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Central China Securities Co., Ltd.

(a joint stock company incorporated in 2002 in Henan Province, the People's Republic of China with limited liability under the Chinese corporate name “中原证券股份有限公司” and carrying on business in Hong Kong as “中州证券”)

(Stock Code: 01375)

2017 FIRST QUARTERLY REPORT

The Board of the Company is pleased to announce the unaudited financial information of the Company and its subsidiaries for the first quarter ended 31 March 2017, prepared in accordance with General Accepted Accounting Principles of the People's Republic of China (the “PRC GAAP”). This announcement is made pursuant to the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09(2) and 13.10B of the Listing Rules.

This announcement contains the Chinese original version and the English translation of the “Central China Securities Co., Ltd. First Quarterly Report of 2017” as published on the website of the Shanghai Stock Exchange, and is provided for your reference only. In case of discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

DEFINITIONS

In this announcement, unless the context otherwise requires, the expressions below have the meanings assigned:

“Board”	the board of Directors of the Company
“Company”	Central China Securities Co., Ltd. (中原证券股份有限公司) (carrying on business in Hong Kong as “中州证券”, a joint stock company incorporated on 8 November 2002 in Henan Province, the PRC with limited liability, the H Shares and A Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 01375) and the Shanghai Stock Exchange (stock code: 601375), respectively)
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange

“PRC” or “State”	the People’s Republic of China (excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan)
“RMB”	the lawful currency of the PRC, Renminbi, the basic unit of which is “yuan”
“Supervisor(s)”	members of the Supervisory Committee of the Company
“Supervisory Committee”	the supervisory committee of the Company

By order of the Board of
Central China Securities Co., Ltd.
Jian Mingjun
Chairman

Henan, the PRC, 28 April 2017

As at the date of this announcement, the Board comprises executive Directors Mr. JIAN Mingjun and Mr. ZHOU Xiaoquan, non-executive Directors Mr. LI Xingjia, Mr. WANG Lixin, Mr. ZHANG Qiang, Mr. ZHANG Xiaoqi and Mr. YU Zeyang, and independent non-executive Directors Mr. YUAN Dejun, Mr. YUEN Chi Wai, Mr. NING Jincheng and Mr. YU Xugang.

FIRST QUARTERLY REPORT OF 2017

Stock code: 601375

Stock abbreviation: Central China Securities

CENTRAL CHINA SECURITIES CO., LTD.

FIRST QUARTERLY REPORT OF 2017

FIRST QUARTERLY REPORT OF 2017

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I. Important Notice

- 1.1 The Board and the Supervisory Committee, together with the Directors, Supervisors and senior management of the Company undertake the truthfulness, accuracy and completeness of the information contained in this quarterly report and that there is no false representation, misleading statement contained herein or material omission from this quarterly report, and for which they will assume joint and several liabilities.
- 1.2 All Directors attended the 34th meeting of the Fifth Session of the Board of the Company to consider and approve this report, all Supervisors attended the 14th meeting of the Fifth Session of the Supervisory Committee of the Company to consider and approve this report, and none of the Directors or Supervisors has any objections towards this report.
- 1.3 Mr. Jian Mingjun, the responsible officer of the Company, Mr. Zhou Xiaoquan, the chief officer responsible for accounting affairs, Ms. Zhu Junhong, the chief accountant, and Mr. Guo Liangyong, the officer-in-charge of the accounting institution (head of accounting department), hereby guarantee that the financial statements set out in this quarterly report are true, accurate and complete.
- 1.4 This first quarterly report of the Company is unaudited.

II. Basic Information of the Company

2.1 Key financial data

Unit and Currency: RMB

	As at the end of the reporting period	As at the end of the previous year	Change (%)
Total assets	39,722,935,435.00	40,384,572,637.04	-1.64
Net assets attributable to shareholders of the listed company	10,649,512,213.46	10,582,116,323.66	0.64
	Beginning of the year to the end of the reporting period	Beginning of the previous year to the end of the reporting period in the previous year	Change (%)
Net cash flows from operating activities	-2,418,805,617.99	563,599,364.00	N/A

	Beginning of the year to the end of the reporting period	Beginning of the previous year to the end of the reporting period in the previous year	Change (%)
Revenue	423,313,455.04	429,450,057.60	-1.43
Net profit attributable to Shareholders of the listed company	100,047,305.09	126,809,927.83	-21.10
Net profit attributable to Shareholders of the listed company net of non-recurring gains or losses	99,043,228.57	117,954,145.23	-16.03
			Decreased by 0.60 percentage point
Weighted average return on net assets (%)	0.94	1.54	-25.00
Basic earnings per share (RMB/share)	0.03	0.04	-25.00
Diluted earnings per share (RMB/share)	0.03	0.04	-25.00

Non-recurring items and amounts

√ Applicable □ Not applicable

Unit and Currency: RMB

Items	Amount in the period
Profit or loss from disposal of non-current assets	-181,629.74
Government grants recognised in profit or loss of the current period, excluding those closely related to the normal operation of the Company and granted on an ongoing basis in fixed amount or fixed quota in accordance with government policies and regulations	2,000,000.00
Other non-operating income and expenses other than the above items	-479,115.69
Effect of minority interests (net of tax)	-364.41
Effect of income tax	-334,813.64
Total	1,004,076.52

