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**GF SECURITIES CO., LTD.**

**廣發証券股份有限公司**

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

**(Stock Code: 1776)**

## **2018 THIRD QUARTERLY REPORT**

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

Set out below is the 2018 third quarterly report of GF Securities Co., Ltd. (the “**Company**”) and its subsidiaries as of September 30, 2018. The financial report contained herein is prepared pursuant to the China Accounting Standards for Business Enterprises and has not been audited.

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

By order of the Board  
**GF Securities Co., Ltd.**  
**Sun Shuming**  
*Chairman*

Guangzhou, the PRC  
October 26, 2018

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Sun Shuming, Mr. Lin Zhihai, Mr. Qin Li and Ms. Sun Xiaoyan as executive Directors; Mr. Shang Shuzhi, Mr. Li Xiulin and Ms. Liu Xuetao as non-executive Directors; and Mr. Yang Xiong, Mr. Tang Xin, Mr. Chan Kalok and Mr. Li Yanxi as independent non-executive Directors.*

**GF SECURITIES CO., LTD.**  
**廣發証券股份有限公司**

**2018 THIRD QUARTERLY REPORT**

**Section I Important Notice**

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

This report has been considered and approved at the 12th meeting of the ninth session of the Board of Directors of the Company. Save for the following Directors, other Directors have attended the board meeting for consideration of this quarterly report in person:

<b>Name of the Directors who have not attended in person</b>	<b>Position of the Directors who have not attended in person</b>	<b>Reason for failing to attend the meeting in person</b>	<b>Name of proxy</b>
Yang Xiong	Independent non-executive Director	Business reason	Tang Xin

Mr. Sun Shuming, the legal representative of the Company, Ms. Sun Xiaoyan, the person-in-charge of accounting affairs, and Ms. Wang Ying, the head of the accounting department (person-in-charge of accounting) hereby declare that the financial statements contained in this quarterly report are true, accurate and complete.

## Section II Basic Information of the Company

### I. Key Accounting Data and Financial Indicators

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

Yes  No

	As at the end of the reporting period	As at the end of last year	Increase/decrease at the end of the reporting period as compared with the end of last year
Total assets (RMB)	392,531,913,925.05	356,904,638,176.67	9.98%
Net assets attributable to owners of the Company (RMB)	85,890,718,762.87	84,854,202,526.34	1.22%

	The reporting period	Increase/decrease for the reporting period as compared with the corresponding period of last year	Nine months ended September 30, 2018	Year-on-year increase/decrease as compared with the first nine months of last year
Operating revenue (RMB)	3,740,171,128.46	(23.88%)	11,359,691,687.36	(25.60%)
Net profit attributable to owners of the Company (RMB)	1,255,407,390.22	(39.23%)	4,113,683,274.06	(35.39%)
Net profit attributable to owners of the Company excluding extraordinary gains and losses (RMB)	1,145,288,898.29	(42.79%)	3,679,169,143.90	(40.09%)
Net cash flows from operating activities (RMB)	—	—	27,562,593,243.40	—
Basic earnings per share (RMB/share)	0.16	(40.74%)	0.54	(35.71%)
Diluted earnings per share (RMB/share)	0.16	(40.74%)	0.54	(35.71%)
Return on weighted average net assets	1.48%	Decreased by 1.03 percentage points	4.79%	Decreased by 3.05 percentage points

*Note 1:* As required by the notice of the Ministry of Finance on revising and issuing the format of financial statements of general enterprises and its interpretations, the new items “gains from disposal of assets” and “other gains” are added in the statement of profit or loss, and the comparative figures for the comparative period are adjusted as required. The presentation of “operating revenue” for the corresponding period of 2017 in the consolidated and the Company’s statements is adjusted accordingly to include under “operating revenue” the amounts of “gains from disposal of assets” and “other gains”, which are originally presented in non-operating income or expenses. Except for the above adjustments, there are no changes in the amounts of each item for the corresponding period of 2017 in the above table.

*Note 2:* The financial data contained in this report is prepared under the China Accounting Standards for Business Enterprises.

*Note 3:* Unless otherwise stated, the currency unit of the financial data contained in this report is RMB.

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

Total share capital of the Company as of the trading day preceding the date of publication of this quarterly report (shares)	7,621,087,664
Fully-diluted earnings per share based on the latest share capital (RMB/share)	0.54
Net assets per share attributable to owners of the Company (RMB/share)	11.27

Extraordinary gain and loss items and amounts

✓ Applicable  Not applicable

Unit: RMB

Items	Nine months ended September 30, 2018	Note
Profits and losses from disposal of non-current assets (including write-offs of asset impairment provisions)	965,556.41	Mainly include profits and losses from disposal of fixed assets
Government subsidies recorded under profit and loss of the current period (except for those closely related to the business of the Company, and in a fixed or quantifiable amount in conformity with the common standards of the State)	670,261,663.76	Mainly include financial incentives

Items	Nine months ended September 30, 2018	Note
Other non-operating income and expenses other than the above items	(8,963,526.60)	
Other profit or loss items falling within the definition of extraordinary gains and losses	(19,483,701.80)	Mainly include remuneration of the early-retired employees
Extraordinary gains and losses on disposal of subsidiaries	313,040.90	
Less: Income tax effect	161,552,087.20	
Impact on non-controlling interests (after tax)	47,026,815.31	
Total	434,514,130.16	—

Reasons for the Company's extraordinary gain and loss items as defined in the "Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No.1 — Extraordinary Gains and Losses" and for the extraordinary gain and loss items as enumerated in the "Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No.1 — Extraordinary Gains and Losses" to be recorded as its recurring gain and loss items.

Applicable  Not applicable

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

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

## II. Statement of the Total Number of Shareholders and the Shareholdings of the Top 10 Shareholders at the End of the Reporting Period

### 1. Total number of shareholders of ordinary shares and shareholders of preference shares with restored voting rights and the shareholdings of the top ten shareholders

Unit: share

<b>Total number of shareholders of ordinary shares as at the end of the reporting period</b>	151,608, of which 149,842 were holders of A Shares, 1,766 were registered shareholders of H Shares	<b>Total number of shareholders of preference shares with restored voting right as at the end of the reporting period (if any)</b>	0			
<b>Shareholdings of the top 10 ordinary shareholders</b>						
Name of shareholder	Nature of shareholder	Percentage of shareholding	Number of shares held	Number of shares held subject to trading moratorium	Pledged or frozen	
					Status of shares	Number of shares
HKSCC Nominees Limited	Overseas legal entity	22.31%	1,700,131,280	0	—	—
Jilin Aodong Pharmaceutical Group Co., Ltd.	Domestic general legal entity	16.43%	1,252,297,867	0	—	—
Liaoning Cheng Da Co., Ltd.	State-owned legal entity	16.40%	1,250,104,088	0	—	—
Zhongshan Public Utilities Group Co., Ltd.	Domestic general legal entity	9.01%	686,754,216	0	—	—
Huaxia Life Insurance Co., Ltd. — Universal Life Insurance Product	Fund, wealth management product, etc.	2.99%	228,131,005	0	—	—
China Securities Finance Corporation Limited	Domestic general legal entity	2.99%	227,870,638	0	—	—
Puning Xinhong Industrial Investment Co., Ltd.	Domestic general legal entity	1.91%	145,936,358	0	Pledged	144,000,000
Heungkong Group Limited	Domestic general legal entity	1.57%	119,286,246	0	—	—
Central Huijin Asset Management Ltd.	State-owned legal entity	1.29%	98,149,700	0	—	—
JT Asset Management — SPD Bank — JT Asset Management — Hengsheng New Momentum Subordination No. 1 Asset Management Scheme	Fund, wealth management product, etc.	0.59%	45,211,423	0	—	—

