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海通证券股份有限公司
HAITONG SECURITIES CO., LTD.*

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

THE FIRST QUARTERLY REPORT FOR THE YEAR 2018

The board of directors (the “**Board**”) of Haitong Securities Co., Ltd. (the “**Company**”) is pleased to announce the unaudited results of the Company and its subsidiaries (collectively the “**Group**”) for the first quarter ended 31 March 2018, prepared under General Accepted Accounting Principles of the People’s Republic of China (“**PRC GAAP**”). This announcement is made pursuant to the Inside Information Provision under Part XIVA of the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) (as defined in The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (the “**Listing Rules**”) and Rule 13.09(2) and Rule 13.10B of the Listing Rules.

§1 IMPORTANT NOTICE

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

1.2	Name of absent Director	Title of absent Director	Reason of absence	Name of proxy
	Chen Bin	Non-executive Director	Business travel	Zhou Jie
	Xu Jianguo	Non-executive Director	Business travel	Zhou Jie

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

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

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

2.1 Major financial data

	<i>Unit: RMB</i>		
	At the end of the reporting period	At the end of the previous year	Increase/decrease recorded at the end of the reporting period as compared to the end of the previous year (%)
Total assets	572,970,782,481.13	534,706,332,789.81	7.16
Net assets attributable to shareholders of the Company	119,092,932,025.05	117,755,478,685.09	1.14
	From the beginning of the year to the end of the reporting period	From the beginning of the previous year to the end of the reporting period of the previous year	Increase/decrease as compared to the corresponding period of the previous year (%)
Net cash flows used in operating activities	-4,842,369,589.88	-22,577,833,626.12	-
	From the beginning of the year to the end of the reporting period	From the beginning of the previous year to the end of the reporting period of the previous year	Increase/decrease as compared to the corresponding period of the previous year (%)
Operating income	5,704,680,933.31	6,442,340,295.28	-11.45
Profit for the period attributable to shareholders of the Company	1,732,104,646.77	2,240,164,455.28	-22.68
Profit for the period attributable to shareholders of the Company after deducting non-recurring profit or loss	1,469,448,087.81	1,936,143,339.42	-24.10
Weighted average returns on net assets (%)	1.47	2.01	Decrease by 0.54 percentage point
Basic earnings per share (<i>RMB/Share</i>)	0.15	0.19	-21.05
Diluted earnings per share (<i>RMB/Share</i>)	0.15	0.19	-21.05

Non-recurring items and amounts

Applicable Not Applicable

Unit: RMB

	Amounts for the period (January – March)
Items (gain+, loss-)	
Gains and losses from disposals of non-current assets	-584,007.55
Government grants recognized in current profit or loss, excluding those closely related to the Group's normal operations and granted on an ongoing basis under the State's policies according to certain quota of amount or volume	264,739,302.25
Profit or loss from other contingencies which are not related to the Group's normal operations	-7,198,056.67
Other non-operating incomes and expenses except items above	38,824,944.45
Effect of non-controlling interests (net of tax)	-2,815,314.37
Effect of income tax	-30,310,309.15
	<hr/>
Total	262,656,558.96

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

Unit: Share

Total number of shareholders 255,580 shareholders, among which 255,431 were holders of A Shares and 149 were holders of H Shares

Shareholding of the top ten shareholders

Name of shareholder (in full)	Nature of shareholder	Proportion of shareholding (%)	Total number of shares held	Number of shares held subject to trading moratorium	Number of shares subject to pledge or freeze
Hong Kong Securities Clearing Company Nominees Limited	Foreign legal person	29.64	3,408,875,962	0	Nil
China Securities Finance Corporation Limited	Other	4.90	563,578,259	0	Nil
Bright Food (Group) Co., Ltd.	State-owned legal person	3.50	402,150,000	0	Nil
Shanghai Haiyan Investment Management Company Limited	State-owned legal person	3.48	400,709,623	0	Nil
Shenergy Group Company Limited	State-owned legal person	2.80	322,162,086	0	Nil
Shanghai Electric (Group) Corporation	State	2.31	265,165,493	0	Nil
Shanghai Jiushi (Group) Co., Ltd.	State-owned legal person	2.05	235,247,280	0	Nil
Shanghai Bailian Group Co., Ltd.	Domestic nonstate-owned legal person	1.86	214,471,652	0	Nil
Qilu Securities Asset Management – ICBC – Qilu Bichen No. 10 Collective Asset Management Scheme (齊魯證券資管 – 工商銀行 – 齊魯碧辰10號集合資產管理計劃)	Other	1.68	193,402,041	0	Nil
Yunnan International Trust Co., Ltd. – Juli No. 15 Sigle Fund Trust (雲南國際信託有限公司 – 聚利15號單一資金信託)	Other	1.63	187,702,412	0	Nil

