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*(A joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name "东方证券股份有限公司" and carrying on business in Hong Kong as "東方證券" (in Chinese) and "DFZQ" (in English))*

**(Stock Code: 03958)**

## **THE FIRST QUARTERLY REPORT FOR THE YEAR 2017**

The board (the "**Board**") of directors (the "**Directors**") of 東方證券股份有限公司 (the "**Company**") is pleased to announce the unaudited results of the Company and its subsidiaries for the first quarter ended March 31, 2017, prepared in accordance with General Accepted Accounting Principles of the People's Republic of China. This announcement is made pursuant to the Inside Information Provisions (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**")) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rules 13.09(2) and 13.10B of the Listing Rules.

This announcement contains the Chinese original version and English translation of the "Orient Securities Company Limited The First Quarterly Report for the Year 2017" as published on the website of the Shanghai Stock Exchange, and is provided for your reference only. In case of discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

By order of the Board of Directors  
**PAN Xinjun**  
Chairman

Shanghai, PRC  
April 25, 2017

*As at the date of this announcement, the Board of Directors comprises Mr. PAN Xinjun and Mr. JIN Wenzhong as executive Directors; Mr. WU Jianxiong, Mr. ZHANG Qian, Mr. WU Junhao, Mr. CHEN Bin, Mr. LI Xiang, Mr. XU Jianguo, Ms. HUANG Laifang and Mr. ZHOU Yao as non-executive Directors; and Mr. LI Zhiqiang, Mr. XU Guoxiang, Mr. TAO Xiuming, Mr. WEI Anning, Mr. PAN Fei and Mr. XU Zhiming as independent non-executive Directors.*

**ORIENT SECURITIES COMPANY LIMITED**  
**THE FIRST QUARTERLY REPORT FOR THE YEAR 2017**

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## I. IMPORTANT NOTICE

1. The Board, the supervisory committee of the Company and its Directors, supervisors and senior management warrant that the information contained herein is true, accurate and complete and there are no false representations, misleading statements contained in or material omissions from this quarterly report, and severally and jointly accept legal liability.
2. All the Directors attended the Board meeting to consider this quarterly report.
3. The person-in-charge of the Company, Mr. Pan Xinjun, and the accounting chief and person-in-charge of the accounting department (head of the accounting department), Mr. Zhang Jianhui, warrant the truthfulness, accuracy and completeness of the financial statements set out in this quarterly report.
4. This first quarterly report of the Company was unaudited.

## II. COMPANY PROFILE

### 2.1 Key financial data

			Unit: RMB
	<b>At the end of this reporting period</b>	<b>At the end of the previous year</b>	<b>Increase/decrease recorded at the end of this reporting period as compared with the end of the previous year (%)</b>
Total assets	203,790,447,060.91	212,411,087,389.26	-4.06
Net assets attributable to the shareholders of the Company	40,974,004,084.97	40,482,898,531.88	1.21
	<b>From the beginning of the year to the end of this reporting period</b>	<b>From the beginning of the previous year to the end of the reporting period of the previous year</b>	<b>Increase/decrease as compared with the corresponding period of the previous year (%)</b>
Net cash flows from operating activities	-9,744,040,027.56	-4,509,016,858.62	N/A

	<b>From the beginning of the year to the end of this reporting period</b>	<b>From the beginning of the previous year to the end of the reporting period of the previous year</b>	<b>Increase/decrease as compared with the corresponding period of the previous year (%)</b>
Operating income	2,128,887,867.14	1,380,998,457.49	54.16
Net profit attributable to the shareholders of the Company	844,297,461.03	423,098,320.77	99.55
Net profit attributable to the shareholders of the Company after deducting non-recurring profit or loss	638,128,835.43	420,379,251.57	51.80
Weighted average returns on net assets (%)	2.07	1.23	Increase by 0.84 percentage points
Basic earnings per share (RMB/Share)	0.14	0.08	75.00
Diluted earnings per share (RMB/Share)	0.14	0.08	75.00

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

✓Applicable    □Not Applicable

Unit: RMB

<b>Items</b>	<b>Amounts for this period</b>	<b>Explanations</b>
Gains and losses from disposals of non-current assets	-78,650.67	Loss on disposal of fixed assets
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	279,565,599.73	Government grants
Other non-operating incomes and expenses except items above	-95,448.37	
Amount for the effect of non-controlling interests (net of tax)	-3,374,999.92	
Amount for the effect of income tax	-69,847,875.17	
Total	206,168,625.60	

**2.2 The table below sets out the total number of shareholders, and the shareholding of the top ten shareholders and the top ten shareholders of circulating shares (or shareholders not subject to restriction on sales) as at the end of the reporting period**

