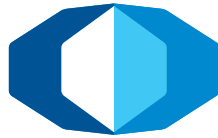


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



國泰君安証券股份有限公司
Guotai Junan Securities Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 02611)

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, Laws of Hong Kong).

Set out below is the 2017 first quarterly report of Guotai Junan Securities Co., Ltd. (the “**Company**”) and its subsidiaries as of March 31, 2017. The financial report contained therein 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
Guotai Junan Securities Co., Ltd.
Yang Dehong
Chairman

Shanghai, the PRC

April 28, 2017

As at the date of this announcement, the executive directors of the Company are Mr. YANG Dehong, Mr. WANG Song and Mr. YU Jian; the non-executive directors of the Company are Mr. FU Fan, Ms. LIU Ying, Mr. ZHONG Maojun, Mr. ZHOU Lei, Mr. WANG Yongjian, Mr. XIANG Dong and Mr. LIU Qiang; and the independent non-executive directors of the Company are Mr. XIA Dawei, Mr. SHI Derong, Mr. CHEN Guogang, Mr. LING Tao, Mr. JIN Qingjun and Mr. Lee Conway Kong Wai.

國泰君安證券股份有限公司
Guotai Junan Securities Co., Ltd.
2017 FIRST QUARTERLY REPORT

I. Important Notice

- 1.1 The Board of Directors, Supervisory Committee and the Directors, Supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of the contents of this quarterly report which does not contain any false information, misleading statements or material omissions, and severally and jointly accept legal responsibility for the contents thereof.
- 1.2 All Directors of the Company have attended the Board meeting for consideration of the quarterly report.
- 1.3 Mr. YANG Dehong, the Chairman of the Company, and Mr. XIE Lebin, the person in charge of accounting affairs and the person in charge of the accounting department (head of the accounting department) of the Company, warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.
- 1.4 The 2017 first quarterly report of the Company has not been audited.

II. Basic Information of the Company

2.1 Key Financial Data

Unit: Yuan Currency: RMB

	As at the end of the reporting period	As at the end of last year	Increase/decrease at the end of the reporting period as compared with the end of last year (%)
Total assets	390,732,142,387	411,749,041,689	-5.10
Net assets attributable to shareholders of the Company	99,293,236,062	99,964,418,051	-0.67
	The reporting period	The same period of last year	Increase/decrease as compared with the corresponding period of last year (%)
Net cash flows generated from operating activities	-23,466,874,592	-496,922,447	N/A
	The reporting period	The same period of last year	Increase/decrease as compared with the corresponding period of last year (%)
Operating revenue	5,586,594,903	8,062,735,486	-30.71
Net profits attributable to shareholders of the Company	2,563,344,817	2,374,868,202	7.94
Net profits attributable to shareholders of the Company, net of non-recurring gains and loss	2,273,560,709	1,313,269,253	73.12
Weighted average return on net assets (%)	2.65	2.60	Increased by 0.05 percentage points
Basic earnings per share (RMB/share)	0.32	0.29	10.34
Diluted earnings per share (RMB/share)	0.32	0.29	10.34

Non-recurring gain and loss items and amounts

✓ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount for the current period	Explanation
Profits and losses on the disposal of non-current assets	-251,118	
Governmental subsidies that are recorded into the profits and losses in the current period, excluding those with close relations with the normal operation of a company, which are continually enjoyed with a quota and fixed quantity in accordance with a certain standard and in line with regulations of state policies	391,154,444	Mainly special financial support funds
Other non-operating revenues and expenditures besides all the aforesaid items	-2,903,038	
Minority interest impact (after tax)	-1,244,379	
Income tax impact	-96,971,801	
Total	289,784,108	

2.2 Statement of the total number of shareholders, shareholdings of the top ten shareholders and the top ten shareholders not subject to selling restrictions as at the end of the reporting period

