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中信证券股份有限公司
CITIC Securities Company Limited

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6030)

2017 THIRD QUARTERLY RESULTS

This announcement is made pursuant to the disclosure obligations under Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The unaudited results of the Company for the third quarter ended 30 September 2017 are summarized as follows:

- For the third quarter of 2017, the Group recorded an operating revenue of RMB9,805,184,662.69; the net profit attributable to owners of the parent amounted to RMB3,000,517,810.99.
- This report was prepared in accordance with the relevant disclosure requirements applicable to quarterly reports of listed companies issued by the China Securities Regulatory Commission.
- The information contained in this report was prepared in accordance with the PRC GAAP.
- Unless otherwise indicated, Renminbi is the recording currency in this report.

The contents of this report are consistent with the relevant announcement published by the Company on the Shanghai Stock Exchange. This announcement is published simultaneously in Hong Kong and Mainland China.

§1 Important Notice

- 1.1 The board of directors (the “**Board**”) and the supervisory committee, together with the directors (the “**Directors**”), supervisors and senior management of CITIC Securities Company Limited (the “**Company**”) warrant the truthfulness, accuracy and completeness of this report and that there is no false representation, misleading statement contained herein or material omission from this report, and for which they will assume joint and several legal liabilities.
- 1.2 This report was considered and approved at the 19th meeting of the Sixth Session of the Board of the Company with all the Directors of the Company attended. None of the Directors raised any objection to this report.
- 1.3 Mr. ZHANG Youjun, head of the Company, and Mr. Ge Xiaobo, the person-in-charge of accounting affairs, and Ms. KANG Jiang, head of the Company’s accounting department, warrant that the financial statements set out in this report are true, accurate and complete.
- 1.4 This report is unaudited and prepared in accordance with the disclosure requirements for, and in the required form of financial statements under the Generally Accepted Accounting Principles in the People’s Republic of China (the “**PRC GAAP**”).
- 1.5 The Company prepared this report in both English and Chinese versions. In the event of any discrepancy in interpretation between the English version and Chinese version of this report, the Chinese version shall prevail.
- 1.6 “Reporting Period” refers to the three months ended 30 September 2017.
- 1.7 “Group” refers to the Company and its subsidiaries.

§2 Key Financial Data and Changes in Shareholders of the Company

2.1 Key financial data

<i>In RMB Yuan</i>			
Items	30 September 2017	31 December 2016	Change as compared
			to the end of last year (%)
Total assets	631,773,360,595.01	597,438,839,244.37	5.75
Equity attributable to owners of the parent	147,036,699,400.97	142,695,945,757.73	3.04
Items	Nine months ended 30 September 2017	Nine months ended 30 September 2016	Change as compared
			to the same period of last year (%)
Net cash inflow/(outflow) from operating activities	-76,237,442,649.93	-56,139,864,218.03	N/A
Items	Nine months ended 30 September 2017	Nine months ended 30 September 2016	Change as compared
			to the same period of last year (%)
Operating revenue	28,499,383,217.93	27,040,087,385.45	5.40
Profit attributable to owners of the parent	7,927,026,699.60	7,940,947,372.83	-0.18
Profit attributable to owners of the parent excluding extraordinary gains and losses	7,959,311,857.84	7,979,397,853.63	-0.25
Return on weighted average equity (%)	5.45	5.66	Decreased by 0.21 percentage points
Basic earnings per share (RMB/share)	0.65	0.66	-1.52
Diluted earnings per share (RMB/share)	0.65	0.66	-1.52

Items and amount of extraordinary gains and losses

√ Applicable □ Not applicable

In RMB Yuan

Items	Three months ended 30 September 2017	Nine months ended 30 September 2017	Note
Profits and losses from disposal of non-current assets	301,117.01	449,351.41	Mainly gains from disposal of fixed assets
Government subsidies through profit or loss except for government subsidies closely related to the Company's ordinary business, which are in line with national policies, calculated according to certain standards or continuously granted in fixed amount	197,929,569.47	225,349,581.67	Mainly government subsidies
Enterprise restructuring costs, such as staff placement expenses, integration costs etc.	9,695,838.85	-160,804,244.76	Cost of restructuring some businesses of subsidiaries
Non-operating income/expenses other than the above items	-28,111,924.10	-35,196,388.87	
Effect on non-controlling interests, after tax	-11,248,978.04	-9,853,330.76	
Effect on income tax	-44,146,167.99	-52,230,126.93	
Total	124,419,455.20	-32,285,158.24	