Unit: Share

Name of shareholders (Full name)	Number of shares held as at the end of the reporting period	Percentage (%)	Shareholding of the top ten shareholders		Nature of shareholders
			Number of restricted shares held	Pledged or frozen	
				<i>Status of shares</i>	<i>Number of shares</i>
159,488 shareholders, among which 159,421 were holders of A Shares and 67 were holders of H Shares					
Total number of shareholders (accounts)					
Shenergy (Group) Company Limited	1,537,522,422	24.74	1,537,522,422	Nil	– State-owned legal person
Hong Kong Securities Clearing Company Nominees Limited	1,026,968,400	16.52	–	Nil	– Foreign legal person
Shanghai Haiyan Investment Management Company Limited	286,271,333	4.61	–	Nil	– State-owned legal person
China Securities Finance Corporation Limited	252,446,920	4.06	–	Nil	– State-owned legal person
Shanghai United Media Group	246,878,206	3.97	–	Nil	– State-owned legal person
Shanghai Electric (Group) Corporation	194,073,938	3.12	194,073,938	Nil	– State-owned legal person
China Post Group Corporation	187,866,579	3.02	–	Nil	– State-owned legal person
Shanghai Jinqiao Export Processing Zone Development Co., Ltd. (上海金橋出口加工區開發股份有限公司)	165,953,687	2.67	–	Nil	– Domestic non-state-owned legal person
Greatwall Information Industry Co., Ltd.	143,000,000	2.30	–	Pledged	20,000,000 Domestic non-state-owned legal person
Shanghai Construction Group Co., Ltd.	133,523,008	2.15	133,523,008	Nil	– State-owned legal person

**Shareholding of the top ten shareholders of non-restricted shares**

Name of shareholders	Number of circulating non-restricted shares held	Type and number of shares	
		Type	Number
Hong Kong Securities Clearing Company Nominees Limited	1,026,968,400	Overseas listed foreign shares	1,026,968,400
Shanghai Haiyan Investment Management Company Limited	286,271,333	RMB ordinary shares	286,271,333
China Securities Finance Corporation Limited	252,446,920	RMB ordinary shares	252,446,920
Shanghai United Media Group	246,878,206	RMB ordinary shares	246,878,206
China Post Group Corporation	187,866,579	RMB ordinary shares	187,866,579
Shanghai Jinqiao Export Processing Zone Development Co., Ltd. (上海金橋出口加工區開發股份有限公司)	165,953,687	RMB ordinary shares	165,953,687
Greatwall Information Industry Co., Ltd.	143,000,000	RMB ordinary shares	143,000,000
Shanghai Educational Development Co., Ltd. (上海市教育發展有限公司)	92,188,251	RMB ordinary shares	92,188,251
Shanghai Tongyi Asset Management Co., Ltd. (上海彤翼資產管理有限公司)	90,803,988	RMB ordinary shares	90,803,988
Greenland Holding Group Company Limited (綠地控股集團有限公司)	80,685,407	RMB ordinary shares	80,685,407
Related party relationship or parties acting in concert among above shareholders	Shenergy (Group) Company Limited, Shanghai Electric (Group) Corporation and Shanghai Construction Group Co., Ltd. are the subsidiaries of the State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government. The Company is not aware of any other related party relationship or any parties acting in concert among other shareholders.		

*Notes:*

1. Among the H Shareholders of the Company, Hong Kong Securities Clearing Company Nominees Limited held the H Shares on behalf of the non-registered shareholders.
2. The nature of shareholders represents that of accounts registered by such shareholders in Shanghai branch of China Securities Depository and Clearing Corporation Limited.
3. As the shares of the Company are subject of margin financing and securities lending, the number of shares held by a shareholder is the sum of the shares and equity held through the general securities accounts and credit securities accounts.

**2.3 The table below sets out the total number of preferred shareholders, and shareholding of top ten preferred shareholders and top ten preferred shareholders not subject to restriction on sales as at the end of the reporting period**

Applicable  Not Applicable

**III. MATERIAL EVENTS**

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

Applicable  Not Applicable

Unit: RMB

Items	As at March 31, 2017	As at December 31, 2016	Increase/ Decrease (%)	Major reasons for the changes
Derivative financial assets	33,448,532.11	70,509,142.37	-52.56	Decrease in the assets arising from change in the fair value of derivatives
Deposit with exchanges and financial institutions	751,371,132.73	1,099,848,916.02	-31.68	Decrease in deposit with exchanges and financial institutions due to providing funds and securities to the securities company for securities margin trading
Other assets	3,344,306,569.16	1,299,221,851.38	157.41	Mainly due to increase in other receivables
Short-term borrowings	1,000,244,287.27	480,726,662.50	108.07	Increase in short-term bank borrowings of subsidiaries
Short-term financial bills payables	3,178,134,000.00	4,942,779,000.00	-35.70	Decrease in the size of short-term commercial papers
Financial liabilities at fair value through profit or loss	4,888,966,279.93	7,471,177,366.88	-34.56	Mainly due to the decrease in the size of short selling bonds
Funds payable to securities issuers	0.00	587,550,000.00	-100.00	Decrease in the amount of securities underwriting services provided by the subsidiaries
Taxes payable	97,802,258.02	411,827,929.52	-76.25	Mainly due to the decrease in the payable corporate income tax
Interest payable	2,065,341,045.57	1,553,613,486.28	32.94	Mainly due to the increase in the interest payable for corporate debentures and subordinated debts
Other comprehensive income	375,076,163.14	728,268,800.21	-48.50	Due to change in fair value of available-for-sale financial assets