<b>Shareholdings of the top 10 ordinary shareholders not subject to trading moratorium</b>			
<b>Name of shareholder</b>	<b>Number of shares held not subject to trading moratorium</b>	<b>Class of shares</b>	
		<b>Class of shares</b>	<b>Number of shares</b>
HKSCC Nominees Limited	1,700,131,280	Overseas listed foreign shares	1,700,131,280
Jilin Aodong Pharmaceutical Group Co., Ltd.	1,252,297,867	RMB-denominated ordinary shares	1,252,297,867
Liaoning Cheng Da Co., Ltd.	1,250,104,088	RMB-denominated ordinary shares	1,250,104,088
Zhongshan Public Utilities Group Co., Ltd.	686,754,216	RMB-denominated ordinary shares	686,754,216
Huaxia Life Insurance Co., Ltd. — Universal Life Insurance Product	228,131,005	RMB-denominated ordinary shares	228,131,005
China Securities Finance Corporation Limited	227,870,638	RMB-denominated ordinary shares	227,870,638
Puning Xinhong Industrial Investment Co., Ltd.	145,936,358	RMB-denominated ordinary shares	145,936,358
Heungkong Group Limited	119,286,246	RMB-denominated ordinary shares	119,286,246
Central Huijin Asset Management Ltd.	98,149,700	RMB-denominated ordinary shares	98,149,700
JT Asset Management — SPD Bank — JT Asset Management — Hengsheng New Momentum Subordination No. 1 Asset Management Scheme	45,211,423	RMB-denominated ordinary shares	45,211,423

- Note 1:* Among the H shareholders of the Company, shares of the non-registered shareholders are held by HKSCC Nominees Limited on their behalf;
- Note 2:* In the above table, shares held by HKSCC Nominees Limited are overseas listed foreign shares (H Shares), and shares held by the other shareholders are RMB-denominated ordinary shares (A Shares);
- Note 3:* According to the public information disclosed by Jilin Aodong Pharmaceutical Group Co., Ltd. (“Jilin Aodong”), Liaoning Cheng Da Co., Ltd. (“Liaoning Cheng Da”) and Zhongshan Public Utilities Group Co., Ltd. (“Zhongshan Public Utilities”) respectively on October 16, 2018, as of September 30, 2018, Jilin Aodong held 41,026,000 H Shares of the Company by itself and 36,868,800 H Shares of the Company through its wholly-owned subsidiary, Aodong International (Hong Kong) Industrials Co., Limited, totaling 77,894,800 H Shares, representing 1.02% of the total share capital of the Company; Liaoning Cheng Da held 1,473,600 H Shares of the Company through Chengda Steel Hongkong Co., Limited, a wholly-owned subsidiary of Liaoning Cheng Da Steel Co., Ltd. which was in turn a wholly-owned subsidiary of Liaoning Cheng Da, representing 0.019% of the total share capital of the Company; and Zhongshan Public Utilities held 100,904,000 H Shares of the Company through its wholly-owned subsidiary, Public Utilities International (Hong Kong) Investment Company Limited, representing 1.32% of the total share capital of the Company. As of September 30, 2018, the shareholding percentages of Jilin Aodong and its parties acting in concert, Liaoning Cheng Da and its parties acting in concert and Zhongshan Public Utilities and its parties acting in concert in the A Shares and H Shares of the Company were 17.45%, 16.42% and 10.34%, respectively, of the total share capital of the Company;
- Note 4:* The number of shares held by Liaoning Chengda at the end of the reporting period decreased by 50,000 shares compared with the end of June 2018, mainly due to the participation of Liaoning Chengda in the margin refinancing and securities refinancing;
- Note 5:* According to the disclosure of the public disclosure information by the HKExnews of the Hong Kong Stock Exchange, as of September 30, 2018, the shareholders that held 5% or more of the H shares of the Company (except for the “Public Utilities International (Hong Kong) Investment Company Limited” in Note 3) are as follow: On September 27, 2018, BlackRock Inc. held a total of 86,256,884 long-position H Shares of the Company, representing 5.07% of the H Share capital of the Company; holding a total of 694,800 short-position H Shares of the Company, representing 0.04% of the H Share capital of the Company; On July 26, 2018, the Labor Union Committee of GF Securities Co., Ltd. held a total of 120,185,200 H Shares of the Company, representing 7.06% of the H Share capital of the Company. The above shares are held by HKSCC Nominees Limited on their behalf;
- Note 6:* As at the end of the reporting period, none of the above shareholders of A Shares held the shares of the Company through credit securities accounts;
- Note 7:* As at the end of the reporting period, none of the above shareholders of A Shares have conducted any agreed repurchase transactions.

**2. Statement of the total number of preference shareholders and the shareholdings of the top 10 preference shareholders**

Applicable  Not applicable



### Section III Significant Events

#### I. Changes in Major Financial Data and Financial Indicators and Reasons for Changes During the Reporting Period

✓ Applicable  Not applicable

Unit: RMB

Items	As at September 30, 2018	As at December 31, 2017	Increase/Decrease	Main reasons for changes
Financial assets held for trading	90,808,214,741.09	—	—	The effect of changes in the classification as a result of new financial instruments standards.
Financial assets at fair value through profit or loss	—	63,238,922,628.55	(100.00%)	The effect of changes in the classification as a result of new financial instruments standards.
Derivative financial assets	18,684,722,501.78	5,450,741,845.31	242.79%	Increase in currency derivatives as at the end of the period.
Accounts receivable	5,687,243,370.95	3,509,676,183.22	62.04%	Increase in clearing receivables as at the end of the period.
Debt investments	9,734,130,063.71	—	—	The effect of changes in the classification as a result of new financial instruments standards.
Other debt investments	74,133,087,468.11	—	—	The effect of changes in the classification as a result of new financial instruments standards.
Other equity instrument investments	12,078,946,962.93	—	—	The effect of changes in the classification as a result of new financial instruments standards.
Available-for-sale financial assets	—	92,594,399,160.08	(100.00%)	The effect of changes in the classification as a result of new financial instruments standards.
Deferred tax assets	791,231,267.37	428,495,855.91	84.65%	Decrease in taxable temporary differences as at the end of the period.
Financial liabilities held for trading	2,800,873,085.54	—	—	The effect of changes in the classification as a result of new financial instruments standards.
Financial liabilities at fair value through profit or loss	—	4,853,999,224.14	(100.00%)	The effect of changes in the classification as a result of new financial instruments standards.
Derivative financial liabilities	21,874,672,346.59	5,439,112,526.83	302.17%	Increase in currency derivatives as at the end of the period.

Items	As at September 30, 2018	As at December 31, 2017	Increase/Decrease	Main reasons for changes
Financial assets sold under repurchase agreements	85,741,879,198.91	55,516,408,036.08	54.44%	Increase in inter-bank repurchases as at the end of the period.
Accounts payable to underwriting clients	—	53,999,996.80	(100.00%)	Decrease in proceeds from underwriting securities received on behalf of customers as at the end of the period.

