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## **GF SECURITIES CO., LTD.**

### **廣發證券股份有限公司**

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

**(Stock Code: 1776)**

## **2017 FIRST 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 2017 first quarterly report of GF Securities Co., Ltd. (the “**Company**”) and its subsidiaries as of March 31, 2017. 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  
April 27, 2017

*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, and Mr. Li Xiulin as non-executive Directors; and Mr. Liu Jiwei, Mr. Yang Xiong, Mr. Tang Xin and Mr. Chan Kalok as independent non-executive Directors.*

**GF SECURITIES CO., LTD.**  
**廣發証券股份有限公司**  
**2017 FIRST QUARTERLY REPORT**

**Section I Important Notice**

The Board of Directors, Supervisory Committee and the Directors, Supervisors and senior management of the Company confirm the truthfulness, accuracy and completeness of the contents of this quarterly report, and there is no misrepresentation, 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 39th meeting of the Eighth Session of the Board of Directors of the Company. Save for the following Directors, the other Directors attended the board meeting in person for consideration of this quarterly report:

Name(s) of the director(s) who did not attend in person	Position of the director(s) who did not attend in person	Reason for failing to attend the meeting in person	Name of proxy
Shang Shuzhi	Non-executive Director	Work reasons	Sun Shuming

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

## Section II Basic Information of the Company

### I. Key Financial Data and Financial Indicators

Whether the Company has made retrospective adjustment or restatement of accounting data of prior years due to changes in accounting policies and correction of accounting errors

Yes                       No

	Three months ended March 31, 2017 (Current reporting period)	Three months ended March 31, 2016 (Corresponding period of last year)	Increase/decrease of current reporting period compared to corresponding period of last year
Operating Revenue (RMB)	4,900,234,657.75	4,756,792,195.93	3.02%
Net profit attributable to owners of the Company (RMB)	2,138,526,804.04	1,805,589,600.41	18.44%
Net profit attributable to owners of the Company excluding extraordinary gains and losses (RMB)	2,109,030,336.57	1,786,171,770.54	18.08%
Net cash inflow/(outflow) from operating activities (RMB)	-13,157,844,878.73	579,459,868.99	—
Basic earnings per share (RMB/share)	0.28	0.24	16.67%
Diluted earnings per share (RMB/share)	0.28	0.24	16.67%
Return on weighted average net assets	2.67%	2.33%	Increase of 0.34 percentage points
	<b>As at March 31, 2017</b>	<b>As at December 31, 2016</b>	<b>Increase/decrease as at the end of current reporting period compared with the end of last year</b>
Total assets (RMB)	354,935,132,261.21	359,801,353,416.83	-1.35%
Net assets attributable to owners of the Company (RMB)	81,426,980,464.15	78,530,209,492.56	3.69%

*Note 1:* The financial information contained in this report has been prepared under the China Accounting Standards for Business Enterprises.

*Note 2:* Unless otherwise stated, the currency unit of the financial information 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)	0.28

Extraordinary gain and loss items and amounts

Applicable       Not applicable

Unit: RMB

<b>Items</b>	<b>Three months ended March 31, 2017</b>	<b>Notes</b>
Profits and losses from disposal of non-current assets (including write-offs of asset impairment provisions)	189,838.18	
Government subsidies recorded under profit and loss of the current period (except for those closely related to the business of the Company, and entitled to a fixed amount or fixed quantity of government subsidies in conformity with the common standards of the State)	11,258,326.60	Mainly include financial subsidies and incentives
Other non-operating income and expenses other than the above items	25,496,625.86	Increase in income from withholding fees etc.
Less: Income tax effect	7,445,354.50	
Impact on non-controlling interests (after tax)	2,968.67	
<b>Total</b>	<b>29,496,467.47</b>	—

Reasons for the Company’s extraordinary gains 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 the extraordinary gains and loss items as illustrated in the “Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No.1 — Extraordinary Gains and Losses” to be regarded as its recurring gains and loss items.

Applicable                       Not applicable

The Group’s profits and losses from changes in fair value from financial assets at fair value through profit or loss, financial liabilities at fair value through profit or loss and derivative financial instruments, investment gains from financial assets at fair value through profit or loss, available-for-sale financial assets and receivable investments for the reporting period, as well as investment gains from disposal of financial assets at fair value through profit or loss, financial liabilities at fair value through profit or loss, derivative financial instruments and available-for-sale financial assets have been defined as recurring gains and loss items rather than extraordinary gains 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.