2.2 Total number of shareholders and shareholdings of the top 10 shareholders and top 10 holders of tradable shares (or shareholders whose shares are not subject to selling restrictions) as at the end of the reporting period

Unit: Shares

Total number of shareholders ^{Note 1}	183,553
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Shareholdings of the top 10 shareholders

Name of shareholders (in full name)	Number of shares held at the end of the reporting period	Percentage (%)	Number of shares held subject to selling restrictions	Pledged or frozen shares		Type of shareholders
				Status of shares	Number of shares	
HKSCC Nominees Limited ^{Note2}	1,188,946,000	30.30	–	Nil	–	Foreign legal person
Henan Investment Group Co., Ltd.	822,983,847	20.98	822,983,847	Nil	–	State-owned legal person
Bohai Industrial Investment Fund Management Co., Ltd. (holding the equity interests in the Company on behalf of the Bohai Industrial Investment Fund)	608,000,000	15.50	608,000,000	Nil	–	Others
Anyang Iron and Steel Group Co., Ltd.	177,514,015	4.52	177,513,015	Pledged	93,930,000	State-owned legal person
China Pingmei Shenma Energy & Chemical Group Co., Ltd.	75,046,245	1.91	75,046,245	Nil	–	State-owned legal person
National Council for Social Security Fund (Transfer Account No. 1) (全國社會保險基金理事會轉持一戶)	70,000,000	1.78	70,000,000	Nil	–	Others
Anyang Economic Development Group Co., Ltd.	48,824,693	1.24	48,824,693	Nil	–	State-owned legal person
Jiangsu SOHO Holdings Group Co., Ltd.	27,073,089	0.69	27,073,089	Nil	–	State-owned legal person
Xuchang Superlift Energy-saving & Technology Co., Ltd.	24,000,000	0.61	24,000,000	Nil	–	Domestic non-state-owned legal person
Guangzhou Liby Investment Co., Ltd.	20,000,000	0.51	20,000,000	Nil	–	Domestic non-state-owned legal person

Shareholdings of the top 10 shareholders whose shares are not subject to selling restrictions

Name of shareholders	Number of tradable shares not subject to selling restrictions	Class and number of shares	
		Class	Number
HKSCC Nominees Limited	1,188,946,000	Overseas listed foreign shares	1,188,946,000
Industrial and Commercial Bank of China Co., Ltd. – SWS MU CSI SWS Securities Industry Index Classified Securities Investment Fund	6,180,457	RMB-denominated ordinary shares	6,180,457
Xu Jiandong	5,351,800	RMB-denominated ordinary shares	5,351,800
Xiao Rong	5,077,695	RMB-denominated ordinary shares	5,077,695
Xiao Huizhu	4,648,403	RMB-denominated ordinary shares	4,648,403
China Construction Bank Co., Ltd. – Bosera Return Flexible Allocation Mixed Type Securities Investment Fund	2,705,700	RMB-denominated ordinary shares	2,705,700
Qiao Jianfang	2,329,300	RMB-denominated ordinary shares	2,329,300
Shenzhen Qianhai Qianjing Asset Management Co., Ltd. – Qianjing No. 1 Private Offering Securities Investment Fund	2,206,400	RMB-denominated ordinary shares	2,206,400
Bi Yongsheng	1,700,000	RMB-denominated ordinary shares	1,700,000
Liu Wen	1,563,500	RMB-denominated ordinary shares	1,563,500

Description of the connected relationships or action in concert between the above shareholders	The Company is not aware of any connected relationship among the aforesaid shareholders or any party acting in concert as specified in the Administrative Rules on Acquisition of Listed Companies.
Explanation of holders of preference shares with restored voting rights and number of shares held	Not applicable

Note 1: As at the end of the reporting period, the total number of the shareholders of the Company was 183,553, among which 183,291 shareholders were holders of the A Shares and 262 shareholders were holders of the H Shares.

Note 2: As at the end of the reporting period, Dahe Paper (Hong Kong) Co., Ltd., an indirect subsidiary of Henan Investment Group, has by way of transaction on the trading system of the Stock Exchange, held in the capacity as a beneficial owner 37,807,000 H Shares (long position), accounting for approximately 3.02% of the H Shares in issue at that time.