Unit: share

Total number of shareholders				208,853		
Shareholdings of the top 10 shareholders						
Name of Shareholders (full name)	Number of shares held at the end of the period	Percentage (%)	Number of shares subject to selling restrictions	Status of shares (pledged or frozen)		Nature of shareholders
				Status	Number	
Shanghai State-owned Assets Operation Co., Ltd	1,949,347,453	25.57	1,949,347,453	Nil	0	State-owned legal person
Shanghai International Group Co., Ltd	698,608,342	9.16	698,608,342	Nil	0	State-owned legal person
Shenzhen Investment Holding Co., Ltd	624,071,941	8.18	0	Nil	0	State-owned legal person
Shanghai Municipal Investment (Group) Corporation	252,491,109	3.31	0	Nil	0	State-owned legal person
Shenzhen Energy Group Co., Ltd.	154,455,909	2.03	0	Nil	0	Domestic non-state-owned legal person
The Second Shareholding Transfer Account of Board of Directors of NSSF	151,104,674	1.98	89,090,813	Nil	0	State-owned legal person
Shanghai Financial Development and Investment Fund (Limited Partnership)	150,000,000	1.97	0	Nil	0	Others
Dazhong Transportation (Group) Co., Ltd.	144,555,909	1.90	0	Nil	0	Domestic non-state-owned legal person
China First Automobile Group Corporation	115,402,526	1.51	0	Nil	0	State-owned legal person
Anhui Huamao Textile Co., Ltd.	95,299,933	1.25	0	Nil	0	Domestic non-state-owned legal person
Shareholdings of the top 10 shareholders not subject to selling restrictions						
Name of Shareholders	Number of shares not subject to selling restrictions	Class and number of shares				
		Class	Number			
Shenzhen Investment Holding Co., Ltd	624,071,941	RMB-denominated ordinary shares	624,071,941			
Shanghai Municipal Investment (Group) Corporation	252,491,109	RMB-denominated ordinary shares	252,491,109			
Shenzhen Energy Group Co., Ltd.	154,455,909	RMB-denominated ordinary shares	154,455,909			
Shanghai Financial Development and Investment Fund (Limited Partnership)	150,000,000	RMB-denominated ordinary shares	150,000,000			
Dazhong Transportation (Group) Co., Ltd.	144,555,909	RMB-denominated ordinary shares	144,555,909			
China First Automobile Group Corporation	115,402,526	RMB-denominated ordinary shares	115,402,526			
Anhui Huamao Textile Co., Ltd.	95,299,933	RMB-denominated ordinary shares	95,299,933			
Hangzhou Financial Investment Group Corporation	92,322,675	RMB-denominated ordinary shares	92,322,675			

Shareholdings of the top 10 shareholders not subject to selling restrictions			
Bank of China Limited - CMS CSI Securities Company Index Structured Securities Investment Fund	84,718,146	RMB-denominated ordinary shares	84,718,146
China National Publications Import & Export (Group) Corporation	83,089,818	RMB-denominated ordinary shares	83,089,818
Description of the shareholders' connected relationship or concerted action	Shanghai State-owned Assets Operation Co., Ltd is a wholly-owned subsidiary of Shanghai International Group Co., Ltd. Save for the above, the Company is not aware of any other connected relationship or action acting in concert.		
Explanations on preference shareholders with voting rights restored and the number of shares held	Not applicable.		

2.3 Statement of the total number of preference shareholders and the shareholdings of the top ten holders of preference shares and the top ten 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 Details of and reasons for material changes in the major accounting statement items and financial indicators of the Company

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing Balance	Balance at the beginning of the year	Percentage of change	Descriptions
Derivative financial assets	344,432,883	175,423,808	96.34%	Changes in fair value of derivative financial instruments
Receivables	4,772,162,418	3,506,000,674	36.11%	Increase in settlement receivables
Derivative financial liabilities	92,213,834	290,500,392	-68.26%	Changes in fair value of derivative financial instruments
Proceeds from underwriting securities received on behalf of customers	65,971,675	9,922,296,103	-99.34%	Decrease due to transfer of proceeds from underwriting securities received on behalf of customers at the end of last year during the current period
Interest payable	2,537,949,047	1,814,356,844	39.88%	Mainly due to increase in interest payable on bonds
Other comprehensive income	808,027,306	484,305,854	66.84%	Mainly due to changes in fair value of available-for-sale financial assets

