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## **Everbright Securities Company Limited** **光大證券股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 6178)**

### **2017 FIRST QUARTERLY REPORT**

This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Set out below is the 2017 first quarterly report of Everbright Securities Company Limited (the “**Company**”) and its subsidiaries as of March 31, 2017. The financial report contained herein is prepared under General Accepted Accounting Principles of the People’s Republic of China 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  
**Everbright Securities Company Limited**  
**Xue Feng**  
*Chairman, President*

Shanghai, the PRC  
April 28, 2017

*As at the date of this announcement, the Board comprises Mr. Gao Yunlong (Non-executive Director), Mr. Ge Haijiao (Non-executive Director), Mr. Xue Feng (Chairman, Executive Director, President), Mr. Yin Lianchen (Non-executive Director), Mr. Chan Ming Kin (Non-executive Director), Mr. Yang Guoping (Non-executive Director), Mr. Zhu Ning (Independent Non-executive Director), Mr. Xu Jingchang (Independent Non-executive Director), Mr. Xiong Yan (Independent Non-executive Director), Mr. Li Zheping (Independent Non-executive Director) and Mr. Au Sing Kun (Independent Non-executive Director).*

## 1. IMPORTANT NOTICE

- 1.1 The board of directors of the Company, the supervisory committee, directors, supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of the contents in this quarterly report and there is no misrepresentation, misleading statement or material omission from this quarterly report and accept joint and several responsibilities for the truthfulness, accuracy and completeness of the contents contained herein.
- 1.2 All directors of the Company attended the Board meeting to review the quarterly report.
- 1.3 Xue Feng, the person-in-charge of the Company, Wang Yong, the person-in-charge of accounting affairs, and He Mannian, the head of accounting department, warrant and guarantee the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.
- 1.4 This first quarterly report of the Company has not been audited.

## 2. BASIC INFORMATION OF THE COMPANY

### 2.1 Key financial data

*Unit: Yuan Currency: RMB*

	As at March 31, 2017	As at December 31, 2016	Variance as compared to the end of the last year
Total assets	177,990,527,631.90	177,637,258,731.85	0.20%
Net assets attributable to shareholders of the Company	47,973,298,326.06	47,195,711,242.53	1.65%

	<b>January to March, 2017</b>	January to March, 2016	Variance as compared to the last corresponding period
Net cash generated from operating activities	<b>(8,431,000,907.73)</b>	6,466,446,147.37	N/A
Operating income	<b>1,731,018,310.49</b>	1,844,308,084.51	(6.14)%
Profit attributable to shareholders of the Company	<b>587,211,411.32</b>	596,717,370.17	(1.59)%
Profit attributable to shareholders of the Company after deducting non-recurring profit or loss	<b>435,332,584.34</b>	591,595,673.95	(26.41)%
Weighted average returns on net assets (%)	<b>1.25</b>	1.50	Decreased by 0.25 percentage point
Basic earnings per share ( <i>Yuan/share</i> )	<b>0.1274</b>	0.1527	(16.57)%
Diluted earnings per share ( <i>Yuan/share</i> )	<b>0.1274</b>	0.1527	(16.57)%

### **Non-recurring items and amounts**

√ Applicable    □ Not Applicable

*Unit: Yuan    Currency: RMB*

<b>Items</b>	<b>January to March, 2017</b>	Description
Gains or losses from disposals of non-current assets	<b>(160,327.75)</b>	
Government grants recognized in current profit or loss, excluding those closely related to the Company's normal operations and granted on an ongoing basis under the state's policies according to certain quota of amount or volume	<b>201,397,144.00</b>	Fiscal aid
Other non-operating income and expenses except items above	<b>5,313,804.93</b>	
Effect of non-controlling interests (net of tax)	<b>(3,019,791.57)</b>	
Effect of income tax	<b>(51,652,002.63)</b>	
Total	<b><u>151,878,826.98</u></b>	

**2.2 Total number of shareholders and shareholdings of top ten shareholders and top ten shareholders of tradable shares (or shareholders holding shares without selling restrictions) as of the end of the reporting period**

*Unit: Share*

Total number of shareholders 107,216, among which 106,996 are A shareholders and 220 are registered H shareholders