Items	January – March 2017	January – March 2016	Increase/ Decrease (%)	Reasons
Net interest income	-360,013,792.66	-208,863,590.71	N/A	Mainly due to the decrease in the interest income from margin financing and securities lending
Gains from changes in fair value	558,644,791.94	-500,313,567.53	N/A	Due to the change in the fair value of financial instruments
Other business income	35,831,008.48	10,392,750.64	244.77	Addition of the income from sale of commodity by subsidiaries
Tax and surcharges	15,106,785.08	129,679,772.87	-88.35	Mainly due to levying value added tax in lieu of business tax
Business and administrative expenses	1,267,250,795.71	686,259,608.97	84.66	The increase in operating income led to an increase in corresponding expenses
Assets impairment loss	4,452,403.08	-430,543.85	N/A	Increase in the provision for impairment loss by subsidiaries
Other business cost	24,355,416.28	0.00	N/A	Addition of the cost from sale of commodity by subsidiaries
Non-operating income	279,615,269.08	4,105,482.80	6,710.78	Increase in government grants
Non-operating expenses	223,768.40	429,504.53	-47.90	Due to disposal of non-current assets
Income tax expense	227,391,267.34	98,012,350.02	132.00	Due to increase in total profit
Other comprehensive income after, net	-351,676,011.20	-1,564,390,628.06	N/A	Due to change in fair value of available-for-sale financial assets
Net cash (used in)/from operating activities	-9,744,040,027.56	-4,509,016,858.62	N/A	Mainly due to the decrease in the net-gain from the financial assets at fair value through profit or loss
Net cash (used in)/from investing activities	-18,404,416.42	-148,813,664.80	N/A	Mainly due to the decrease in the cash payable for investment
Net cash (used in)/from financing activities	-158,514,832.06	-4,655,989,342.91	N/A	Mainly due to the decrease in the cash payable for repaying debts

### 3.2 Analysis and description on the update impact and solutions of material events

Applicable   Not Applicable

Non-public issuance of A shares:

On February 13, 2017, the Company held the 25th meeting of the third session of the Board and the Proposed on the Non-public Issuance of A Shares for 2017 and other related resolutions were approved in the meeting. The Company proposed to issue a maximum of 800 million A Shares to not more than 10 specific target subscribers (inclusive), including Shenergy (Group) Company Limited, Shanghai Haiyan Investment Management Company Limited and Shanghai United Media Group, which is expected to raise a gross proceeds up to RMB12 billion. The issue price shall not be lower than 90% of the average trading price of the shares during the 20 trading days immediately preceding the pricing benchmark date. According to relevant regulations and requirements, the proposed issuance shall be subject to the approval at the general meeting of shareholders of the Company, the class meeting of the Company's A shareholders and the class meeting of the Company's H shareholders, and the approval from CSRC.

On February 17, 2017, CSRC issued the Decision on Amending Implementing Rules on Non-public Issuance of Shares by Listed Companies (《關於修改<上市公司非公開發行股票實施細則>的決定》, “**Implementing Rules**”) and relevant regulatory questions and answers. On February 28, 2017, the Company convened the 26th meeting of the third session of the Board. At the meeting, the Company considered and passed related proposals for amending (among others) the applicable laws and pricing benchmark date involved in five resolutions including the Resolution in relation to the Non-public Issuance of A Shares of the Company in accordance with the revised Implementing Rules. The revised issuance proposal shall be subject to the approval at the general meeting, the A Share Class Meeting and the H Share Class Meeting, and the approval from CSRC.

On April 14, 2017, the Resolution in relation to the Non-public Issuance of A Shares of the Company and other resolutions were considered and passed at the first extraordinary general meeting in 2017, the first class meeting of A shareholders in 2017 and the first class meeting of H shareholders in 2017 of the Company. According to relevant provisions, the non-public issuance of A shares is subject to approval from CSRC.