Items	Amount for the period	Amount for last period	Percentage of change	Descriptions
Net fee income from securities brokerage	1,384,684,513	2,035,380,544	-31.97%	Mainly due to decrease in trading volume in the market
Net fee income from investment banking business	657,999,868	959,962,671	-31.46%	Mainly due to decrease in income generated by debt underwriting business
Investment gains	1,316,120,751	3,454,688,960	-61.90%	The corresponding period of last year includes investment gains from disposal of equity interest in Haiji Securities Co., Ltd
Gains from changes in fair value	295,557,188	-103,439,332	N/A	Changes in fair value of relevant financial assets due to volatility in the securities markets
Other operating revenue	88,672,669	6,476,146	1269.22%	Increase in sales proceeds from subsidiaries
Tax and surcharges	28,995,918	313,502,619	-90.75%	Implementation of replacing business tax with value-added tax policy from May 2016
Impairment loss on assets	41,519,107	603,332,085	-93.12%	Mainly due to decrease in allowance for impairment provided for available-for-sale financial assets
Other operating expenses	82,622,893	772,958	10589.18%	Increase in selling costs of subsidiaries
Non-operating revenue	393,431,877	5,531,498	7012.57%	Mainly due to the receipt of special financial support funds
Other comprehensive income (net of tax)	307,626,660	-1,351,063,463	N/A	Mainly due to changes in fair value of available-for-sale financial assets
Net cash flows generated from operating activities	-23,466,874,592	-496,922,447	N/A	Mainly due to decrease in proceeds from underwriting securities received on behalf of customers and accounts payable to brokerage customers
Net cash flows generated from investing activities	8,245,718,449	-5,888,668,027	N/A	Mainly due to increase in cash received from investment
Net cash flows generated from financing activities	-1,862,376,592	-2,362,086,766	N/A	Due to a period-on-period increase in cash inflow of proceeds from issuing bonds, resulting in a period-on-period decrease in net cash outflows from financing activities

3.2 The progress of significant events and their impacts as well as analysis and explanation for the solutions

✓ Applicable Not applicable

1. Issuance and Listing of H Shares on the Hong Kong Stock Exchange by the Company

On October 24, 2016, at the Company’s 2016 first extraordinary general meeting of Shareholders, the “Resolution on issuance and Listing of H Shares on the Hong Kong Stock Exchange by the Company”, “Resolution on the Company’s Plan for the Issuance of H Shares and Listing on the Hong Kong Stock Exchange” and other related resolutions were considered and passed, pursuant to which the Company was allowed to issue up to 1.04 billion H shares (before exercise of the Over-allotment Option) and list on the Main Board of the Stock Exchange of Hong Kong Limited (hereinafter referred to as “**Hong Kong Stock Exchange**”). (Please refer to No. 2016-082 announcement of the Company for details).

On January 18, 2017, the Company submitted the application for this issuance and listing of H shares to the Hong Kong Stock Exchange. (Please refer to No. 2017-006 announcement of the Company for details).

On March 13, 2017, the Company received the Reply from the CSRC on the Approval of the Issuance of Overseas Listed Foreign Shares by Guotai Junan Securities Co., Ltd. (Zheng Jian Xu Ke [2017] No.353). According to the Reply, the CSRC approved the Company to issue up to 1,196 million overseas listed foreign shares at a par value of RMB1 per share, all of which are ordinary shares. After the completion of this issuance, the Company may list on the Main Board of the Hong Kong Stock Exchange. (Please refer to No. 2017-017 announcement of the Company for details).

On March 16, 2017, the Listing Committee of the Hong Kong Stock Exchange held a listing hearing to consider the application by the Company for the issuance and listing of up to 1,196 million overseas listed foreign shares on the Main Board of the Hong Kong Stock Exchange. (Please refer to No. 2017-019 announcement of the Company for details).

On March 28, 2017, the Company published and distributed the H share prospectus in Hong Kong. The total number of H shares under this global offering of the Company amounted to 1.04 billion H shares (subject to the exercise of the Over-allotment Option), with an offer price of HK\$15.84 per share. (Please refer to No. 2017-025 announcement of the Company for details).