Items	Nine months ended September 30, 2018	Nine months ended September 30, 2017	Increase/Decrease	Main reasons for changes
Net interest income	246,609,413.36	389,621,351.96	(36.71%)	Increase in interest expenses of bonds during the period.
Gains from changes in fair value	(1,946,250,622.70)	(109,115,957.64)	—	Due to changes in fair value of trading and derivative financial assets during the period.
Foreign exchange gains	(31,649,902.84)	12,428,121.10	—	Effect of foreign exchange rate changes.
Gains from disposal of assets	963,715.34	1,874,809.27	(48.60%)	Decrease in gains from disposal of fixed assets during the period.
Other gains	685,117,854.45	388,022,634.16	76.57%	Increase in government subsidies during the period.
Impairment losses on assets	95,645.83	43,918,798.04	(99.78%)	Changes in presentation format without expected credit losses.
Impairment losses on credit	148,139,190.93	—	—	ECLs under the new standards.
Non-operating income	11,444,086.61	7,058,470.36	62.13%	Increase in non-operating income of GF Xinde.
Non-operating expenses	35,261,962.83	16,272,773.00	116.69%	Increase in donation expenses during the period.
Income tax expenses	1,104,063,013.27	1,821,952,556.07	(39.40%)	Decrease in income tax expenses due to the decrease in total profits during the period.
Other comprehensive income (net of tax)	83,322,259.03	1,561,237,310.43	(94.66%)	Decrease in changes in fair value of financial assets during the period.
Net cash flows from operating activities	27,562,593,243.40	(29,825,482,348.44)	—	Mainly increase in cash inflow arising from repurchase business during the period.
Net cash flows from investing activities	(15,499,858,640.47)	2,936,504,729.21	—	Mainly increase in cash outflow arising from other debt investments during the period.
Net cash flows from financing activities	(12,224,051,935.76)	4,624,041,618.53	—	Mainly decrease in cash inflow arising from bonds issuance during the period.

## II. Progress of Significant Events and their Effects as well as Analysis of Solutions thereon

### 1. Changes of brokerage branches

As of September 30, 2018, the Company had 20 branch offices and 264 securities brokerage branches (among which 97 are Category A, 80 are Category B and 87 are Category C) located in 31 provinces, municipalities directly under the central government and autonomous regions in China. During the reporting period, the intra-city relocation of 7 brokerage branches of the Company has been completed.

2. On July 10, 2018, the Company disclosed the “Announcement on Participation in the Establishment of Guangdong Equity Exchange Company Limited”. In October 2013, the Company invested RMB32,500,000 in the establishment of Guangdong Equity Exchange Co., Ltd. (廣東金融高新區股權交易中心有限公司) (“Guangdong Equity Exchange”), representing 32.50% of the total issued shares of this company. In order to implement the relevant regulations of the Notice on Regulated Development of Regional Equity Market (Guo Ban Fa 2017 No. 11) and the Provisional Measures for Supervision and Administration of Regional Equity Market (Decree No. 132 of the China Securities Regulatory Commission) and according to the approval opinions of Guangdong Province’s People’s Government, Guangdong Equity Exchange Company Limited (廣東股權交易中心股份有限公司) was jointly promoted by Guangdong Equity Exchange and Guangzhou Equity Exchange Co., Ltd. (廣州股權交易中心有限公司) (“Guangzhou Equity Exchange Company”) by way of merger through establishment of a new company, with a registered capital of RMB310,983,100. Guangdong Equity Exchange and Guangzhou Equity Exchange Company shall be deregistered accordingly. The Company made contribution to Guangdong Equity Exchange Company Limited by way of contributing the equity held by it in Guangdong Equity Exchange, holding 37,374,805 shares in this company and representing 12.0183% of the total issued shares of this company. For details, please refer to the announcement of the Company disclosed on the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the website of HKExnews of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on July 10, 2018.

3. On August 17, 2018, the Company received a written resignation letter from Ms. Zhan Lingzhi, a Supervisor of the Company, in relation to her resignation from her position as a Supervisor of the 9th session of the Supervisory Committee of the Company due to personal reasons of reasonable retirement planning. According to the requirements under the Company Law and the Articles of Association of the Company, the number of Supervisors of the Supervisory Committee of the Company would not fall below the minimum quorum as a result of Ms. Zhan Lingzhi's resignation. Therefore, the resignation letter from Ms. Zhan Lingzhi came into effect when it was received by the Company. The Company would elect a new Supervisor to fill the vacancy in accordance with the legal procedures. For details, please refer to the announcement of the Company disclosed on the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the website of HKExnews of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on August 18, 2018.
4. On August 29, 2018, the Company held the 10th meeting of the 9th session of the Board of Directors to consider and approve "The Resolution on the Adjustment of the Structure of the Investment Banking Business Management Division", pursuant to which it was approved to transfer the Debt Underwriting Department to coordinated management of the Investment Banking Business Management Division as a tier-one division. Upon the completion of the above adjustment, there are six tier-one departments under the Investment Banking Business Management Division, including Investment Banking General Management Department, Investment Banking Department, Mergers and Acquisitions Department, Strategic Investment Banking Department, Debt Underwriting Department and Capital Market Department. For details, please refer to the announcement of the Company disclosed on the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the website of HKExnews of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on August 30, 2018.
5. On August 29, 2018, the Company held the 10th meeting of the 9th session of the Board of Directors to consider and approve "The Resolution on the Adjustment of Increase in Capital Contribution to GF Holdings (Hong Kong) Corporation Limited (廣發控股(香港)有限公司)", pursuant to which it was approved to increase the capital contribution to GF Holdings (Hong Kong) Corporation Limited ("GFHK"), a wholly-owned subsidiary, by HKD5.237 billion, which can be completed in one lump sum or in batches according to the situation. The source of capital is the fund raised from the issuance of the overseas listed foreign shares (H shares) of the Company; the Company's management is authorized to handle the specific matters in relation to the increase of capital contribution to GFHK in accordance with

the relevant regulations. For details, please refer to the announcement of the Company disclosed on the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the website of HKExnews of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on August 30, 2018.

6. On September 5, 2018, the Company received the “Acceptance Slip of the Application for Administrative Permission from the CSRC” (No. 181351) (《中國證監會行政許可申請受理通知單》(181351號)) issued by the China Securities Regulatory Commission (the “CSRC”). The CSRC has reviewed the application materials for the “Application for Approval of Listed Company Non-public Issuance of New Shares of GF Securities Co., Ltd.” (《廣發証券股份有限公司上市公司非公開發行新股核准》) for the administrative permission submitted by the Company according to laws and considered that the application materials were complete and had complied with the statutory form, thus it decided to accept the application for administrative permission for further processing. The Non-public Issuance of A Shares is still subject to the approval of the CSRC. The Company will fulfill its obligations of information disclosure in a timely manner according to the progress of the examination and approval in relation to this matter of the CSRC. For details, please refer to the announcement of the Company disclosed on the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the website of HKExnews of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on September 6, 2018.
7. The Company received a resignation letter from Mr. Li Yanxi, an independent Director of the Company, on September 14, 2018. Mr. Li Yanxi tendered his resignation as an independent Director of the Company, a member of the Audit Committee and a member of the Remuneration and Nomination Committee of the 9th session of the Board of Directors of the Company due to his personal reason of wishing to devote more time to his other engagements. According to the requirements under the Company Law, Guiding Opinions on the Establishment of Independent Director System in Listed Companies and the Articles of Association of the Company, the resignation of Mr. Li Yanxi will not result in the number of the Board of Directors of the Company falling below the minimum quorum, but will result in the number of independent Directors of the Company falling below one-third of the number of the Board of Directors of the Company. Therefore, the resignation letter from Mr. Li Yanxi will come into effect when a new independent Director is appointed upon consideration and approval by the shareholders’ general meeting of the Company and the relevant qualification for the position as a director of a securities company is obtained and he/she formally assumes the role as a Director of the

Company. Before that, Mr. Li Yanxi will, in accordance with the requirements of relevant laws, administrative regulations and the Articles of Association, continue to perform his duties as an independent Director of the Company, a member of the Audit Committee of the Board of Directors of the Company and a member of the Remuneration and Nomination Committee of the Board of Directors of the Company. The Board of the Company would complete the election of a new independent Director in accordance with the requirements of the relevant laws and regulations as soon as possible. For details, please refer to the announcement of the Company disclosed on the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the website of HKExnews of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on September 15, 2018.

