of the announcement of the Company.
- (III) WANG Changqing, chairman of the Company, and LI Geping, general manager and chief financial officer of the Company, and ZHAO Ming, head of the Company's accounting department (accounting officer), warrant that the financial information set out in the quarterly report are true, accurate and complete.
- (IV) Whether the first quarterly financial statements are audited
- ☐ Yes ☒ No

1. KEY FINANCIAL DATA

(I) Principal accounting data and financial indicators

In RMB Yuan			
Items	The Reporting Period		Change as compared to the same period of last year (%)
Operating revenue	6,700,378,176.07		5.81
Net profit attributable to equity holders of the Company	2,432,549,554.65		57.78
Net profit attributable to equity holders of the Company excluding extraordinary gains and losses	2,473,957,198.90		61.57
Net cash flows from operating activities	-9,412,318,174.11		-165.67
Basic earnings per share (RMB/share)	0.28		55.56
Diluted earnings per share (RMB/share)	0.28		55.56
Return on weighted average equity (%)	3.15		Increased by 1.05 percentage points
Change as at the end of the Reporting Period as compared to the end of last year (%)			
	As at the end of the Reporting Period	As at the end of last year	
Total assets	525,172,109,291.09	509,955,498,356.55	2.98
Equity attributable to the shareholders of the Company	95,761,687,084.26	93,244,346,300.11	2.70

Note: For the purpose of this announcement, the “Reporting Period” refers to the first quarter of 2023, the period from January to March 2023, the “end of the Reporting Period” refers to March 31, 2023.

(II) Items and amounts of extraordinary gains and losses

☒ Applicable ☐ Not applicable

In RMB Yuan

Items	Amount for the Period	Note
Profits and losses from disposal of non-current assets	94,840.50	—
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	10,073,838.43	—
Non-operating income/expenses other than the above items	-65,305,742.78	—
Less: effect on income tax	-13,729,419.60	—
Effect on non-controlling interests, after tax	—	—
Total	<u><u>-41,407,644.25</u></u>	—

Explanation on defining items of extraordinary gains or losses illustrated in “Notice on Explanation of Information Disclosure of Companies Publicly Issuing Securities No. 1 – Extraordinary Gains or Losses” that are defined as items of recurring gains or losses

☐ Applicable ☒ Not applicable

(III) Changes in Major Accounting Data and Financial Indicators and Reasons Thereof

(1) Changes in major accounting data of the Company and the reasons thereof

Item	Change as compared to the same period of last year (%)	Main reason
Basic earnings per share (January to March 2023)	55.56	Mainly due to the increase in the net profit attributable to equity holders of the Company during the Reporting Period.
Diluted earnings per share (January to March 2023)	55.56	Mainly due to the increase in the net profit attributable to equity holders of the Company during the Reporting Period.
Return on weighted average equity	Increased by 1.05 percentage points	Mainly due to the increase in the net profit attributable to equity holders of the Company during the Reporting Period.

(2) Changes in primary statements of the Company and the reasons

In RMB Yuan

Item	Amount at the end of the Reporting Period (March 31, 2023)	Amount at the end of last year (December 31, 2022)	Change in percentage (%)	Main reason
Other assets	1,118,169,085.27	848,070,443.73	31.85	Mainly due to the increase in the closing balance of bulk commodity inventories of the futures subsidiary.
Short-term financing instruments payable	37,816,326,229.26	19,541,247,584.78	93.52	Mainly due to the increase in the closing balance of short-term commercial papers payable.
Financial liabilities held for trading	16,379,270,985.17	12,306,954,372.75	33.09	Mainly due to the increase in the sale of bond borrowings in financial liabilities held for trading.
Taxes payable	590,931,040.44	941,312,254.17	-37.22	Mainly due to the decrease in the closing balance of corporate income tax payable.
Provision	102,396,200.00	51,198,600.00	100.00	Mainly due to the increase in pending litigation for the period.
Deferred tax liabilities	1,390,721,860.06	1,068,209,522.35	30.19	Mainly due to the increase in deferred tax liabilities as a result of the change in fair value of financial assets held for trading.
Other comprehensive income	968,415,695.76	641,055,973.11	51.07	Mainly due to the increase in the changes in fair value of other debt investments for the period.