On April 11, 2017, upon the approval by the Hong Kong Stock Exchange, 1.04 billion H shares (before the exercise of the Over-allotment Option) issued by the Company were listed and traded on the Main Board of the Hong Kong Stock Exchange. After this offering and listing, the total number of shares of the Company increased to 8,665 million, among which, the number of A shares changed from 7,625 million shares to 7,521 million shares (representing 86.80% of the Company's total share capital), due to the fact that 104 million A shares changed to be held by the NSSF in the fulfillment of obligation by the Company's state-owned shareholders of transferring (reducing) of state-owned shares; the number of H shares amounted to 1,144 million (including the 104 million H shares held by the NSSF because of the transferring (reducing) of State-owned Shares), representing 13.20% of the Company's total share capital. (Please refer to No. 2017-030 announcement of the Company for details)

2. Issuance of A Share Convertible Corporate Bonds by the Company

On May 19, 2016, the Resolution on Reviewing the Plan of Issuing A Share Convertible Corporate Bonds by the Company and other related resolutions were considered and passed at the 2015 annual general meeting of the Company, pursuant to which the Company was allowed to issue A share convertible corporate bonds with a total amount of no more than RMB8 billion (inclusive) publicly. On December 12, 2016, as authorized by the general meeting, the Board of the Company reduced the total issuance amount of the convertible bonds to no more than RMB7 billion (inclusive). On December 21, 2016, this application for issuing convertible bonds was reviewed and approved by the CSRC Main Board Issuance Examination Committee. (Please refer to No. 2016-036, No. 2016-063, No. 2016-094, No. 2016-095, No. 2016-096, No. 2016-097, No. 2016-098, No. 2016-100 announcements of the Company for details). As of the date of this report, formal approval document for the application of convertible bond issuance has not been obtained from the CSRC.

3. Offering of 51% Equity Interest in GTJA Allianz Funds for Sale

In order to optimize the asset management business structure, on January 9, 2017, the Company offered its 51% equity interest in GTJA Allianz Funds through public listing and sale on the Shanghai United Assets and Equity Exchange, at the initial tender price of RMB1,045 million (please refer to No. 2017-002 announcement of the Company for details). As of the date of this report, the above mentioned equity transfer has not been completed.

4. Acquisition of 20% Equity Interest in HuaAn Funds

On February 26, 2014, Shanghai Electric Group Corp. offered its 20% equity interest in HuaAn Funds through public listing and sale on the Shanghai United Assets and Equity Exchange, at the initial tender price of RMB600.094 million. As considered and approved at the 11th extraordinary meeting of the 4th term of the Board of the Company, Guotai Junan Innovation Investment Co., Ltd. (“**GTJA Innovation Investment**”) participated in the auction. On April 9, 2014, GTJA Innovation Investment entered into the Equity Purchase Agreement with Shanghai Electric Group Corp. for this transaction, with a contract amount of RMB600.094 million. On September 29, 2015, as considered and approved at the 31th extraordinary meeting of the 4th term of the Board of the Company, GTJA Innovation Investment entered into a supplemental agreement with Shanghai Electric Group Corp., pursuant to which it was agreed that GTJA Innovation Investment paid to Shanghai Electric Group Corp. an additional RMB29.806 million representing the difference between the appraised value determined on the valuation reference date of June 30, 2015 and the original appraisal value prescribed in the Equity Purchase Agreement based on the target equity. On January 12, 2017, as considered and approved at the 7th extraordinary meeting of the 5th term of the Board of the Company, GTJA Innovation Investment entered into a third supplemental agreement with Shanghai Electric Group Corp., pursuant to which it was agreed that GTJA Innovation Investment will pay an additional RMB20.10 million to Shanghai Electric Group Corp. (please refer to No. 2017-001 announcement of the Company for details). As of the end of the reporting period, GTJA Innovation Investment has paid all considerations. This transaction is pending the approval by the CSRC.

3.3 Undertakings not yet performed within the time limit during the reporting period

Applicable Not applicable

3.4 Warning and explanation of reasons for forecast of possible loss in respect of the accumulated net profits from the beginning of the year to the end of the next reporting period, or any significant changes as compared to the corresponding period of last year

Applicable Not applicable

Company name	Guotai Junan Securities Co., Ltd.
Legal representative	YANG Dehong
Date	April 28, 2017