**II. Statement of the Total Number of Shareholders and the Shareholdings of the Top 10 Shareholders at the end of the reporting period**

**1. Statement of the number of ordinary shareholders and preference shareholders whose voting rights were resumed and the shareholdings of the top 10 shareholders**

Unit: share

<b>Total number of ordinary shareholders at the end of the reporting period</b>	<b>There were a total of 144,342 shareholders, including 142,321 shareholders of A Shares and 2,021 registered shareholders of H Shares</b>
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Shareholding of the top 10 shareholders						
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%	1,700,115,880	0		
Jilin Aodong Pharmaceutical Group Co., Ltd.	Domestic general entity	16.43%	1,252,297,867	0		
Liaoning Cheng Da Co., Ltd.	Domestic general entity	16.40%	1,250,154,088	0		
Zhongshan Public Utilities Group Co., Ltd.	Domestic general entity	9.01%	686,754,216	0		
Huaxia Life Insurance Co., Ltd. — Universal Life Insurance Products	Funds and wealth management products, etc.	2.99%	228,131,005	0		
China Securities Finance Corporation Limited	Domestic general entity	2.46%	187,502,896	0		
Puning Xinhong Industrial Investment Co., Ltd.	Domestic general entity	1.91%	145,936,358	0	Pledged	144,000,000
Heungkong Group Limited	Domestic general entity	1.57%	119,286,246	0		
Central Huijin Asset Management Ltd.	State-owned legal entity	1.29%	98,149,700	0		
Bank of China Limited — CMS CSI Securities Company Index Structured Securities Investment Fund	Funds and wealth management products, etc.	0.72%	54,808,138	0		
Shareholding of the top 10 shareholders not subject to trading moratorium						
Name of shareholder	Number of shares held not subject to trading moratorium	Class of shares				
		Class of shares	Number			
HKSCC Nominees Limited	1,700,115,880	Overseas listed foreign shares	1,700,115,880			
Jilin Aodong Pharmaceutical Group Co., Ltd.	1,252,297,867	RMB-denominated ordinary shares	1,252,297,867			
Liaoning Cheng Da Co., Ltd.	1,250,154,088	RMB-denominated ordinary shares	1,250,154,088			
Zhongshan Public Utilities Group Co., Ltd.	686,754,216	RMB-denominated ordinary shares	686,754,216			
Huaxia Life Insurance Co., Ltd. - Universal Life Insurance Products	228,131,005	RMB-denominated ordinary shares	228,131,005			
China Securities Finance Corporation Limited	187,502,896	RMB-denominated ordinary shares	187,502,896			
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			
Bank of China Limited — CMS CSI Securities Company Index Structured Securities Investment Fund	54,808,138	RMB-denominated ordinary shares	54,808,138			

- 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 table above, 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 on April 12, 2017 by Jilin Aodong, Liaoning Cheng Da and Zhongshan Public Utilities respectively, Jilin Aodong held 24,834,000 H Shares of the Company through its wholly-owned subsidiary Aodong International (Hong Kong) Industrials Co., Limited, representing 0.33% 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 (成大鋼鐵香港有限公司), a wholly-owned subsidiary of Liaoning Cheng Da Steel Co., Ltd (遼寧成大鋼鐵貿易有限公司), which was in turn a wholly-owned subsidiary of Liaoning Cheng Da, representing 0.019% of the total share capital of the Company. Zhongshan Public Utilities held 100,904,000 H Shares of the Company through its wholly-owned subsidiary, Public Utilities International (Hong Kong) Investment Company Ltd. (公用國際(香港)投資有限公司), representing 1.32% of the total share capital of the Company. The above shares are held by HKSCC Nominees Limited on their behalf;
- Note 4: According to the public information disclosed on the website of HKExnews, shareholders holding 5% or more of the H Shares of the Company are as follows (except for “Public Utilities International (Hong Kong) Investment Company Ltd. (公用國際(香港)投資有限公司)” mentioned above in Note 3): on July 14, 2015, Fubon Life Insurance Co., Ltd. held a total of 157,044,800 H Shares of the Company, representing 9.22% of the H Share capital of the Company; on April 10, 2015, L.R. Capital Principal Investment Limited held a total of 102,854,000 H Shares of the Company, representing 6.04% of the Company’s issued H Share capital upon the exercise of the over-allotment option. The above shares are held by HKSCC Nominees Limited on their behalf;
- Note 5: 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 6: As at the end of the reporting period, none of the above shareholders of A Shares have conducted any agreed repurchase transactions;
- Note 7: As at the end of the reporting period, none of the above shareholders of A Shares have involved in any refinancing business that resulted in changes in their shareholdings.