**Shareholding of top ten shareholders**

Name of shareholder (Full name)	Shareholding at the end of the period	Shareholding percentage (%)	Number of shares subject to selling restrictions	Pledge or frozen Share state	Number	Nature of shareholder
China Everbright Group Corporation Limited	1,159,456,183	25.15	–	None	–	State-owned legal person
China Everbright Limited	1,139,250,000	24.71	–	None	–	Foreign legal person
HKSCC Nominees Limited <i>(Note)</i>	703,659,800	15.26	–	None	–	Other
Pingan Dahua Fund – Pingan Bank – Ping An Bank Company Limited	152,718,387	3.31	–	None	–	Other
China Securities Finance Corporation Limited	117,891,477	2.56	–	None	–	Other
New China Fund – Minsheng Bank – Everbright Securities Private Placement No. 1 Asset Management Plan	61,087,354	1.32	–	None	–	Other
China Great Wall Asset Management CO., Ltd.	54,978,619	1.19	–	None	–	Other
Central Huijin Asset Management Ltd.	37,568,900	0.81	–	None	–	Other
Bank of China Limited – China Merchants CSI All Share Securities Company Index Classified Securities Investment Fund	36,179,067	0.78	–	None	–	Other
Shaanxi International Trust Co., Ltd. – SITI • Qogori No. 10 Securities Investment Assembled Funds Trust Plan	21,892,883	0.47	–	None	–	Other

**Shareholdings of top ten shareholders holding shares  
without selling restrictions**

Name of shareholder	Number of tradable shares held without selling restrictions	Class	Class and number of shares Number
China Everbright Group Corporation Limited	1,159,456,183	Renminbi denominated ordinary shares	1,159,456,183
China Everbright Limited	1,139,250,000	Renminbi denominated ordinary shares	1,139,250,000
HKSCC Nominees Limited ( <i>Note</i> )	703,659,800	Overseas listed foreign shares	703,659,800
Pingan Dahua Fund – Pingan Bank – Ping An Bank Company Limited	152,718,387	Renminbi denominated ordinary shares	152,718,387
China Securities Finance Corporation Limited	117,891,477	Renminbi denominated ordinary shares	117,891,477
New China Fund – Minsheng Bank – Everbright Securities Private Placement No. 1 Asset Management Plan	61,087,354	Renminbi denominated ordinary shares	61,087,354
China Great Wall Asset Management CO., Ltd.	54,978,619	Renminbi denominated ordinary shares	54,978,619
Central Huijin Asset Management Ltd.	37,568,900	Renminbi denominated ordinary shares	37,568,900
Bank of China Limited – China Merchants CSI All Share Securities Company Index Classified Securities Investment Fund	36,179,067	Renminbi denominated ordinary shares	36,179,067
Shaanxi International Trust Co., Ltd. – SITI • Qogori No. 10 Securities Investment Assembled Funds Trust Plan	21,892,883	Renminbi denominated ordinary shares	21,892,883

Note on connected relations or concerted actions of the above shareholders

Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd., which holds 55.67% equity interests in China Everbright Group Corporation Limited. China Everbright Limited is a controlled subsidiary of China Everbright Holdings Company Limited, a wholly-owned subsidiary of China Everbright Group Corporation Limited.

Save for the above, the Company is unaware of whether the above shareholders are connected to each other or are parties acting in concert.

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

**2.3 Total number of shareholders of preference shares, top ten shareholders of preference shares, top ten shareholders of preference shares not subject to selling restrictions as at the end of the reporting period**

Applicable  Not applicable

### 3. MAJOR EVENTS

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

√ Applicable □ Not Applicable

*Unit: '0,000 Currency: RMB*

<b>Items</b>	<b>As at March 31, 2017</b>	<b>As at December 31, 2016</b>	<b>Increase/ Decrease</b>	<b>Reasons for the change</b>
Derivative financial assets	<b>6,503</b>	9,732	(33)%	Fair value changes in interest rate swap business
Held-to-maturity investments	<b>39,995</b>	15,934	151%	Increase in bond scale held at the end of the period
Placements from other financial institutions	<b>20,000</b>	910,756	(98)%	Repayment in refinancing funds
Financial liabilities at fair value through profit or loss	<b>128,161</b>	59,690	115%	Increase in bond lending business scale
Derivative financial liabilities	<b>5,152</b>	8,162	(37)%	Fair value changes in interest rate swap business
Taxes payable	<b>59,975</b>	107,798	(44)%	Income tax paid during this period
Accounts payable	<b>221,351</b>	91,712	141%	Increase in settlement accounts payable
Bonds payable	<b>3,721,956</b>	2,862,673	30%	Corporate bonds issued during this period
Other comprehensive income	<b>45,671</b>	27,369	67%	Change in fair value of available-for-sale financial assets