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

Name of shareholder (in full)	The number of unrestricted circulating shares at the end of the reporting period	Type of shares
Hong Kong Securities Clearing Company Nominees Limited	3,408,875,962	Overseas listed foreign shares (H Shares)
China Securities Finance Corporation Limited	563,578,259	Renminbi denominated ordinary shares (A Shares)
Bright Food (Group) Co., Ltd.	402,150,000	Renminbi denominated ordinary shares (A Shares)
Shanghai Haiyan Investment Management Company Limited	400,709,623	Renminbi denominated ordinary shares (A Shares)
Shenergy Group Company Limited	322,162,086	Renminbi denominated ordinary shares (A Shares)
Shanghai Electric (Group) Corporation	265,165,493	Renminbi denominated ordinary shares (A Shares)
Shanghai Jiushi (Group) Co., Ltd.	235,247,280	Renminbi denominated ordinary shares (A Shares)
Shanghai Bailian Group Co., Ltd.	214,471,652	Renminbi denominated ordinary shares (A Shares)
Qilu Securities Asset Management – ICBC – Qilu Bichen No. 10 Collective Asset Management Scheme (齊魯證券資管 – 工商銀行 – 齊魯碧辰10號集合資產管理計劃)	193,402,041	Renminbi denominated ordinary shares (A Shares)
Yunnan International Trust Co., Ltd. – Juli No. 15 Sngle Fund Trust (雲南國際信託有限公司 – 聚利15號單一資金信託)	187,702,412	Renminbi denominated ordinary shares (A Shares)

- Notes:
1. Among the H shareholders of the Company, HKSCC Nominees Limited held the H Shares on behalf of the non-registered shareholders.
 2. In the above table, the shares held by HKSCC Nominees Limited are foreign shares listed overseas (H Shares) and the shares held by the other shareholders are RMB denominated ordinary A Shares.
 3. The nature of the Company's A Shareholders represents that of accounts registered by such shareholders in Shanghai branch of China Securities Depository and Clearing Corporation Limited.
 4. As the shares of the Company are subject of margin financing and securities lending, the number of shares held by a shareholder is calculated based on the aggregated number of shares and interests held by such shareholder through ordinary securities accounts and credit securities accounts.

§3 MAJOR EVENTS

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

Applicable Not Applicable

Unit: RMB

Item	31 March 2018	31 December 2017	Increase/ Decrease	Reasons for the change
Financial assets at fair value through profit or loss	134,379,477,184.53	99,856,694,835.91	35%	Impacts of implementation of new accounting standards for financial instruments
Available-for-sale financial assets	–	41,228,756,005.51	-100%	Impacts of implementation of new accounting standards for financial instruments
Financial assets at fair value through other comprehensive income	28,601,850,116.82	–	–	Impacts of implementation of new accounting standards for financial instruments
Placements from banks and other financial institutions	17,484,340,515.23	11,811,638,917.40	48%	Mainly due to an increase in placements from banks and other financial institutions
Financial assets sold under repurchase agreements	43,533,340,965.84	33,045,726,729.85	32%	Mainly due to an increase in financial assets sold under repurchase agreements
Accounts payable	11,077,393,170.42	6,441,954,661.18	72%	Mainly due to an increase in settlement payable
Other comprehensive income	927,211,777.70	1,626,529,293.67	-43%	Impacts of implementation of new accounting standards for financial instruments

Unit: RMB

Item	January to March 2018	January to March 2017	Increase/ Decrease	Reasons for the change
Investment gains	1,340,616,404.77	2,452,347,316.80	-45%	Mainly due to a decrease in investment income from holding and disposal of financial instruments
Gain arising from fair value changes	-18,260,458.67	-444,939,274.82	-	Impacts of implementation of new accounting standards for financial instruments and capital market volatilities
Other comprehensive income, net of tax, attributable to owners of the Company	12,724,362.74	166,350,925.88	-92%	Impacts of implementation of new accounting standards for financial instruments
Other comprehensive income, net of tax, attributable to the non-controlling interests	-529,706,895.41	-133,724,334.11	-	Mainly due to currency translation difference
Net cash used in operating activities	-4,842,369,589.88	-22,577,833,626.12	-	Increase in net cash inflows from placements from banks and other financial institutions and repurchased business
Net cash (used in)/from investing activities	-3,095,033,655.03	11,135,981,462.67	-128%	Impacts of implementation of new accounting standards for financial instruments
Net cash from financial activities	22,238,744,247.14	282,873,240.81	7,762%	Increase in cash received from borrowings and bond issued and decrease in cash repayment of debts