8. On September 18, 2018, the Company held the 11th meeting of the 9th session of the Board of Directors to consider and approve “The Resolution on the Nomination of the Candidate for the Independent Director of the 9th Session of the Board”, pursuant to which it was approved to nominate Mr. Fan Lifu as an candidate for the independent Director of the 9th session of the Board. Mr. Fan Lifu’s qualification for his position as an independent Director of a securities company is still subject to the approval of the securities regulatory authority. The independent Director Mr. Li Yanxi will, in accordance with the requirements of relevant laws, administrative regulations and the Articles of Association, continue to perform his duties before the relevant qualification for the position as a director of a securities company is obtained by Mr. Fan Lifu and he formally assumes the role as a Director of the Company. Mr. Fan Lifu has obtained the qualification for the position as an independent Director of listing company in the Stock Exchange and his qualification and independence as the candidate for the independent Director have been reviewed and approved by the Shenzhen Stock Exchange. The Company will propose it to the general meeting for consideration. For the biography of Mr. Fan Lifu and relevant details, please refer to the announcement of the Company disclosed on the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the website of HKExnews of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on September 19, 2018.
9. On October 16, 2018, the Company received “The Letter Regarding the Nomination of Candidate for the Supervisor of the 9th Session of the Supervisory Committee” submitted by Jilin Aodong, Liaoning Cheng Da and Zhongshan Public Utilities, all of which are the shareholders of the Company, to jointly nominate Mr. Lan Hailin as the candidate for the

Supervisor of the 9th session of the Supervisory Committee of the Company. The A Shares held by Jilin Aodong, Liaoning Cheng Da and Zhongshan Public Utilities accounted for 16.43%, 16.40% and 9.01%, respectively of the total share capital of the Company, and the total shareholding ratio exceeded 3%. Therefore they are entitled to jointly submit an extraordinary resolution to the Company in accordance with the relevant requirements of the Articles of Association and the Rules of Procedure of the General Meeting, pursuant to which the Company will nominate Mr. Lan Hailin as the candidate for the Supervisor of the 9th session of the Supervisory Committee and submit the proposal to the 2018 First Extraordinary General Meeting of the Company for consideration. For details, please refer to the announcement of the Company disclosed on the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the website of HKExnews of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on October 19, 2018.

### III. Undertakings Overdue and Not Yet Performed during the Reporting Period by the De Facto Controller, Shareholders, Related Parties, Purchasers, the Company and Other Related Parties of Undertakings of the Company

Undertaking	Undertaker	Undertaking type	Contents of undertaking	Date of undertaking	Undertaking period	Performance
Share reform undertakings/ undertakings stated in acquisition report or report of changes in equity/ undertakings made during asset restructuring	The Company, its shareholders, Directors, Supervisors and senior management	Others	<p>1. The Company and its Directors, Supervisors and senior management have undertaken that, after the completion of the relevant transaction, the Company, as a public company, will strictly fulfill its obligations in information disclosure and investor education. Apart from the general information disclosure requirements for listed companies, the Company, after the completion of its listing, will also, based on its own characteristics, disclose information on customer asset protection, risk control, compliance inspection, innovative business and risk management in its regular reports, and will also strengthen the disclosure of risks to investors.</p> <p>2. The Company and its Directors, Supervisors and senior management have undertaken that they will strictly follow the “Measures for Managing the Risk Control Indices of Securities Companies” (《證券公司風險控制指標管理辦法》), and will improve the risk management system, optimize risk control mechanism, establish a real-time risk monitoring system, strengthen the dynamic monitoring of risk, and enhance the risk identification, measurement and control abilities, so as to improve risk management.</p> <p>3. To avoid competition with the surviving company after the share swap, absorption and merger and to regulate possible related transactions, Liaoning Cheng Da and Jilin Aodong have undertaken that: ① as the largest and second largest shareholders of the surviving company after the share swap, absorption and merger, they do not and will not engage in the same business with the surviving company, and will not indirectly operate or invest in enterprises which are engaged in business that competes or is likely to compete with the surviving company. They also undertook not to impair the legitimate interests of the surviving company and other shareholders by leveraging on their positions as shareholders. Meanwhile, they will also procure their wholly owned subsidiaries, subsidiaries in which they hold more than 50% equity and indirect subsidiaries to fulfill the above undertakings. ② as for related transactions which will be entered into between Liaoning Cheng Da, Jilin Aodong, their related parties and the surviving company, they will strictly follow the decision-making procedures for related transactions of listed companies and the principle of market pricing to ensure just, impartial and fair treatment and not to impair the legitimate interests of minority shareholders.</p> <p>4. Each of Liaoning Cheng Da and Jilin Aodong has made the Undertaking on Maintaining the Independence of Yan Bian Road Construction Co., Ltd. (《關於保持延邊公路建設股份有限公司獨立性的承諾》) and has undertaken to be independent from the Company in various aspects including staff, asset, business, finance and institution.</p>	February 6, 2010	Nil	All undertakers have strictly performed the undertakings.



Undertaking	Undertaker	Undertaking type	Contents of undertaking	Date of undertaking	Undertaking period	Performance
Undertakings made upon the initial public offering or refinancing	Nil	Nil	Nil	Nil	Nil	Nil
Undertakings on equity incentive	Nil	Nil	Nil	Nil	Nil	Nil
Other undertakings made to minority shareholders of the Company	Nil	Nil	Nil	Nil	Nil	Nil
Undertakings in relation to the guarantee for the net capital of GF Asset Management	The Company	Others	To support the business expansion and enhancement of GF Asset Management, to meet its needs for continuous business development, and to improve the fund utilization efficiency of the Company, the Company has provided a guarantee for the net capital of GF Asset Management up to RMB1 billion (inclusive, the same below). The undertaking period commences from the date of announcement of the resolution of the Board, being September 29, 2015, until the date on which the net capital of GF Asset Management can continuously meet the applicable regulatory requirements.	September 29, 2015	The undertaking period commences from the date of announcement of the resolution of the Board, being September 29, 2015, until the date on which the net capital of GF Asset Management can continuously meet the applicable regulatory requirements.	The Company has strictly performed the undertakings.
Undertakings in relation to the guarantee for the net capital of GF Asset Management	The Company	Others	To support the continuous satisfaction by GF Asset Management of the regulatory requirements for risk control indices, the Company has provided additional guarantee for the net capital of GF Asset Management up to RMB3 billion (inclusive). The undertaking period for the guarantee for the net capital of RMB2.5 billion commences from the date of the passing of the resolution by the Board until September 30, 2016. The undertaking period for the guarantee for the net capital of RMB0.5 billion will last until the net capital of GF Asset Management can continuously meet the applicable regulatory requirements.	July 18, 2016	The undertaking period for the guarantee for the net capital of RMB2.5 billion commences from the date of the passing of the resolution by the Board until September 30, 2016. The undertaking period for the guarantee for the net capital of RMB0.5 billion will last until the net capital of GF Asset Management can continuously meet the applicable regulatory requirements.	The Company has strictly performed the undertakings.
Are the undertakings performed in time?	Yes					