<b>Items</b>	<b>January to March, 2017</b>	January to March, 2016	Increase/ Decrease	Reasons for the change
Net interest income	<b>46,959</b>	22,952	105%	Decrease in interest expenses of other holders of consolidated structured entities
Investment gains	<b>25,899</b>	16,685	55%	Increase in dividends received from financial instruments
Gain arising from fair value changes	<b>(2,863)</b>	(972)	N/A	Decrease in fair value of trading financial assets
Foreign exchange gains	<b>(5,551)</b>	848	N/A	Influence of value changes in foreign currency position
Other operating income	<b>4,201</b>	2,483	69%	Income increase from agent business
Tax and surcharges	<b>1,248</b>	12,299	(90)%	No business tax to be paid during this period
Impairment losses of assets	<b>(150)</b>	(890)	N/A	Less securities margin trading risk reserves switched back during this period
Other operating cost	<b>183</b>	76	140%	Cost increase for opening accounts
Non-operating income	<b>20,739</b>	731	2,736%	Fiscal aid received during this period
Income tax expense	<b>14,075</b>	20,779	(32)%	Decrease in taxable income
Other comprehensive income, net of tax	<b>18,422</b>	(111,697)	N/A	Change in fair value of available-for-sale financial assets

**3.2 Progress of significant events and analysis on their impact and solutions**

Applicable  Not Applicable

**3.3 Commitments not fulfilled during the reporting period**

Applicable  Not Applicable

**3.4 Warnings on any potential loss in accumulated net profit for the period from the beginning of the year to the end of the next reporting period or any material changes from the corresponding period last year and the reasons thereof**

Applicable  Not Applicable

Name of the Company  
Legal representative  
Date

**Everbright Securities Company Limited**  
**Xue Feng**  
April 28, 2017



## 4. APPENDIX

### 4.1 Financial statements

#### Consolidated Balance Sheet

March 31, 2017

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	As at March 31, 2017	As at December 31, 2016
<b>Assets:</b>		
Cash and bank balances	<b>63,795,473,974.86</b>	61,195,198,660.43
Including: Cash held on behalf of brokerage clients	<b>45,906,605,503.27</b>	45,882,283,948.53
Clearing settlement funds	<b>4,293,357,322.31</b>	5,841,385,549.91
Including: Settlement funds held on behalf of brokerage clients	<b>4,137,066,678.84</b>	5,690,952,731.67
Margin accounts receivable	<b>36,114,626,903.62</b>	37,427,743,869.04
Financial assets at fair value through profit or loss	<b>18,876,006,696.51</b>	24,650,113,280.36
Derivative financial assets	<b>65,030,858.44</b>	97,317,079.79
Financial assets held under resale agreements	<b>10,605,603,960.31</b>	9,586,454,655.03
Accounts receivables	<b>2,929,600,943.30</b>	2,484,479,751.13
Interest receivable	<b>1,385,239,315.05</b>	1,295,388,363.66
Refundable deposits	<b>5,109,775,434.43</b>	5,784,186,866.27
Dividends receivable	<b>58,050,350.83</b>	56,773,494.10
Available-for-sale financial assets	<b>22,369,196,658.66</b>	17,694,873,893.84
Held-to-maturity investments	<b>399,949,795.01</b>	159,339,743.84
Long-term equity investments	<b>1,757,680,170.31</b>	1,737,404,041.60
Fixed assets	<b>870,137,987.62</b>	857,666,770.75
Construction in progress	<b>2,445,034.93</b>	2,560,649.47
Intangible assets	<b>712,299,630.97</b>	761,860,014.03
Goodwill	<b>1,495,496,957.29</b>	1,506,745,908.31
Long-term deferred expenses	<b>82,152,500.78</b>	100,688,875.49
Deferred tax assets	<b>427,016,480.10</b>	509,005,280.57
Other assets	<b>6,641,386,656.57</b>	5,888,071,984.23
<b>Total assets</b>	<b><u>177,990,527,631.90</u></b>	<b><u>177,637,258,731.85</u></b>