From 1 January 2018, the Company has implemented the revised four accounting standards issued by the Ministry of Finance of the PRC, which mainly include: Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments; Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets; Accounting Standards for Business Enterprises No. 24 – Hedge Accounting; and Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments (the “**New Accounting Standards for Financial Instruments**”). According to the convergence requirements of the New Accounting Standards for Financial Instruments, the Company does not need to restate previous comparable data. The difference between the new standard and the original standard on the first day is adjusted to the retained profits at the beginning of the period or other comprehensive income. The implementation of the New Accounting Standards for Financial Instruments reduced the total equity of the Group on 1 January 2018 by RMB0.4 billion.

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

Applicable Not Applicable

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

Applicable Not applicable

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

Applicable Not applicable

§4 APPENDIX

(See appendices)

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

Shanghai, PRC, 26 April 2018

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

* *For identification purpose only*

APPENDICES

Consolidated Balance Sheet (unaudited)

31 March 2018

Prepared by: Haitong Securities Co., Ltd.

Unit: RMB

Assets	Balance at the end of the period	Balance at the end of the previous year
Assets:		
Bank and cash balance	117,352,939,577.92	103,795,726,857.30
Including: Cash held on behalf of customers	70,294,200,252.57	70,213,568,864.14
Clearing settlement funds	7,242,948,931.56	7,982,728,644.47
Including: settlement funds held on behalf of customer	6,023,431,800.99	7,607,858,552.05
Placement to banks and other financial institutions	504,184,194.25	679,091,978.14
Margin loan	60,388,447,079.68	61,560,952,642.71
Financial assets at fair value through profit or loss	134,379,477,184.53	99,856,694,835.91
Derivative financial assets	1,976,308,186.60	2,610,612,302.28
Financial assets held under resale agreements	100,534,085,619.04	96,549,868,542.17
Accounts receivables	10,311,437,267.50	7,441,999,625.34
Interest receivable	4,139,371,797.86	3,703,898,935.74
Refundable deposits	8,968,292,865.26	8,528,675,180.93
Assets held for sale	19,598,267.50	19,761,633.24
Available-for-sale financial assets	–	41,228,756,005.51
Financial assets at fair value through other comprehensive income	28,601,850,116.82	–
Held-to-maturity financial assets	–	78,718,210.79
Long-term equity investments	8,603,430,652.32	10,062,370,298.56
Investment properties	16,565,287.30	16,864,072.33
Fixed assets	2,964,326,764.73	2,657,276,109.00
Construction in progress	43,541,907.49	48,574,453.80
Intangible assets	1,309,604,429.26	1,316,011,591.12
Goodwill	3,706,121,791.95	3,863,520,199.48
Deferred tax assets	2,802,045,268.10	2,851,450,468.05
Other assets	79,106,205,291.46	79,852,780,202.94
Total assets	572,970,782,481.13	534,706,332,789.81

Consolidated Balance Sheet (unaudited) (continued)