2.3 Total number of holders of preference shares and shareholdings of the top 10 holders of preference shares and top 10 holders of preference shares not subject to selling restrictions as at the end of the reporting period

Applicable Not applicable

III. Significant Events

3.1 Significant changes in major accounting items and financial indicators of the Company and the reasons thereof

Applicable Not applicable

Unit and Currency: RMB

Items	31 March 2017	31 December 2016	Increase/ Decrease (%)	Main reason
Derivative financial assets	37,109.62		N/A	Mainly attributable to changes in the scale and fair value of options
Financial assets held under resale agreements	9,295,214,699.93	5,911,696,190.30	57.23%	Mainly attributable to increase in pledge type and buyout type financial assets scale
Short-term notes repayable	2,416,287,443.48	3,809,755,009.59	-36.58%	Mainly attributable to decrease in subordinated debt scale
Interbank borrowings		400,000,000.00	-100.00%	Mainly attributable to decrease in borrowing funds from refinancing business
Derivative financial liabilities	305,411.40	131,955.20	131.45%	Mainly attributable to changes in the scale and fair value of options
Accounts payable	139,412,230.96	207,332,187.36	-32.76%	Mainly attributable to decrease in various liquidation accounts payable
Other liabilities	154,176,157.55	73,427,210.85	109.97%	Mainly attributable to increase in other payables
Other comprehensive income	24,560,923.40	63,826,190.55	-61.52%	Mainly attributable to changes in fair value of available-for-sale financial assets

Unit and Currency: RMB

Items	January to March in 2017	January to March in 2016	Increase/ Decrease(%)	Main reason
Net commission and fee income	196,172,016.01	290,377,172.61	-32.44%	Mainly attributable to decrease in income from securities brokerage and investment bank business
Gains from change in fair value (loss stated with “-”)	731,634.49	-46,821,242.80	N/A	Mainly attributable to floating profits from financial assets at fair value through profit or loss
Foreign exchange gains (loss stated with “-”)	-109,358.08	-53,683.25	N/A	Mainly attributable to impact of exchange rate changes
Other operating income	32,680,386.70	1,645,295.61	1886.29%	Mainly attributable to increase in sales revenue from subsidiaries
Taxes and surcharges	3,482,655.11	31,975,929.52	-89.11%	Mainly attributable to decrease in taxable income and failure to execute the policy of replacing business tax with value-added tax during the corresponding period last year
Asset impairment losses	6,075,229.99	1,102,610.88	450.99%	Mainly attributable to increase in financing funds depreciation reserves
Other operating costs	29,846,346.35	430,223.40	6837.41%	Mainly attributable to increase in costs of sales of subsidiaries
Non-operating income	2,032,830.58	11,853,626.13	-82.85%	Mainly attributable to decrease in government subsidies
Non-operating expenses	693,576.01	45,904.75	1410.90%	Mainly attributable to increase in donation outlay
Held-for-sale total profit of subsidiaries		-6,739,377.36	N/A	Mainly attributable to transfer of Ashmore Equity Investment
Net cash generated from operating activities	-2,418,805,617.99	563,599,364.00	N/A	Mainly attributable to decrease in income inflow arising from net capital increase from repurchase business and net decrease in financing funds
Net cash generated from investing activities	439,055,656.69	-52,275,257.62	N/A	Mainly attributable to increase in cash inflow arising from disposal of investments like available-for-sale financial assets
Net cash generated from financing activities	-992,952,318.85	-1,687,756,097.02	N/A	Mainly attributable to changes arising from the subsidiaries absorbing investment and getting borrowings

3.2 Update, effect and solutions of significant events

Applicable Not applicable

3.2.1 Offering of A shares by the Company

The Company submitted the 2016 Prospectus (Application Proof) of the Company to China Securities Regulatory Commission (“CSRC”) on 12 September 2016 for prior disclosures. On 9 November 2016, the Main Board Issuance Examination Committee of the CSRC convened the 157th meeting in 2016 to consider and approve the application made by the Company in relation to the offering of A Shares. On 25 November 2016, CSRC officially issued written notice to the Company and announced on the same date that the Company was approved to issue A shares. No more than 700,000,000 A shares were issued with a term of 12 months from date of approval. As of 22 December 2016, the Company issued 700,000,000 shares at an issue price of RMB4.00 per share. On 3 January 2017, A Shares of the Company were listed on Shanghai Stock Exchange. On 16 February 2017, the registered capital of the Company was changed to RMB3,923,734,700.

3.2.2 Establishment of Central China Life Insurance Co., Ltd.

On 12 December 2016, the 25th meeting of the 5th session of the Board of the Company resolved to approve Proposal on Promotion and Establishment of Henan Life Insurance Company of Central China Securities Co., Ltd. On 26 December 2016, the Company entered into the Capital Contribution Agreement with nine founders including Henan Investment Group pursuant to which the Promoters agreed to establish Central China Life Insurance Co., Ltd. Under the Capital Contribution Agreement, the Company made capital contribution of RMB360 million, holding 12% of the equity interests in Central China Life Insurance; Henan Investment Group made capital contribution of RMB240 million, holding 8% of the equity interests in Central China Life Insurance. On 31 March 2017, Central China Securities Co., Ltd. received the Reply of CSRC Henan Branch on the Company’s Equity Participation in Henan Life Insurance Company, which approved our equity participation. On the same day, the Insurance Association of China’s website released the Information Disclosure Announcement on the Proposed Establishment of Central China Life Insurance Co., Ltd., giving prior disclosures of relevant situation.

