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(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6837)

THE FIRST QUARTERLY REPORT FOR THE YEAR 2017

The board of directors (the “**Board**”) of Haitong Securities Co., Ltd. (the “**Company**”) is pleased to announce the unaudited results of the Company and its subsidiaries (collectively the “**Group**”) for the first quarter ended 31 March 2017, prepared under General Accepted Accounting Principles of the People’s Republic of China (the “**PRC GAAP**”). This announcement is made pursuant to the Inside Information Provision under Part XIVA of the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) (as defined in The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (the “**Listing Rules**”) and Rule 13.09(2) and Rule 13.10B of the Listing Rules.

§1 IMPORTANT NOTICE

1.1 The Board and the supervisory committee (the “**Supervisory Committee**”) of the Company and its directors (the “**Director(s)**”), supervisors (the “**Supervisor(s)**”) and senior management undertake that the information stated in this quarterly report does not contain any false records, misleading statements or material omission, and jointly and severally take full responsibility as to the authenticity, accuracy and completeness of the information in this quarterly report.

1.2 Name of absent Director	Title of absent Director	Reason of absence	Name of proxy
Shen Tiedong	Non-executive Director	Business travel	Zhou Jie

1.3 This quarterly financial report of the Company was prepared in accordance with the PRC GAAP and was unaudited.

1.4 Mr. Zhou Jie, the person in charge of the Company, Mr. Li Chuqian, Chief Financial Officer, and Mr. Ma Zhong who is responsible for the accounting affairs, hereby warrant and guarantee that the financial statements contained in this quarterly report are authentic, accurate and complete.

§2 KEY FINANCIAL DATA OF THE GROUP AND CHANGE OF SHAREHOLDERS

2.1 Major financial data

	<i>Unit: RMB</i>		
	At the end of the reporting period	At the end of the previous year	Increase/decrease recorded at the end of the reporting period as compared to the end of the previous year (%)
Total assets	559,054,421,640.26	560,865,846,150.32	-0.32
Net assets attributable to shareholders of the Company	112,536,642,667.82	110,130,127,286.66	2.19
	From the beginning of the year to the end of the reporting period	From the beginning of the previous year to the end of the reporting period of the previous year	Increase/decrease as compared to the corresponding period of the previous year (%)
Net cash flows used in operating activities	-22,577,833,626.12	-3,531,713,823.98	-
	From the beginning of the year to the end of the reporting period	From the beginning of the previous year to the end of the reporting period of the previous year	Increase/decrease as compared to the corresponding period of the previous year (%)
Operating income	6,442,835,734.86	5,233,632,654.03	23.10
Profit for the period attributable to shareholders of the Company	2,240,164,455.28	1,754,176,498.12	27.70
Profit for the period attributable to shareholders of the Company after deducting non-recurring profit or loss	1,936,143,339.42	1,763,295,328.17	9.80
Weighted average returns on net assets (%)	2.01	1.62	Increase by 0.39 percentage points
Basic earnings per share (<i>RMB/Share</i>)	0.19	0.15	26.67
Diluted earnings per share (<i>RMB/Share</i>)	0.19	0.15	26.67

Non-recurring items and amounts

Applicable Not Applicable

Unit: RMB

Items (gain+, loss-)	Amounts for the period (January – March)
Gains and losses from disposals of non-current assets	238,404.86
Government grants recognized in current profit or loss, excluding those closely related to the Company's normal operations and granted on an ongoing basis under the State's policies according to certain quota of amount or volume	396,775,465.35
Profit or loss from other contingencies which are not related to the Company's normal operations	8,611,110.00
Other non-operating incomes and expenses except items above	-2,612,608.62
Effect of non-controlling interests (net of tax)	-74,660.71
Effect of income tax	-98,916,595.02
Total	<u><u>304,021,115.86</u></u>

2.2 The total number of shareholders, top ten shareholders and shareholding of the top ten shareholders of unrestricted circulating shares of the Company as of the end of the reporting period

Unit: Share

Total number of shareholders 256,555 shareholders, among which 256,107 were holders of A Shares and 448 were holders of H Shares