Items	As at March 31, 2017	As at December 31, 2016
<b>Liabilities:</b>		
Short-term borrowings	8,098,877,888.62	7,345,161,030.63
Short-term debt instruments issued	5,781,492,783.32	5,929,702,228.66
Placements from other financial institutions	200,000,000.00	9,107,560,000.00
Financial liabilities at fair value through profit or loss	1,281,612,152.81	596,900,123.93
Derivative financial liabilities	51,522,829.94	81,622,771.57
Financial assets sold under repurchase agreements	8,944,827,717.47	8,516,900,703.94
Accounts payable to brokerage clients	43,976,121,341.81	45,289,402,529.10
Accounts payable to margin clients	8,540,924,518.72	9,948,989,021.56
Employee benefit payable	1,787,587,348.68	2,268,881,315.54
Taxes payable	599,752,620.63	1,077,984,916.07
Accounts payable	2,213,508,784.81	917,119,793.14
Interest payable	903,898,644.09	856,892,593.87
Long-term borrowings	3,381,219,717.13	2,646,456,200.74
Bonds payables	37,219,560,120.05	28,626,729,697.48
Deferred tax liabilities	248,141,520.55	269,961,253.85
Other liabilities	5,325,027,864.02	5,520,331,631.59
	<u>128,554,075,852.65</u>	<u>129,000,595,811.67</u>
<b>Equity or shareholders' equity:</b>		
Paid-in capital or shares capital	4,610,787,639.00	4,610,787,639.00
Capital reserve	23,514,628,315.58	23,507,274,464.44
Less: Treasury shares	-	-
Other comprehensive income	456,713,994.40	273,692,173.34
Surplus reserve	2,637,868,019.13	2,637,868,019.13
General risk reserve	5,666,637,028.48	5,659,279,139.13
Retained profits	11,086,663,329.47	10,506,809,807.49
<b>Total equity attributable to the owners of the Company or shareholders' equity</b>	<b>47,973,298,326.06</b>	<b>47,195,711,242.53</b>
Non-controlling interests	1,463,153,453.19	1,440,951,677.65
<b>Total equity or shareholders' equity</b>	<b>49,436,451,779.25</b>	<b>48,636,662,920.18</b>
	<u>177,990,527,631.90</u>	<u>177,637,258,731.85</u>

*Legal  
representative:*  
**Xue Feng**

*Person-in-charge of  
accounting affairs:*  
**Wang Yong**

*Head of accounting  
department:*  
**He Mannian**

## Balance sheet of the Parent Company

March 31, 2017

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	As at March 31, 2017	As at December 31, 2016
<b>Assets:</b>		
Cash and bank balances	41,874,367,206.50	41,688,857,565.78
Including: Cash held on behalf of brokerage clients	30,649,178,967.52	31,255,694,067.94
Clearing settlement funds	7,297,290,689.53	6,853,029,255.98
Including: Settlement funds held on behalf of brokerage clients	4,137,066,678.84	5,690,952,731.67
Margin accounts receivable	28,259,631,443.50	29,604,272,398.76
Financial assets at fair value through profit or loss	12,980,938,936.38	18,129,480,516.78
Derivative financial assets	73,282,074.97	106,914,341.77
Financial assets held under resale agreements	10,337,499,432.64	9,308,654,119.03
Accounts receivables	159,449,095.31	198,581,601.95
Interest receivable	1,130,092,300.08	1,205,586,258.15
Refundable deposits	1,705,541,794.97	2,548,953,996.50
Dividends receivable	58,049,340.03	56,688,214.48
Available-for-sale financial assets	17,612,537,228.39	13,369,850,538.55
Long-term equity investments	7,808,761,502.93	7,297,457,824.29
Fixed assets	800,291,920.19	798,621,589.31
Construction in progress	2,445,034.93	2,560,649.47
Intangible assets	62,731,482.65	61,267,006.69
Long-term deferred expenses	60,786,667.95	61,293,406.02
Deferred tax assets	349,776,558.17	425,238,427.66
Other assets	4,063,002,167.34	4,129,295,473.81
<b>Total assets</b>	<b>134,636,474,876.46</b>	<b>135,846,603,184.98</b>