3.2.3 Repurchase of the Company’s H shares

On 20 February 2017, the 28th meeting of the 5th session of the Board of the Company resolved to approve the Proposal on Repurchasing the Company’s H Shares by Pit Trading, which shall still be submitted to the 2016 annual general shareholders’ meeting of the Company, 2017 first shareholders’ meeting of A shares and shareholders’ meeting of H shares, and which cannot be implemented unless when the Company’s creditors have no objection and upon approval (or registration) by relevant regulatory authorities and foreign exchange administration departments. All shares will be repurchased by our own funds, the total number of repurchased shares shall be no more than 10% of the outstanding H shares on the current day, and the repurchase price shall be no higher than the average closing prices plus 5% over the five trading days preceding the transaction. (For more details, please see the overseas regulatory announcement issued by the Company on the Stock Exchange on 20 February 2017.)

3.2.4 Capital increase into the subsidiary

On 13 April 2016, the 14th meeting of the 5th session of the Board of the Company resolved to approve the Resolution of Central China Securities Co., Ltd. on Capital Increase into Central China Blue Ocean Investment Management Company Limited. On 10 February 2017, the Company transferred the registered capital of RMB113 million to Central China Blue Ocean.

3.2.5 Selling back of corporate bond

The “13 Central China Bond (13中原債)” corporate bond issued by the Company on 23 April 2014 contains the option for the issuer to raise the coupon rate and for the investor to sell back the corporate bond. The 29th meeting of the 5th session of the Board of the Company resolved not to raise the coupon rate. 24 April 2017 will be the fund release date for this selling back declaration. The effective declaration quantity of this selling back is 0 tranche, with the selling back amount of RMB0. After this selling back is completed, the quantity of “13 Central China Bond (13中原債)” listed and traded on Shanghai Stock Exchange remains unchanged at 1,500,000 tranches (1 tranche =10 bonds). (For more details, please see the overseas regulatory announcements issued by the Company on the Stock Exchange on 8 March 2017 and 6 April 2017 respectively.)

3.2.6 Redemption of the subordinated bond

The “15 Central China 02 (15中原02)” subordinated bond issued by the Company on 17 April 2015 contains the option for the issuer to redeem the bond or raise the coupon rate. The 29th meeting of the 5th session of the Board of the Company resolved to exercise the option to redeem the bonds. Since 17 April 2017, the Company’s “15 Central China 02 (15中原02)” will be delisted from the Integrated Electronic Platform of Fixed-income Securities of SSE. (For more details, please see the overseas regulatory announcements issued by the Company on the Stock Exchange on 2 March 2017, 29 March 2017 and 5 April 2017 respectively.)

3.3 Overdue Commitment issues not fulfilled during the reporting period

Applicable Not applicable

3.4 Warning and reasons for cumulative net loss expected to be recorded for the period from the beginning of the year to the end of next reporting period or any material changes of cumulative net profit as compared to the corresponding period of the provides year

Applicable Not applicable

Company Name	Central China Securities Co., Ltd.
Legal representative	Jian Mingjun
Date	27 April 2017

IV. Appendix

4.1 Financial statements

CONSOLIDATED BALANCE SHEET

31 March 2017

Prepared by: Central China Securities Co., Ltd.

Unit and Currency: RMB Unaudited

Items	Amount as at the end of the period	Amount as at the beginning of the year
ASSETS:		
Cash and bank balances	9,404,624,471.40	12,090,415,132.84
Including: Customer deposits	7,763,841,677.17	7,720,676,538.03
Clearing settlement funds	2,809,936,109.31	3,096,957,086.10
Including: Customer settlement funds	2,076,116,214.52	2,353,173,197.34
Interbank lending		
Financing funds	6,063,041,549.92	6,119,265,370.45
Financial assets at fair value through profit or loss	6,993,839,150.31	8,037,095,626.37
Derivative financial assets	37,109.62	
Financial assets held under resale agreements	9,295,214,699.93	5,911,696,190.30
Receivables	52,621,164.64	43,496,697.92
Interest receivable	438,795,525.44	397,345,286.70
Refundable deposits	431,713,863.53	490,078,050.96
Dividends receivable		
Assets classified as held-for-sale		
Available-for-sale financial assets	2,632,415,944.51	2,581,937,630.58
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	325,609,122.28	370,421,607.85
Investment properties	22,668,824.80	22,953,353.76
Fixed assets	236,532,769.49	238,033,229.01
Construction in progress	4,074,080.75	4,051,439.24
Intangible assets	151,588,904.66	155,559,401.13
Development costs		
Goodwill	21,466,082.83	21,466,082.83
Long-term unamortised expenditures		
Deferred income tax assets	117,125,326.74	117,928,755.39
Other assets	721,630,734.84	685,871,695.61
Total assets	39,722,935,435.00	40,384,572,637.04