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

Applicable       Not applicable

### Section III Significant Events

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

Unit: RMB

Items	As at March 31, 2017	As at December 31, 2016	Increase/Decrease (%)	Main reasons for changes
Accounts receivable	6,531,917,513.71	2,218,161,383.85	194.47	Mainly due to increase in clearing funds to be settled at the end of the reporting period.
Financial liabilities at fair value through profit or loss	1,543,223,996.05	5,506,095,387.34	-71.97	Decrease in financial liabilities held for trading arising from bond lending business at the end of the reporting period.
Interest payable	2,715,786,992.07	2,039,195,571.23	33.18	Increase in interest from bonds payable at the end of the reporting period.
Deferred tax liabilities	214,725,489.99	131,279,760.50	63.56	Increase in taxable temporary differences at the end of the reporting period.
Other comprehensive income	2,607,572,036.25	1,849,327,868.70	41.00	Increase in gains from changes in fair value of available-for-sale financial assets at the end of the reporting period.

Items	Three months ended March 31, 2017	Three months ended March 31, 2016	Increase/Decrease (%)	Main reasons for changes
Net interest income	334,268,807.63	48,615,002.94	587.58	Mainly due to decrease in interest expenses on repurchase during the reporting period.
Investment gains	2,088,740,172.54	1,563,143,078.30	33.62	Increase in gains from disposal of financial instruments at fair value through profit or loss during the reporting period.
Gains from changes in fair value (losses presented by "-")	-252,866,465.36	-43,753,335.21	—	Decrease in gains on fair value changes in financial assets at fair value through profit or loss for the current period.
Foreign exchange gains (losses presented by "-")	12,903,729.80	-38,713,417.25	—	Effect of change in exchange rate.
Other operating income	9,474,283.05	20,063,690.97	-52.78	Decrease in rental income etc. for the current period.
Tax and surcharges	32,157,634.95	276,443,254.65	-88.37	Mainly due to the implementation of "replacing business tax with value-added tax" policy from May 1, 2016.



Items	Three months ended March 31, 2017	Three months ended March 31, 2016	Increase/Decrease (%)	Main reasons for changes
Impairment loss on assets	3,834,014.64	2,219,258.66	72.76	Increase in provision for bad debts for the current period.
Non-operating income	44,699,380.04	28,027,828.32	59.48	Mainly due to increase in income from withholding fees etc. for the current period.
Other comprehensive income	874,004,315.40	-1,765,685,741.34	—	Increase in gains from changes in fair value of available-for-sale financial assets.
Net cash inflow/(outflow) from operating activities	-13,157,844,878.73	579,459,868.99	—	Mainly due to decrease in net cash inflow arising from changes in advances to customers and financial assets held for trading.
Net cash inflow/(outflow) from investment activities	1,247,203,719.02	9,623,504,391.58	-87.04	Mainly due to decrease in cash inflow arising from net increase in disposal of available-for-sale financial assets.
Net cash inflow/(outflow) from financing activities	-2,986,889,887.04	-26,499,462,086.60	—	Mainly due to decrease in net cash outflow arising from repayment of bonds and structured notes.

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

### 1. Changes in brokerage branches

As of March 31, 2017, the Company had 20 branch offices and 264 securities brokerage branches located in 31 provinces, municipalities directly under the central government and autonomous regions in China.