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

Applicable     Not Applicable

Background of undertaking	Type of Undertakings	Covenantor	Undertaking	Time and validity period of undertaking	Subject to expiry	Timely and strictly performed	Reasons for failure to perform timely	Follow up plan for failure to perform timely
Undertakings in relation to initial public offering	Non-competition	Shenergy Group	Shenergy Group has issued the Commitment Letter of Non-Competition to the Company and undertook that it and the companies and enterprises under its direct or indirect control would not participate in any form of business or operation that compete or might compete with the Company and its subsidiaries.	After the public offering and listing of shares of the Company	Yes	Yes		
Undertakings in relation to initial public offering	Shares subject to lock-up	Shenergy Group	Shenergy Group undertook that, during the 36 months from the listing and trading of such shares on the stock exchange, it would not transfer or entrust other parties to manage the shares of the Company held by it directly and indirectly.	Within 36 months from the public offering and listing of shares of the Company	Yes	Yes		
Undertakings in relation to initial public offering	Shares subject to lock-up	Listed company	The Company undertook that, during the three years from the listing of A Shares, in the event that the closing price of shares falls below the latest audited net assets per share for 20 consecutive trading days, the Company would stabilize the price of share through share repurchase.	Within 36 months from the public offering and listing of shares of the Company	Yes	Yes		
Undertakings in relation to initial public offering	Shares subject to lock-up	Shenergy Group	Shenergy Group undertook that, during the two years from the expiry of the lock up period, its disposal of shares in the issuer every year shall not exceed 5% of the total shares of the issuer, and the disposal shall not be conducted at a price lower than the offering price.	Within 24 months from the expiry of the lock-up period	Yes	Yes		
Undertakings in relation to initial public offering	Shares subject to lock-up	Shanghai Haiyan Investment	Shanghai Haiyan Investment undertook that it had no intention to dispose of shares during the two years from the expiry of lock-up period, save for disposal due to material changes in national policy and external environment.	Within 24 months from the expiry of the lock-up period	Yes	Yes		

**3.4 Profit warning and explanation of expected accumulated net loss from the beginning of the year to the end of the next reporting period or material changes over the corresponding period of previous year**

Applicable  Not Applicable

Name of the Company

ORIENT SECURITIES COMPANY LIMITED

Legal representative

Pan Xinjun

Date

April 25, 2017

## IV. APPENDICES

### 4.1 Financial Statements

#### Consolidated Balance Sheet

As at March 31, 2017

Prepared by: ORIENT SECURITIES COMPANY LIMITED

Unit and Currency: RMB Type of audit: Unaudited

Items	Balance as at the end of the period	Balance as at the beginning of the year
<b>Assets:</b>		
Cash and bank balances	35,559,972,285.82	44,168,734,819.24
Of which: Deposits held on behalf of customers	23,767,519,002.53	29,201,537,858.92
Clearing settlement funds	9,435,052,167.05	10,504,501,418.62
Of which: Settlement funds held on behalf of customers	8,174,790,794.27	7,466,989,689.01
Placements to banks and other financial institutions		
Advance to customers	10,446,940,950.24	10,651,585,593.63
Financial assets at fair value through profit or loss	29,420,625,273.54	23,329,193,641.39
Derivative financial assets	33,448,532.11	70,509,142.37
Financial assets held under resale agreements	36,434,657,233.25	34,558,940,628.05
Receivables	1,313,565,010.88	1,748,220,157.51
Interest receivables	1,684,632,809.73	1,746,275,422.69
Deposits with exchanges and financial institutions	751,371,132.73	1,099,848,916.02
Dividend receivables		
Assets classified as held for sale		
Available-for-sale financial assets	69,513,910,680.75	77,261,927,834.81
Held-to-maturity investments	181,084,144.07	212,059,726.75
Long-term receivables		
Long-term equity investments	3,505,956,408.76	3,514,660,031.96
Investment properties		
Fixed assets	430,780,366.80	437,212,300.07
Construction in progress	1,347,820,618.52	1,345,009,212.72
Intangible assets	113,554,960.94	114,883,681.05
Development expenses		
Goodwill	32,135,375.10	32,135,375.10
Leasehold improvements	55,262,236.98	62,264,581.77
Deferred tax assets	185,370,304.48	253,903,054.13
Other assets	3,344,306,569.16	1,299,221,851.38
Total assets	203,790,447,060.91	212,411,087,389.26

<b>Items</b>	<b>Balance as at the end of the period</b>	<b>Balance as at the beginning of the year</b>
<b>Liabilities:</b>		
Short-term borrowings	1,000,244,287.27	480,726,662.50
Short-term financial bills payables	3,178,134,000.00	4,942,779,000.00
Due to banks and other financial institutions	5,900,000,000.00	5,100,000,000.00
Financial liabilities at fair value through profit or loss	4,888,966,279.93	7,471,177,366.88
Derivative financial liabilities	367,356,710.31	419,177,005.26
Financial assets held under repurchase agreements	43,242,568,782.65	46,398,939,933.96
Account payable to brokerage clients	29,749,048,269.50	33,696,387,737.08
Funds payable to securities issuers		587,550,000.00
Securities brokerage for margin transaction	1,816,223,814.83	1,955,399,663.49
Accrued staff costs	1,271,317,878.94	1,377,921,333.53
Taxes payable	97,802,258.02	411,827,929.52
Payables	197,789,905.77	222,299,338.20
Interest payables	2,065,341,045.57	1,553,613,486.28
Dividend payable		
Liabilities classified as held for sale		
Provision		
Long-term borrowings	853,519,559.84	859,033,902.23
Bond payables	66,094,690,541.28	64,584,110,872.54
Long-term payables		
Long-term accrued staff costs		
Special payables		
Deferred tax liabilities	421,652,828.25	357,850,891.22
Deferred income		
Other liabilities	1,202,991,194.51	1,054,466,917.23
Total liabilities	162,347,647,356.67	171,473,262,039.92