2.2 Total number of shareholders and shareholdings of the top 10 shareholders and top 10 holders of tradable shares (or shareholders whose shares are not subject to trading moratorium) as at the end of the Reporting Period

Unit: Share

Total number of shareholders^{Note 1}

500,513

Shareholdings of the top 10 shareholders

Name of shareholder	Number of shares held at the end of the Reporting Period	Percentage (%)	Number of shares held subject to trading moratorium	Pledged or frozen Status	Number of shares	Type of shareholder
HKSCC Nominees Limited ^{Note 2}	2,277,340,817	18.79	—	Nil	—	Foreign legal person
CITIC Corporation Limited	1,999,695,746	16.50	—	Nil	—	State-owned legal person
China Securities Finance Corporation Limited	584,908,223	4.83	—	Nil	—	Unknown
China Life Insurance Company Limited — Traditional — General Insurance Products — 005L — CT001Hu	310,054,938	2.56	—	Nil	—	Domestic non-State-owned legal person
Central Huijin Investment Limited	198,709,100	1.64	—	Nil	—	State-owned legal person
Hong Kong Securities Clearing Company Limited ^{Note 3}	179,475,759	1.48	—	Nil	—	Foreign legal person
China Academy of Launch Vehicle Technology	106,478,308	0.88	—	Nil	—	State-owned legal person
Bosera Funds — Agricultural Bank — Bosera China Securities and Financial Assets Management Program	104,950,500	0.87	—	Nil	—	Unknown
EFund — Agricultural Bank — EFund China Securities and Financial Assets Management Program	104,950,500	0.87	—	Nil	—	Unknown
Da Cheng Fund — Agricultural Bank — Da Cheng China Securities and Financial Assets Management Program	104,950,500	0.87	—	Nil	—	Unknown
Harvest Fund — Agricultural Bank — Harvest China Securities and Financial Assets Management Program	104,950,500	0.87	—	Nil	—	Unknown
GF Fund — Agricultural Bank — GF China Securities and Financial Assets Management Program	104,950,500	0.87	—	Nil	—	Unknown
Zhong Ou Fund — Agricultural Bank — Zhong Ou China Securities and Financial Assets Management Program	104,950,500	0.87	—	Nil	—	Unknown
ChinaAMC Fund — Agricultural Bank — ChinaAMC China Securities and Financial Assets Management Program	104,950,500	0.87	—	Nil	—	Unknown
Yinhua Fund — Agricultural Bank — Yinhua China Securities and Financial Assets Management Program	104,950,500	0.87	—	Nil	—	Unknown
China Southern Fund — Agricultural Bank — China Southern China Securities and Financial Assets Management Program	104,950,500	0.87	—	Nil	—	Unknown
ICBC Credit Suisse Fund — Agricultural Bank — ICBC Credit Suisse China Securities and Financial Assets Management Program	104,950,500	0.87	—	Nil	—	Unknown