IV. Appendix

4.1 Financial Statements

Consolidated Balance Sheet

March 31, 2017

Prepared by: Guotai Junan Securities Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	Closing Balance	Balance at the beginning of the year
Assets:		
Cash and bank balances	104,370,941,778	120,829,358,222
Including: cash held on behalf of customers	84,173,505,109	92,886,250,947
Clearing settlement funds	14,017,524,677	15,272,021,095
Including: settlement funds held on behalf of customers	12,928,615,772	13,492,640,964
Margin accounts receivable	67,579,997,320	68,892,785,353
Financial assets at fair value through profit or loss	75,545,365,564	76,723,237,587
Derivative financial assets	344,432,883	175,423,808
Financial assets held under resale agreements	69,864,909,824	63,211,378,027
Accounts receivable	4,772,162,418	3,506,000,674
Interest receivable	1,701,463,630	1,658,114,498
Refundable deposits	8,612,945,653	9,742,881,013
Available-for-sale financial assets	32,973,407,949	40,481,221,676
Long-term equity investment	1,357,701,151	1,261,339,923
Fixed assets	2,819,532,552	2,846,589,033
Construction in progress	565,072,434	523,656,320
Intangible assets	2,268,636,535	2,207,935,636
Goodwill	581,407,294	581,407,294
Deferred tax assets	585,581,298	762,365,006
Other assets	2,771,059,427	3,073,326,524
Total assets	390,732,142,387	411,749,041,689
Liabilities:		
Short-term borrowings	6,044,056,564	6,162,661,719
Short-term debt instruments	14,904,805,750	14,847,586,444
Placements from other financial institutions	4,550,000,000	4,700,000,000
Financial liabilities at fair value through profit or loss	16,378,422,592	16,515,355,996
Derivative financial liabilities	92,213,834	290,500,392
Financial assets sold under repurchase agreements	39,563,370,076	39,718,419,568
Accounts payable to brokerage customers	83,528,946,800	93,256,668,447
Proceeds from underwriting securities received on behalf of customers	65,971,675	9,922,296,103
Employee benefits payable	5,356,247,050	6,269,165,298
Tax payable	2,786,929,406	3,820,986,731
Accounts payable	21,307,994,751	21,491,246,380
Interest payable	2,537,949,047	1,814,356,844
Provisions	32,113,719	32,113,719

Items	Closing Balance	Balance at the beginning of the year
Long-term borrowings	1,864,359,000	1,978,038,908
Bonds payable	74,129,800,155	72,738,764,749
Long-term employee benefits payable	631,789,045	631,789,045
Deferred tax liabilities	107,598,446	103,920,396
Other liabilities	6,576,569,635	6,703,449,171
Total liabilities	280,459,137,545	300,997,319,910
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	7,625,000,000	7,625,000,000
Other equity instruments	10,000,000,000	10,000,000,000
Capital reserve	29,379,787,123	29,374,285,381
Other comprehensive income	808,027,306	484,305,854
Surplus reserve	5,729,487,399	5,729,487,399
General risk reserve	12,193,982,782	12,193,982,782
Retained profits	33,556,951,452	34,557,356,635
Total equity (or shareholder's equity) attributable to owners of the Company	99,293,236,062	99,964,418,051
Minority interests	10,979,768,780	10,787,303,728
Total owners' equity (or shareholders' equity)	110,273,004,842	110,751,721,779
Total liabilities and owners' equity (or shareholders' equity)	390,732,142,387	411,749,041,689

Legal representative: YANG Dehong

Person in charge of accounting affairs: XIE Lebin

Person in charge of accounting department: XIE Lebin

Balance Sheet of the Company

March 31, 2017

Prepared by: Guotai Junan Securities Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	Closing Balance	Balance at the beginning of the year
Assets:		
Cash and bank balances	65,122,296,688	80,968,794,008
Including: client deposit	51,701,128,704	59,934,216,796
Clearing settlement funds	12,169,149,019	13,406,846,172
Including: settlement funds held on behalf of customers	11,549,433,514	12,188,442,829
Margin accounts receivable	49,832,927,093	50,497,692,620
Financial liabilities at fair value through profit or loss	51,459,684,006	54,657,629,359
Derivative financial assets	—	65,864,031
Financial assets sold under repurchase agreements	66,402,069,244	59,758,258,425
Accounts receivable	2,203,783,985	2,055,535,132
Interest receivable	1,062,645,387	1,084,933,312
Refundable deposits	1,218,814,780	1,393,849,551
Available-for-sale financial assets	25,165,294,040	32,424,052,355
Long-term equity investment	11,265,921,431	11,265,921,431
Fixed assets	1,304,302,571	1,313,994,651
Construction in progress	101,344,923	86,232,826
Intangible assets	281,181,089	269,783,350
Deferred tax assets	736,694,868	921,033,127
Other assets	1,852,519,776	2,239,638,654
Total assets	290,178,628,900	312,410,059,004
Liabilities:		
Short-term debt instruments	14,052,820,000	14,789,980,000
Placements from other financial institutions	4,500,000,000	4,500,000,000
Financial liabilities at fair value through profit or loss	7,062,210,102	8,695,117,793
Derivative financial liabilities	20,462,646	186,166,890
Financial assets sold under repurchase agreements	36,980,990,012	38,343,596,188
Accounts payable to brokerage customers	62,203,357,232	70,879,422,182
Proceeds from underwriting securities received on behalf of customers	—	9,851,323,700
Employee benefits payable	4,179,801,944	4,530,880,290
Tax payable	1,623,919,162	2,669,449,752
Accounts payable	1,096,591,981	1,011,056,197
Interest payable	2,071,330,485	1,530,316,847
Provisions	32,113,719	32,113,719
Bonds payable	65,939,481,481	63,932,092,593
Long term employee benefits payable	600,000,000	600,000,000
Other liabilities	786,781,664	632,372,066
Total liabilities	201,149,860,428	222,183,888,217