Items	As at March 31, 2017	As at December 31, 2016
<b>Liabilities:</b>		
Short-term debt instruments issued	5,781,492,783.32	5,929,702,228.66
Placements from other financial institutions	200,000,000.00	9,107,560,000.00
Financial liabilities at fair value through profit or loss	1,079,648,600.00	394,866,100.00
Derivative financial liabilities	51,509,219.94	81,547,561.57
Financial assets sold under repurchase agreements	8,943,827,717.47	8,277,679,221.89
Accounts payable to brokerage clients	28,978,501,923.94	30,723,862,135.01
Accounts payable to margin clients	4,183,098,254.99	4,825,981,090.19
Employee benefit payable	1,494,532,282.94	1,751,225,533.41
Taxes payable	442,801,508.87	824,752,430.96
Accounts payable	658,073,373.98	323,886,819.25
Interest payable	878,136,896.14	811,935,085.74
Bonds payables	33,528,066,611.65	25,520,262,890.33
Other liabilities	883,453,288.13	613,158,019.14
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>87,103,142,461.37</b>	<b>89,186,419,116.15</b>
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<b>Equity or shareholders' equity:</b>		
Paid-in capital or shares capital	4,610,787,639.00	4,610,787,639.00
Capital reserve	25,138,970,656.74	25,138,970,656.74
Less: Treasury shares	-	-
Other comprehensive income	(71,477,451.12)	(284,380,301.84)
Surplus reserve	2,637,868,019.13	2,637,868,019.13
General risk reserve	5,154,769,497.87	5,154,769,497.87
Retained profits	10,062,414,053.47	9,402,168,557.93
<b>Total equity or shareholders' equity</b>	<b>47,533,332,415.09</b>	<b>46,660,184,068.83</b>
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<b>Total liabilities and equity or shareholders' equity</b>	<b>134,636,474,876.46</b>	<b>135,846,603,184.98</b>
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*Legal  
representative:*  
**Xue Feng**

*Person-in-charge of  
accounting affairs:*  
**Wang Yong**

*Head of accounting  
department:*  
**He Mannian**

## Consolidated Income Statements

January to March 2017

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	January to March, 2017	January to March, 2016
<b>I. Operating Income</b>	<b>1,731,018,310.49</b>	1,844,308,084.51
Net fee and commission income	<b>1,044,561,241.26</b>	1,424,343,995.85
Including: Net fee income from brokerage business	<b>645,175,702.06</b>	839,339,723.00
Net fee income from investment banking business	<b>165,278,636.15</b>	369,069,431.65
Net fee income from asset management business	<b>53,612,490.35</b>	85,266,868.98
Net interest income	<b>469,590,341.03</b>	229,524,850.18
Investment gains (losses are denoted by “()”)	<b>258,987,484.39</b>	166,850,475.23
Including: Gains attributable to investment in associates and joint ventures	<b>12,746,051.21</b>	4,240,375.89
Gain arising from fair value changes (losses are denoted by “()”)	<b>(28,626,283.22)</b>	(9,719,084.65)
Foreign exchange gains (losses are denoted by “()”)	<b>(55,505,512.76)</b>	8,477,169.75
Other operating income	<b>42,011,039.79</b>	24,830,678.15
<b>II. Operating expenses</b>	<b>1,182,502,419.94</b>	1,038,618,042.82
Tax and surcharges	<b>12,480,223.11</b>	122,990,606.57
General and administrative expenses	<b>1,169,698,066.18</b>	923,768,051.73
Impairment losses of assets	<b>(1,501,469.90)</b>	(8,900,615.89)
Other operating cost	<b>1,825,600.55</b>	760,000.41
<b>III. Operating profit (losses are denoted by “()”)</b>	<b>548,515,890.55</b>	805,690,041.69
Add: Non-operating income	<b>207,386,972.80</b>	7,313,175.84
Less: Non-operating expenses	<b>836,351.62</b>	428,475.46
<b>IV. Profit before income tax (losses are denoted by “()”)</b>	<b>755,066,511.73</b>	812,574,742.07
Less: Income tax expense	<b>140,745,394.34</b>	207,785,538.76

Items	January to March, 2017	January to March, 2016
<b>V. Profit for the period net (losses are denoted by “(”)</b>	<b>614,321,117.39</b>	604,789,203.31
Including: Profit for the period attributable to owners (or shareholders) of the Company	<b>587,211,411.32</b>	596,717,370.17
Non-controlling interests	<b>27,109,706.07</b>	8,071,833.14
<b>VI. Other comprehensive income, net of tax</b>	<b>184,219,924.37</b>	(1,116,967,448.27)
Other comprehensive income, net of tax, attributable to owners of the Company	<b>183,021,821.06</b>	(1,110,482,809.26)
I) Items that will not be reclassified subsequently to profit or loss	-	-
1. Remeasurements gains/losses of defined benefit obligation	-	-
2. Share of other comprehensive income of the investee accounted for using the equity method, which will not be reclassified subsequently to profit or loss	-	-
II) Items that may be reclassified to profit or loss	<b>183,021,821.06</b>	(1,110,482,809.26)
1. Share of other comprehensive income of the investee accounted for using the equity method that will be reclassified to profit or loss	<b>(480,552.97)</b>	(5,374,624.27)
2. Change in fair value of available-for-sale financial assets	<b>171,673,626.90</b>	(1,105,957,483.03)
3. Gain/loss arising from the reclassification from held-to-maturity investments to available-for-sale financial assets	-	-
4. The effective hedging portion of gains or losses arising from cash flow hedging instruments	-	-
5. Currency translation difference	<b>11,828,747.13</b>	849,298.04
6. Others	-	-
Other comprehensive income, net of tax, attributable to the non-controlling interests	<b>1,198,103.31</b>	(6,484,639.01)