Items	Balance as at the end of the period	Balance as at the beginning of the year
<b>Equity (or equity of shareholders):</b>		
Share capital	6,215,452,011.00	6,215,452,011.00
Other equity instruments		
Capital reserve	18,028,781,934.70	18,028,781,205.57
Less: treasury shares		
Other comprehensive income	375,076,163.14	728,268,800.21
Special reserve		
Surplus reserve	2,685,798,121.59	2,685,798,121.59
General reserve	5,723,968,603.35	5,712,872,683.97
Undistributed profits	7,944,927,251.19	7,111,725,709.54
Exchange differences from translation of statements denominated in foreign currencies		
Total equity attributable to the owners (or shareholders) of the parent company	40,974,004,084.97	40,482,898,531.88
Non-controlling interest	468,795,619.27	454,926,817.46
Total equity of owners (or equity of shareholders)	41,442,799,704.24	40,937,825,349.34
Total liabilities and equity of owners (or equity of shareholders)	203,790,447,060.91	212,411,087,389.26

Legal representative: Pan Xinjun	Person-in-charge of the accounting department: Zhang Jianhui	Accounting chief: Zhang Jianhui
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## Balance Sheet of the Parent Company

As at March 31, 2017

Prepared by: ORIENT SECURITIES COMPANY LIMITED

Unit and Currency: RMB Type of audit: Unaudited

Items	Balance as at the end of the period	Balance as at the beginning of the year
<b>Assets:</b>		
Cash and bank balances	23,159,615,794.09	29,973,827,693.15
Of which: Deposits held on behalf of customers	17,027,915,360.69	19,682,886,139.74
Clearing settlement funds	4,629,352,426.80	6,493,772,468.87
Of which: Settlement funds held on behalf of customers	3,485,105,441.59	3,534,711,971.33
Placements to banks and other financial institutions		
Advance to customers	10,112,971,668.32	10,291,010,805.73
Financial assets at fair value through profit or loss	21,474,398,991.65	16,916,320,704.96
Derivative financial assets	32,028,302.70	45,388,386.68
Financial assets held under resale agreements	36,009,367,025.66	34,114,781,904.15
Receivables	148,435,550.98	193,905,147.11
Interest receivables	1,527,252,428.78	1,634,618,785.94
Deposits with exchanges and financial institutions	534,954,369.62	899,280,526.67
Dividend receivables		
Assets classified as held for sale		
Non-current assets maturing within one year		
Available-for-sale financial assets	64,815,815,959.69	71,172,997,355.91
Held-to-maturity investments	181,084,144.07	212,059,726.75
Long-term receivables		
Long-term equity investments	10,387,261,569.86	9,745,566,215.91
Investment properties		
Fixed assets	406,514,742.82	411,279,144.81
Construction in progress	1,343,774,883.33	1,341,935,220.92
Other intangible assets	101,641,840.27	105,735,999.24
Development expenses		
Goodwill	18,947,605.48	18,947,605.48
Leasehold improvements	38,857,663.66	44,933,741.29
Deferred tax assets	71,442,550.40	114,684,207.68
Other assets	2,031,158,296.18	141,799,532.85
Total assets	177,024,875,814.36	183,872,845,174.10

Items	Balance as at the end of the period	Balance as at the beginning of the year
<b>Liabilities:</b>		
Short-term borrowings		
Short-term financial bills payables	1,568,134,000.00	2,712,779,000.00
Due to banks and other financial institutions	5,900,000,000.00	5,100,000,000.00
Financial liabilities at fair value through profit or loss	4,623,684,641.00	7,207,691,470.00
Derivative financial liabilities	260,155,305.94	267,863,973.93
Financial assets held under repurchase agreements	41,277,747,170.27	44,865,441,113.41
Account payable to brokerage clients	18,420,069,155.93	20,948,554,652.40
Funds payable to securities issuers		
Securities brokerage for margin transaction	1,602,026,193.61	1,702,899,629.95
Accrued staff costs	772,316,778.08	513,890,151.48
Taxes payable	-103,812,305.71	188,049,368.18
Payables	2,927,929.26	31,982,523.46
Interest payables	1,918,718,136.77	1,471,310,418.91
Dividend payable		
Liabilities classified as held for sale		
Provision		
Long-term borrowings		
Bond payables	61,062,302,030.16	59,546,784,845.00
Long-term payables		
Long-term accrued staff costs		
Special payables		
Deferred tax liabilities	329,968,720.70	266,049,958.95
Deferred income		
Other liabilities	596,214,145.26	518,876,541.18
Total liabilities	138,230,451,901.27	145,342,173,646.85
<b>Equity (or equity of shareholders):</b>		
Share capital	6,215,452,011.00	6,215,452,011.00
Other equity instruments		
Capital reserve	17,978,031,823.98	17,978,031,823.98
Less: treasury shares		
Other comprehensive income	107,379,293.68	429,126,830.37
Special reserve		
Surplus reserve	2,685,798,121.59	2,685,798,121.59
General reserve	5,350,776,592.51	5,350,776,592.51
Undistributed profits	6,456,986,070.33	5,871,486,147.80
Exchange differences from translation of statements denominated in foreign currencies		
Total equity of owners (or shareholders)	38,794,423,913.09	38,530,671,527.25
Total liabilities and equity of owners (or shareholders)	177,024,875,814.36	183,872,845,174.10