Items	Amount as at the end of the period	Amount as at the beginning of the year
LIABILITIES:		
Short-term borrowings	685,449,342.15	661,118,923.35
Short-term notes repayable	2,416,287,443.48	3,809,755,009.59
Interbank borrowings		400,000,000.00
Financial liabilities at fair value through profit or loss	1,054,783,329.34	1,208,177,431.99
Derivative financial liabilities	305,411.40	131,955.20
Financial assets sold under repurchase agreements	6,764,137,758.71	5,607,978,821.81
Customers' deposits held for securities brokerage	9,191,032,463.43	9,426,088,091.08
Customers' deposits held for securities underwriting		
Customers' deposits held for securities brokerage of credit transactions	827,561,755.46	942,002,264.58
Staff costs payable	377,353,850.19	472,060,797.32
Taxes and surcharges payable	72,922,906.93	96,475,098.96
Accounts payable	139,412,230.96	207,332,187.36
Interest payable	375,692,402.81	354,923,124.12
Dividends payable		
Liabilities classified as held-for-sale		
Accrued liabilities		
Long-term borrowings	54,911,629.69	55,327,275.46
Bonds payable	5,494,850,263.89	5,494,298,598.03
Long-term payables		
Long-term staff costs payable		
Special payables		
Deferred income tax liabilities	27,674,776.15	28,707,013.93
Deferred income		
Other liabilities	154,176,157.55	73,427,210.85
Total liabilities	27,636,551,722.14	28,837,803,803.63

Items	Amount as at the end of the period	Amount as at the beginning of the year
Owners' equity (or shareholders' equity):		
Paid up capital (or share capital)	3,923,734,700.00	3,923,734,700.00
Other equity instruments		
Capital reserve	3,848,993,660.25	3,842,379,808.39
Less: Treasury stock		
Other comprehensive income	24,560,923.40	63,826,190.55
Special reserve		
Surplus reserve	697,014,082.63	697,014,082.63
General risk reserve	1,163,978,034.21	1,163,978,034.21
Undistributed profit	991,230,812.97	891,183,507.88
Total equity attributable to the owners (or equity attributable to shareholders) of the Company	10,649,512,213.46	10,582,116,323.66
Minority interests	1,436,871,499.40	964,652,509.75
Total owners' equity (or shareholders' equity)	12,086,383,712.86	11,546,768,833.41
Total liabilities and owners' equity (or shareholders' equity)	39,722,935,435.00	40,384,572,637.04

Legal representative:
Jian Mingjun

*Officer-in-charge of
accounting:*
Zhou Xiaoquan

Chief Accountant:
Zhu Junhong

*Head of accounting
department:*
Guo Liangyong

BALANCE SHEET OF THE PARENT COMPANY

31 March 2017

Prepared by: Central China Securities Co., Ltd.

Unit and Currency: RMB Unaudited

Items	Amount as at the end of the period	Amount as at the beginning of the year
ASSETS:		
Cash and bank balances	8,338,507,278.07	10,906,368,493.26
Including: Customer deposits	7,287,930,387.78	7,374,121,594.90
Clearing settlement funds	2,578,499,325.84	2,861,279,822.91
Including: Customer settlement funds	1,751,719,255.41	2,031,159,961.17
Interbank lending		
Financing funds	5,768,191,637.74	5,873,865,210.42
Financial assets at fair value through profit or loss	5,478,922,885.76	5,633,991,564.70
Derivative financial assets		
Financial assets held under resale agreements	8,736,786,859.12	5,569,169,690.51
Receivables	34,609,106.08	37,744,827.45
Interest receivable	393,716,881.56	350,720,629.73
Refundable deposits	55,304,135.16	153,314,654.39
Dividends receivables		
Assets classified as held-for-sale		
Non-current assets due within one year		
Available-for-sale financial assets	1,263,708,357.48	2,206,904,169.42
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	2,090,387,028.71	1,976,973,001.74
Investment properties	33,230,681.91	33,547,229.79
Fixed assets	215,013,476.04	217,025,434.60
Construction in progress	4,074,080.75	4,051,439.24
Intangible assets	148,198,361.52	151,913,078.20
Development costs		
Goodwill		
Long-term unamortised expenditures		
Deferred income tax assets	105,858,024.56	105,280,666.29
Other assets	120,823,283.20	100,553,253.47
Total assets	35,365,831,403.50	36,182,703,166.12

Items	Amount as at the end of the period	Amount as at the beginning of the year
LIABILITIES:		
Short-term borrowings		
Short-term notes repayable	2,416,287,443.48	3,809,755,009.59
Interbank borrowings		400,000,000.00
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities	305,411.40	131,955.20
Financial assets sold under repurchase agreements	6,742,437,758.71	5,313,078,821.81
Customers' deposits held for securities brokerage	8,357,559,051.23	8,659,499,538.04
Customers' deposits held for securities underwriting		
Customers' deposits held for securities brokerage of credit transactions	806,134,317.54	924,703,379.22
Staff costs payable	354,451,072.62	440,892,284.86
Taxes and surcharges payable	60,481,088.52	80,816,232.69
Accounts payable	138,931,945.96	206,752,599.23
Interest payable	375,487,934.97	354,310,519.57
Dividends payable		
Liabilities classified as held-for-sale		
Accrued liabilities		
Long-term borrowings		
Bonds payable	5,494,850,263.89	5,494,298,598.03
Long-term payables		
Long-term staff costs payable		
Special payables		
Deferred income tax liabilities	19,041,942.09	17,076,060.34
Deferred income		
Other liabilities	41,415,897.91	49,772,669.96
Total liabilities	24,807,384,128.32	25,751,087,668.54