Liabilities and equity	Balance at the end of the period	Balance at the end of the previous year
Liabilities:		
Short-term borrowings	39,396,574,079.14	30,712,830,026.17
Short-term financing bills payables	21,211,478,000.00	29,426,762,416.95
Placements from banks and other financial institutions	17,484,340,515.23	11,811,638,917.40
Financial liabilities at fair value through profit or loss	18,439,489,468.54	20,743,499,166.70
Derivative financial liabilities	3,187,821,086.91	3,495,454,278.20
Financial assets sold under repurchase agreements	43,533,340,965.84	33,045,726,729.85
Account payable to brokerage clients	83,071,155,745.19	83,774,388,361.26
Funds payable to securities issuers	—	—
Payroll payable	4,355,409,449.93	4,890,341,286.01
Taxes payable	1,877,704,125.15	2,611,046,351.79
Accounts payable	11,077,393,170.42	6,441,954,661.18
Interest payables	4,229,356,046.11	3,376,692,174.12
Liabilities held for sale	—	—
Provisions	182,923,899.61	167,342,904.85
Long-term borrowings	28,988,086,517.46	30,609,159,576.41
Bonds payables	152,466,096,567.75	130,158,268,817.49
Including: Preferred shares	—	—
Perpetual bond	—	—
Deferred tax liabilities	765,450,162.41	867,319,662.68
Deferred income	—	—
Other liabilities	12,007,670,669.13	12,879,603,571.43
Total liabilities	442,274,290,468.82	405,012,028,902.49
Equity (or shareholders equity):		
Paid-in capital (or shares capital)	11,501,700,000.00	11,501,700,000.00
Other equity instruments	—	—
Including: Preferred shares	—	—
Perpetual bond	—	—
Capital reserve	56,357,982,006.54	56,357,979,615.67
Less: treasury shares	—	—
Other comprehensive income	927,211,777.70	1,626,529,293.67
Surplus reserve	5,704,425,099.28	5,703,912,997.86
General risk reserve	12,318,353,015.19	12,267,811,125.65
Retained profits	32,283,260,126.34	30,297,545,652.24
Total equity (or shareholders' equity)		
attributable to the owners of the Company	119,092,932,025.05	117,755,478,685.09
Non-controlling interests	11,603,559,987.26	11,938,825,202.23
Total equity (or shareholders' equity)	130,696,492,012.31	129,694,303,887.32
Total liabilities and equity (or shareholders' equity)	572,970,782,481.13	534,706,332,789.81

Legal Representative: Zhou Jie

Chief Financial Officer: Zhang Xinjun

Person responsible for the accounting affairs: Ma Zhong

Balance Sheet of the Company (unaudited)
31 March 2018

Prepared by: Haitong Securities Co., Ltd.

Unit: RMB

Assets	Balance at the end of the period	Balance at the end of the previous year
Assets:		
Bank and cash balance	73,753,581,317.56	59,147,193,318.25
Including: Cash held on behalf of customers	47,007,528,568.89	43,369,926,725.20
Clearing settlement funds	7,668,332,198.13	9,649,410,234.03
Including: settlement funds held on behalf of customer	6,098,198,164.97	7,844,781,938.44
Placement to banks and other financial institutions	—	—
Margin loan	47,042,895,925.75	47,877,760,395.98
Financial assets at fair value through profit or loss	56,273,699,748.18	48,977,872,139.63
Derivative financial assets	586,390.00	—
Financial assets held under resale agreements	92,412,445,616.30	88,857,913,847.45
Accounts receivables	948,230,132.55	685,159,660.56
Interest receivable	1,657,743,345.67	1,295,363,872.36
Refundable deposits	1,383,926,624.26	1,062,287,471.94
Assets held for sale	—	—
Available-for-sale financial assets	—	20,737,083,721.40
Financial assets at fair value through other comprehensive income	25,338,060,210.39	—
Held-to-maturity financial assets	—	—
Long-term equity investments	26,856,478,167.34	26,812,249,257.34
Investment properties	16,565,287.30	16,864,072.33
Fixed assets	1,059,142,278.13	1,079,219,694.45
Construction in progress	15,142,269.88	19,945,291.71
Intangible assets	230,651,064.63	238,942,153.26
Deferred tax assets	896,526,625.05	1,036,786,619.78
Other assets	815,328,891.16	783,408,365.14
Total assets	336,369,336,092.28	308,277,460,115.61

Balance Sheet of the Company (unaudited) (continued)