Items	January to March, 2017	January to March, 2016
<b>VII. Total comprehensive income</b>	<b>798,541,041.76</b>	(512,178,244.96)
Total comprehensive income attributable to owners of the Company	<b>770,233,232.38</b>	(513,765,439.09)
Total comprehensive income attributable to the non-controlling interests	<b>28,307,809.38</b>	1,587,194.13
<b>VIII. Earnings per share:</b>		
I) Basic ( <i>Yuan/share</i> )	<b>0.1274</b>	0.1527
II) Diluted ( <i>Yuan/share</i> )	<b>0.1274</b>	0.1527

*Legal  
representative:*  
**Xue Feng**

*Person-in-charge of  
accounting affairs:*  
**Wang Yong**

*Head of accounting  
department:*  
**He Mannian**

## Income Statements of the Parent Company

January to March 2017

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	January to March, 2017	January to March, 2016
<b>I. Operating Income</b>	<b>1,314,259,406.41</b>	1,465,042,063.94
Net fee and commission income	<b>654,527,017.42</b>	1,078,356,206.17
Including: Net fee income from brokerage business	<b>487,213,135.86</b>	714,073,646.47
Net fee income from investment banking business	<b>157,516,090.13</b>	354,124,696.98
Net fee income from asset management business	–	–
Net interest income	<b>407,495,103.98</b>	314,261,264.16
Investment gains (losses are denoted by “()”)	<b>312,215,336.16</b>	131,200,728.51
Including: Gains attributable to investment in associates and joint ventures	<b>11,784,231.61</b>	7,240,180.96
Gain arising from fair value changes (losses are denoted by “()”)	<b>(4,557,360.80)</b>	(63,813,989.30)
Foreign exchange gains (losses are denoted by “()”)	<b>(60,621,733.24)</b>	(354,239.49)
Other operating income	<b>5,201,042.89</b>	5,392,093.89
<b>II. Operating expenses</b>	<b>756,608,536.27</b>	630,442,728.14
Tax and surcharges	<b>10,703,293.80</b>	107,421,639.46
General and administrative expenses	<b>745,434,852.61</b>	533,829,378.37
Impairment losses of assets	<b>(1,479,830.37)</b>	(11,568,290.10)
Other operating cost	<b>1,950,220.23</b>	760,000.41
<b>III. Operating profit (losses are denoted by “()”)</b>	<b>557,650,870.14</b>	834,599,335.80
Add: Non-operating income	<b>197,930,766.45</b>	149,440.16
Less: Non-operating expenses	<b>204,612.62</b>	419,084.13
<b>IV. Profit before income tax (losses are denoted by “()”)</b>	<b>755,377,023.97</b>	834,329,691.83
Less: Income tax expense	<b>95,131,528.43</b>	166,595,457.58



Items	January to March, 2017	January to March, 2016
<b>V. Profit for the period net (losses are denoted by “()”)</b>	<b>660,245,495.54</b>	667,734,234.25
<b>VI. Other comprehensive income, net of tax</b>	<b>212,902,850.72</b>	(903,340,442.52)
I) Items that will not be reclassified subsequently to profit or loss	-	-
1. Remeasurements gains/losses of defined benefit obligation	-	-
2. Share of other comprehensive income of the investee accounted for using the equity method, which will not be reclassified subsequently to profit or loss	-	-
II) Items that may be reclassified to profit or loss	<b>212,902,850.72</b>	(903,340,442.52)
1. Share of other comprehensive income of the investee accounted for using the equity method that will be reclassified to profit or loss	<b>(480,552.97)</b>	(5,374,624.27)
2. Change in fair value of available-for-sale financial assets	<b>213,383,403.69</b>	(897,965,818.25)
3. Gain/loss arising from the reclassification from held-to-maturity investments to available-for-sale financial assets	-	-
4. The effective hedging portion of gains or losses arising from cash flow hedging instruments	-	-
5. Currency translation difference	-	-
6. Others	-	-
<b>VII. Total comprehensive income</b>	<b>873,148,346.26</b>	(235,606,208.27)