#### (1) Relocation of brokerage branches within the same city

No.	Name of Securities Brokerage Branch Before Relocation	Name of Securities Brokerage Branch After Relocation
1	Huoju Road Brokerage Branch in Baoji of GF Securities Co., Ltd.	Gongyuan Road Brokerage Branch in Baoji of GF Securities Co., Ltd.
2	Lianjiang Avenue Brokerage Branch in Lianjiang City, Zhanjiang of GF Securities Co., Ltd.	Luozhou Avenue Brokerage Branch in Lianjiang City, Zhanjiang of GF Securities Co., Ltd.
3	Caitian Road Brokerage Branch in Shenzhen of GF Securities Co., Ltd.	Caitian Road Brokerage Branch in Shenzhen of GF Securities Co., Ltd.

In January 2017, the Fujian branch office was relocated. Its name has not been changed after its relocation.

(2) As of March 31, 2017, the Company had no branch offices and branches that had been applied for but not yet been approved.

2. Mr. Chen Aixue, a Director of the Company, has submitted a written resignation to the Company to resign from the position as a Director of the Eighth Session of the Board of Directors and a member of the Eighth Session of the Strategic Committee for personal age reasons. Pursuant to the Company Law and the Articles of Association of the Company, the resignation of Mr. Chen Aixue will not result in the number of Directors falling below the minimum number of the members of the Board of Directors of the Company, and has been effective from March 28, 2017.

### 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 and 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, assets, business, finance and institution.</p>	February 6, 2010	Nil	All undertakers have strictly performed the undertakings.
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

Undertaking	Undertaker	Undertaking type	Contents of undertaking	Date of undertaking	Undertaking period	Performance
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 at this Board meeting 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 First Six Months of 2017**

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. Investment in Derivatives**

Applicable                       Not applicable

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

Reception time	Reception method	Type of participants	Participants	Index for Basic Particulars of the Research
From January 1, 2017 to March 31, 2017	Telephone communication	Individuals	Individuals	Operation and development of the Company
January 5, 2017	Results roadshow	Institutions	Investors invited by DBS Vickers "Pulse of Asia" Exchange Meeting	Strategic and business development of the Company
January 6, 2017	Field research	Institution	Haitong Securities	Operation and development of the Company
January 18, 2017	Telephone communication	Institution	JPMorgan	Operation and development of the Company
January 18, 2017	Field research	Institutions	Huatai Securities, Guosen Securities, Ping An Securities, Essence Securities, Northeast Securities, China Merchants Securities, Orient Securities, Galaxy Fund, Guangzhou Finance Holdings, Zhonghai Fund, Wanjia Fund, Life Asset Management, CITIC Asset Management, China Reinsurance, Foresea Life Insurance, SWS MU, CS Richland, Minsheng Jinfu, Shanghai Right Share, Zhanbo Investment	Operation and development of the Company
February 23, 2017	Video conference	Institution	Wellington	Operation and development of the Company
March 27, 2017	Results roadshow	Institutions	Analysts and investors invited to attend the Company's 2016 Annual Analyst Meeting (廣發証券2016年度業績發佈會)	Strategic and business development of the Company
March 30, 2017	Results roadshow	Institutions	Investors invited to attend the Credit Suisse Asian Investment Conference (AIC)	Strategic and business development of the Company

*Note:* The record chart of investor relations activities regarding the reception of the above institutional investors by the Company is disclosed on the website of the Shenzhen Stock Exchange ([www.szse.cn](http://www.szse.cn)) and the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)).