Item	From the beginning of the year to the end of the Reporting Period (January to March 2023)	From the beginning of last year to the end of the reporting period of last year (January to March 2022)	Change in percentage (%)	Main reason
Net interest income	456,998,954.29	335,665,879.51	36.15	Mainly due to the increase in interest income.
Gains arising from changes in the fair value	972,926,778.50	-565,275,315.70	N/A	Mainly due to the increase in the gains arising from changes in the fair value of financial assets held for trading.
Foreign exchange gains	-3,917,480.09	122,369,554.89	-103.20	Mainly due to the exchange rate changes for the period.
Other operating income	821,229,450.18	1,667,827,224.68	-50.76	Mainly due to the decrease in sales revenue of bulk commodity of the futures subsidiary.
Credit impairment losses	34,418,638.99	106,749,546.41	-67.76	Mainly due to the decrease in impairment losses of margin financing and securities lending and financial assets held under resale agreements.
Impairment losses on other assets	1,730,159.91	4,244,791.96	-59.24	Mainly due to the decrease in inventory impairment losses of the futures subsidiary.
Other operating costs	801,863,570.74	1,655,985,652.05	-51.58	Mainly due to the decrease in sales costs of bulk commodity of the futures subsidiary.
Non-operating expenses	66,260,884.16	1,762,834.83	3,658.77	Mainly due to the increase in pending litigation for the period.

Item	From the beginning of the year to the end of the Reporting Period (January to March 2023)	From the beginning of last year to the end of the reporting period of last year (January to March 2022)	Change in percentage (%)	Main reason
Other comprehensive income, net of tax	327,359,722.65	-154,697,571.39	N/A	Mainly due to the increase in the changes in fair value of other debt investments for the period.
Net cash flows from operating activities	-9,412,318,174.11	14,333,610,503.56	-165.67	Mainly due to the business effect in the payable to brokerage clients.
Net cash flows from investing activities	-1,774,579,915.39	-1,276,501,894.66	N/A	Mainly due to the increase in cash outflows paid for investments for the period.
Net cash flows from financing activities	5,941,515,026.48	-6,078,870,133.93	N/A	Mainly due to the increase in cash inflows received from issuing bonds for the period.

2. INFORMATION OF SHAREHOLDERS

Total number of shareholders of ordinary shares and preferred shares with voting rights resumed and information on shareholdings of the top 10 shareholders

Unit: shares

Total number of holders of ordinary shares as at the end of the Reporting Period	159,314	Total number of holders of preferred shares with voting rights resumed as at the end of the Reporting Period (if any)	–
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Shareholdings of Top 10 Shareholders

Name of shareholder	Nature of shareholder	Number of shares	Percentage of shares held (%)	Number of shares held subject to trading moratorium	Pledged, tagged or frozen Status	Number
Beijing Financial Holdings Group (北京金融控股集團有限公司)	State-owned legal person	2,684,309,017	34.61	2,684,309,017	Nil	–
Central Huijin Investment Limited (中央匯金投資有限責任公司)	State	2,386,052,459	30.76	–	Nil	–
Other holding shares of HKSCC Nominees Limited (香港中央結算(代理人)有限公司其他代持股份) (Note 1)	Foreign legal person	909,096,118	11.72	–	Unknown	–
CITIC Securities Co., Ltd. (中信証券股份有限公司)	State-owned legal person	382,849,268	4.94	–	Nil	–
Glasslake Holdings Limited (鏡湖控股有限公司)	Foreign legal person	351,647,000	4.53	–	Unknown	–
Xizang Tengyun Investment Management Limited (西藏騰雲投資管理有限公司)	Domestic non-state owned legal person	109,556,553	1.41	–	Pledged	98,600,000
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司) (Note 2)	Foreign legal person	62,691,806	0.81	–	Nil	–

Name of shareholder	Nature of shareholder	Number of shares	Percentage of shares held (%)	Number of shares held subject to trading moratorium	Pledged, tagged or frozen Status	Number
Fujian Gui'an Xintiandi Tourism Culture Investment Co., Ltd. (福建貴安新天地旅遊文化投資有限公司)	Domestic non-state owned legal person	38,861,100	0.50	–	Pledged	24,600,000
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund (中國建設銀行股份有限公司 – 國泰中證全指證券公司交易型開放式指數證券投資基金)	Others	28,260,358	0.36	–	Nil	–
China Construction Bank Corporation – Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund (中國建設銀行股份有限公司 – 華寶中證全指證券公司交易型開放式指數證券投資基金)	Others	20,981,953	0.27	–	Nil	–

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 moratoriums	Class and number of shares	Number
Central Huijin Investment Limited (中央匯金投資有限責任公司)	2,386,052,459	RMB denominated ordinary shares	2,386,052,459
Other holding shares of HKSCC Nominees Limited (香港中央結算 (代理人)有限公司其他代持股份)	909,096,118	Overseas listed foreign shares	909,096,118
CITIC Securities Co., Ltd. (中信証券股份有限公司)	382,849,268	RMB denominated ordinary shares	382,849,268
Glasslake Holdings Limited (鏡湖控股有限公司)	351,647,000	Overseas listed foreign shares	351,647,000
Xizang Tengyun Investment Management Limited (西藏騰雲投資管理有限公司)	109,556,553	RMB denominated ordinary shares	109,556,553
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	62,691,806	RMB denominated ordinary shares	62,691,806
Fujian Gui'an Xintiandi Tourism Culture Investment Co., Ltd. (福建貴安新天地旅遊文化 投資有限公司)	38,861,100	RMB denominated ordinary shares	38,861,100
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund (中國建設銀行股份有限公司 – 國泰中證全指證券公司交易型 開放式指數證券投資基金)	28,260,358	RMB denominated ordinary shares	28,260,358
China Construction Bank Corporation – Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund (中國建設銀行股份有限公司 – 華寶中證全指證券公司交易型 開放式指數證券投資基金)	20,981,953	RMB denominated ordinary shares	20,981,953