Items	Amount as at the end of the period	Amount as at the beginning of the year
Owners' equity (or shareholders' equity):		
Paid up capital (or share capital)	3,923,734,700.00	3,923,734,700.00
Other equity instruments		
Capital reserve	3,845,439,803.63	3,838,825,951.77
Less: Treasury stock		
Other comprehensive income	36,981,018.20	44,727,315.54
Special reserve		
Surplus reserve	697,014,082.63	697,014,082.63
General risk reserve	1,159,972,464.65	1,159,972,464.65
Undistributed profit	895,305,206.07	767,340,982.99
Total owners' equity (or shareholders' equity)	10,558,447,275.18	10,431,615,497.58
Total liabilities and Owners' equity (or shareholders' equity)	35,365,831,403.50	36,182,703,166.12

<i>Legal representative:</i> Jian Mingjun	<i>Officer-in-charge of accounting:</i> Zhou Xiaoquan	<i>Chief Accountant:</i> Zhu Junhong	<i>Head of accounting department:</i> Guo Liangyong
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CONSOLIDATED INCOME STATEMENT

January - March 2017

Prepared by: Central China Securities Co., Ltd.

Unit and Currency: RMB Unaudited

Items	Amount in the period	Amount in the last period
1. Revenue	423,313,455.04	429,450,057.60
Net commission and fee income	196,172,016.01	290,377,172.61
Including: Net fee income from securities brokerage	134,514,013.60	203,809,936.16
Net fee income from investment banking	11,303,138.01	27,335,098.54
Net fee income from asset management	11,752,979.37	10,793,779.98
Net interest income	119,414,519.98	111,488,794.29
Investment income (loss stated with “-”)	74,424,255.94	72,813,721.14
Including: Investment income from associates and jointly-controlled entities	9,475,992.37	
Fair value gains (loss stated with “-”)	731,634.49	-46,821,242.80
Foreign exchange gains (loss stated with “-”)	-109,358.08	-53,683.25
Other operating income	32,680,386.70	1,645,295.61
2. Operating expenses	271,769,790.56	270,886,227.95
Business taxes and surcharges	3,482,655.11	31,975,929.52
Business and management expenses	232,365,559.11	237,377,464.15
Impairment loss of assets	6,075,229.99	1,102,610.88
Other operating costs	29,846,346.35	430,223.40
3. Operating profit (loss stated with “-”)	151,543,664.48	158,563,829.65
Add: Non-operating income	2,032,830.58	11,853,626.13
Less: Non-operating expenses	693,576.01	45,904.75
Less: Total profit of subsidiaries held for sale		6,739,377.36
4. Total profit (Gross loss stated with “-”)	152,882,919.05	163,632,173.67
Less: Income tax expenses	38,095,854.86	38,032,594.70
5. Net profit (net loss stated with “-”)	114,787,064.19	125,599,578.97
Including: Net profit attributable to owners (or shareholders) of the Company	100,047,305.09	126,809,927.83
Minority interests	14,739,759.10	-1,210,348.86

Items	Amount in the period	Amount in the last period
6. Other comprehensive income, net of taxes	-38,762,107.38	25,445,174.92
Other comprehensive income attributable to owners of the Company, net of taxes	-39,265,267.15	24,041,032.19
(I) Other comprehensive incomes unqualified for subsequent reclassification into profit or loss		
1. Change in net liabilities or net assets as a result of re-measurement of defined benefit plan		
2. Share of other comprehensive incomes unqualified for subsequent reclassification into profit or loss of investees under entity method		
(II) Other comprehensive incomes to be subsequently reclassified into profit or loss	-39,265,267.15	24,041,032.19
1. Share of other comprehensive incomes to be subsequently reclassified into profit or loss of investees under entity method		
2. Fair value gain or loss of available-for-sale financial assets	-19,936,177.29	18,245,542.22
3. Gain or loss from reclassification of held-to-maturity investments into available-for-sale financial assets		
4. Effective positions of hedged gain or loss of cash flows		
5. Foreign currency translation differences	-19,329,089.86	5,795,489.97
6. Others		
Other comprehensive income attributable to minority interests, net of taxes	503,159.77	1,404,142.73
7. Total comprehensive income	76,024,956.81	151,044,753.89
Total comprehensive income attributable to owners of the Company	60,782,037.94	150,850,960.02
Total comprehensive income attributable to minority interests	15,242,918.87	193,793.87
8. Earnings per share:		
(1) Basic earnings per share (RMB/share)	0.03	0.04
(2) Diluted earnings per share (RMB/share)	0.03	0.04

Legal representative:
Jian Mingjun

Officer-in-charge of
accounting:
Zhou Xiaoquan

Chief Accountant:
Zhu Junhong

Head of accounting
department:
Guo Liangyong

INCOME STATEMENT OF THE PARENT COMPANY

January - March 2017

Prepared by: Central China Securities Co., Ltd.