## VIII. Information on Illegal External Guarantees

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

## IX. 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.

March 31, 2017

Unit: RMB

Audit Type: Unaudited

Items	As at the End of the Reporting Period		As at the Beginning of the Reporting Period	
	Consolidated	Company	Consolidated	Company
<i>Assets:</i>				
Cash and bank balances	70,151,023,892.24	56,555,713,577.31	80,448,432,300.74	65,878,171,383.57
Including: cash held on behalf of customers	61,202,769,680.20	52,666,661,874.68	67,251,310,435.85	57,988,054,395.92
Clearing settlement funds	17,096,663,642.79	15,073,473,580.49	21,742,626,195.25	19,569,194,635.66
Including: settlement funds held on behalf of customers	13,324,436,633.19	11,427,984,529.31	17,871,298,436.09	15,956,355,191.37
Advances to customers	57,864,507,262.36	55,039,066,700.15	59,001,294,969.66	55,938,022,754.09
Financial assets at fair value through profit or loss	69,429,441,872.37	47,404,297,400.55	61,766,808,847.96	42,069,244,383.32
Derivative financial assets	706,249,112.32	703,904,134.48	692,456,240.37	688,867,021.21
Financial assets held under resale agreements	23,353,872,511.88	22,791,781,474.04	21,961,202,342.55	21,134,085,280.70
Accounts receivable	6,531,917,513.71	3,980,686,842.61	2,218,161,383.85	190,320,192.82
Interest receivable	2,954,988,449.66	2,361,256,621.66	2,511,656,611.53	1,978,145,690.87
Refundable deposits	5,164,989,940.11	996,562,548.09	5,132,685,472.06	974,208,747.73
Available-for-sale financial assets	88,959,036,149.37	71,817,836,769.30	92,080,655,671.95	76,238,567,147.68
Long-term equity investments	3,999,902,721.96	17,101,661,097.22	3,735,931,713.08	17,014,087,317.60
Investment properties	23,104,355.62	23,104,355.62	23,538,419.44	23,538,419.44
Fixed assets	881,662,305.75	633,493,412.93	916,392,554.31	661,810,705.84
Construction in progress	769,204,624.37	769,204,624.37	726,998,852.66	726,998,852.66
Intangible assets	557,282,019.66	514,796,650.83	575,991,066.32	530,411,365.50
Goodwill	2,303,857.19	—	2,321,243.82	—
Deferred tax assets	838,402,504.69	714,166,080.90	783,339,195.49	634,474,530.43
Other assets	5,650,579,525.16	2,169,508,424.39	5,480,860,335.79	2,143,120,604.02
Total assets	354,935,132,261.21	298,650,514,294.94	359,801,353,416.83	306,393,269,033.14

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 (cont.)

Name of Enterprise: GF Securities  
Co., Ltd.

March 31, 2017

Unit: RMB

Audit Type: Unaudited

Items	As at the End of the Reporting Period		As at the Beginning of the Reporting Period	
	Consolidated	Company	Consolidated	Company
<i>Liabilities:</i>				
Short-term borrowings	4,906,911,328.70	—	4,863,873,848.17	—
Short-term financing payables	13,197,848,000.00	13,197,848,000.00	16,329,741,000.00	16,329,741,000.00
Due to banks and other financial institutions	10,584,793,560.93	7,300,000,000.00	10,606,394,791.74	9,400,000,000.00
Financial liabilities at fair value through profit or loss	1,543,223,996.05	—	5,506,095,387.34	4,022,587,200.00
Derivative financial liabilities	715,041,478.74	711,512,366.65	692,012,018.00	691,750,399.34
Financial assets sold under repurchase agreements	58,575,689,486.26	55,682,140,241.75	50,549,266,202.80	47,608,555,532.80
Accounts payable to brokerage clients	77,882,312,793.54	62,965,459,934.01	85,726,525,276.71	70,194,416,040.45
Accrued staff costs	7,008,399,176.34	6,125,010,103.32	7,142,049,184.07	5,882,020,080.44
Tax payables	1,249,824,795.29	933,782,797.89	1,001,301,981.99	673,493,110.92
Accounts payable	13,579,076,718.01	1,289,919,980.08	15,787,438,872.97	3,399,734,090.75
Interest payable	2,715,786,992.07	2,702,169,148.01	2,039,195,571.23	2,029,286,434.18
Provisions	33,360,000.00	33,360,000.00	33,360,000.00	33,360,000.00
Long-term borrowings	3,141,120,000.00	—	2,729,250,000.00	—
Bonds payable	73,450,323,464.46	73,450,323,464.46	73,524,596,519.73	73,524,596,519.73
Deferred tax liabilities	214,725,489.99	—	131,279,760.50	—
Other liabilities	1,688,452,107.06	866,085,208.68	1,785,637,051.37	924,863,758.49
Total liabilities	270,486,889,387.44	225,257,611,244.85	278,448,017,466.62	234,714,404,167.10
<i>Equity:</i>				
Share capital	7,621,087,664.00	7,621,087,664.00	7,621,087,664.00	7,621,087,664.00
Capital reserve	31,864,053,298.29	31,679,140,892.48	31,864,053,298.29	31,679,140,892.48
Other comprehensive income	2,607,572,036.25	893,188,182.43	1,849,327,868.70	559,398,754.59
Surplus reserve	4,754,038,095.07	4,738,707,725.12	4,754,038,095.07	4,738,707,725.12
General risk reserve	10,472,623,271.47	9,724,059,050.63	10,453,777,447.86	9,723,994,644.82
Retained profits	24,107,606,099.07	18,736,719,535.43	21,987,925,118.64	17,356,535,185.03
Equity attributable to owners of the Company	81,426,980,464.15		78,530,209,492.56	
Non-controlling interests	3,021,262,409.62		2,823,126,457.65	
Total equity	84,448,242,873.77	73,392,903,050.09	81,353,335,950.21	71,678,864,866.04
Total liabilities and equity	354,935,132,261.21	298,650,514,294.94	359,801,353,416.83	306,393,269,033.14