	Balance at the end of the period	Balance at the end of the previous year
Liabilities and equity		
Liabilities:		
Short-term borrowings	—	—
Short-term financing bills payables	21,211,478,000.00	21,897,221,000.00
Placements from banks and other financial institutions	11,200,000,000.00	5,450,000,000.00
Financial liabilities at fair value through profit or loss	6,336,519,207.33	2,276,176,292.18
Derivative financial liabilities	815,598,364.04	625,529,666.41
Financial assets sold under repurchase agreements	23,211,736,690.91	21,454,363,748.71
Account payable to brokerage clients	52,076,835,939.60	51,325,229,036.42
Funds payable to securities issuers	—	—
Payroll payable	3,308,630,609.28	3,670,578,549.09
Taxes payable	625,899,330.81	1,120,176,414.91
Accounts payable	1,376,514,293.22	208,932,625.61
Interest payables	3,172,676,746.77	2,398,737,276.95
Liabilities held for sale	—	—
Provisions	—	—
Long-term borrowings	1,607,513,750.00	1,652,191,890.00
Bonds payables	102,532,508,232.67	88,446,966,516.88
Including: Preferred shares	—	—
Perpetual bond	—	—
Deferred tax liabilities	457,790,773.70	598,832,864.85
Deferred income	—	—
Other liabilities	279,530,020.25	293,365,968.75
Total liabilities	228,213,231,958.58	201,418,301,850.76
Equity (or shareholders equity):		
Paid-in capital (or shares capital)	11,501,700,000.00	11,501,700,000.00
Other equity instruments	—	—
Including: Preferred shares	—	—
Perpetual bond	—	—
Capital reserve	56,486,198,528.36	56,486,198,528.36
Less: treasury shares	—	—
Other comprehensive income	1,208,687,902.27	1,296,283,785.15
Surplus reserve	5,704,425,099.28	5,703,912,997.86
General risk reserve	11,408,850,198.56	11,407,825,995.72
Retained profits	21,846,242,405.23	20,463,236,957.76
Total equity (or shareholders' equity)	108,156,104,133.70	106,859,158,264.85
Total liabilities and equity (or shareholders' equity)	336,369,336,092.28	308,277,460,115.61

Legal Representative: Zhou Jie

Chief Financial Officer: Zhang Xinjun

Person responsible for the accounting affairs: Ma Zhong

Consolidated Income Statements (unaudited)

January to March 2018

Prepared by: Haitong Securities Co., Ltd.

Unit: RMB

Items	Amount for the period (January – March)	Amount for the last period (January – March)
I. Operating Income	5,704,680,933.31	6,442,340,295.28
Net fee and commission income	1,948,769,411.78	2,246,037,245.62
Including: Net income from brokerage business charges	899,001,133.57	924,389,168.08
Net income from investment banking business charges	576,017,380.97	832,576,900.35
Net income from asset management business charges	447,381,937.53	447,011,942.41
Net interest income	1,219,109,430.94	1,028,863,692.57
Investment gains (losses are denoted by “-”)	1,340,616,404.77	2,452,347,316.80
Including: Gains attributable to investment in associates and joint ventures	59,290,663.44	180,191,645.48
Gains from disposal of assets (losses are denoted by “-”)	-2,083,940.42	-495,439.58
Gains arising from fair value changes (losses are denoted by “-”)	-18,260,458.67	-444,939,274.82
Foreign exchange gains (losses are denoted by “-”)	-65,342,152.79	-90,696,506.09
Other gains	-	-
Other operating income	1,281,872,237.70	1,251,223,260.78
II. Operating expenses	3,400,744,570.35	3,570,198,203.05
Tax and surcharges	43,187,213.62	38,124,366.27
General and administrative expenses	2,135,816,326.28	2,268,524,056.16
Impairment loss on assets	180,770,550.25	248,105,829.63
Other operating cost	1,040,970,480.20	1,015,443,950.99
III. Operating profit (losses are denoted by “-”)	2,303,936,362.96	2,872,142,092.23
Add: Non-operating income	304,389,156.27	407,925,807.09
Less: Non-operating expenses	6,523,033.38	4,417,995.92
IV. Profit before income tax (total losses are denoted by “-”)	2,601,802,485.85	3,275,649,903.40
Less: Income tax expense	609,907,639.54	684,963,216.67

Consolidated Income Statements (unaudited) (continued)