Shareholding of the top ten shareholders

Name of shareholder (in full)	Nature of shareholder	Proportion of shareholding (%)	Total number of shares held	Number of shares held subject to trading moratorium	Number of shares subject to pledge or freeze
Hong Kong Securities Clearing Company Nominees Limited (“HKSCC Nominees Limited”)	Foreign legal person	29.64	3,409,008,363	0	Nil
Bright Food (Group) Co., Ltd.	State-owned legal person	3.50	402,150,000	0	Nil
Shanghai Haiyan Investment Management Company Limited	State-owned legal person	3.48	400,709,623	0	Nil
China Securities Finance Corporation Limited	Other	2.95	339,417,139	0	Nil
Shenergy Group Company Limited	State-owned legal person	2.80	322,162,086	0	Nil
Shanghai Electric (Group) Corporation	State	2.79	320,361,893	0	Nil
Shanghai Jiushi (Group) Co., Ltd.	State-owned legal person	2.05	235,247,280	0	Nil
Shanghai Bailian Group Co., Ltd.	Domestic non-state-owned legal person	1.86	214,471,652	0	Nil
Qilu Securities Asset Management – ICBC – Qilu Bichen No. 10 Collective Asset Management Scheme (齊魯證券資管 – 工商銀行 – 齊魯碧辰10號集合資產管理計劃)	Other	1.68	193,402,041	0	Nil
Shanghai Lansheng Corporation	State-owned legal person	1.40	161,033,164	0	Nil

Shareholding of the top ten shareholders of unrestricted circulating shares of the Company

Name of shareholder (in full)	The number of unrestricted circulating shares at the end of the reporting period	Type of shares
Hong Kong Securities Clearing Company Nominees Limited	3,409,008,363	Overseas listed foreign shares (H Shares)
Bright Food (Group) Co., Ltd.	402,150,000	Renminbi denominated ordinary shares (A Shares)
Shanghai Haiyan Investment Management Company Limited	400,709,623	Renminbi denominated ordinary shares (A Shares)
China Securities Finance Corporation Limited	339,417,139	Renminbi denominated ordinary shares (A Shares)
Shenergy Group Company Limited	322,162,086	Renminbi denominated ordinary shares (A Shares)
Shanghai Electric (Group) Corporation	320,361,893	Renminbi denominated ordinary shares (A Shares)
Shanghai Jiushi (Group) Co., Ltd.	235,247,280	Renminbi denominated ordinary shares (A Shares)
Shanghai Bailian Group Co., Ltd.	214,471,652	Renminbi denominated ordinary shares (A Shares)
Qilu Securities Asset Management – ICBC – Qilu Bichen No. 10 Collective Asset Management Scheme (齊魯證券資管 – 工商銀行 – 齊魯碧辰10號集合資產管理計劃)	193,402,041	Renminbi denominated ordinary shares (A Shares)
Shanghai Lansheng Corporation	161,033,164	Renminbi denominated ordinary shares (A Shares)

Notes: 1. Among the H shareholders of the Company, HKSCC Nominees Limited held the H Shares on behalf of the non-registered shareholders.

2. In the above table, the shares held by HKSCC Nominees Limited are foreign shares listed overseas (H Shares) and the shares held by the other shareholders are RMB denominated ordinary A Shares.

3. The nature of the Company's A Shareholders represents that of accounts registered by such shareholders in Shanghai branch of China Securities Depository and Clearing Corporation Limited.

4. As the shares of the Company are subject of margin financing and securities lending, the number of shares held by a shareholder is calculated based on the aggregated number of shares and interests held by such shareholder through ordinary securities accounts and credit securities accounts.

§3 MAJOR EVENTS

3.1 Substantial changes in major accounting statement items and financial indicators of the Group and the reasons for such changes

Applicable

Not Applicable

Unit: RMB

Items	31 March 2017	31 December 2016	Increase/ Decrease	Reasons for the change
Clearing settlement funds	7,420,370,735.11	12,191,899,273.79	-39%	Mainly due to a decrease in the settlement funds held on behalf of customer
Accounts receivables	11,021,927,943.27	6,929,537,183.19	59%	Mainly due to an increase in various settlement receivable
Intangible assets	1,287,823,184.17	468,009,610.75	175%	Mainly due to an increase in land use rights
Funds payable to securities issuers	–	1,054,351,430.62	-100%	Mainly due to a decrease in funds payable to securities issuers
Other comprehensive income	275,088,156.28	108,737,230.40	153%	Mainly due to change in fair value of available-for-sale financial assets
Items	January – March 2017	January – March 2016	Increase/ Decrease	Reasons for the change
Investment gains	2,452,347,316.80	1,070,024,559.70	129%	Mainly due to an increase in investment gains from holding and disposals of financial instrument
Gain arising from fair value changes (losses are denoted by “–”)	-444,939,274.82	67,683,637.64	-757%	Mainly due to a decrease in gains from fair value changes of financial assets at fair value through profit or loss
Foreign exchange gains (losses are denoted by “–”)	-90,696,506.09	-145,016,580.69	–	Due to changes in foreign exchange rates
Other operating income	1,251,223,260.78	758,484,203.42	65%	Mainly due to an increase in sales income of subsidiaries