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

Name of Enterprise: GF Securities  
Co., Ltd.

January to March of 2017

Unit: RMB

Audit Type: Unaudited

Items	Three months ended March 31, 2017		Three months ended March 31, 2016	
	Consolidated	Company	Consolidated	Company
<b>1. Operating revenue</b>	4,900,234,657.75	3,215,232,144.38	4,756,792,195.93	3,332,874,954.88
Net fee and commission income	2,707,714,130.09	1,666,048,036.29	3,207,437,176.18	2,046,612,882.17
Including: Net fee income from brokerage business	1,038,898,689.72	940,210,929.82	1,524,799,396.52	1,444,279,020.01
Net fee income from investment banking business	711,244,477.51	700,100,457.77	651,880,638.34	578,683,280.60
Net fee income from asset management and fund management business	914,479,510.27	—	995,956,905.94	—
Net interest income	334,268,807.63	340,219,672.89	48,615,002.94	90,776,442.80
Investment gains (losses presented by "-")	2,088,740,172.54	1,508,526,692.40	1,563,143,078.30	1,236,254,132.15
Including: Gains from Investment in associates and joint ventures	76,262,198.36	77,264,337.05	87,617,604.95	86,558,186.78
Gains from changes in fair value (losses presented by "-")	-252,866,465.36	-302,866,402.35	-43,753,335.21	-9,411,918.44
Foreign exchange gains (losses presented by "-")	12,903,729.80	-1,331,713.75	-38,713,417.25	-35,500,400.77
Other operating income	9,474,283.05	4,635,858.90	20,063,690.97	4,143,816.97
<b>2. Operating expenses</b>	2,087,541,020.57	1,445,854,820.06	2,384,609,462.07	1,716,500,780.18
Tax and surcharges	32,157,634.95	24,767,664.81	276,443,254.65	212,930,484.20
General and administrative expenses	2,051,115,307.16	1,420,649,393.42	2,105,512,884.94	1,501,656,203.15
Impairment loss on assets	3,834,014.64	3,698.01	2,219,258.66	1,480,029.01
Other operating expenses	434,063.82	434,063.82	434,063.82	434,063.82
<b>3. Operating profits (losses presented by "-")</b>	2,812,693,637.18	1,769,377,324.32	2,372,182,733.86	1,616,374,174.70
Add: Non-operating income	44,699,380.04	18,674,910.77	28,027,828.32	8,622,439.92
Less: Non-operating expenses	7,754,589.40	5,660,088.04	6,460,571.94	4,483,610.03
<b>4. Profit before income tax (total losses presented by "-")</b>	2,849,638,427.82	1,782,392,147.05	2,393,749,990.24	1,620,513,004.59
Less: Income tax expense	628,735,819.66	402,143,390.84	509,450,425.78	323,992,266.83
<b>5. Profit for the period (net losses presented by "-")</b>	2,220,902,608.16	1,380,248,756.21	1,884,299,564.46	1,296,520,737.76
Including: Profit for the period attributable to owners of the Company	2,138,526,804.04		1,805,589,600.41	
Non-controlling interests	82,375,804.12		78,709,964.05	
<b>6. Earnings per share</b>				
(1) Basic earnings per share	0.28		0.24	
(2) Diluted earnings per share	0.28		0.24	