**Shareholdings of the top 10 shareholders
whose shares are not subject to trading moratorium**

Name of shareholder	Number of tradable shares not subject to trading moratorium	Class and number of shares	
		Class	Number
HKSCC Nominees Limited	2,277,340,817	Overseas listed foreign shares	2,277,340,817
CITIC Corporation Limited	1,999,695,746	RMB-denominated ordinary shares	1,999,695,746
China Securities Finance Corporation Limited	584,908,223	RMB-denominated ordinary shares	584,908,223
China Life Insurance Company Limited — Traditional — General Insurance Products — 005L — CT001Hu	310,054,938	RMB-denominated ordinary shares	310,054,938
Central Huijin Investment Limited	198,709,100	RMB-denominated ordinary shares	198,709,100
Hong Kong Securities Clearing Company Limited	179,475,759	RMB-denominated ordinary shares	179,475,759
China Academy of Launch Vehicle Technology	106,478,308	RMB-denominated ordinary shares	106,478,308
Bosera Funds — Agricultural Bank — Bosera China Securities and Financial Assets Management Program	104,950,500	RMB-denominated ordinary shares	104,950,500
EFund — Agricultural Bank — EFund China Securities and Financial Assets Management Program	104,950,500	RMB-denominated ordinary shares	104,950,500
Da Cheng Fund — Agricultural Bank — Da Cheng China Securities and Financial Assets Management Program	104,950,500	RMB-denominated ordinary shares	104,950,500
Harvest Fund — Agricultural Bank — Harvest China Securities and Financial Assets Management Program	104,950,500	RMB-denominated ordinary shares	104,950,500
GF Fund — Agricultural Bank — GF China Securities and Financial Assets Management Program	104,950,500	RMB-denominated ordinary shares	104,950,500
Zhong Ou Fund — Agricultural Bank — Zhong Ou China Securities and Financial Assets Management Program	104,950,500	RMB-denominated ordinary shares	104,950,500
ChinaAMC Fund — Agricultural Bank — ChinaAMC China Securities and Financial Assets Management Program	104,950,500	RMB-denominated ordinary shares	104,950,500
Yinhua Fund — Agricultural Bank — Yinhua China Securities and Financial Assets Management Program	104,950,500	RMB-denominated ordinary shares	104,950,500
China Southern Fund — Agricultural Bank — China Southern China Securities and Financial Assets Management Program	104,950,500	RMB-denominated ordinary shares	104,950,500
ICBC Credit Suisse Fund — Agricultural Bank — ICBC Credit Suisse China Securities and Financial Assets Management Program	104,950,500	RMB-denominated ordinary shares	104,950,500
Explanation on related relationship or concerted action among the above shareholders	The Company is not aware of any related/connected relationship or any parties acting in concert among the above shareholders.		

- Note 1:* As at 30 September 2017, the total number of the shareholders of the Company was 500,513, among which 500,350 shareholders were holders of the A shares and 163 shareholders were holders of the H shares.
- Note 2:* HKSCC Nominees Limited is the nominal holder of shares on behalf of H shareholders who do not register the shares under their names.
- Note 3:* Hong Kong Securities Clearing Company Limited is the nominal holder of the stocks of Northbound Trading.
- Note 4:* The type of A shareholders represents the type of account held by shareholders registered with Shanghai Branch of China Securities Depository and Clearing Corporation Limited.
- Note 5:* As the shares of the Company are margin trading underlying securities, the shareholdings of shareholders are the aggregate of the number of shares and equity interest in their ordinary securities accounts and credit securities accounts.

2.3 Total number of holders of preferred shares and shareholdings of the top 10 holders of preferred shares and top 10 holders of preferred shares not subject to trading moratorium as at the end of the Reporting Period

☐ Applicable ☒ Not applicable

§3 Significant Events

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

√ Applicable □ Not applicable

3.1.1 Significant changes in the items of statement of financial position of the Company and the reasons thereof

In RMB Yuan

Items	30 September 2017	31 December 2016	Increase/ Decrease (%)	Main reason
Reverse repurchase agreements	109,307,146,680.26	59,175,083,006.03	84.72	Increase in scale of reverse repurchase agreements
Accounts receivable	40,852,538,850.86	23,123,244,132.56	76.67	Increase in accounts due from brokerage customers and brokers
Refundable deposits	1,019,487,052.55	1,600,050,268.48	-36.28	Decrease in margin trading deposits
Investment properties	878,368,059.50	68,148,295.02	1,188.91	Consolidation of financial statements of Tianjin Jingzheng and Tianjin Shenzheng
Fixed assets	8,018,625,090.36	3,659,470,345.31	119.12	Consolidation of financial statements of Tianjin Jingzheng and Tianjin Shenzheng
Short-term loans	5,376,942,034.38	3,479,478,324.45	54.53	Increase in scale of short-term loans
Short-term financing instrument payables	41,091,739,750.83	21,346,229,520.32	92.50	Increase in scale of short-term financing instrument payables
Derivative financial liabilities	9,543,811,351.39	2,576,590,766.55	270.40	Changes in scale and fair value of derivative financial instruments
Funds payable to securities issuers	208,576,286.71	134,170,817.31	55.46	Increase in the unsettled funds payable to securities issuers
Accounts payable	35,354,335,940.33	26,466,860,904.00	33.58	Increase in settlements payable and accounts due to brokers
Debt instruments issued	93,536,268,086.49	70,552,174,727.31	32.58	Issuance of bonds and beneficiary certificates of the Company
Deferred income tax liabilities	2,201,621,228.13	1,565,744,279.34	40.61	Changes in fair value of financial assets