Name of shareholder	Number of tradable shares not subject to trading moratoriums	Class and number of shares Class	Number
Industrial and Commercial Bank of China – Shanghai Stock Exchange 50 open-ended index securities investment fund (中國工商銀行 – 上證 50 交易型開放式指數證券投資基金)	10,101,083	RMB denominated ordinary shares	10,101,083
Explanation on related relationship or concerted action among the above shareholders	As of the end of the Reporting Period, the related relationship and/or acting-in-concert relationship among shareholders of the Company are as follows: Xizang Tengyun Investment Management Limited and Fujian Gui'an Xintiandi Tourism Culture Investment Co., Ltd. are related parties. Saved as the above condition, the Company is not aware of the related relationship as stipulated in the Rules Governing the Listing of Stocks on Shanghai Stock Exchange 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. In addition, CITIC Securities Co., Ltd. and Glasslake Holdings Limited have a connected relationship as stipulated in the HKEX Listing Rules.		
Description of top ten shareholders and top 10 shareholders not subject to selling restrictions participating in margin trading and refinancing business (if any)	Nil		

Note 1: HKSCC Nominees Limited is the nominee holder of the H Shares held by non-registered shareholders, and the shares indicated in the above table are other H Shares held by HKSCC Nominees Limited other than Glasslake Holdings.

Note 2: The shares held by Hong Kong Securities Clearing Company Limited are A Shares held by non-registered shareholders of SSE.

Note 3: The identification of the nature of shareholders is mainly based on the types of holders registered in the CSDC Shanghai Branch, with reference to other publicly disclosed information.

3. OTHER REMINDERS

Other important information about the Company's operating conditions during the reporting period that investors need to be reminded of and pay attention to

☒ Applicable ☐ Not applicable

(I) Material litigation and arbitration

In the first quarter of 2023, there were no material litigation and arbitration cases of the Company with an amount involving over RMB10 million and accounting for over 10% of the absolute value of the latest audited net assets of the Company, which were required to be disclosed in accordance with the requirements of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

(II) Sanctions and rectifications imposed on the listed company, and its directors, supervisors, senior management, controlling shareholders, de facto controllers and acquirers

On February 6, 2023, the People's Bank of China imposed administrative penalties on the Company and relevant personnel for violating anti-money laundering laws and regulations; on February 24, 2023, Beijing Regulatory Bureau of the China Securities Regulatory Commission ("**Beijing CSRC**") imposed administrative supervisory measures on the Company by ordering correction; on March 23, 2023, the Beijing Securities Regulatory Bureau imposed administrative supervisory measures on the Company by issuing warning letters. For details, please refer to the section headed "Subsequent events" of "Section 6 Other Significant Events — IV. Sanctions and Rectifications Imposed on the Listed Company, and Its Directors, Supervisors, Senior Management, Controlling Shareholders, De Facto Controllers and Acquirers" in the Annual Report 2022 of CSC Financial Co., Ltd..

Subsequent events:

1. Supervision Measures of written warning to the Company Taken by Shanghai Stock Exchange on April 10, 2023

The above conduct referred to in the Decision on Taking Rectification Measures against CSC Financial Co., Ltd. ([2023] No. 43) issued by the Beijing CSRC on February 24, 2023, at the same time, the above-mentioned conduct also violated the Rules Governing the Listing and Transfer of Non-public Corporate Bonds on the Shanghai Stock Exchange and the Rules Governing the Listing of Corporate Bonds on the Shanghai Stock Exchange. The Shanghai Stock Exchange has imposed the supervision measure of written warning on the Company.

In response to such penalty, the Company's rectification measures are as follows: (1) the Company comprehensively revises and improves the investment banking business system, strengthens the internal control operation management, strengthens the construction of the internal control team, refines the internal control requirements, and strengthens the whole-process control; (2) the Company organizes and carries out special trainings, emphasizing the importance of risk prevention and control; strengthens the warning education for employees, and requires employees to make detailed due diligence and entrusted management; (3) the Company enriches the means of entrusted management, strengthens the construction of team for managing special positions during the duration period, and strengthens the continuous tracking and monitoring of the issuers.