Items	Three months ended March 31, 2017		Three months ended March 31, 2016	
	Consolidated	Company	Consolidated	Company
<b>7. Other comprehensive income</b>	874,004,315.40	333,789,427.84	-1,765,685,741.34	-1,273,299,018.70
Other comprehensive income attributable to owners of the Company (net of tax)	758,244,167.55		-1,657,816,536.22	
(1) Other comprehensive income that will be reclassified into profits or losses				
1. Share of other comprehensive income that will be reclassified into profits or losses in the investee under the equity method	10,312,239.54	10,309,442.57	-64,129,121.62	-64,129,121.62
2. Gains and losses from changes in fair value of available-for-sale financial assets	788,114,276.07	323,479,985.27	-1,565,014,004.66	-1,209,169,897.08
3. Translation differences on foreign currency financial statements	-40,182,348.06		-28,673,409.94	
Other comprehensive income attributable to non-controlling interests (net of tax)	115,760,147.85		-107,869,205.12	
<b>8. Total comprehensive income for the period</b>	3,094,906,923.56	1,714,038,184.05	118,613,823.12	23,221,719.06
Total comprehensive income attributable to owners of the Company	2,896,770,971.59		147,773,064.19	
Total comprehensive income attributable to non-controlling interests	198,135,951.97		-29,159,241.07	

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 Cash Flow

Name of Enterprise: GF Securities  
Co., Ltd.

January to March of 2017

Unit: RMB

Audit Type: Unaudited

Items	Three months ended March 31, 2017		Three months ended March 31, 2016	
	Consolidated	Company	Consolidated	Company
<b>1. Cash flows from operating activities:</b>				
Net decrease in advances to customers	1,136,787,707.30	898,956,053.94	16,360,444,195.21	15,925,202,685.77
Net increase in disposal of financial assets held for trading	—	—	1,204,659,416.09	1,640,889,691.36
Cash received from interest, fees and commission	4,766,288,488.81	3,496,785,457.28	5,392,851,478.68	4,033,690,760.28
Net increase in due to banks and other financial institutions	—	—	750,000,000.00	750,000,000.00
Net cash received from accounts payable to underwriting clients	—	—	343,999,993.44	343,999,993.44
Net increase in repurchase businesses	6,635,158,394.22	6,415,888,515.61	—	—
Cash received from other operating activities	113,873,649.28	36,005,534.67	2,059,656,535.16	683,887,858.75
<b>Cash inflow from operating activities, subtotal</b>	<b>12,652,108,239.61</b>	<b>10,847,635,561.50</b>	<b>26,111,611,618.58</b>	<b>23,377,670,989.60</b>
Net decrease in cash due to purchase of financial assets held for trading	11,038,632,094.48	8,986,119,016.81	—	—
Cash payment of interest, fees and commissions	688,939,242.35	638,345,040.38	894,348,266.01	819,665,246.08
Net decrease in due to banks and other financial institutions	21,601,230.81	2,100,000,000.00	—	—
Net cash paid for accounts payable to brokerage clients	7,874,267,151.88	7,267,169,107.34	9,345,495,357.51	8,433,577,411.87
Net decrease in repurchase business	—	—	8,242,818,738.01	8,315,903,669.05
Cash payments for employees	1,456,181,272.74	879,171,930.05	1,682,968,118.02	1,014,911,013.42
Tax expenses paid	779,097,326.83	506,319,245.64	980,225,036.26	637,593,410.49
Cash paid for other operating activities	3,951,234,799.25	2,587,214,398.11	4,386,296,233.78	3,422,323,667.35
<b>Cash outflow from operating activities, subtotal</b>	<b>25,809,953,118.34</b>	<b>22,964,338,738.33</b>	<b>25,532,151,749.59</b>	<b>22,643,974,418.26</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>-13,157,844,878.73</b>	<b>-12,116,703,176.83</b>	<b>579,459,868.99</b>	<b>733,696,571.34</b>