#### IV. Estimation of Operating Results for the Year of 2018

Provide warning or statement of reasons if it is estimated that the accumulated net profits from the beginning of the year to the end of the next reporting period will turn to losses, or will change significantly as compared with that in the corresponding period of last year

Applicable  Not applicable

#### V. Investment in Securities

Applicable  Not applicable

#### VI. Entrusted Asset Management

Applicable  Not applicable

#### VII. Investment in Derivatives

Applicable  Not applicable

#### VIII. Record of Research, Communication and Interview Activities during the Reporting Period

From July to September 2018, apart from daily telephone communications with public investors, the Company organized and participated in a total of 7 research receptions and results roadshows, receiving a total of about 50 investors, details of which are shown in the table below:

Reception time	Reception method	Type of participants	Participants	Index for basic particulars
From July 1, 2018 to September 30, 2018	Telephone communication	Individuals	Public investors	Operation and development of the Company
July 3, 2018	Field research	Institution	Tengyue Fund	Operation and development of the Company
July 3, 2018	Field research	Institution	TF Securities	Operation and development of the Company

Reception time	Reception method	Type of participants	Participants	Index for basic particulars
July 5, 2018	Results roadshow	Institutions	The investors who were invited to attend the Citibank 2018 Strategy Conference	Strategic and business development of the Company
July 12, 2018	Field research	Institution	Dongxing Securities	Operation and development of the Company
August 30, 2018	Results roadshow	Institutions	Analysts and investors who were invited to attend GF Securities' 2018 Interim Results Announcement Conference	Strategic and business development of the Company
September 4, 2018	Field research	Institution	HSBC	Operation and development of the Company
September 4, 2018	Results roadshow	Institutions	The investors who were invited to attend UBS 2018 China A share seminar	Strategic and business development of the Company

*Note:* For records of investor relations activities regarding the reception of the afore-mentioned institutional investors by the Company, please refer to the disclosure published on the websites of the Shenzhen Stock Exchange ([www.szse.cn](http://www.szse.cn)) and CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)).

#### **IX. Information on Illegal External Guarantees**

The Company had no illegal external guarantees during the reporting period.

#### **X. Information on the Non-Operating Use of Funds of the Listed Company by the Controlling Shareholders and its Related Parties**

Applicable  Not applicable

## Section IV Financial Statements

### I. Financial Statements

#### 1. Consolidated and the Company's Statements of Financial Position

Name of Enterprise: GF Securities Co., Ltd.		Unit: RMB		Audit Type: Unaudited	
Assets	As at September 30, 2018		As at December 31, 2017		
	Consolidated	Company	Consolidated	Company	
<b>Assets:</b>					
Cash and bank balances	56,972,199,370.76	43,648,963,644.11	56,910,758,509.16	45,586,357,496.66	
Including: cash held on behalf of customers	44,454,410,089.99	36,223,040,699.25	48,356,454,197.43	41,823,553,682.67	
Clearing settlement funds	17,655,428,586.20	15,036,958,723.94	17,652,948,318.56	15,865,647,091.64	
Including: settlement funds held on behalf of customers	14,426,307,641.95	11,961,871,134.78	14,313,291,768.94	12,717,075,160.88	
Advances to customers	50,143,885,361.69	46,450,249,157.00	61,750,191,315.06	57,505,384,096.86	
Financial assets held for trading	90,808,214,741.09	55,653,613,533.98	—	—	
Financial assets at fair value through profit or loss	—	—	63,238,922,628.55	37,748,240,969.55	
Derivative financial assets	18,684,722,501.78	926,665,582.14	5,450,741,845.31	240,715,245.90	
Financial assets held under resale agreements	33,345,852,701.20	31,713,291,406.29	33,667,402,360.98	33,381,102,336.98	
Accounts receivable	5,687,243,370.95	588,216,728.19	3,509,676,183.22	688,725,510.44	
Interest receivable	3,207,710,644.87	2,647,036,964.38	2,934,832,055.76	2,360,073,034.64	
Refundable deposits	5,725,235,271.75	1,140,725,566.17	4,700,753,337.46	859,907,298.50	
Debt investments	9,734,130,063.71	9,043,747,152.91	—	—	
Other debt investments	74,133,087,468.11	69,692,979,401.66	—	—	
Available-for-sale financial assets	—	—	92,594,399,160.08	76,094,758,602.98	
Long-term equity investments	4,800,244,170.11	17,458,642,605.55	4,336,479,926.70	17,280,638,246.44	
Other equity instrument investments	12,078,946,962.93	12,027,123,461.37	—	—	
Investment properties	20,499,972.74	20,499,972.74	21,802,164.20	21,802,164.20	
Fixed assets	862,874,156.57	620,998,296.90	940,624,652.33	692,824,536.66	
Construction in progress	1,307,830,423.13	1,307,830,423.13	1,072,743,226.51	1,072,743,226.51	
Intangible assets	548,145,564.89	497,844,229.47	593,086,353.96	545,343,432.88	
Goodwill	2,283,616.05	—	2,169,175.75	—	
Deferred tax assets	791,231,267.37	419,734,122.84	428,495,855.91	272,114,577.95	
Other assets	6,022,147,709.15	2,616,593,295.70	7,098,611,107.17	2,491,333,972.16	
<b>Total assets</b>	<b>392,531,913,925.05</b>	<b>311,511,714,268.47</b>	<b>356,904,638,176.67</b>	<b>292,707,711,840.95</b>	

Legal representative:

Sun Shuming

Person-in-charge of accounting affairs:

Sun Xiaoyan

Person-in-charge of accounting department:

Wang Ying

# 1. Consolidated and the Company's Statements of Financial Position (Continued)

Name of Enterprise:  
GF Securities Co., Ltd.