Items	January – March 2017	January – March 2016	Increase/ Decrease	Reasons for the change
Tax and surcharges	38,124,366.27	290,910,369.35	-87%	Mainly due to the impact in value-added tax levied in lieu of business tax in financial industry
Impairment loss on assets	248,105,829.63	117,362,997.48	111%	Mainly due to an increase in provision for impairment in respect of finance lease receivables during the period
Other operating cost	1,015,443,950.99	586,433,296.10	73%	Mainly due to an increase in sales costs of subsidiaries
Non-operating income	408,719,910.18	9,913,840.29	4,023%	Mainly due to an increase in government subsidies
Income tax expenses	684,963,216.67	389,102,078.72	76%	Mainly due to an increase in taxable income
Other comprehensive income, net of tax	32,626,591.77	-1,197,409,956.10	–	Mainly due to change in fair value of available-for-sale financial assets
Net cash used in operating activities	-22,577,833,626.12	-3,531,713,823.98	–	Mainly due to an increase in net decrease in disposal of financial assets at fair value through profit or loss
Net cash from/(used in) investing activities	11,135,981,462.67	-1,033,644,675.79	–	Mainly due to an increase in receiving investment funds of available-for-sale financial assets received
Net cash from financing activities	282,873,240.81	7,436,263,846.85	-96%	Mainly due to an increase in cash repayment of borrowings

3.2 Analysis and description of significant events and their impact and solutions

Applicable Not Applicable

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

Applicable Not applicable

3.4 Warning in respect of forecast of a probable loss in the accumulated net profit for the period from the beginning of the year to the end of the next reporting period or a significant change therein as compared with that of the corresponding period of last year and the reasons therefor

Applicable Not applicable

§4 APPENDIX

(See appendices)

By order of the Board
Haitong Securities Co., Ltd.
ZHOU Jie
Chairman

Shanghai, PRC, 27 April 2017

As at the date of this announcement, our executive directors are Mr. ZHOU Jie and Mr. QU Qiuping; our non-executive directors are Ms. YU Liping, Mr. CHEN Bin, Mr. XU Jianguo, Mr. WANG Hongxiang, Ms. ZHANG Xinmei and Mr. SHEN Tiedong; and our independent non-executive directors are Mr. LIU Cheeming, Mr. XIAO Suining, Dr. Lam Lee G., Mr. ZHANG Ming and Mr. FENG Lun.

* *For identification purpose only*

APPENDICES

Consolidated Balance Sheet (unaudited)

31 March 2017

Prepared by: Haitong Securities Co., Ltd.

Unit: RMB

Assets	Balance at the end of the period	Balance at the beginning of the year
Assets:		
Bank and cash balance	114,177,823,942.60	121,024,751,374.94
Including: Cash held on behalf of customers	81,658,523,991.95	87,496,620,324.19
Clearing settlement funds	7,420,370,735.11	12,191,899,273.79
Including: settlement funds held on behalf of customer	6,352,596,823.11	9,325,892,434.58
Placement to banks and other financial institutions	548,569,389.70	705,848,143.60
Margin loan	61,309,724,433.70	63,212,919,802.15
Financial assets at fair value through profit or loss	103,558,506,498.99	92,347,493,554.98
Derivative financial assets	3,858,566,765.96	3,935,071,348.81
Financial assets held under resale agreements	88,777,971,652.43	84,523,225,559.75
Accounts receivables	11,021,927,943.27	6,929,537,183.19
Interest receivable	7,976,944,234.05	7,422,060,199.20
Refundable deposits	8,422,383,839.89	8,952,031,305.02
Assets classified as held for sale	26,539,565.85	26,304,465.56
Available-for-sale financial assets	56,256,510,233.73	58,028,837,828.19
Held-to-maturity financial assets	83,909,792.51	83,508,859.69
Long-term equity investments	8,916,852,057.96	8,749,591,871.35
Investment properties	17,760,427.42	18,059,212.45
Fixed assets	1,475,401,815.93	1,420,756,931.36
Construction in progress	51,001,163.26	47,561,274.04
Intangible assets	1,287,823,184.17	468,009,610.75
Goodwill	4,092,422,429.19	4,118,734,158.06
Deferred tax assets	2,726,055,883.03	2,773,812,116.72
Other assets	77,047,355,651.51	83,885,832,076.72
Total assets	559,054,421,640.26	560,865,846,150.32