Items	Three months ended March 31, 2017		Three months ended March 31, 2016	
	Consolidated	Company	Consolidated	Company
<b>2. Cash flows from investing activities:</b>				
Cash received from divestment	132,830,595.66	—	620,138,479.70	—
Net increase in disposal of available-for-sale financial assets	802,187,761.08	1,204,898,434.56	8,841,390,582.76	9,473,825,171.34
Cash received from realized investment gains	614,324,015.42	541,389,041.96	931,694,994.30	840,410,000.78
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	248,160.90	238,991.45	498,929.65	373,449.65
Cash received from other investing activities	3,353,308.23	—	53,334,792.95	—
<b>Cash inflow from investing activities, subtotal</b>	<b>1,552,943,841.29</b>	<b>1,746,526,467.97</b>	<b>10,447,057,779.36</b>	<b>10,314,608,621.77</b>
Cash paid for investment	249,171,333.00	—	758,480,872.48	—
Cash paid for the purchase of fixed assets, intangible assets and other long-term assets	56,568,789.27	51,734,557.62	45,955,848.30	39,571,917.00
Cash paid for other investing activities	—	—	19,116,667.00	—
<b>Cash outflow from investing activities, subtotal</b>	<b>305,740,122.27</b>	<b>51,734,557.62</b>	<b>823,553,387.78</b>	<b>39,571,917.00</b>
<b>Net cash inflow/(outflow) from investing activities</b>	<b>1,247,203,719.02</b>	<b>1,694,791,910.35</b>	<b>9,623,504,391.58</b>	<b>10,275,036,704.77</b>
<b>3. Cash flows from financing activities:</b>				
Cash received from capital injection	—	—	106,312,205.60	—
Including: cash received from capital injection of non-controlling interests in subsidiaries	—	—	106,312,205.60	—
Cash received from borrowings	454,907,480.53	—	731,201,230.80	—
Cash received from bonds issuance	—	—	3,000,000,000.00	3,000,000,000.00
Cash received from other financing activities	2,359,865,000.00	2,359,865,000.00	464,694,112.97	435,541,522.80
<b>Cash inflow from financing activities, subtotal</b>	<b>2,814,772,480.53</b>	<b>2,359,865,000.00</b>	<b>4,302,207,549.37</b>	<b>3,435,541,522.80</b>
Cash paid for repayment of debts	5,000,000,000.00	5,000,000,000.00	15,500,000,000.00	15,500,000,000.00
Cash paid for distribution of dividends, profit and interest expenses	192,204,367.57	136,531,232.69	1,065,952,522.26	1,055,286,344.93

Items	Three months ended March 31, 2017		Three months ended March 31, 2016	
	Consolidated	Company	Consolidated	Company
Including: dividends and profit paid to non-controlling interests by subsidiaries	—	—	—	—
Cash paid for other financing activities	609,458,000.00	609,458,000.00	14,235,717,113.71	14,418,814,609.52
<b>Cash outflow from financing activities, subtotal</b>	<b>5,801,662,367.57</b>	<b>5,745,989,232.69</b>	<b>30,801,669,635.97</b>	<b>30,974,100,954.45</b>
<b>Net cash inflow/(outflow) from financing activities</b>	<b>-2,986,889,887.04</b>	<b>-3,386,124,232.69</b>	<b>-26,499,462,086.60</b>	<b>-27,538,559,431.65</b>
<b>4. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>-34,028,265.70</b>	<b>-1,331,713.75</b>	<b>-104,170,210.39</b>	<b>-35,500,400.77</b>
<b>5. Net increase/(decrease) in cash and cash equivalents</b>	<b>-14,931,559,312.45</b>	<b>-13,809,367,212.92</b>	<b>-16,400,668,036.42</b>	<b>-16,565,326,556.31</b>
<b>Add: Cash and cash equivalents at the beginning of the period</b>	<b>102,040,110,495.99</b>	<b>85,299,418,019.23</b>	<b>137,472,513,794.69</b>	<b>122,521,382,462.66</b>
<b>6. Cash and cash equivalents at the end of the period</b>	<b>87,108,551,183.54</b>	<b>71,490,050,806.31</b>	<b>121,071,845,758.27</b>	<b>105,956,055,906.35</b>

Legal representative: Sun Shuming

Person-in-charge of  
accounting affairs:  
Sun Xiaoyan

Person-in-charge  
of accounting  
department:  
Wang Ying

## II. Audit Report

Has the first quarterly report been audited?

Yes

No