(III) Issuance of bonds

In the first quarter of 2023, the Company has completed the issuance of two tranches of private placement corporate bonds with a total size of RMB4.5 billion. The issuance is as follows:

1. In January 2023, the Company issued non-public corporate bonds with a face value of RMB3 billion to professional investors, and the bonds are divided into two tranches, including RMB0.5 billion of variety 1 “23 Xintou F1” with a term of 3 years at coupon rate of 3.20%, and at the end of the second year, the issuer has the option to adjust the coupon rate and the investor has redemption option; and RMB2.5 billion of variety 2 “23 Xintou F2” with a term of 5 years at coupon rate of 3.35%, and at the end of the third year, the issuer has the option to adjust the coupon rate and the investor has redemption option. The bond applies the fixed interest rate and its simple interest is calculated on an annual basis with interest repayment per annum and it is not guaranteed.
2. In February 2023, the Company issued a non-public corporate bond with a face value of RMB1.5 billion to professional investors, “23 Xintou F3”, with a term of 2 years at coupon rate of 3.10%. The bond applies the fixed interest rate and its simple interest is calculated on an annual basis with interest repayment per annum and it is not guaranteed.

(IV) Others

On April 21, 2023, Amethystum Storage Technology Co., Ltd. (“**Amethystum Storage**”), a listed company received the Administrative Punishment Decision Letter ([2023] No. 30) from the China Securities Regulatory Commission (“**CSRC**”) and was administratively punished by the CSRC for fraudulent issuance and information disclosure violations. In order to protect the legitimate interests of investors and maintain the stability of the securities market, the Company, as the sponsor and lead underwriter of Amethystum Storage, intends to, with other intermediaries, jointly establish a special fund for compensation in advance for the Amethystum Storage event, in order to compensate qualified investors for their investment losses in advance and apply to the CSRC for the application of the commitment system for parties involved in the administrative enforcement of securities and futures. Please refer to the announcement of the Company on Proposed Establishment of Special Fund for Compensation in Advance for the Amethystum Storage Incident and the Application of the Commitment System for Parties to Administrative Enforcement of Securities and Futures for details.

4. QUARTERLY FINANCIAL STATEMENTS

(I) Type of Audit Opinion

☐ Applicable ☒ Not applicable

(II) Financial Statements

Consolidated Statement of Financial Position

March 31, 2023

Prepared by: CSC Financial Co., Ltd.

In RMB Yuan (unaudited)

Items	March 31, 2023	December 31, 2022
ASSETS:		
Cash and bank balances	108,164,095,958.36	112,192,799,425.02
Including: cash held on behalf of customers	75,932,093,619.61	80,175,827,139.15
Settlement deposits	29,157,283,946.25	30,657,035,515.60
Including: deposits held on behalf of customers	21,327,951,668.21	23,729,127,885.72
Margin accounts	56,577,052,255.60	52,870,594,814.75
Derivative financial assets	3,154,170,937.09	2,863,415,628.64
Refundable deposits	12,807,585,352.91	10,881,159,590.33
Accounts receivable	11,633,890,345.46	10,825,580,907.24
Financial assets held under resale agreements	29,815,869,067.67	25,551,299,516.89
FINANCIAL INVESTMENT:		
Financial assets held for trading	194,214,757,727.47	187,311,139,561.49
Other debt investments	73,246,282,697.13	70,629,667,685.15
Other investments in equity instruments	75,115,517.65	90,311,356.38
Long-term equity investment	107,112,399.38	107,523,713.01
Investment properties	37,710,059.71	38,142,253.84
Property, plant and equipment	628,448,005.50	670,051,241.17
Right-of-use assets	1,735,096,135.91	1,855,388,328.87
Intangible assets	659,347,960.03	670,381,433.18
Deferred tax assets	2,040,121,839.70	1,892,936,941.26
Other assets	1,118,169,085.27	848,070,443.73
Total assets	525,172,109,291.09	509,955,498,356.55

Items	March 31, 2023	December 31, 2022
LIABILITIES:		
Short-term borrowings	1,533,924,816.29	1,243,576,724.39
Short-term financing instruments payable	37,816,326,229.26	19,541,247,584.78
Placements from banks and other financial institutions	7,661,238,584.20	8,724,568,666.01
Financial liabilities held for trading	16,379,270,985.17	12,306,954,372.75
Derivative financial liabilities	3,976,238,287.66	3,258,543,905.18
Financial assets sold under repurchase agreements	123,559,832,496.90	122,153,950,544.49
Accounts payable to brokerage clients	104,254,064,503.96	109,294,146,990.04
Accounts payable to underwriting clients	579,346,007.90	606,802,681.47
Salaries, bonuses and allowances payable	4,887,311,595.26	4,349,540,672.66
Taxes payable	590,931,040.44	941,312,254.17
Accounts payable	28,345,797,500.43	23,771,639,682.92
Provision	102,396,200.00	51,198,600.00
Bonds payable	90,296,106,474.33	101,781,978,895.66
Lease liabilities	1,737,950,939.61	1,884,016,344.51
Deferred tax liabilities	1,390,721,860.06	1,068,209,522.35
Other liabilities	6,251,633,003.99	5,689,129,144.92
Total liabilities	429,363,090,525.46	416,666,816,586.30

Consolidated Income Statement
From January to March 2023

Prepared by: CSC Financial Co., Ltd.