Audit Type:  
Unaudited  
Unit: RMB

Liabilities and Equity	As at September 30, 2018		As at December 31, 2017	
	Consolidated	Company	Consolidated	Company
Liabilities:				
Short-term borrowings	5,991,265,749.22	—	7,349,536,364.33	—
Short-term financing payables	27,963,860,000.00	27,963,860,000.00	25,101,447,000.00	25,101,447,000.00
Due to banks and other financial institutions	6,154,453,394.29	6,000,000,000.00	4,953,655,549.04	1,300,000,000.00
Financial liabilities held for trading	2,800,873,085.54	—	—	—
Financial liabilities at fair value through profit or loss	—	—	4,853,999,224.14	1,659,501,990.00
Derivative financial liabilities	21,874,672,346.59	967,597,947.17	5,439,112,526.83	291,812,371.26
Financial assets sold under repurchase agreements	85,741,879,198.91	80,750,680,047.53	55,516,408,036.08	52,620,370,401.73
Accounts payable to brokerage clients	60,758,417,032.35	45,503,161,658.60	65,026,117,190.86	53,211,363,487.50
Accounts payable to underwriting clients	—	—	53,999,996.80	53,999,996.80
Accrued staff costs	5,067,941,795.78	3,634,466,781.44	7,050,313,008.23	5,230,121,496.63
Taxes payable	886,726,891.10	496,245,294.68	1,188,593,136.25	636,298,212.22
Accounts payable	10,815,649,920.44	2,333,761,651.01	10,615,613,630.43	1,021,992,322.17
Interest payable	1,647,265,464.26	1,591,509,670.13	1,939,204,420.19	1,909,091,985.40
Provisions	33,360,000.00	33,360,000.00	33,360,000.00	33,360,000.00
Long-term borrowings	5,428,739,664.92	—	4,525,492,111.80	—
Bonds payable	65,488,862,866.40	65,488,862,866.40	72,672,720,280.85	72,672,720,280.85
Deferred tax liabilities	81,717,626.89	—	88,441,255.28	—
Other liabilities	2,420,126,079.27	964,140,671.32	1,871,042,542.97	985,452,360.89
Total liabilities	303,155,811,115.96	235,727,646,588.28	268,279,056,274.08	216,727,531,905.45
Equity:				
Share capital	7,621,087,664.00	7,621,087,664.00	7,621,087,664.00	7,621,087,664.00
Capital reserve	31,864,816,413.52	31,677,902,101.69	31,864,816,413.52	31,677,902,101.69
Other comprehensive income	1,741,164,526.69	1,498,033,546.11	2,244,539,408.89	1,463,742,127.09
Surplus reserve	5,360,597,212.09	5,345,266,842.14	5,360,597,212.09	5,345,266,842.14
General risk reserve	12,069,866,256.88	10,937,458,734.64	11,995,306,804.86	10,937,335,171.34
Retained profits	27,233,186,689.69	18,704,318,791.61	25,767,855,022.98	18,934,846,029.24
Equity attributable to owners of the Company	85,890,718,762.87		84,854,202,526.34	
Non-controlling interests	3,485,384,046.22		3,771,379,376.25	
Total equity	89,376,102,809.09	75,784,067,680.19	88,625,581,902.59	75,980,179,935.50
Total liabilities and equity	392,531,913,925.05	311,511,714,268.47	356,904,638,176.67	292,707,711,840.95

Legal representative:  
Sun Shuming

Person-in-charge of accounting affairs:  
Sun Xiaoyan

Person-in-charge of accounting department:  
Wang Ying

## 2. Consolidated and the Company's Statements of Profit or Loss for the Reporting Period

Name of Enterprise: GF Securities Co., Ltd.		Unit: RMB		Audit Type: Unaudited	
Items	July to September, 2018		July to September, 2017		
	Consolidated	Company	Consolidated	Company	
<b>1. Operating revenue</b>	3,740,171,128.46	2,106,193,878.62	4,913,353,540.55	3,055,061,555.61	
Net fee and commission income	2,094,900,992.95	986,036,015.83	2,832,252,599.48	1,735,565,450.64	
Including: Net fee income from brokerage business	748,923,706.07	639,754,979.13	1,280,288,647.49	1,159,001,767.69	
Net fee income from investment banking business	359,141,773.76	317,215,454.38	565,116,542.65	528,475,847.22	
Net fee income from asset management and fund management business	901,476,464.37	—	917,904,400.40	—	
Net interest income	33,988,697.71	62,075,004.65	4,064,899.23	12,763,560.68	
Including: Interest income	2,071,814,323.92	1,794,328,851.46	2,016,621,380.99	1,799,377,897.38	
Interest expenses	2,037,825,626.21	1,732,253,846.81	2,012,556,481.76	1,786,614,336.70	
Investment gains	2,846,243,812.20	1,258,347,415.32	1,858,747,984.27	1,264,002,304.71	
Including: Gains from investment in associates and joint ventures	125,114,112.09	115,560,600.25	96,438,168.85	96,383,116.58	
Gains from changes in fair value	(1,456,385,282.58)	(204,899,099.23)	126,532,405.89	6,993,370.09	
Foreign exchange gains	(20,007,531.64)	(14,577,904.54)	(4,295,584.05)	(4,107,224.40)	
Gains from disposal of assets	453,445.82	442,884.36	847,666.18	834,704.33	
Other gains	233,525,886.94	13,868,120.58	85,144,779.02	34,737,843.33	
Other operating income	7,451,107.06	4,901,441.65	10,058,790.53	4,271,546.23	
<b>2. Operating expenses</b>	2,041,427,539.28	1,213,347,113.27	2,192,635,429.77	1,469,889,683.87	
Tax and surcharges	22,773,004.95	15,297,117.61	29,839,174.66	22,348,292.62	
General and administrative expenses	1,965,510,891.43	1,161,534,783.85	2,155,902,659.89	1,447,103,119.42	
Impairment loss on assets	70,645.81	12,500.01	6,459,531.40	4,208.01	
Impairment loss on credit	52,638,933.27	36,068,647.98	—	—	
Other operating expenses	434,063.82	434,063.82	434,063.82	434,063.82	
<b>3. Operating profits</b>	1,698,743,589.18	892,846,765.35	2,720,718,110.78	1,585,171,871.74	
Add: Non-operating income	9,123,713.81	197,077.26	5,639,456.53	5,246,293.39	
Less: Non-operating expenses	25,771,659.76	13,037,513.59	6,758,596.19	5,293,669.84	
<b>4. Profit before income tax</b>	1,682,095,643.23	880,006,329.02	2,719,598,971.12	1,585,124,495.29	
Less: Income tax expense	375,746,996.95	137,116,325.21	520,948,195.06	326,181,261.03	
<b>5. Net profit for the period</b>	1,306,348,646.28	742,890,003.81	2,198,650,776.06	1,258,943,234.26	
(1) Classified by continuity of operations					
1. Net profit from continuing operations	1,306,348,646.28	742,890,003.81	2,198,650,776.06	1,258,943,234.26	
2. Net profit from discontinued operations	—	—	—	—	
(2) Classified by ownership of equity					
1. Attributable to owners of the Company	1,255,407,390.22		2,065,809,146.89		
2. Attributable to non-controlling interests	50,941,256.06		132,841,629.17		
<b>6. Other comprehensive income (net of tax)</b>	503,489,306.71	275,419,777.87	792,925,186.32	566,740,330.55	
Other comprehensive income attributable to owners of the Company (net of tax)	524,113,803.91		762,286,133.71		
(1) Other comprehensive income that will not be reclassified into profits or losses	171,806,887.37	173,177,524.31	—	—	

Name of Enterprise:  
GF Securities Co., Ltd.