Unit and Currency: RMB Unaudited

Items	Amount in the period	Amount in the last period
1. Revenue	363,619,590.17	407,139,789.43
Net commission and fee income	176,611,908.98	275,514,845.65
Including: Net fee income from securities brokerage	131,522,603.59	203,610,704.52
Net fee income from investment banking	8,610,298.78	27,330,098.54
Net fee income from asset management	14,085,664.85	10,793,779.98
Net interest income	91,908,225.93	97,577,414.74
Investment income (loss stated with “-”)	75,312,834.45	79,514,071.86
Including: Investment income from associates and jointly-controlled entities	414,026.97	
Fair value gains (loss stated with “-”)	17,957,957.23	-46,897,497.16
Foreign exchange gains (loss stated with “-”)	-60,563.57	-53,683.25
Other operating income	1,889,227.15	1,484,637.59
2. Operating expenses	204,073,316.85	240,769,063.81
Business taxes and surcharges	2,480,825.04	30,793,455.78
Business and management expenses	199,120,130.06	209,631,352.50
Impairment loss of assets	2,078,031.65	-85,967.87
Other operating costs	394,330.10	430,223.40
3. Operating profit (loss stated with “-”)	159,546,273.32	166,370,725.62
Add: Non-operating income	2,032,202.04	11,853,614.89
Less: Non-operating expenses	693,458.01	45,904.75
4. Total profit (Gross loss stated with “-”)	160,885,017.35	178,178,435.76
Less: Income tax expenses	32,920,794.27	44,544,608.94
5. Net profit (net loss stated with “-”)	127,964,223.08	133,633,826.82

Items	Amount in the period	Amount in the last period
6. Other comprehensive income, net of taxes	-7,746,297.34	-29,807,227.55
(I) Other comprehensive incomes unqualified for subsequent reclassification into profit or loss		
1. Change in net liabilities or net assets as a result of re-measurement of defined benefit plan		
2. Share of other comprehensive incomes unqualified for subsequent reclassification into profit or loss of investees under entity method		
(II) Other comprehensive incomes to be subsequently reclassified into profit or loss	-7,746,297.34	-29,807,227.55
1. Share of other comprehensive incomes to be subsequently reclassified into profit or loss of investees under entity method		
2. Fair value gain or loss of available-for-sale financial assets	-7,746,297.34	-29,807,227.55
3. Gain or loss from reclassification of held-to-maturity investments into available-for-sale financial assets		
4. Effective positions of hedged gain or loss of cash flows		
5. Foreign currency translation differences		
6. Others		
7. Total comprehensive income	120,217,925.74	103,826,599.27

<i>Legal representative:</i> Jian Mingjun	<i>Officer-in-charge of accounting:</i> Zhou Xiaoquan	<i>Chief Accountant:</i> Zhu Junhong	<i>Head of accounting department:</i> Guo Liangyong
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CONSOLIDATED STATEMENT OF CASH FLOWS

January - March 2017

Prepared by: Central China Securities Co., Ltd.

Unit and Currency: RMB Unaudited

Items	Amount in the period	Amount in the last period
1. Cash flows from operating activities:		
Net increase in disposal of financial assets at fair value through profit or loss	490,846,148.55	
Cash from interest, fee and commission	436,061,680.05	447,241,702.71
Net increase in interbank borrowings		
Net increase in income from repurchase transactions		5,743,469,141.76
Net decrease in margin accounts	52,695,291.61	1,886,739,935.94
Net cash received from securities brokerage		
Other cash received relating to operating activities	331,481,115.38	139,985,350.76
Sub-total of cash inflows from operating activities	1,311,084,235.59	8,217,436,131.17
Net increase in margin accounts		
Net cash paid for securities brokerage	349,496,136.77	1,588,246,375.22
Net decrease in disposal of financial assets at fair value through profit or loss		4,967,395,723.06
Net decrease in interbank borrowings	400,000,000.00	
Net decrease in income from repurchase transactions	2,198,776,941.70	
Cash paid for interest, fee and commission	56,016,325.77	114,548,475.63
Cash paid to and for employees	244,023,254.24	441,430,823.21
Cash paid for taxes and surcharges	100,978,336.21	185,821,180.85
Other cash paid relating to operating activities	380,598,858.89	356,394,189.20
Sub-total of cash outflows from operating activities	3,729,889,853.58	7,653,836,767.17
Net cash flows from operating activities	-2,418,805,617.99	563,599,364.00