Item	<i>In RMB Yuan (unaudited)</i>	
	First quarter of 2023	First quarter of 2022
I. Total operating revenue	6,700,378,176.07	6,332,416,285.26
Net fee and commission income	2,850,138,650.58	3,510,854,333.97
Including: Net fee income from brokerage business	1,354,059,737.86	1,565,987,199.48
Net fee income from investment banking business	1,099,301,147.19	1,587,126,552.31
Net fee income from asset management business	158,421,758.68	166,045,759.17
Net interest income	456,998,954.29	335,665,879.51
Including: Interest income	2,532,703,085.72	2,198,957,073.66
Interest expenses	2,075,704,131.43	1,863,291,194.15
Investment income (loss denoted by “-”)	1,537,931,128.00	1,196,539,004.38
Including: Investment income from associates and joint ventures	-411,313.63	-210,667.62
Gains arising from changes in the fair value (loss denoted by “-”)	972,926,778.50	-565,275,315.70
Foreign exchange gains (loss denoted by “-”)	-3,917,480.09	122,369,554.89
Other operating income	821,229,450.18	1,667,827,224.68
Gains from disposal of assets (loss denoted by “-”)	94,840.50	128,412.10
Other income	64,975,854.11	64,307,191.43
II. Total operating expenses	3,678,839,738.23	4,327,647,338.38
Tax and surcharges	34,564,010.54	38,871,516.92
Operating and administrative expenses	2,806,263,358.05	2,521,795,831.04
Credit impairment losses	34,418,638.99	106,749,546.41
Impairment losses on other assets	1,730,159.91	4,244,791.96
Other operating costs	801,863,570.74	1,655,985,652.05

Item	First quarter of 2023	First quarter of 2022
III. Operating profit (loss denoted by “-”)	3,021,538,437.84	2,004,768,946.88
Add: Non-operating income	955,141.38	770,938.99
Less: Non-operating expenses	66,260,884.16	1,762,834.83
IV. Profit before income tax (gross loss denoted by “-”)	2,956,232,695.06	2,003,777,051.04
Less: Income tax expenses	520,686,929.18	458,251,162.96
V. Net profit (net loss denoted by “-”)	2,435,545,765.88	1,545,525,888.08
(1) Classified by business continuity		
1. Net profit from continuing operations (net loss denoted by “-”)	2,435,545,765.88	1,545,525,888.08
2. Net profit from discontinued operations (net loss denoted by “-”)	–	–
(2) Classified by ownership		
1. Net profit attributable to equity holders of the Company (net loss denoted by “-”)	2,432,549,554.65	1,541,713,886.45
2. Non-controlling interests (net loss denoted by “-”)	2,996,211.23	3,812,001.63
VI. Other comprehensive income, net of tax	327,359,722.65	-154,697,571.39
Other comprehensive income attributable to owners of the parent, net of tax	327,359,722.65	-154,697,571.39
(1) Other comprehensive income not to be reclassified to profit or loss	-13,303,877.65	-12,433,350.23
Changes in fair value of other investments in equity instruments	-13,303,877.65	-12,433,350.23
(2) Other comprehensive income to be reclassified to profit or loss	340,663,600.30	-142,264,221.16
1. Changes in fair value of other debt investments	311,671,534.47	-128,931,112.53
2. Credit impairment provisions for other debt investments	94,653,735.49	13,473,880.61
3. Foreign currency translation differences	-65,661,669.66	-26,806,989.24
Other comprehensive income attributable to non-controlling interests, net of tax	–	–

Item	First quarter of 2023	First quarter of 2022
VII. Total comprehensive income	2,762,905,488.53	1,390,828,316.69
Comprehensive income attributable to the owners of the Company	2,759,909,277.30	1,387,016,315.06
Comprehensive income attributable to non-controlling interests	2,996,211.23	3,812,001.63
VIII. Earnings per share		
(1) Basic earnings per share (RMB/share)	0.28	0.18
(2) Diluted earnings per share (RMB/share)	0.28	0.18

*Person-in-charge of the
Company:*
WANG Changqing

Chief Financial Officer:
LI Geping

*Person-in-charge of
accounting department:*
ZHAO Ming

Consolidated Cash Flow Statement
From January to March 2023

Prepared by: CSC Financial Co., Ltd.