Legal representative:  
Pan Xinjun

Person-in-charge of the  
accounting department:  
Zhang Jianhui

Accounting chief:  
Zhang Jianhui

## Consolidated Income Statement

For January to March 2017

Prepared by: ORIENT SECURITIES COMPANY LIMITED

Unit and Currency: RMB    Type of audit: Unaudited

Items	Amounts for this period	Amount for corresponding period of previous year
I. Operating income	2,128,887,867.14	1,380,998,457.49
Net fee and commission income	1,083,909,107.28	1,222,721,636.46
Of which: Net fee income from brokerage business	364,853,034.79	446,870,893.46
Net fee income from investment banking business	370,286,885.31	410,152,469.77
Net fee income from asset management business	244,765,293.75	224,902,197.42
Net interest income	-360,013,792.66	-208,863,590.71
Investment gains (“-” indicating losses)	852,743,366.15	913,935,089.88
Of which: Gains from investments in associates and joint ventures	76,005,670.28	68,071,209.71
Gains from changes in fair value (“-” indicating losses)	558,644,791.94	-500,313,567.53
Foreign exchange gains (“-” indicating losses)	-42,226,614.05	-56,873,861.25
Other business income	35,831,008.48	10,392,750.64
II. Operating expenses	1,311,165,400.15	815,508,837.99
Business tax and surcharges	15,106,785.08	129,679,772.87
Business and administrative expenses	1,267,250,795.71	686,259,608.97
Assets impairment loss	4,452,403.08	-430,543.85
Other business cost	24,355,416.28	
III. Operating profit (“-” indicating loss)	817,722,466.99	565,489,619.50
Add: Non-operating income	279,615,269.08	4,105,482.80
Less: Non-operating expenses	223,768.40	429,504.53
IV. Total profit (“-” indicating loss)	1,097,113,967.67	569,165,597.77
Less: Income tax expenses	227,391,267.34	98,012,350.02
V. Net profit (“-” indicating net loss)	869,722,700.33	471,153,247.75
Of which: Net profit attributable to owners (or shareholders) of the parent company	844,297,461.03	423,098,320.77
Profit or loss of non-controlling interest	25,425,239.30	48,054,926.98

Items	Amounts for this period	Amount for corresponding period of previous year
VI. Other comprehensive income, net of tax	-351,676,011.20	-1,564,390,628.06
Other comprehensive income after tax attributable to the owners of the parent company, net	-353,192,637.07	-1,564,356,971.33
(I) Other comprehensive income that will not subsequently be reclassified to profit and loss		
1. Re-measurement of change in net liabilities or assets of defined benefit scheme		
2. Share of other comprehensive income of investees accounted for using equity method that will not be reclassified to profit or loss		
(II) Other comprehensive income that will subsequently be reclassified to profit and loss	-353,192,637.07	-1,564,356,971.33
1. Share of other comprehensive income of investees accounted for using equity method that will be reclassified to profit or loss	-235,019.05	-4,016,748.70
2. Gains and losses from changes in fair value of available-for-sale financial assets	-329,365,627.13	-1,590,094,063.54
3. Gains and losses from held-to-maturity investment reclassified as available-for-sale financial assets	0.00	
4. Effective portion of hedging gains and losses from cash flows	0.00	
5. Exchange differences from translation of financial statements denominated in foreign currencies	-23,591,990.89	29,753,840.91
6. Others	0.00	
Other comprehensive income after tax attributable to minority interest, net	1,516,625.86	-33,656.73
VII. Total comprehensive income	518,046,689.13	-1,093,237,380.31
Total comprehensive income attributable to owners of the parent company	491,104,823.96	-1,141,258,650.56
Total comprehensive income attributable to minority interest	26,941,865.17	48,021,270.25
VIII. Earnings per share:		
(I) Basic (in RMB)	0.14	0.08
(II) Diluted (in RMB)	0.14	0.08