Consolidated Balance Sheet (unaudited) (continued)

	Balance at the end of the period	Balance at the beginning of the year
Liabilities and equity		
Liabilities:		
Short-term borrowings	36,761,999,670.11	38,564,767,181.01
Short-term financial bills payable	22,807,612,000.00	19,864,117,000.00
Placements from banks and other financial institutions	6,876,188,966.98	8,809,461,725.51
Financial liabilities at fair value through profit or loss	41,803,046,686.37	38,639,631,004.32
Derivative financial liabilities	2,567,235,988.42	2,594,009,281.96
Financial assets sold under repurchase agreements	41,511,751,232.00	43,731,726,557.56
Account payable to brokerage clients	99,002,370,033.00	104,059,286,700.58
Funds payable to securities issuers	–	1,054,351,430.62
Payroll payable	4,354,013,315.77	4,722,530,711.03
Taxes payable	2,471,470,080.67	2,391,638,347.18
Accounts payable	9,299,727,081.71	8,907,935,117.35
Interest payables	4,510,073,007.28	3,568,230,275.32
Liabilities classified as held for sale	–	–
Provisions	122,624,297.96	124,621,521.35
Long-term borrowings	24,930,409,128.30	22,583,788,217.83
Bonds payables	125,363,108,697.82	128,295,192,262.28
Including: Preferred shares	–	–
Perpetual bond	–	–
Deferred tax liabilities	529,628,105.40	557,471,978.61
Deferred income	–	–
Other liabilities	11,593,153,033.09	10,438,685,465.90
Total liabilities	434,504,411,324.88	438,907,444,778.41
Equity (or shareholders equity):		
Paid-in capital (or shares capital)	11,501,700,000.00	11,501,700,000.00
Other equity instruments	–	–
Including: Preferred shares	–	–
Perpetual bond	–	–
Capital reserve	56,338,469,573.57	56,338,469,573.57
Less: treasury shares	–	–
Other comprehensive income	275,088,156.28	108,737,230.40
Surplus reserve	5,085,156,596.54	5,085,156,596.54
General risk reserve	10,768,761,718.35	10,764,424,543.26
Retained profits	28,567,466,623.08	26,331,639,342.89
Total equity (or shareholders' equity)		
attributable to the owners of the Company	112,536,642,667.82	110,130,127,286.66
Non-controlling interests	12,013,367,647.56	11,828,274,085.25
Total equity (or shareholders' equity)	124,550,010,315.38	121,958,401,371.91
Total liabilities and equity (or shareholders' equity)	559,054,421,640.26	560,865,846,150.32

Legal Representative: Zhou Jie

Chief Financial Officer: Li Chuqian

Person responsible for the accounting affairs: Ma Zhong

Balance Sheet of the Company (unaudited)
31 March 2017

Prepared by: Haitong Securities Co., Ltd.

Unit: RMB

Assets	Balance at the end of the period	Balance at the beginning of the year
Assets:		
Bank and cash balance	71,947,347,519.47	76,058,406,010.83
Including: Cash held on behalf of customers	53,947,146,485.87	56,273,341,353.64
Clearing settlement funds	7,586,752,379.58	13,863,883,065.10
Including: settlement funds held on behalf of customer	6,355,298,536.60	9,309,212,392.67
Placement to banks and other financial institutions	—	—
Margin loan	44,132,268,627.47	44,591,605,611.47
Financial assets at fair value through profit or loss	56,644,281,923.48	45,896,579,362.00
Derivative financial assets	184,849,155.83	—
Financial assets held under resale agreements	71,958,642,259.27	66,452,306,595.87
Accounts receivables	161,518,532.43	169,280,724.98
Interest receivable	1,532,401,930.58	1,450,358,913.15
Refundable deposits	676,625,861.37	729,817,647.69
Assets classified as held for sale	—	—
Available-for-sale financial assets	24,299,062,357.15	24,600,315,041.79
Held-to-maturity financial assets	—	—
Long-term equity investments	26,751,753,321.50	25,947,897,592.75
Investment properties	17,760,427.42	18,059,212.45
Fixed assets	1,026,746,654.86	988,333,333.75
Construction in progress	16,212,116.01	32,932,351.33
Intangible assets	215,274,840.52	215,520,077.25
Deferred tax assets	1,088,923,132.43	1,173,163,549.60
Other assets	6,732,260,048.37	15,045,310,734.90
Total assets	314,972,681,087.74	317,233,769,824.91