In RMB Yuan (unaudited)

Items	First quarter of 2023	First quarter of 2022
I. Cash flows from operating activities:		
Net decrease in financial assets held for trading	–	10,008,232,326.84
Net decrease in margin accounts	–	3,787,486,510.12
Cash received from interests, fees and commissions	6,153,628,541.52	6,752,776,268.04
Net cash received from accounts payable to brokerage clients	–	16,080,039,852.21
Cash received from other operating activities	6,346,296,244.17	2,992,877,775.32
Sub-total of cash inflows from operating activities	12,499,924,785.69	39,621,412,732.53
Net increase in financial assets held for trading	810,297,281.50	–
Net increase in margin accounts	3,560,399,984.80	–
Net decrease in placements from banks and other financial institutions	1,090,000,000.00	5,500,000,000.00
Net decrease in funds from repurchase business	2,562,139,988.76	6,308,589,187.62
Cash payment of interests, fees and commissions	1,423,301,469.58	1,376,434,036.96
Cash paid to and on behalf of employees	1,540,549,654.88	1,317,541,910.73
Cash payments of taxes and rates	1,065,011,607.43	1,825,063,127.84
Net cash payable from accounts payable to brokerage clients	4,849,231,829.16	–
Cash paid for other operating activities	5,011,311,143.69	8,960,173,965.82
Sub-total of cash outflows from operating activities	21,912,242,959.80	25,287,802,228.97
Net cash flows from operating activities	-9,412,318,174.11	14,333,610,503.56
II. Cash flows from investing activities:		
Cash received from other investing activities	148,170.33	295,370.46
Sub-total of cash inflows from investing activities	148,170.33	295,370.46
Cash paid for investments	1,709,640,177.14	1,227,820,323.55
Cash paid for purchase of property, plant and equipment, intangible assets and other long term assets	65,087,908.58	48,976,941.57
Sub-total of cash outflows from investing activities	1,774,728,085.72	1,276,797,265.12
Net cash flows from investing activities	-1,774,579,915.39	-1,276,501,894.66

Items	First quarter of 2023	First quarter of 2022
III. Cash flows from financing activities:		
Cash received from capital injection	–	4,500,000,000.00
Including: Cash received from issuing perpetual bonds	–	4,500,000,000.00
Cash received from borrowing activities	3,817,119,452.08	1,150,885,252.65
Cash received from issuing bonds	27,016,177,000.00	14,501,364,000.00
Sub-total of cash inflows from financing activities	30,833,296,452.08	20,152,249,252.65
Payments of debts	23,059,831,845.29	24,731,125,366.58
Cash outflows due to payment of dividends, profit or interests	1,637,166,971.03	1,112,135,722.52
Including: Distribution to other equity instrument holders	363,750,000.00	195,000,000.00
Dividends and profits paid by subsidiaries to minority shareholders	–	187.08
Cash paid for other financing activities	194,782,609.28	387,858,297.48
Sub-total of cash outflows from financing activities	24,891,781,425.60	26,231,119,386.58
Net cash flows from financing activities	5,941,515,026.48	-6,078,870,133.93
IV. Effect of exchange rate changes on cash and cash equivalents	-411,215,256.29	93,814,830.08
V. Net increase in cash and cash equivalents	-5,656,598,319.31	7,072,053,305.05
Add: cash and cash equivalent balance at the beginning of the period	142,280,480,630.13	123,244,246,395.04
VI. Cash and cash equivalents at the end of the period	136,623,882,310.82	130,316,299,700.09
<i>Person-in-charge of the Company:</i> WANG Changqing	<i>Chief Financial Officer:</i> LI Geping	<i>Person-in-charge of accounting department:</i> ZHAO Ming

Statement of Financial Position of the Parent Company
March 31, 2023

Prepared by: CSC Financial Co., Ltd.

In RMB Yuan (unaudited)

Items	March 31, 2023	December 31, 2022
ASSETS:		
Cash and bank balances	86,888,644,468.82	94,693,757,363.48
Including: cash held on behalf of customers	57,230,062,091.12	64,887,045,941.51
Settlement deposits	27,158,513,291.72	29,606,876,233.21
Including: deposits held on behalf of customers	20,615,856,323.25	23,412,012,891.97
Margin accounts	56,284,210,074.35	52,606,442,444.97
Derivative financial assets	3,136,377,462.01	2,942,801,049.74
Refundable deposits	6,718,002,242.08	5,652,195,025.44
Accounts receivable	10,145,265,257.70	10,189,481,906.27
Financial assets held under resale agreements	29,627,894,455.17	25,472,939,121.60
FINANCIAL INVESTMENT:		
Financial assets held for trading	172,724,178,631.02	165,838,820,454.43
Other debt investments	66,685,493,286.30	63,819,804,472.32
Long-term equity investment	11,605,011,056.34	11,605,422,369.97
Investment properties	37,710,059.71	38,142,253.84
Property, plant and equipment	605,595,185.78	645,994,502.55
Right-of-use assets	1,623,575,242.76	1,727,858,100.94
Intangible assets	623,696,416.93	636,303,421.67
Deferred tax assets	1,848,240,713.57	1,700,521,473.08
Other assets	687,802,777.46	621,268,938.13
Total assets	476,400,210,621.72	467,798,629,131.64