*Legal  
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**Xue Feng**

*Person-in-charge of  
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**Wang Yong**

*Head of accounting  
department:*  
**He Mannian**

## Consolidated Statements of Cash Flows

January to March 2017

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	January to March, 2017	January to March, 2016
<b>I. Cash flows from operating activities:</b>		
Net increase in disposal of financial assets at fair value through profit or loss	6,939,575,867.01	–
Cash received from interests, fees and commissions	2,754,227,073.41	2,627,659,524.89
Net increase in placements from other financial institutions	–	–
Net increase in financial assets sold under repurchase agreements	–	–
Net decrease in margin accounts receivable	1,422,478,184.42	11,738,495,500.09
Net cash received from securities trading agency services	–	–
Net decrease in finance lease receivables	–	73,940,912.85
Cash received relating to other operating activities	283,719,715.83	7,845,883,580.69
<b>Sub-total of cash inflows from operating activities</b>	<b>11,400,000,840.67</b>	<b>22,285,979,518.52</b>
Net cash paid in purchase of financial assets at fair value through profit or loss	–	6,508,293,981.31
Net decrease in placements from other financial institutions	8,907,560,000.00	–
Net increase in margin accounts receivable	–	–
Net cash paid from securities trading agency services	238,697,286.89	2,932,122,194.95
Cash payment of interest, fees and commissions	961,040,387.15	782,332,223.26
Cash paid to and on behalf of employees	1,258,028,035.19	1,177,108,455.17
Payment for taxes and levies	753,208,418.31	663,302,801.01
Net decrease in financial assets sold under repurchase agreements	591,222,291.75	2,806,722,959.15
Net increase in finance lease receivables	140,241,269.35	–
Cash paid relating to other operating activities	6,981,004,059.76	949,650,756.30
<b>Sub-total of cash outflows from operating activities</b>	<b>19,831,001,748.40</b>	<b>15,819,533,371.15</b>
<b>Net cash (used in)/from operating activities</b>	<b>(8,431,000,907.73)</b>	<b>6,466,446,147.37</b>

Items	January to March, 2017	January to March, 2016
<b>II. Cash flows from investing activities:</b>		
Cash received from sales of investments	352,925,815.97	286,691,590.99
Cash received from return on investments	10,721,489.30	20,474,572.24
Net cash received from disposal of subsidiaries and other operating business units	-	-
Cash received relating to other investing activities	19,340.00	588,150.79
<b>Sub-total of cash inflows from investing activities</b>	<b>363,666,645.27</b>	<b>307,754,314.02</b>
Cash paid for acquisition of investments	2,087,130,931.11	-
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	71,300,683.96	50,281,057.76
Net cash payments for acquisition of subsidiaries and other operating business units	-	-
Cash paid relating to other investing activities	-	-
<b>Sub-total of cash outflows from investing activities</b>	<b>2,158,431,615.07</b>	<b>50,281,057.76</b>
<b>Net cash (used in)/from investing activities</b>	<b>(1,794,764,969.80)</b>	<b>257,473,256.26</b>
<b>III. Cash flows from financing activities:</b>		
Cash received from capital injection	-	-
Including: Cash received from capital injection of non-controlling interests in subsidiaries	-	-
Cash received from borrowings	8,559,250,641.59	467,592,948.87
Cash received from bonds issued	12,344,956,908.13	227,992,000.00
Cash received relating to other financing activities	-	-
<b>Sub-total of cash inflows from financing activities</b>	<b>20,904,207,549.72</b>	<b>695,584,948.87</b>
Cash repayment of debts	3,893,166,353.47	7,530,000,000.00
Cash repayment of borrowings	7,070,770,267.21	331,552,790.82
Cash paid for distribution of dividends, or profits or for interest expenses	72,977,956.63	721,865,612.78
Including: Dividends and profits paid to non-controlling interests by subsidiaries	-	-
Cash paid relating to other financing activities	-	-
<b>Sub-total of cash outflows from financing activities</b>	<b>11,036,914,577.31</b>	<b>8,583,418,403.60</b>
<b>Net cash from/(used in) financing activities</b>	<b>9,867,292,972.41</b>	<b>(7,887,833,454.73)</b>
<b>IV. Effects of changes in foreign exchange rates on cash and cash equivalents</b>	<b>(55,505,512.76)</b>	<b>8,477,169.75</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>(413,978,417.88)</b>	<b>(1,155,436,881.35)</b>
Add: Cash and cash equivalents at the beginning of the period	60,510,628,178.92	83,323,877,724.33
<b>VI. Cash and cash equivalents at the end of the period</b>	<b>60,096,649,761.04</b>	<b>82,168,440,842.98</b>