Legal representative:  
Pan Xinjun

Person-in-charge of the  
accounting department:  
Zhang Jianhui

Accounting chief:  
Zhang Jianhui

## Income Statement of the Parent Company

For January to March 2017

Prepared by: ORIENT SECURITIES COMPANY LIMITED

Unit: RMB Unaudited

Items	Amounts for this period	Amount for corresponding period of previous year
I. Operating income	1,242,438,846.26	603,647,478.40
Net fee and commission income	495,845,934.89	593,892,873.99
Of which: Net fee income from brokerage business	299,235,233.95	413,369,900.66
Net fee income from investment banking business	135,769,715.07	94,078,349.86
Net fee income from asset management business	-	
Net interest income	-363,558,735.48	-255,637,537.06
Investment gains (“-” indicating losses)	660,653,819.39	743,300,772.08
Of which: Gains from investments in associates and joint ventures	40,141,348.90	73,071,525.77
Gains from changes in fair value (“-” indicating losses)	456,516,074.04	-489,285,587.76
Foreign exchange gains (“-” indicating losses)	-14,888,084.59	-405,333.38
Other operating income	7,869,838.01	11,782,290.53
II. Operating expenses	747,759,845.86	456,762,196.36
Business tax and surcharges	11,848,704.28	87,823,060.76
Business and administrative expenses	737,452,982.97	369,448,088.19
Assets impairment loss	-1,541,841.39	-508,952.59
Other business cost		
III. Operating profit (“-” indicating loss)	494,679,000.40	146,885,282.04
Add: Non-operating income	228,066,400.00	74,153.77
Less: Non-operating expenses	223,768.40	152,095.54
IV. Total profit (“-” indicating loss)	722,521,632.00	146,807,340.27
Less: Income tax expenses	137,021,709.47	-17,901,399.18
V. Net profit (“-” indicating net loss)	585,499,922.53	164,708,739.45
VI. Other comprehensive income, net of tax	-321,747,536.69	-1,413,108,694.06
(I) Other comprehensive income that will not subsequently be reclassified to profit or loss		
1. Remeasurement gains/(losses) of defined benefit obligation		
2. Share of other comprehensive income of investees accounted for using the equity method, which will not be reclassified to profit or loss		

Items	Amounts for this period	Amount for corresponding period of previous year
(II) Other comprehensive income that will subsequently be reclassified to profit and loss	-321,747,536.69	-1,413,108,694.06
1. Share of other comprehensive income of investees accounted for using the equity method, which will be subsequently reclassified to profit or loss	1,554,005.05	-4,016,748.70
2. Gains and losses from changes in fair value of available-for-sale financial assets	-323,301,541.74	-1,409,091,945.36
3. Gains and losses from held-to-maturity investment reclassified as available-for-sale financial assets		
4. Effective portion of hedging gains and losses from cash flows		
5. Exchange differences from translation of financial statements denominated in foreign currencies		
6. Others		
VII. Total comprehensive income	263,752,385.84	-1,248,399,954.61
VIII. Earnings per share:		
(I) Basic (in RMB)	0.09	0.03
(II) Diluted (in RMB)	0.09	0.03

Legal representative:	Person-in-charge of the accounting department:	Accounting chief:
Pan Xinjun	Zhang Jianhui	Zhang Jianhui

## Consolidated Statement of Cash Flows

For January to March 2017

Prepared by: ORIENT SECURITIES COMPANY LIMITED

Items	Amounts for this period	Unit: RMB    Unaudited Amount for corresponding period of previous year
<b>I. Cash flows from operating activities:</b>		
Net increase in disposal of financial assets		
at fair value through profit or loss	-1,167,356,465.53	10,809,502,400.07
Cash received from interests, fees and commissions	1,991,049,821.00	2,399,800,003.66
Net increase in due to banks and other financial institutions	800,000,000.00	-9,000,000,000.00
Net increase in cash from repurchase business	-4,998,823,941.99	-4,177,715,225.41
Net decrease in advances to customers	196,036,849.47	3,774,352,654.57
Net cash received from securities trading agency services		
Cash received relating to other operating activities	1,294,094,016.23	696,441,329.31
Subtotal of cash inflows from operating activities	-1,884,999,720.82	4,502,381,162.20
Net increase in advances to customers		
Net cash paid for securities trading agency services	4,138,437,297.27	5,509,277,160.87
Cash paid for interests, fees and commissions	569,456,033.09	696,878,270.58
Cash paid to and paid for staff	938,072,459.83	964,065,627.65
Taxes paid	359,717,418.06	534,173,795.67
Cash paid relating to other operating activities	1,853,357,098.49	1,307,003,166.05
Sub-total of cash outflows from operating activities	7,859,040,306.74	9,011,398,020.82
Net cash (used in)/from operating activities	-9,744,040,027.56	-4,509,016,858.62
<b>II: Cash flows from investing activities:</b>		
Cash received from disposal of investment	85,590,131.64	34,399,988.80
Cash received from investment gains	10,391,171.99	176,947,110.39
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities	95,400.50	23,165.00
Sub-total of cash inflows from investing activities	96,076,704.13	211,370,264.19
Cash paid for investments	80,530,000.00	303,965,000.00
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	33,951,120.55	55,443,928.99
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid for other investing activities		775,000.00
Sub-total of cash outflows from investing activities	114,481,120.55	360,183,928.99
Net cash flows (used in)/from investing activities	-18,404,416.42	-148,813,664.80