Items	Amount in the period	Amount in the last period
2. Cash flows from investing activities:		
Cash received from disposal of investments	371,634,327.06	
Cash received from return on investments	78,812,648.34	23,423,602.62
Net cash received from disposal of subsidiaries and other business entities		
Other cash received relating to investing activities		
Sub-total of cash inflows from investing activities	450,446,975.40	23,423,602.62
Cash paid for investments		65,051,487.46
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	11,391,318.71	10,647,372.78
Net cash paid for acquisition of subsidiaries and other business entities		
Other cash paid relating to investing activities		
Sub-total of cash outflows from investing activities	11,391,318.71	75,698,860.24
Net cash flows from investing activities	439,055,656.69	-52,275,257.62
3. Cash flows from financing activities:		
Cash received from capital contribution	470,883,816.00	
Including: Cash received by subsidiaries from minority shareholders' capital contribution	470,883,816.00	
Cash received from borrowings	463,870,275.00	339,500,000.00
Cash received from issuance of bonds	111,510,000.00	
Other cash received relating to financing activities		
Sub-total of cash inflows from financing activities	1,046,264,091.00	339,500,000.00
Cash paid for repayment of debts	1,939,643,205.00	2,011,960,000.00
Cash paid as dividends, profits or interest expense	99,573,204.85	15,296,097.02
Including: Dividends and profits paid by subsidiaries to minority shareholders	13,144,202.91	
Other cash paid relating to financing activities		
Sub-total of cash outflows from financing activities	2,039,216,409.85	2,027,256,097.02
Net cash flows from financing activities	-992,952,318.85	-1,687,756,097.02
4. Effect of exchange rate changes on cash and cash equivalents	-109,358.08	-53,683.25
5. Net increase in cash and cash equivalents	-2,972,811,638.23	-1,176,485,673.89
Add: Cash and cash equivalents at the beginning of the period	15,187,372,218.94	17,163,076,303.99
6. Cash and cash equivalents at the end of the period	12,214,560,580.71	15,986,590,630.10

Legal representative:
Jian Mingjun

Officer-in-charge of
accounting:
Zhou Xiaoquan

Chief Accountant:
Zhu Junhong

Head of accounting
department:
Guo Liangyong

STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

January - March 2017

Prepared by: Central China Securities Co., Ltd.

Unit and Currency: RMB Unaudited

Items	Amount in the period	Amount in the last period
1. Cash flows from operating activities:		
Net increase in disposal of financial assets at fair value through profit or loss	125,900,184.09	
Cash from interest, fee and commission	361,394,990.20	415,498,477.54
Net increase in interbank borrowings		
Net increase in income from repurchase transactions		5,713,069,141.76
Net decrease in margin accounts	105,775,612.26	2,211,044,725.57
Net cash received from securities brokerage		
Other cash received relating to operating activities	110,931,863.05	13,331,418.47
Sub-total of cash inflow from operating activities	704,002,649.60	8,352,943,763.34
Net increase in margin accounts		
Net cash paid for securities brokerage	420,509,548.49	1,588,246,375.22
Net decrease in disposal of financial assets at fair value through profit or loss		5,031,995,723.06
Net decrease in interbank borrowings	400,000,000.00	
Net decrease in income from repurchase transactions	1,703,476,941.70	
Cash paid for interest, fee and commission	50,493,789.62	104,354,801.72
Cash paid to and for employees	223,661,810.57	421,541,497.00
Cash paid for taxes and surcharges	87,491,265.44	182,497,549.17
Other cash paid relating to operating activities	85,389,413.85	123,101,299.07
Sub-total cash outflows from operating activities	2,971,022,769.67	7,451,737,245.24
Net cash flows from operating activities	-2,267,020,120.07	901,206,518.10
2. Cash flows from investing activities:		
Cash received from investment	833,554,719.01	81,766,529.62
Cash received from return on investments	71,431,357.20	23,105,089.97
Other cash received relating to investing activities		
Sub-total of cash inflows from investing activities	904,986,076.21	104,871,619.59
Cash paid for investments		
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	8,558,102.89	9,119,359.18
Other cash paid relating to investing activities		
Sub-total of cash outflows from investing activities	8,558,102.89	9,119,359.18
Net cash flows from investing activities	896,427,973.32	95,752,260.41

Items	Amount in the period	Amount in the last period
3. Cash flows from financing activities:		
Cash received from capital contribution		
Cash received from borrowings		
Cash received from issuance of bonds	111,510,000.00	
Other cash received relating to financing activities		
Sub-total of cash inflows from financing activities	111,510,000.00	
Cash paid for repayment of debts	1,505,070,000.00	2,011,960,000.00
Cash paid as dividends, profits or interest expense	86,429,001.94	14,683,183.54
Other cash paid relating to financing activities		
Sub-total of cash outflows from financing activities	1,591,499,001.94	2,026,643,183.54
Net cash flows from financing activities	-1,479,989,001.94	-2,026,643,183.54
4. Effect of exchange rate changes on cash and cash equivalents	-60,563.57	-53,683.25
5. Net increase in cash and cash equivalents	-2,850,641,712.26	-1,029,738,088.28
Add: Cash and cash equivalents at the beginning of the period	13,767,648,316.17	15,686,978,031.44
6. Cash and cash equivalents at the end of the period	10,917,006,603.91	14,657,239,943.16

<i>Legal representative:</i> Jian Mingjun	<i>Officer-in-charge of accounting:</i> Zhou Xiaoquan	<i>Chief Accountant:</i> Zhu Junhong	<i>Head of accounting department:</i> Guo Liangyong
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4.2 Audit report

Applicable Not applicable