Items	March 31, 2023	December 31, 2022
LIABILITIES:		
Short-term financing instruments payable	37,412,694,360.98	19,439,574,326.12
Placements from banks and other financial institutions	7,661,238,584.20	8,724,568,666.01
Financial liabilities held for trading	15,930,126,561.26	12,114,254,943.10
Derivative financial liabilities	3,925,166,583.83	3,470,581,057.27
Financial assets sold under repurchase agreements	118,708,484,257.99	116,585,918,223.76
Accounts payable to brokerage clients	78,072,633,943.64	88,534,251,178.21
Accounts payable to underwriting clients	579,346,007.90	606,802,681.47
Salaries, bonuses and allowances payable	4,417,207,531.28	3,908,137,955.67
Taxes payable	458,153,102.53	823,236,086.97
Accounts payable	27,736,324,630.24	23,259,500,371.47
Provision	102,311,200.00	51,113,600.00
Bonds payable	83,420,725,881.40	94,811,010,227.03
Lease liabilities	1,626,956,790.36	1,752,030,201.32
Deferred tax liabilities	1,026,908,410.74	703,048,298.77
Other liabilities	4,567,864,388.68	4,172,849,741.59
Total liabilities	385,646,142,235.03	378,956,877,558.76
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	7,756,694,797.00	7,756,694,797.00
Other equity instruments	24,906,528,301.90	24,906,528,301.90
Including: perpetual bonds	24,906,528,301.90	24,906,528,301.90
Capital reserve	12,428,414,615.64	12,428,414,615.64
Other comprehensive income	791,294,458.51	444,343,742.81
Surplus reserves	5,865,080,101.28	5,865,080,101.28
General risk reserve	13,526,525,521.32	13,523,436,218.21
Retained earnings	25,479,530,591.04	23,917,253,796.04
Total equity of the owners (or shareholders)	90,754,068,386.69	88,841,751,572.88
Liabilities and total equity of the owners (or shareholders)	476,400,210,621.72	467,798,629,131.64
<i>Person-in-charge of the Company:</i> WANG Changqing	<i>Chief Financial Officer:</i> LI Geping	<i>Person-in-charge of accounting department:</i> ZHAO Ming

Income Statement of the Parent Company
From January to March 2023

Prepared by: CSC Financial Co., Ltd.

Item	<i>In RMB Yuan (unaudited)</i>	
	First quarter of 2023	First quarter of 2022
I. Total operating revenue	4,858,122,865.79	4,631,875,701.93
Net fee and commission income	2,517,138,795.32	3,181,119,069.34
Including: Net fee income from brokerage business	1,167,657,049.45	1,380,053,665.58
Net fee income from investment banking business	1,074,323,944.28	1,561,614,009.51
Net fee income from asset management business	152,692,717.46	161,177,913.81
Net interest income	412,985,510.15	269,682,582.67
Including: Interest income	2,272,307,562.36	2,071,069,053.30
Interest expenses	1,859,322,052.21	1,801,386,470.63
Investment income (loss denoted by “-”)	1,001,285,363.23	784,208,010.62
Including: Investment income from associates and joint ventures	-411,313.63	-210,667.62
Gains arising from changes in the fair value (loss denoted by “-”)	853,733,341.43	226,661,580.88
Foreign exchange gains (loss denoted by “-”)	4,350,435.03	116,286,304.61
Other operating income	13,600,916.30	3,770,007.21
Gains from disposal of assets (loss denoted by “-”)	89,796.25	122,273.00
Other income	54,938,708.08	50,025,873.60
II. Total operating expenses	2,586,223,228.39	2,427,697,980.15
Tax and surcharges	28,178,780.93	34,553,913.46
Operating and administrative expenses	2,525,514,260.79	2,285,161,987.53
Credit impairment losses	32,097,992.54	107,452,168.67
Other operating costs	432,194.13	529,910.49

Item	First quarter of 2023	First quarter of 2022
III. Operating profit (loss denoted by “-”)	2,271,899,637.40	2,204,177,721.78
Add: Non-operating income	953,318.99	769,021.36
Less: Non-operating expenses	65,668,494.94	1,047,094.71
IV. Profit before income tax (gross loss denoted by “-”)	2,207,184,461.45	2,203,899,648.43
Less: Income tax expenses	399,249,870.19	442,965,236.72
V. Net profit (net loss denoted by “-”)	1,807,934,591.26	1,760,934,411.71
(1) Net profit from continuing operations (net loss denoted by “-”)	1,807,934,591.26	1,760,934,411.71
(2) Net profit from discontinued operations (net loss denoted by “-”)	–	–
VI. Other comprehensive income, net of tax	346,950,715.70	-85,960,291.86
(1) Other comprehensive income not to be reclassified to profit or loss	–	–
(2) Other comprehensive income to be reclassified to profit or loss	346,950,715.70	-85,960,291.86
1. Changes in fair value of other debt investments	250,520,885.93	-100,092,640.69
2. Credit impairment provisions for other debt investments	96,429,829.77	14,132,348.83
VII. Total comprehensive income	2,154,885,306.96	1,674,974,119.85

*Person-in-charge of the
Company:*
WANG Changqing

Chief Financial Officer:
LI Geping

*Person-in-charge of
accounting department:*
ZHAO Ming

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

Prepared by: CSC Financial Co., Ltd.