Items	Amounts for this period	Amount for corresponding period of previous year
<b>III. Cash flows from financing activities:</b>		
Proceeds from investments		715,000.00
Of which: Cash contribution from minority interest to subsidiaries		715,000.00
Cash received from borrowings	523,118,372.27	39,145,000.00
Cash received from issue of bonds	5,826,331,000.00	4,711,813,000.00
Cash received relating to other financing activities	512,000.00	0.00
Sub-total of cash inflows from financing activities	6,349,961,372.27	4,751,673,000.00
Cash repayment of debts	6,175,976,000.00	9,064,133,000.00
Cash paid for distribution of dividends, profits or interest payment	332,275,204.33	343,529,342.91
Of which: Dividends and profits paid to minority interest by subsidiaries		4,533,200.00
Cash paid relating to other financing activities	225,000.00	
Sub-total of cash outflows from financing activities	6,508,476,204.33	9,407,662,342.91
Net cash (used in)/from financing activities	-158,514,832.06	-4,655,989,342.91
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	-44,682,604.89	-35,660,925.85
<b>V. Net increase in cash and cash equivalents</b>	-9,965,641,880.93	-9,349,480,792.18
Add: Balance of cash and cash equivalents at the beginning of the period	50,283,058,520.18	61,522,861,766.96
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	40,317,416,639.25	52,173,380,974.78

Legal representative: Pan Xinjun	Person-in-charge of the accounting department: Zhang Jianhui	Accounting chief: Zhang Jianhui
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## Cash Flow Statement of the Parent Company

For January to March 2017

Prepared by: ORIENT SECURITIES COMPANY LIMITED

Unit: RMB Unaudited

Items	Amounts for this period	Amount for corresponding period of previous year
<b>I. Cash flows from operating activities:</b>		
Net increase in disposal of financial assets		
at fair value through profit or loss	-1,501,841,591.31	10,308,266,071.77
Cash received from interests, fees and commissions	1,325,925,771.51	1,671,464,935.93
Net increase in due to banks and other financial institutions	800,000,000.00	-9,000,000,000.00
Net increase in funds from repurchase business	-5,482,279,064.65	-4,603,113,063.45
Net decrease in advances to customers	178,039,137.41	
Net cash received from securities trading agency services		-2,470,822,034.07
Cash received relating to other operating activities	677,567,499.14	681,993,034.74
Sub-total of cash inflows from operating activities	-4,002,588,247.90	-3,412,211,055.08
Net increase in advances to customers		-3,689,294,170.17
Net cash paid for securities trading agency services	2,629,358,932.81	0.00
Cash paid for interests, fees and commissions	562,863,519.85	677,789,998.65
Cash paid to and paid for staff	224,625,808.09	582,748,851.88
Taxes paid	240,729,055.64	450,378,057.99
Cash paid relating to other operating activities	429,970,050.78	173,674,490.21
Sub-total of cash outflows from operating activities	4,087,547,367.17	-1,804,702,771.44
Net cash flows from operating activities	-8,090,135,615.07	-1,607,508,283.64
<b>II: Cash flows from investing activities:</b>		
Cash received from disposal of investment		
Cash received from investment gains		
Cash received from other investing activities	95,400.50	
Subtotal of cash inflows from investing activities	95,400.50	
Cash paid for investments	600,000,000.00	
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	27,228,997.42	48,710,752.65
Cash paid for other investing activities		
Subtotal of cash outflows from investing activities	627,228,997.42	48,710,752.65
Net cash flows from investing activities	-627,133,596.92	-48,710,752.65

Items	Amounts for this period	Amount for corresponding period of previous year
<b>III. Cash flows from financing activities:</b>		
Cash received from investments		
Cash received from borrowings		
Cash received from issue of bonds	5,826,331,000.00	4,441,813,000.00
Cash received relating to other financing activities		0.00
Sub-total of cash inflows from financing activities	5,826,331,000.00	4,441,813,000.00
Cash repayment of debts	5,460,976,000.00	8,171,573,000.00
Cash paid for distribution of dividends, profits or interest payment	311,829,644.55	297,339,353.50
Cash paid for other financing activities		
Sub-total of cash outflows from financing activities	5,772,805,644.55	8,468,912,353.50
Net cash flows from financing activities	53,525,355.45	-4,027,099,353.50
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	-14,888,084.59	-405,333.38
<b>V. Net increase in cash and cash equivalents</b>	-8,678,631,941.13	-5,683,723,723.17
Add: Balance of cash and cash equivalents at the beginning of the period	36,467,600,162.02	43,959,135,037.06
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	27,788,968,220.89	38,275,411,313.89

Legal representative:	Person-in-charge of the accounting department:	Accounting chief:
Pan Xinjun	Zhang Jianhui	Zhang Jianhui

#### 4.2 Auditors' Report

Applicable     Not Applicable