Unit: RMB

Audit Type:  
Unaudited

Items	July to September, 2018		July to September, 2017	
	Consolidated	Company	Consolidated	Company
1. Changes in fair value of other equity instrument investments	171,806,887.37	173,177,524.31	—	—
(2) Other comprehensive income that will be reclassified into profits or losses	352,306,916.54	102,242,253.56	762,286,133.71	566,740,330.55
1. Other comprehensive income under equity method that can be reclassified into profits or losses	(32,366,066.50)	(12,153,952.33)	14,691,676.65	14,774,866.33
2. Fair value changes of other debt investments	132,532,229.57	103,442,742.36	—	—
3. Credit impairment provisions for other debt investments	10,953,463.53	10,953,463.53	—	—
4. Fair value changes of available-for-sale financial assets	—	—	868,714,393.34	551,965,464.22
5. Translation differences on foreign currency financial statements	241,187,289.94	—	(121,119,936.28)	—
Other comprehensive income attributable to non-controlling interests (net of tax)	(20,624,497.20)	—	30,639,052.61	—
<b>7. Total comprehensive income for the period</b>	<b>1,809,837,952.99</b>	<b>1,018,309,781.68</b>	<b>2,991,575,962.38</b>	<b>1,825,683,564.81</b>
Including: Total comprehensive income attributable to owners of the Company	1,779,521,194.13	—	2,828,095,280.60	—
Total comprehensive income attributable to non-controlling interests	30,316,758.86	—	163,480,681.78	—
<b>8. Earnings per share:</b>				
(1) Basic earnings per share (RMB/share)	0.16	—	0.27	—
(2) Diluted earnings per share (RMB/share)	0.16	—	0.27	—

Legal representative:  
Sun Shuming

Person-in-charge of accounting affairs:  
Sun Xiaoyan

Person-in-charge of accounting department:  
Wang Ying

### 3. Consolidated and the Company's Statements of Profit or Loss from the Beginning of Year until the End of the Reporting Period

Name of Enterprise:  
GF Securities Co., Ltd.

Unit: RMB

Audit Type:  
Unaudited

Items	January to September, 2018		January to September, 2017	
	Consolidated	Company	Consolidated	Company
<b>1. Operating revenue</b>	11,359,691,687.36	7,272,592,427.96	15,267,736,046.47	9,757,333,480.96
Net fee and commission income	6,550,847,614.78	3,371,961,712.45	8,069,971,561.08	4,921,978,406.16
Including: Net fee income from brokerage business	2,728,822,020.25	2,421,689,763.07	3,303,790,690.82	2,987,990,100.25
Net fee income from investment banking business	925,486,970.68	860,026,366.20	1,892,279,104.30	1,837,934,718.32
Net fee income from asset management and fund management business	2,762,584,968.81	—	2,728,700,154.41	—
Net interest income	246,609,413.36	316,388,718.98	389,621,351.96	470,788,457.09
Including: Interest income	6,455,830,614.37	5,658,476,867.17	5,880,051,696.77	5,286,560,865.47
Interest expenses	6,209,221,201.01	5,342,088,148.19	5,490,430,344.81	4,815,772,408.38
Investment gains	5,833,275,247.47	3,688,127,126.08	6,486,522,193.79	4,588,660,402.28
Including: Gains from investment in associates and joint ventures	376,821,528.80	298,124,268.03	298,327,685.99	257,525,267.38
Gains from changes in fair value	(1,946,250,622.70)	(554,874,751.13)	(109,115,957.64)	(304,490,806.68)
Foreign exchange gains	(31,649,902.84)	(12,535,592.22)	12,428,121.10	(2,478,232.73)
Gains from disposal of assets	963,715.34	951,702.89	1,874,809.27	1,823,380.41
Other gains	685,117,854.45	451,063,594.15	388,022,634.16	69,238,904.88
Other operating income	20,778,367.50	11,509,916.76	28,411,332.75	11,812,969.55
<b>2. Operating expenses</b>	5,917,227,544.18	3,663,347,687.09	6,741,397,866.87	4,544,672,891.37
Tax and surcharges	78,355,580.74	55,685,202.17	92,466,811.86	72,014,191.59
General and administrative expenses	5,689,334,935.22	3,485,508,280.14	6,603,710,065.51	4,470,388,610.92
Impairment loss on assets	95,645.83	37,500.03	43,918,798.04	967,897.40
Impairment loss on credit	148,139,190.93	120,814,513.29	—	—
Other operating expenses	1,302,191.46	1,302,191.46	1,302,191.46	1,302,191.46
<b>3. Operating profits</b>	5,442,464,143.18	3,609,244,740.87	8,526,338,179.60	5,212,660,589.59
Add: Non-operating income	11,444,086.61	2,324,505.14	7,058,470.36	6,643,660.96
Less: Non-operating expenses	35,261,962.83	21,740,182.24	16,272,773.00	12,210,728.65
<b>4. Profit before income tax</b>	5,418,646,266.96	3,589,829,063.77	8,517,123,876.96	5,207,093,521.90
Less: Income tax expense	1,104,063,013.27	651,620,867.26	1,821,952,556.07	1,090,360,295.16
<b>5. Net profit for the period</b>	4,314,583,253.69	2,938,208,196.51	6,695,171,320.89	4,116,733,226.74
(1) Classified by continuity of operations				
1. Net profit from continuing operations	4,314,583,253.69	2,938,208,196.51	6,695,171,320.89	4,116,733,226.74
2. Net profit from discontinued operations	—	—	—	—
(2) Classified by ownership of equity				
1. Attributable to owners of the Company	4,113,683,274.06		6,367,235,868.81	
2. Attributable to non-controlling interests	200,899,979.63		327,935,452.08	
<b>6. Other comprehensive income (net of tax)</b>	83,322,259.03	(7,225,541.19)	1,561,237,310.43	1,232,583,809.15
Other comprehensive income attributable to owners of the Company (net of tax)	104,272,132.78		1,372,488,824.87	
(1) Other comprehensive income that will not be reclassified into profits or losses	(329,354,666.94)	(327,999,448.33)	—	—



Name of Enterprise:  
GF Securities Co., Ltd.

Unit: RMB

Audit Type:  
Unaudited

Items	January to September, 2018		January to September, 2017	
	Consolidated	Company	Consolidated	Company
1. Changes in fair value of other equity instrument investments	(329,354,666.94)	(327,999,448.33)	—	—
(2) Other comprehensive income that will be reclassified into profits or losses	433,626,799.72	320,773,907.14	1,372,488,824.87	1,232,583,809.15
1. Other comprehensive income under equity method that can be reclassified into profits or losses	(60,217,397.59)	(22,119,908.92)	27,134,775.07	28,860,174.14
2. Fair value changes of other debt investments	139,246,630.69	331,295,526.85	—	—
3. Credit impairment provisions for other debt investments	50,000,369.69	11,598,289.21	—	—
4. Fair value changes of available-for-sale financial assets	—	—	1,626,490,806.16	1,203,723,635.01
5. Translation differences on foreign currency financial statements	304,597,196.93	—	(281,136,756.36)	—
Other comprehensive income attributable to non-controlling interests (net of tax)	(20,949,873.75)	—	188,748,485.56	—
<b>7. Total comprehensive income for the period</b>	<b>4,397,905,512.72</b>	<b>2,930,982,655.32</b>	<b>8,256,408,631.32</b>	<b>5,349,317,035.89</b>
Including: Total comprehensive income attributable to owners of the Company	4,217,955,406.84	—	7,739,724,693.68	—
Total comprehensive income attributable to non-controlling interests	179,950,105.88	—	516,683,937.64	—
<b>8. Earnings per share:</b>				
(1) Basic earnings per share (RMB/share)	0.54	—	0.84	—
(2) Diluted earnings per share (RMB/share)	0.54	—	0.84	—

Legal representative:  
Sun Shuming

Person-in-charge of accounting affairs:  
Sun Xiaoyan

Person-in-charge of accounting department:  
Wang Ying

#### 4. Consolidated and the Company's Statements of Cash Flow from the Beginning of the Year until the End of the Reporting Period

Name of Enterprise:  
GF Securities Co., Ltd.