Items	Amount for the period (January – March)	Amount for the last period (January – March)
V. Profit for the period (net losses are denoted by “-”)	1,991,894,846.31	2,590,686,686.73
(I) Classified based on continuing operations		
1. Net profit from continuing operations (net losses are denoted with “-”)	1,991,894,846.31	2,590,686,686.73
2. Net profit from discontinued operations (net losses are denoted with “-”)	–	–
(II) Classified based on ownership of equity		
1. Non-controlling interests	259,790,199.54	350,522,231.45
2. Net profit attributable to shareholders of the Company	1,732,104,646.77	2,240,164,455.28
VI. Other comprehensive income, net of tax	–516,982,532.67	32,626,591.77
Other comprehensive income, net of tax, attributable to owners of the Company	12,724,362.74	166,350,925.88
(I) Items that will not be reclassified subsequently to profit or loss	–3,655,491.85	598,808.32
1. Remeasurements gains/(losses) of defined benefit obligation	3,145,885.33	598,808.32
2. Share of other comprehensive income in the investee accounted for using the equity method, which will not be reclassified subsequently to profit or loss	–	–
3. Others	–6,801,377.18	–
(II) Items that may be reclassified to profit or loss	16,379,854.59	165,752,117.56
1. Share of other comprehensive income in the investee accounted for using the equity method that will be reclassified to profit or loss	–13,175,983.38	2,167,494.92
2. Change in fair value of available-for-sale financial assets	–	117,385,652.51
3. Gains and losses from changes in fair value of financial assets at fair value through other comprehensive income	–17,394,368.20	–
4. The effective hedging portion of gains or losses arising from cash flow hedging instruments	–	–
5. Currency translation difference	42,262,929.22	46,035,383.99
6. Others	4,687,276.95	163,586.14
Other comprehensive income, net of tax, attributable to the non-controlling interests	–529,706,895.41	–133,724,334.11
VII. Total comprehensive income	1,474,912,313.64	2,623,313,278.50
Total comprehensive income attributable to owners of the Company	1,744,829,009.51	2,406,515,381.16
Total comprehensive income attributable to the non-controlling interests	–269,916,695.87	216,797,897.34
VIII. Earnings per share:		
(I) Basic (RMB/share)	0.15	0.19
(II) Diluted (RMB/share)	0.15	0.19

Legal Representative: Zhou Jie

Chief Financial Officer: Zhang Xinjun

Person responsible for the accounting affairs: Ma Zhong

Income Statements of the Company (unaudited)

January to March 2018

Prepared by: Haitong Securities Co., Ltd.

Unit: RMB

Items	Amount for the period (January – March)	Amount for the last period (January – March)
I. Operating Income	2,498,912,357.19	2,728,098,660.77
Net fee and commission income	1,144,279,301.55	1,420,333,816.38
Including: Net income from brokerage business charges	743,281,572.10	739,692,846.71
Net income from investment banking business charges	366,097,509.80	641,458,133.74
Net income from asset management business charges	–	–
Net interest income	740,069,955.33	614,551,508.35
Investment gains (losses are denoted by “-”)	811,164,942.26	780,257,990.51
Including: Gains attributable to investment in associates and joint ventures	49,439,500.00	48,050,750.00
Gains from disposal of assets (losses are denoted by “-”)	–	–
Gains arising from fair value changes (losses are denoted by “-”)	-240,573,502.51	-96,672,943.96
Foreign exchange gains (losses are denoted by “-”)	41,080,933.30	5,705,957.79
Other gains	–	–
Other operating income	2,890,727.26	3,922,331.70
II. Operating expenses	1,086,307,656.85	1,237,271,346.23
Tax and surcharges	25,857,022.28	22,555,974.57
General and administrative expenses	1,030,485,151.52	1,169,731,372.46
Impairment loss on assets	29,666,698.02	44,685,214.17
Other operating cost	298,785.03	298,785.03
III. Operating profit (losses are denoted by “-”)	1,412,604,700.34	1,490,827,314.54
Add: Non-operating income	257,153,315.35	400,772,365.94
Less: Non-operating expenses	5,114,972.35	9,725,342.35
IV. Profit before income tax (total losses are denoted by “-”)	1,664,643,043.34	1,881,874,338.13
Less: Income tax expense	285,222,305.76	254,069,442.37
V. Profit for the period (net losses are denoted by “-”)	1,379,420,737.58	1,627,804,895.76
(I). Net profit from continuing operations (net losses are denoted with “-”)	1,379,420,737.58	1,627,804,895.76
(II). Net profit from discontinued operations (net losses are denoted with “-”)	–	–

Income Statements of the Company (unaudited) (continued)