Balance Sheet of the Company (unaudited) (continued)

	Balance at the end of the period	Balance at the beginning of the year
Liabilities and equity		
Liabilities:		
Short-term borrowings	—	—
Short-term financial bills payable	21,385,162,000.00	18,434,617,000.00
Placements from banks and other financial institutions	800,000,000.00	1,900,000,000.00
Financial liabilities at fair value through profit or loss	6,482,087,940.00	4,722,901,220.00
Derivative financial liabilities	210,019,551.85	225,340,234.48
Financial assets sold under repurchase agreements	27,537,095,591.97	28,230,549,493.15
Account payable to brokerage clients	59,168,063,244.76	65,268,025,603.79
Funds payable to securities issuers	—	1,054,351,430.62
Payroll payable	3,557,519,268.35	3,799,874,623.35
Taxes payable	1,027,220,034.99	1,414,338,534.83
Accounts payable	1,448,846,011.77	258,112,572.04
Interest payables	3,387,186,138.12	2,254,381,657.57
Liabilities classified as held for sale	—	—
Provisions	—	—
Long-term borrowings	1,238,438,910.00	1,246,099,790.00
Bonds payables	85,036,667,662.59	86,818,313,569.28
Including: Preferred shares	—	—
Perpetual bond	—	—
Deferred tax liabilities	126,557,734.94	66,258,353.82
Deferred income	—	—
Other liabilities	327,741,237.24	295,623,721.54
Total liabilities	211,732,605,326.58	215,988,787,804.47
Equity (or shareholders equity):		
Paid-in capital (or shares capital)	11,501,700,000.00	11,501,700,000.00
Other equity instruments	—	—
Including: Preferred shares	—	—
Perpetual bond	—	—
Capital reserve	56,486,198,528.36	56,486,198,528.36
Less: treasury shares	—	—
Other comprehensive income	-293,413,601.12	-660,702,446.08
Surplus reserve	5,085,156,596.54	5,085,156,596.54
General risk reserve	10,170,313,193.08	10,170,313,193.08
Retained profits	20,290,121,044.30	18,662,316,148.54
Total equity (or shareholders' equity)	103,240,075,761.16	101,244,982,020.44
Total liabilities and equity (or shareholders' equity)	314,972,681,087.74	317,233,769,824.91

Legal Representative: Zhou Jie

Chief Financial Officer: Li Chuqian

Person responsible for the accounting affairs: Ma Zhong

Consolidated Income Statements (unaudited)

January to March 2017

Prepared by: Haitong Securities Co., Ltd.

Unit: RMB

Items	Amount for the period (January – March)	Amount for the last period (January – March)
I. Operating Income	6,442,835,734.86	5,233,632,654.03
Net fee and commission income	2,246,037,245.62	2,607,884,605.34
Including: Net income from brokerage business charges	924,389,168.08	1,393,029,264.89
Net income from investment banking business charges	832,576,900.35	873,085,949.03
Net income from asset management business charges	143,108,967.34	113,256,150.16
Net interest income	1,028,863,692.57	874,572,228.62
Investment gains (losses are denoted by “-”)	2,452,347,316.80	1,070,024,559.70
Including: Gains attributable to investment in associates and joint ventures	180,191,645.48	-3,980,967.06
Gain arising from fair value changes (losses are denoted by “-”)	-444,939,274.82	67,683,637.64
Foreign exchange gains (losses are denoted by “-”)	-90,696,506.09	-145,016,580.69
Other operating income	1,251,223,260.78	758,484,203.42
II. Operating expenses	3,570,198,203.05	2,891,798,247.04
Tax and surcharges	38,124,366.27	290,910,369.35
General and administrative expenses	2,268,524,056.16	1,897,091,584.11
Impairment loss on assets	248,105,829.63	117,362,997.48
Other operating cost	1,015,443,950.99	586,433,296.10
III. Operating profit (losses are denoted by “-”)	2,872,637,531.81	2,341,834,406.99
Add: Non-operating income	408,719,910.18	9,913,840.29
Including: gain from disposal of non-current assets	863,296.86	70,896.25
Less: Non-operating expenses	5,707,538.59	17,968,274.64
Including: loss from disposal of non-current assets	624,892.00	509,225.99
IV. Profit before income tax (total losses are denoted by “-”)	3,275,649,903.40	2,333,779,972.64
Less: Income tax expense	684,963,216.67	389,102,078.72