In RMB Yuan (unaudited)

Items	First quarter of 2023	First quarter of 2022
I. Cash flows from operating activities:		
Net decrease in financial assets held for trading	–	11,727,044,159.53
Cash received from interests, fees and commissions	5,581,814,263.92	6,135,566,038.98
Net decrease in margin accounts	–	3,853,153,929.16
Net cash received from accounts payable to brokerage clients	–	12,031,649,280.03
Cash received from other operating activities	5,039,068,942.61	747,790,228.58
Sub-total of cash inflows from operating activities	10,620,883,206.53	34,495,203,636.28
Net increase in financial assets held for trading	1,611,700,888.10	–
Net decrease in placements from banks and other financial institutions	1,090,000,000.00	5,500,000,000.00
Net increase in margin accounts	3,525,299,993.50	–
Net decrease in funds from repurchase business	1,910,828,900.00	7,556,740,700.00
Net cash paid for accounts payable to brokerage clients	10,461,617,234.57	–
Cash payment of interests, fees and commissions	1,303,760,717.15	1,344,362,028.74
Cash paid to and on behalf of employees	1,402,393,428.40	1,203,060,126.87
Cash payments of taxes and rates	908,180,052.64	1,607,293,309.29
Cash paid for other operating activities	1,840,976,067.65	5,122,031,369.19
Sub-total of cash outflows from operating activities	24,054,757,282.01	22,333,487,534.09
Net cash flows from operating activities	-13,433,874,075.48	12,161,716,102.19

Items	First quarter of 2023	First quarter of 2022
II. Cash flows from investing activities:		
Cash received from other investing activities	<u>143,126.08</u>	<u>231,026.13</u>
Sub-total of cash inflows from investing activities	<u>143,126.08</u>	<u>231,026.13</u>
Cash paid for investments	1,990,951,963.02	2,067,764,361.00
Cash paid for purchase of property, plant and equipment, intangible assets and other long term assets	<u>58,180,927.89</u>	<u>45,158,447.77</u>
Sub-total of cash outflows from investing activities	<u>2,049,132,890.91</u>	<u>2,112,922,808.77</u>
Net cash flows from investing activities	<u>-2,048,989,764.83</u>	<u>-2,112,691,782.64</u>
III. Cash flows from financing activities:		
Cash received from capital injection	–	4,500,000,000.00
Including: Cash received from issuing perpetual bonds	–	4,500,000,000.00
Cash received from issuing bonds	<u>27,016,177,000.00</u>	<u>14,501,364,000.00</u>
Sub-total of cash inflows from financing activities	<u>27,016,177,000.00</u>	<u>19,001,364,000.00</u>
Payments of debts	20,180,353,000.00	22,801,941,000.00
Cash outflows due to payment of dividends, profit or interests	1,519,207,472.72	1,204,875,877.49
Including: Distribution to other equity instrument holders	363,750,000.00	195,000,000.00
Cash paid for other financing activities	<u>173,991,316.25</u>	<u>182,382,937.44</u>
Sub-total of cash outflows from financing activities	<u>21,873,551,788.97</u>	<u>24,189,199,814.93</u>
Net cash flows from financing activities	<u>5,142,625,211.03</u>	<u>-5,187,835,814.93</u>

Items	First quarter of 2023	First quarter of 2022
IV. Effect of exchange rate changes on cash and cash equivalents	-1,380,738.24	116,286,304.61
V. Net increase in cash and cash equivalents	-10,341,619,367.52	4,977,474,809.23
Add: cash and cash equivalent balance at the beginning of the period	124,160,719,808.44	109,085,387,084.36
VI. Cash and cash equivalents at the end of the period	<u>113,819,100,440.92</u>	<u>114,062,861,893.59</u>

*Person-in-charge of the
Company:*
WANG Changqing

Chief Financial Officer:
LI Geping

*Person-in-charge of
accounting department:*
ZHAO Ming

(I) Adjustments made to the financial statements as at the beginning of the year for the initial implementation of New Accounting Standards or interpretation of standards since 2023

☐ Applicable ☒ Not applicable

The announcement is hereby given.

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

Beijing, the PRC
April 27, 2023

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. WU Ruilin, Ms. ZHU Jia, Mr. YANG Dong and Ms. WANG Hua; and the independent non-executive Directors of the Company are Mr. PO Wai Kwong, Mr. LAI Guanrong, Mr. ZHOU Chengyue, Mr. ZHANG Zheng and Mr. WU Xi.