Items	Amount for the period (January – March)	Amount for the last period (January – March)
VI. Other comprehensive income, net of tax	-243,291.74	367,288,844.96
(I) Items that will not be reclassified subsequently to profit or loss	-6,801,377.18	–
1. Remeasurements gains/(losses) of defined benefit obligation	–	–
2. Share of other comprehensive income in the investee accounted for using the equity method, which will not be reclassified subsequently to profit or loss	–	–
3. Others	-6,801,377.18	–
(II) Items that may be reclassified to profit or loss	6,558,085.44	367,288,844.96
1. Share of other comprehensive income in the investee accounted for using the equity method that will be reclassified to profit or loss	-5,210,590.00	2,144,244.50
2. Change in fair value of available-for-sale financial assets	–	365,144,600.46
3. Gains and losses from changes in fair value of financial assets at fair value through other comprehensive income	11,768,675.44	–
4. The effective hedging portion of gains or losses arising from cash flow hedging instruments	–	–
5. Currency translation difference	–	–
6. Others	–	–
VII.Total comprehensive income	1,379,177,445.84	1,995,093,740.72

Legal Representative: Zhou Jie

Chief Financial Officer: Zhang Xinjun

Person responsible for the accounting affairs: Ma Zhong

Consolidated Statements of Cash Flows (unaudited)

January to March 2018

Prepared by: Haitong Securities Co., Ltd.

Items	Unit: RMB	
	Amount for the period (January – March)	Amount for the last period (January – March)
I. Cash flows from operating activities:		
Net increase in disposal of financial assets at fair value through profit or loss	–	–
Cash received from interests, fees and commission	6,640,145,627.86	6,835,164,636.81
Net increase in placements from banks and other financial institutions	5,846,298,382.21	–
Net increase in repurchased financial assets	6,410,644,164.53	–
Net decrease in margin loan	1,144,989,070.54	1,904,341,716.19
Cash received relating to other operating activities	5,795,426,142.88	5,320,309,918.31
Sub-total of cash inflows from operating activities	25,837,503,388.02	14,059,816,271.31
Net decrease in disposal of financial assets at fair value through profit or loss	15,639,977,305.07	9,322,854,255.39
Net decrease in placements from banks and other financial institutions	–	1,775,994,004.63
Net decrease in repurchased financial assets	–	6,519,492,488.69
Net cash paid from securities trading agency services	703,232,616.07	5,056,916,667.58
Cash payment of interest, fees and commissions	1,373,123,037.23	1,784,634,043.78
Cash paid to and for employee	2,060,052,290.46	1,993,503,929.30
Payment for taxes and levies	1,560,272,614.45	1,628,930,499.21
Cash paid relating to other operating activities	9,343,215,114.62	8,555,324,008.85
Sub-total of cash outflows from operating activities	30,679,872,977.90	36,637,649,897.43
Net cash used in operating activities	–4,842,369,589.88	–22,577,833,626.12
II. Cash flows from investing activities:		
Cash received from sales of investments	10,636,996,618.68	27,861,418,944.28
Cash received from return on investment	195,092,692.52	922,527,179.09
Net cash received from disposal of subsidiaries and other operating business units	–	–
Cash received relating to other investing activities	9,484,673.30	26,179,484.49
Sub-total of cash inflows from investing activities	10,841,573,984.50	28,810,125,607.86
Cash paid for acquisition of investment	13,503,593,518.19	16,787,670,666.73
Cash paid for acquisition of fixed assets, intangible assets and other long term assets	71,632,084.44	132,273,581.83
Net cash payments for acquisition of subsidiaries and other operating business units	361,382,036.90	754,199,896.63
Cash paid relating to other investing activities	–	–
Sub-total of cash outflows from investing activities	13,936,607,639.53	17,674,144,145.19
Net cash (used in)/from investing activities	–3,095,033,655.03	11,135,981,462.67

Consolidated Statements of Cash Flows (unaudited) (continued)

Items	Amount for the period (January – March)	Amount for the last period (January – March)
III. Cash flows from financing activities		
Cash received from capital injection	1,780,186.27	1,659,995.19
Including: Cash received from capital injection of non-controlling interests in subsidiaries	1,780,186.27	1,659,995.19
Cash received from borrowings	10,648,537,655.53	4,962,262,274.42
Cash received from bond issued	35,192,025,389.95	28,754,969,471.19
Cash received relating to other financing activities	–	–
Sub-total of cash inflows from financing activities	45,842,343,231.75	33,718,891,740.80
Cash repayment of borrowings	22,460,691,538.49	33,031,387,930.08
Cash paid for distribution of dividends, or profit and for interest expenses	1,142,907,446.12	404,630,569.91
Including: Dividends and profits paid to non-controlling interests by subsidiaries	11,790,010.57	–
Cash paid relating to other financing activities	–	–
Sub-total of cash outflows from financing activities	23,603,598,984.61	33,436,018,499.99
Net cash from financing activities	22,238,744,247.14	282,873,240.81
IV. Effects of changes in foreign exchange rates on cash and cash equivalents	–852,468,150.06	–157,290,624.74
V. Net increase in cash and cash equivalents	13,448,872,852.17	–11,316,269,547.38
Add: Cash and cash equivalents at the beginning of the period	109,318,648,245.78	131,153,159,354.26
VI. Cash and cash equivalents at the end of the period	122,767,521,097.95	119,836,889,806.88