Consolidated Income Statements (unaudited) (continued)

Items	Amount for the period (January – March)	Amount for the last period (January – March)
V. Profit for the period (net losses are denoted by “-”)	2,590,686,686.73	1,944,677,893.92
Including: Profit for the period attributable to owners (or shareholders) of the Company	2,240,164,455.28	1,754,176,498.12
Non-controlling interests	350,522,231.45	190,501,395.80
VI. Other comprehensive income, net of tax	32,626,591.77	-1,197,409,956.10
Other comprehensive income, net of tax, attributable to owners of the Company	166,350,925.88	-1,107,793,979.61
(I) Items that will not be reclassified subsequently to profit or loss	598,808.32	–
1. Remeasurements gains/(losses) of defined benefit obligation	598,808.32	–
2. Share of other comprehensive income of the investee accounted for using the equity method, which will not be reclassified subsequently to profit or loss	–	–
(II) Items that may be reclassified to profit or loss	165,752,117.56	-1,107,793,979.61
1. Share of other comprehensive income of the investee accounted for using the equity method that will be reclassified to profit or loss	2,167,494.92	-14,629,092.50
2. Change in fair value of available-for-sale financial assets	117,385,652.51	-1,227,427,887.44
3. Gain/(loss) arising from the reclassification from held-to-maturity investments to available-for-sale financial assets	–	–
4. The effective hedging portion of gains or losses arising from cash flow hedging instruments	–	–
5. Currency translation difference	46,035,383.99	150,419,909.25
6. Others	163,586.14	-16,156,908.92
Other comprehensive income, net of tax, attributable to the non-controlling interests	-133,724,334.11	-89,615,976.49
VII. Total comprehensive income	2,623,313,278.50	747,267,937.82
Total comprehensive income attributable to owners of the Company	2,406,515,381.16	646,382,518.51
Total comprehensive income attributable to the non-controlling interests	216,797,897.34	100,885,419.31
VIII. Earnings per share:		
(I) Basic (RMB/share)	0.19	0.15
(II) Diluted (RMB/share)	0.19	0.15

Legal Representative: Zhou Jie

Chief Financial Officer: Li Chuqian

Person responsible for the accounting affairs: Ma Zhong

Income Statements of the Company (unaudited)*January to March 2017*

Prepared by: Haitong Securities Co., Ltd.

Unit: RMB

Items	Amount for the period (January – March)	Amount for the last period (January – March)
I. Operating Income	2,728,098,660.77	2,913,171,080.74
Net fee and commission income	1,420,333,816.38	1,905,719,462.44
Including: Net income from brokerage business charges	739,692,846.71	1,243,891,601.55
Net income from investment banking business charges	641,458,133.74	639,127,677.22
Net income from asset management business charges	–	–
Net interest income	614,551,508.35	612,830,883.41
Investment gains (losses are denoted by “-”)	780,257,990.51	25,213,418.66
Including: Gains attributable to investment in associates and joint ventures	48,050,750.00	42,773,500.00
Gain arising from fair value changes (losses are denoted by “-”)	-96,672,943.96	369,042,737.87
Foreign exchange gains (losses are denoted by “-”)	5,705,957.79	-1,497,599.55
Other operating income	3,922,331.70	1,862,177.91
II. Operating expenses	1,237,271,346.23	1,296,222,508.91
Tax and surcharges	22,555,974.57	250,875,674.91
General and administrative expenses	1,169,731,372.46	1,008,557,515.78
Impairment loss on assets	44,685,214.17	36,490,533.19
Other operating cost	298,785.03	298,785.03
III. Operating profit (losses are denoted by “-”)	1,490,827,314.54	1,616,948,571.83
Add: Non-operating income	400,772,365.94	1,222,924.76
Including: gain from disposal of non-current assets	863,296.86	70,896.25
Less: Non-operating expenses	9,725,342.35	600,894.99
Including: loss from disposal of non-current assets	528,797.62	499,051.28
IV. Profit before income tax (total losses are denoted by “-”)	1,881,874,338.13	1,617,570,601.60
Less: Income tax expense	254,069,442.37	224,158,878.06
V. Profit for the period (net losses are denoted by “-”)	1,627,804,895.76	1,393,411,723.54

Income Statements of the Company (unaudited) (continued)