Unit: RMB  
Audit Type:  
Unaudited

Items	January to September, 2018		January to September, 2017	
	Consolidated	Company	Consolidated	Company
<b>1. Cash flows from operating activities:</b>				
Net decrease in advances to customers	11,753,311,528.55	11,022,992,211.62	—	—
Cash received from interest, fee and commission	14,150,178,373.89	9,663,720,259.64	14,737,507,088.59	10,807,166,989.66
Net increase in due to banks and other financial institutions	1,201,028,901.09	4,700,000,000.00	622,630,597.85	—
Net cash received from accounts payable to underwriting clients	—	—	918,000,000.00	918,000,000.00
Net increase in repurchase businesses	30,501,948,948.44	29,707,899,657.51	3,204,351,743.83	2,947,756,087.59
Cash received from other operating activities	918,763,734.78	1,820,087,302.79	707,251,380.58	89,514,669.88
<b>Cash inflow from operating activities, subtotal</b>	<b>58,525,231,486.75</b>	<b>56,914,699,431.56</b>	<b>20,189,740,810.85</b>	<b>14,762,437,747.13</b>
Net increase in advances to customers	—	—	1,221,803,953.85	1,018,733,417.67
Net decrease in purchase of financial instruments held for trading	13,665,135,628.12	16,452,985,157.25	—	—
Net decrease in purchase of financial instruments at fair value through profit or loss	—	—	11,607,552,387.81	9,017,638,560.30
Cash payment of interest, fee and commission	2,596,606,714.70	2,332,995,655.19	2,585,157,829.45	2,398,499,787.33
Net decrease in due to banks and other financial institutions	—	—	—	2,130,000,000.00
Net cash paid for accounts payable to brokerage clients	4,627,733,958.24	7,713,825,803.38	18,203,290,490.35	15,936,327,282.31
Net cash paid for accounts payable to underwriting clients	53,999,996.80	53,999,996.80	—	—
Cash payments for employees	5,803,923,925.39	4,176,676,207.11	5,706,395,702.06	4,297,381,146.82
Tax expenses paid	2,819,379,081.66	1,363,527,396.98	3,050,446,294.84	2,031,136,666.03
Cash paid for other operating activities	1,395,858,938.44	1,171,041,044.44	7,640,576,500.93	5,150,760,464.35
<b>Cash outflow from operating activities, subtotal</b>	<b>30,962,638,243.35</b>	<b>33,265,051,261.15</b>	<b>50,015,223,159.29</b>	<b>41,980,477,324.81</b>
<b>Net cash flows from operating activities</b>	<b>27,562,593,243.40</b>	<b>23,649,648,170.41</b>	<b>(29,825,482,348.44)</b>	<b>(27,218,039,577.68)</b>
<b>2. Cash flows from investing activities:</b>				
Cash received from divestment	3,846,750,705.00	2,210,987,663.60	686,535,553.83	—
Net increase in disposal of available-for-sale financial assets	—	—	1,902,212,911.85	1,959,872,497.26
Cash received from realized investment gains	2,613,853,614.86	2,242,858,834.94	2,514,329,743.23	2,198,076,698.79
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,202,062.67	1,159,719.06	2,396,296.51	2,293,642.94
Net cash received from disposal of subsidiaries and other operating units	5,694,230.53	—	—	—
Cash received from other investing activities	—	—	3,353,308.23	—
<b>Cash inflow from investing activities, subtotal</b>	<b>6,467,500,613.06</b>	<b>4,455,006,217.60</b>	<b>5,108,827,813.65</b>	<b>4,160,242,838.99</b>
Cash paid for investment	455,535,341.24	—	1,927,360,713.97	—
Net decrease for the purchase of other debt investments and other equity instrument investments	21,089,617,225.19	19,607,606,543.86	—	—

Name of Enterprise:  
GF Securities Co., Ltd.

Unit: RMB

Audit Type:  
Unaudited

Items	January to September, 2018		January to September, 2017	
	Consolidated	Company	Consolidated	Company
Cash paid for the purchase of fixed assets, intangible assets and other long-term assets	422,206,687.10	371,143,536.20	244,962,370.47	211,200,694.42
<b>Cash outflow from investing activities, subtotal</b>	<b>21,967,359,253.53</b>	<b>19,978,750,080.06</b>	<b>2,172,323,084.44</b>	<b>211,200,694.42</b>
<b>Net cash flows from investing activities</b>	<b>(15,499,858,640.47)</b>	<b>(15,523,743,862.46)</b>	<b>2,936,504,729.21</b>	<b>3,949,042,144.57</b>
<b>3. Cash flows from financing activities:</b>				
Cash received from capital injection	122,447,300.00	—	455,900,000.00	—
Including: cash received from capital injection of non-controlling interests in subsidiaries	122,447,300.00	—	455,900,000.00	—
Cash received from borrowings	2,600,049,651.92	—	2,267,374,315.50	—
Cash received from bonds issuance	25,397,639,265.89	25,397,639,265.89	43,395,000,000.00	43,395,000,000.00
Cash received from other financing activities	11,609,906,573.55	11,340,983,000.00	13,256,968,837.75	13,128,558,045.60
<b>Cash inflow from financing activities, subtotal</b>	<b>39,730,042,791.36</b>	<b>36,738,622,265.89</b>	<b>59,375,243,153.25</b>	<b>56,523,558,045.60</b>
Cash paid for repayment of debts	36,800,939,904.77	33,400,000,000.00	40,460,127,713.99	39,300,000,000.00
Cash paid for distribution of dividends, profit and interest expenses	6,893,923,814.66	6,427,683,801.87	6,386,017,820.73	6,129,073,157.40
Including: dividends and profit paid to non-controlling interests by subsidiaries	110,113,538.54	—	63,359,987.08	—
Cash paid for other financing activities	8,259,231,007.69	7,790,070,000.00	7,905,056,000.00	7,895,648,000.00
<b>Cash outflow from financing activities, subtotal</b>	<b>51,954,094,727.12</b>	<b>47,617,753,801.87</b>	<b>54,751,201,534.72</b>	<b>53,324,721,157.40</b>
<b>Net cash flows from financing activities</b>	<b>(12,224,051,935.76)</b>	<b>(10,879,131,535.98)</b>	<b>4,624,041,618.53</b>	<b>3,198,836,888.20</b>
<b>4. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>274,271,997.47</b>	<b>(12,535,592.22)</b>	<b>(308,392,900.07)</b>	<b>(2,478,232.73)</b>
<b>5. Net increase in cash and cash equivalents</b>	<b>112,954,664.64</b>	<b>(2,765,762,820.25)</b>	<b>(22,573,328,900.77)</b>	<b>(20,072,638,777.64)</b>
Add: Cash and cash equivalents at the beginning of the period	74,399,156,362.73	61,336,168,258.71	102,040,110,495.99	85,299,418,019.23
<b>6. Cash and cash equivalents at the end of the period</b>	<b>74,512,111,027.37</b>	<b>58,570,405,438.46</b>	<b>79,466,781,595.22</b>	<b>65,226,779,241.59</b>

Legal representative:

Sun Shuming

Person-in-charge of accounting affairs:

Sun Xiaoyan

Person-in-charge of accounting department:

Wang Ying

## II. Audit Report

Whether the third quarterly report of the Company has been audited

Yes  No