Legal Representative: Zhou Jie

Chief Financial Officer: Zhang Xinjun

Person responsible for the accounting affairs: Ma Zhong

Statements of Cash Flows of the Company (unaudited)

January to March 2018

Prepared by: Haitong Securities Co., Ltd.

Unit: RMB

Items	Amount for the period (January – March)	Amount for the last period (January – March)
I. Cash flows from operating activities:		
Net increase in disposal of financial assets at fair value through profit or loss	–	–
Cash received from interests, fees and commission	3,708,496,940.80	4,151,540,034.25
Net increase in placements from banks and other financial institutions	5,750,000,000.00	–
Net decrease in margin loan	832,368,258.64	460,483,331.74
Net cash received from securities trading agency services	751,606,903.18	–
Cash received relating to other operating activities	1,514,590,302.74	472,968,391.53
Sub-total of cash inflows from operating activities	12,557,062,405.36	5,084,991,757.52
Net decrease in disposal of financial assets at fair value through profit or loss	5,656,118,349.62	8,844,780,489.31
Net decrease in placements from banks and other financial institutions	–	1,100,000,000.00
Net decrease in repurchased financial assets	1,888,838,000.91	6,244,560,635.03
Net increase in margin loan	–	–
Net cash paid from securities trading agency services	–	6,099,962,359.03
Cash payment of interest, fees and commissions	608,776,729.83	606,040,770.73
Cash paid to and for employee	1,097,971,407.23	1,134,565,331.51
Payment for taxes and levies	1,016,630,106.35	752,490,318.04
Cash paid relating to other operating activities	605,107,342.78	321,882,597.65
Sub-total of cash outflows from operating activities	10,873,441,936.72	25,104,282,501.30
Net cash from/(used in) operating activities	1,683,620,468.64	-20,019,290,743.78
II. Cash flows from investing activities:		
Cash received from sales of investments	5,757,706,212.08	10,849,149,808.52
Cash received from return on investment	53,202,338.38	147,205,250.16
Cash received relating to other investing activities	9,263,641.17	25,197,924.83
Sub-total of cash inflows from investing activities	5,820,172,191.63	11,021,552,983.51
Cash paid for acquisition of investment	7,424,396,680.00	2,318,348,200.30
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	47,245,162.70	95,938,677.66
Cash paid relating to other investing activities	–	–
Sub-total of cash outflows from investing activities	7,471,641,842.70	2,414,286,877.96
Net cash (used in)/from investing activities	-1,651,469,651.07	8,607,266,105.55

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

Items	Amount for the period (January – March)	Amount for the last period (January – March)
III. Cash flows from financing activities:		
Cash received from capital injection	–	–
Cash received from borrowings	–	–
Cash received from bond issued	28,964,953,000.00	26,857,194,560.00
Cash received relating to other financing activities	–	–
Sub-total of cash inflows from financing activities	28,964,953,000.00	26,857,194,560.00
Cash repayments of borrowings	15,735,300,000.00	25,621,596,440.00
Cash paid for distribution of dividends, or profit and for interest expenses	584,725,784.69	201,523,412.01
Cash paid relating to other financing activities	–	–
Sub-total of cash outflows from financing activities	16,320,025,784.69	25,823,119,852.01
Net cash from financing activities	12,644,927,215.31	1,034,074,707.99
IV. Effects of changes in foreign exchange rates on cash and cash equivalents	-50,599,478.98	-10,239,246.64
V. Net increase in cash and cash equivalents	12,626,478,553.90	-10,388,189,176.88
Add: Cash and cash equivalents at the beginning of the period	68,246,603,552.28	89,372,289,075.93
VI. Cash and cash equivalents at the end of the period	80,873,082,106.18	78,984,099,899.05

Legal Representative: Zhou Jie

Chief Financial Officer: Zhang Xinjun

Person responsible for the accounting affairs: Ma Zhong

4.2 Audit Reports

Applicable Not applicable