*Legal  
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**Xue Feng**

*Person-in-charge of  
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**Wang Yong**

*Head of accounting  
department:*  
**He Mannian**

## Cash Flow Statement of Parent Company

January to March 2017

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	January to March, 2017	January to March, 2016
<b>I. Cash flows from operating activities:</b>		
Net increase in disposal of financial assets at fair value through profit or loss	6,224,073,252.56	1,916,815,749.70
Cash received from interests, fees and commissions	2,025,258,414.55	2,704,884,212.16
Net increase in placements from other financial institutions	–	–
Net increase in financial assets sold under repurchase agreements	–	–
Net decrease in margin accounts receivable	1,345,988,140.54	11,568,211,092.21
Net cash received from securities trading agency services	–	–
Cash received relating to other operating activities	204,935,785.76	2,287,254.76
<b>Sub-total of cash inflows from operating activities</b>	<b>9,800,255,593.41</b>	<b>16,192,198,308.83</b>
Net decrease in placements from other financial institutions	8,907,560,000.00	–
Net increase in margin accounts receivable	–	–
Net decrease in financial assets sold under repurchase agreements	362,696,818.03	2,505,031,242.69
Net cash paid from securities trading agency services	1,168,779,968.04	4,770,179,042.50
Cash payment of interest, fees and commissions	728,197,232.79	507,512,618.27
Cash paid to and on behalf of employees	810,565,228.78	925,787,660.62
Payment for taxes and levies	556,802,870.89	447,209,624.66
Cash paid relating to other operating activities	3,723,059,817.94	4,499,763,513.44
<b>Sub-total of cash outflows from operating activities</b>	<b>16,257,661,936.47</b>	<b>13,655,483,702.18</b>
<b>Net cash (used in)/from operating activities</b>	<b>(6,457,406,343.06)</b>	<b>2,536,714,606.65</b>

Items	January to March, 2017	January to March, 2016
<b>II. Cash flows from investing activities:</b>		
Cash received from sales of investments	28,645,213.65	–
Cash received from return on investments	149,417,810.66	170,474,572.24
Cash received relating to other investing activities	19,340.00	582,890.79
<b>Sub-total of cash inflows from investing activities</b>	<b>178,082,364.31</b>	<b>171,057,463.03</b>
Cash paid for acquisition of investments	2,055,089,453.00	1,054,239,715.63
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	41,791,199.92	26,035,169.43
Cash paid relating to other investing activities	–	–
<b>Sub-total of cash outflows from investing activities</b>	<b>2,096,880,652.92</b>	<b>1,080,274,885.06</b>
<b>Net cash used in investing activities</b>	<b>(1,918,798,288.61)</b>	<b>(909,217,422.03)</b>
<b>III. Cash flows from financing activities:</b>		
Cash received from capital injection	–	–
Cash received from borrowings	–	–
Cash received from bonds issued	11,744,956,908.13	227,992,000.00
Cash received relating to other financing activities	–	–
<b>Sub-total of cash inflows from financing activities</b>	<b>11,744,956,908.13</b>	<b>227,992,000.00</b>
Cash repayment of debts	3,893,166,353.47	7,530,000,000.00
Cash paid for distribution of dividends, or profits or for interest expenses	(14,424,051.97)	619,560,675.22
Cash paid relating to other financing activities	–	–
<b>Sub-total of cash outflows from financing activities</b>	<b>3,878,742,301.50</b>	<b>8,149,560,675.22</b>
<b>Net cash from/(used in) financing activities</b>	<b>7,866,214,606.63</b>	<b>(7,921,568,675.22)</b>
<b>IV. Effects of changes in foreign exchange rates on cash and cash equivalents</b>	<b>(60,621,733.24)</b>	<b>(354,239.49)</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>(570,611,758.28)</b>	<b>(6,294,425,730.09)</b>
Add: Cash and cash equivalents at the beginning of the period	43,068,303,069.59	68,977,988,635.67
<b>VI. Cash and cash equivalents at the end of the period</b>	<b>42,497,691,311.31</b>	<b>62,683,562,905.58</b>
<i>Legal representative:</i> <b>Xue Feng</b>	<i>Person-in-charge of accounting affairs:</i> <b>Wang Yong</b>	<i>Head of accounting department:</i> <b>He Mannian</b>

## 4.2 Audit Reports

Applicable     Not applicable