Items	Closing Balance	Balance at the beginning of the year
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	7,625,000,000	7,625,000,000
Other equity instruments	10,000,000,000	10,000,000,000
Capital reserve	28,504,462,410	28,504,462,410
Other comprehensive income	665,599,029	247,535,720
Surplus reserve	5,729,487,399	5,729,487,399
General risk reserve	11,159,423,981	11,159,423,981
Retained profits	25,344,795,653	26,960,261,277
Total owners' equity (or shareholder's equity)	89,028,768,472	90,226,170,787
Total liabilities and owners' equity (or shareholder's equity)	290,178,628,900	312,410,059,004

Legal representative: YANG Dehong

Person in charge of accounting affairs: XIE Lebin

Person in charge of accounting department: XIE Lebin

Consolidated Income Statement

January to March 2017

Prepared by: Guotai Junan Securities Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	Amount for the current period	Amount for the last period
1. Operating revenue	5,586,594,903	8,062,735,486
Net fee and commission income	2,498,640,649	3,623,529,268
Including: Net fee income from brokerage business	1,384,684,513	2,035,380,544
Net fee income from investment banking business	657,999,868	959,962,671
Net fee income from asset management business	459,605,234	608,923,719
Net interest income	1,388,419,300	1,068,661,263
Investment gains (losses presented by “-”)	1,316,120,751	3,454,688,960
Including: Gains from Investment in associates and joint ventures	—	—
Gains from changes in fair value (losses presented by “-”)	295,557,188	-103,439,332
Foreign exchange gains (losses presented by “-”)	-815,654	12,819,181
Other operating revenue	88,672,669	6,476,146
2. Operating expenses	2,332,630,663	3,600,594,391
Tax and surcharges	28,995,918	313,502,619
General and administrative expenses	2,179,492,745	2,682,986,729
Impairment loss on assets	41,519,107	603,332,085
Other operating expenses	82,622,893	772,958
3. Operating profits (losses presented by “-”)	3,253,964,240	4,462,141,095
Add: Non-operating revenue	393,431,877	5,531,498
Less: Non-operating expenses	6,055,943	11,934,409
4. Total profits (total losses presented by “-”)	3,641,340,174	4,455,738,184
Less: Income tax expense	869,435,513	1,102,759,940
5. Net profits (net losses presented by “-”)	2,771,904,661	3,352,978,244
Including: Net profits attributable to owners (or shareholders) of the Company	2,563,344,817	2,374,868,202
Minority interests	208,559,844	978,110,042
6. Other comprehensive income (net of tax)	307,626,660	-1,351,063,463
Other comprehensive income attributable to owners of the Company (net of tax)	323,721,452	-1,300,730,238
(1) Other comprehensive income that will not be reclassified into profits or losses	—	—
(2) Other comprehensive income that will be reclassified into profits or losses	323,721,452	-1,300,730,238
1. Gains and losses from changes in fair value of available-for-sale financial assets	354,270,584	-1,279,053,847
2. Translation differences on foreign currency financial statements	-30,549,132	-21,676,391
Other comprehensive income attributable to minority shareholders (net of tax)	-16,094,792	-50,333,225
7. Total comprehensive income	3,079,531,321	2,001,914,781
Total comprehensive income attributable to owners of the Company	2,887,066,269	1,074,137,964
Total comprehensive income attributable to minority shareholders	192,465,052	927,776,817