Items	Amount for the period (January – March)	Amount for the last period (January – March)
VI. Other comprehensive income, net of tax	367,288,844.96	-1,372,727,107.52
(I) Items that will not be reclassified subsequently to profit or loss	–	–
1. Remeasurements gains/(losses) of defined benefit obligation	–	–
2. Share of other comprehensive income of the investee accounted for using the equity method, which will not be reclassified subsequently to profit or loss	–	–
(II) Items that may be reclassified to profit or loss	367,288,844.96	-1,372,727,107.52
1. Share of other comprehensive income of the investee accounted for using the equity method that will be reclassified to profit or loss	2,144,244.50	-14,629,092.50
2. Change in fair value of available-for-sale financial assets	365,144,600.46	-1,358,098,015.02
3. Gain/(loss) arising from the reclassification from held-to-maturity investments to available-for-sale financial assets	–	–
4. The effective hedging portion of gains or losses arising from cash flow hedging instruments	–	–
5. Currency translation difference	–	–
6. Others	–	–
VII. Total comprehensive income	1,995,093,740.72	20,684,616.02

Legal Representative: Zhou Jie

Chief Financial Officer: Li Chuqian

Person responsible for the accounting affairs: Ma Zhong

Consolidated Statements of Cash Flows (unaudited)

January to March 2017

Prepared by: Haitong Securities Co., Ltd.

Unit: RMB

Items	Amount for the period (January – March)	Amount for the last period (January – March)
I. Cash flows from operating activities:		
Net increase in disposal of financial assets at fair value through profit or loss	–	19,357,919,734.62
Cash received from interests, fees and commission	6,835,164,636.81	7,135,631,341.77
Net decrease in margin loan	1,904,341,716.19	6,923,811,813.72
Cash received relating to other operating activities	5,320,309,918.31	10,330,365,343.55
Sub-total of cash inflows from operating activities	14,059,816,271.31	43,747,728,233.66
Net decrease in disposal of financial assets at fair value through profit or loss	9,322,854,255.39	–
Net decrease in placements from banks and other financial institutions	1,775,994,004.63	1,217,830,630.15
Net decrease in repurchased financial assets	6,519,492,488.69	17,303,664,789.05
Net cash paid from securities trading agency services	5,056,916,667.58	17,131,240,414.88
Cash payment of interest, fees and commissions	1,784,634,043.78	2,019,255,160.13
Cash paid to employee	1,993,503,929.30	2,275,335,316.24
Payment for taxes and levies	1,628,930,499.21	1,693,640,684.13
Cash paid relating to other operating activities	8,555,324,008.85	5,638,475,063.06
Sub-total of cash outflows from operating activities	36,637,649,897.43	47,279,442,057.64
Net cash used in operating activities	-22,577,833,626.12	-3,531,713,823.98
II. Cash flows from investing activities:		
Cash received from sales of investments	27,861,418,944.28	9,732,433,228.78
Cash received from return on investment	922,527,179.09	492,696,119.99
Net cash received from disposal of subsidiaries and other operating business units	–	–
Cash received relating to other investing activities	26,179,484.49	556,741.00
Sub-total of cash inflows from investing activities	28,810,125,607.86	10,225,686,089.77
Cash paid for acquisition of investment	16,787,670,666.73	11,170,072,233.06
Cash paid for acquisition of fixed assets, intangible assets and other long term assets	132,273,581.83	89,258,532.50
Net cash payments for acquisition of subsidiaries and other operating business units	754,199,896.63	–
Cash paid relating to other investing activities	–	–
Sub-total of cash outflows from investing activities	17,674,144,145.19	11,259,330,765.56
Net cash from/(used in) investing activities	11,135,981,462.67	-1,033,644,675.79

Consolidated Statements of Cash Flows (unaudited) (continued)

Items	Amount for the period (January – March)	Amount for the last period (January – March)
III. Cash flows from financing activities		
Cash received from capital injection	1,659,995.19	1,197,800,000.00
Including: Cash received from capital injection of non-controlling interests in subsidiaries	1,659,995.19	1,197,800,000.00
Cash received from borrowings	4,962,262,274.42	10,985,887,420.50
Cash received from bond issued	28,754,969,471.19	13,647,296,552.66
Cash received relating to other financing activities	–	–
Sub-total of cash inflows from financing activities	33,718,891,740.80	25,830,983,973.16
Cash repayment of borrowings	33,031,387,930.08	18,011,986,418.35
Cash paid for distribution of dividends, or profit and for interest expenses	404,630,569.91	375,949,430.21
Including: Dividends and profits paid to non-controlling interests by subsidiaries	–	–
Cash paid relating to other financing activities	–	6,784,277.75
Sub-total of cash outflows from financing activities	33,436,018,499.99	18,394,720,126.31
Net cash from financing activities	282,873,240.81	7,436,263,846.85
IV. Effects of changes in foreign exchange rates on cash and cash equivalents	-157,290,624.74	-90,500,325.95
V. Net increase/decrease in cash and cash equivalents	-11,316,269,547.38	2,780,405,021.13
Add: Cash and cash equivalents at the beginning of the period	131,153,159,354.26	178,023,172,588.34
VI. Cash and cash equivalents at the end of the period	119,836,889,806.88	180,803,577,609.47