Items	Amount for the current period	Amount for the last period
8. Earnings per share:		
(1) Basic earnings per share (RMB/share)	0.32	0.29
(2) Diluted earnings per share (RMB/share)	0.32	0.29

Legal representative: YANG Dehong

Person in charge of accounting affairs: XIE Lebin

Person in charge of accounting department: XIE Lebin

Income Statement of the Company

January to March 2017

Prepared by: Guotai Junan Securities Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	Amount for the current period	Amount for the last period
1. Operating revenue	3,969,581,201	4,213,766,603
Net fee and commission income	1,729,081,359	2,581,204,726
Including: Net fee income from brokerage business	1,215,893,798	1,678,564,809
Net fee income from investment banking business	516,372,864	883,697,120
Net interest income	961,027,984	668,400,052
Investment gains (losses presented by “-”)	1,147,474,161	928,777,993
Including: Gains from Investment in associates and joint ventures	—	—
Gains from changes in fair value (losses presented by “-”)	128,424,327	33,716,579
Foreign exchange gains (losses presented by “-”)	192,840	— 349,412
Other operating revenue	3,380,530	2,016,665
2. Operating expenses	1,636,457,814	2,397,910,462
Tax and surcharges	22,444,218	239,859,410
General and administrative expenses	1,585,446,027	1,598,597,917
Impairment loss on assets	28,567,569	559,453,135
3. Operating profits (losses presented by “-”)	2,333,123,387	1,815,856,141
Add: Non-operating revenue	292,738,564	628,047
Less: Non-operating expenses	5,553,214	10,505,497
4. Total profits (total losses presented by “-”)	2,620,308,737	1,805,978,691
Less: Income tax expense	672,024,361	350,278,134
5. Net profits (net losses presented by “-”)	1,948,284,376	1,455,700,557
6. Other comprehensive income (net of tax)	418,063,309	-1,339,502,835
(1) Other comprehensive income that will not be reclassified into profits or losses	—	—
(2) Other comprehensive income that will be reclassified into profits or losses	418,063,309	-1,339,502,835
1. Gains and losses from changes in fair value of available-for-sale financial assets	418,063,309	-1,339,502,835
7. Total comprehensive income	2,366,347,685	116,197,722

Legal representative: YANG Dehong

Person in charge of accounting affairs: XIE Lebin

Person in charge of accounting department: XIE Lebin

Consolidated Cash Flows Statements

January to March 2017

Prepared by: Guotai Junan Securities Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	Amount for the current period	Amount for the last period
1. Cash flows from operating activities:		
Net increase in disposal of financial assets at fair value through profit or loss	804,965,810	4,336,722,398
Net increase in disposal of financial liabilities at fair value through profit or loss	354,022,660	6,227,591,836
Cash received from interests, fees and commission	6,338,508,301	8,007,335,610
Net decrease in margin accounts receivable	1,611,290,419	17,610,083,956
Cash received from other operating activities	1,704,553,778	239,958,041
Subtotal of cash inflows from operating activities	10,813,340,968	36,421,691,841
Net decrease in placements from other financial institutions	150,000,000	7,042,000,000
Net decrease in repurchase businesses	4,899,404,167	9,860,557,259
Net cash paid for accounts payable to brokerage clients	9,727,721,647	11,624,351,290
Cash payment of interest, fees and commissions	1,028,908,622	1,628,054,458
Cash paid to and for employees	2,926,901,257	2,769,090,064
Cash paid for various taxes	1,445,055,795	2,599,081,230
Cash paid for other operating activities	14,102,224,072	1,395,479,987
Subtotal of cash outflows from operating activities	34,280,215,560	36,918,614,288
Net cash flows from operating activities	-23,466,874,592	-496,922,447
2. Cash flows from investing activities:		
Cash received from disposal of investment	14,888,123,486	6,074,687,123
Cash received from return on investments	278,726,394	697,795,483
Sub-total of cash inflows from investing activities	15,166,849,880	6,772,482,606
Cash paid for investments	6,759,623,522	12,495,500,272
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	161,507,909	165,650,361
Sub-total of cash used in investing activities	6,921,131,431	12,661,150,633
Net cash flows from investing activities	8,245,718,449	-5,888,668,027
3. Cash flows from financing activities:		
Cash received from obtaining borrowings	—	7,665,004,019
Cash received from issuing bonds	15,717,125,753	3,226,480,000
Sub-total of cash inflows from financing activities	15,717,125,753	10,891,484,019
Cash paid for repayment of debt	13,572,165,063	12,347,016,904
Cash paid for distribution of dividends, profit or payment of interests	4,007,337,282	906,553,881
Sub-total of cash used in financing activities	17,579,502,345	13,253,570,785
Net cash flows from financing activities	-1,862,376,592	-2,362,086,766
4. Effect on cash and cash equivalent from change of exchange rate	-167,119,018	-81,240,313