Legal Representative: Zhou Jie

Chief Financial Officer: Li Chuqian

Person responsible for the accounting affairs: Ma Zhong

Statements of Cash Flows of the Company (unaudited)
January to March 2017

Prepared by: Haitong Securities Co., Ltd.

	<i>Unit: RMB</i>	
Items	Amount for the period (January – March)	Amount for the last period (January – March)
I. Cash flows from operating activities:		
Net increase in disposal of financial assets at fair value through profit or loss	–	16,816,346,577.02
Cash received from interests, fees and commission	4,151,540,034.25	5,106,552,221.26
Net decrease in margin loan	460,483,331.74	10,764,120,461.63
Cash received relating to other operating activities	472,968,391.53	5,704,697,872.28
Sub-total of cash inflows from operating activities	5,084,991,757.52	38,391,717,132.19
Net decrease in disposal of financial assets at fair value through profit or loss	8,844,780,489.31	–
Net decrease in placements from banks and other financial institutions	1,100,000,000.00	1,500,000,000.00
Net decrease in repurchased financial assets	6,244,560,635.03	10,356,769,690.72
Net cash paid from securities trading agency services	6,099,962,359.03	8,961,486,267.80
Cash payment of interest, fees and commissions	606,040,770.73	1,281,200,815.67
Cash paid to employee	1,134,565,331.51	1,357,774,780.63
Payment for taxes and levies	752,490,318.04	1,396,636,717.90
Cash paid relating to other operating activities	321,882,597.65	871,124,009.57
Sub-total of cash outflows from operating activities	25,104,282,501.30	25,724,992,282.29
Net cash (used in)/from operating activities	-20,019,290,743.78	12,666,724,849.90
II. Cash flows from investing activities:		
Cash received from sales of investments	10,849,149,808.52	4,534,406,156.10
Cash received from return on investment	147,205,250.16	99,063,054.89
Cash received relating to other investing activities	25,197,924.83	556,741.00
Sub-total of cash inflows from investing activities	11,021,552,983.51	4,634,025,951.99
Cash paid for acquisition of investment	2,318,348,200.30	4,328,257,997.61
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	95,938,677.66	54,151,595.42
Cash paid relating to other investing activities	–	–
Sub-total of cash outflows from investing activities	2,414,286,877.96	4,382,409,593.03
Net cash from investing activities	8,607,266,105.55	251,616,358.96

Statements of Cash Flows of the Company (unaudited) (continued)

Items	Amount for the period (January – March)	Amount for the last period (January – March)
III. Cash flows from financing activities:		
Cash received from capital injection	–	–
Cash received from borrowings	–	–
Cash received from bond issued	26,857,194,560.00	11,757,000,000.00
Cash received relating to other financing activities	–	–
Sub-total of cash inflows from financing activities	26,857,194,560.00	11,757,000,000.00
Cash repayments of borrowings	25,621,596,440.00	14,660,102,017.98
Cash paid for distribution of dividends, or profit and for interest expenses	201,523,412.01	49,115,301.18
Cash paid relating to other financing activities	–	–
Sub-total of cash outflows from financing activities	25,823,119,852.01	14,709,217,319.16
Net cash from/(used in) financing activities	1,034,074,707.99	-2,952,217,319.16
IV. Effects of changes in foreign exchange rates on cash and cash equivalents	-10,239,246.64	-9,683,512.75
V. Net increase/decrease in cash and cash equivalents	-10,388,189,176.88	9,956,440,376.95
Add: Cash and cash equivalents at the beginning of the period	89,372,289,075.93	133,670,394,739.10
VI. Cash and cash equivalents at the end of the period	78,984,099,899.05	143,626,835,116.05

Legal Representative: Zhou Jie

Chief Financial Officer: Li Chuqian

Person responsible for the accounting affairs: Ma Zhong

4.2 Audit Reports

Applicable Not applicable