Items	Amount for the current period	Amount for the last period
5. Net increase in cash and cash equivalent	-17,250,651,753	-8,828,917,553
Add: Balance of cash and cash equivalent at the beginning of the period	131,521,492,651	180,733,258,549
6. Balance of cash and cash equivalent at the end of the period	114,270,840,898	171,904,340,996

Legal representative: YANG Dehong

Person in charge of accounting affairs: XIE Lebin

Person in charge of accounting department: XIE Lebin

Cash Flows Statements of the Company

January to March 2017

Prepared by: Guotai Junan Securities Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	Amount for the current period	Amount for the last period
1. Cash flows from operating activities:		
Net increase in disposal of financial assets at fair value through profit or loss	3,532,965,285	5,617,928,688
Net increase in disposal of financial liabilities at fair value through profit or loss	—	5,292,767,399
Cash received from interests, fees and commission	4,639,304,625	6,096,997,388
Net decrease in margin accounts receivable	681,861,808	17,615,868,967
Cash received from other operating activities	1,420,461,482	199,965,034
Subtotal of cash inflows from operating activities	10,274,593,200	34,823,527,476
Net increase in disposal of financial liabilities at fair value through profit or loss	1,437,180,539	—
Net decrease in placements from other financial institutions	—	6,850,000,000
Net decrease in repurchase businesses	5,842,402,040	13,015,349,715
Net cash paid for accounts payable to brokerage clients	8,702,095,360	8,932,548,958
Cash payment of interest, fees and commissions	888,562,963	1,213,685,534
Cash paid to and for employees	2,000,879,761	1,858,814,766
Cash paid for various taxes	1,321,151,564	1,623,672,077
Cash paid for other operating activities	11,175,272,968	1,402,770,480
Subtotal of cash outflows from operating activities	31,367,545,195	34,896,841,530
Net cash flows from operating activities	-21,092,951,995	-73,314,054
2. Cash flows from investing activities:		
Cash received from disposal of investment	11,763,108,254	4,984,190,928
Cash received from return on investments	88,226,528	474,773,859
Sub-total of cash inflows from investing activities	11,851,334,782	5,458,964,787
Cash paid for investments	4,332,674,485	8,410,641,052
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	90,534,758	53,587,044
Sub-total of cash used in investing activities	4,423,209,243	8,464,228,096
Net cash flows from investing activities	7,428,125,539	-3,005,263,309
3. Cash flows from financing activities:		
Cash received from issuing bonds	13,102,720,000	3,226,480,000
Sub-total of cash inflows from financing activities	13,102,720,000	3,226,480,000
Cash paid for repayment of debt	11,839,880,000	4,398,474,305
Cash paid for distribution of dividends, profit or payment of interests	3,794,583,554	816,553,881
Sub-total of cash used in financing activities	15,634,463,554	5,215,028,186
Net cash flows from financing activities	-2,531,743,554	-1,988,548,186
4. Effect of exchange rate change on cash and cash equivalent	-13,393,885	-10,533,573

Items	Amount for the current period	Amount for the last period
5. Net increase in cash and cash equivalent	-16,209,963,895	-5,077,659,122
Add: Balance of cash and cash equivalent at the beginning of the period	100,710,762,475	143,105,346,824
6. Balance of cash and cash equivalent at the end of the period	84,500,798,580	138,027,687,702

Legal representative: YANG Dehong

Person in charge of accounting affairs: XIE Lebin

Person in charge of accounting department: XIE Lebin

4.2 Audit Report

Applicable Not applicable