3.1.2 Significant changes in the items of income statement and statement of cash flows of the Company and the reasons thereof

In RMB Yuan

Items	Nine months ended 30 September 2017	Nine months ended 30 September 2016	Increase/ Decrease (%)	Main reason
Gains and losses arising from changes in the fair value	-470,756,575.71	-767,370,051.20	N/A	Changes in fair value of financial instruments caused by securities market fluctuation
Foreign exchange gains and losses	-52,829,276.81	26,943,157.02	N/A	Changes in exchange rate
Other income	135,828,872.32	—	N/A	Government subsidies presented separately
Other operating income	5,710,506,329.89	3,179,078,476.97	79.63	Increase in sales income of commodities trade of subsidiaries
Tax and surcharges	189,190,766.89	715,069,217.93	-73.54	Change of business tax to value-added tax
Impairment losses	245,754,961.67	962,998,295.71	-74.48	Decrease in the amount of available-for-sale financial assets subject to impairment provision
Other operating expenses and costs	5,326,944,769.02	2,757,769,319.66	93.16	Increase in cost of sales of commodities trade of subsidiaries
Non-operating expenses	211,688,596.85	111,016,652.10	90.68	Cost of restructuring some businesses of subsidiaries
Other comprehensive income	654,638,036.31	-1,582,932,117.32	N/A	Change of fair value and exchange rates for available-for-sale financial assets
Net cash inflow/ (outflow) from operating activities	-76,237,442,649.93	-56,139,864,218.03	N/A	Year-on-year increase in cash outflow from operating activities resulting from margin accounts and repurchase agreements
Net cash inflow/ (outflow) from investing activities	21,435,713,225.58	6,382,547,623.90	235.85	Year-on-year increase in net inflow of available-for-sale financial assets
Net cash inflow/ (outflow) from financing activities	28,093,989,870.13	-10,111,020,266.80	N/A	Increase in issuance of bonds and beneficiary certificates of the Company

3.2 Analysis and explanations of the progress of significant events and their impacts and solutions

√ Applicable

☐ Not applicable

3.2.1 Changes of securities outlets and branch offices

During the Reporting Period, the Company transformed Nanning Minzu Avenue Securities Outlet into Guangxi Branch Office and completed same-city relocation of six securities outlets. Details of the relocations are as follows:

No.	Name Before Relocation	Name After Relocation	Address After Relocation
1	Deyang South Emeishan Road Securities Outlet	Deyang South Lushan Road Securities Outlet	No. 88 Section I, South Lushan Road, Jingyang District, Deyang
2	Jingdezhen Changnan Avenue Securities Outlet	Jingdezhen South Plaza Road Securities Outlet	Level 1 and 3, Jinding Commercial Plaza, No. 106 South Plaza Road, Zhushan District, Jingdezhen
3	Hangzhou Jiangnan Avenue Securities Outlet	Hangzhou Huoju Avenue Securities Outlet	Room 114, 115 and 701, Level 1, Block C, Sanwei Building, No. 581 Huoju Avenue, Binjiang District, Hangzhou
4	Hangzhou East Jiefang Road Securities Outlet	Hangzhou Lijing Road Securities Outlet	Room A-103-2, A-513, A-515 and A-517, No. 18 Lijing Road, Zhuantang Neighborhood, Xihu District, Hangzhou
5	Nanjing Gaoloumen Securities Outlet	Nanjing North Hongwu Road Securities Outlet	No. 16 North Hongwu Road, Xuanwu District, Nanjing
6	Nanjing Baota Road Securities Outlet	Nanjing Pukou Avenue Securities Outlet	Room 214, Block B, Xincheng Headquarter Building, No. 13 Pukou Avenue, Pukou District, Nanjing

Currently, the Company has 27 branch offices and 213 securities outlets.

CITIC Securities (Shandong) Co., Ltd. (a subsidiary of the Company, “CITIC Securities (Shandong)”)

During the reporting period, CITIC Securities (Shandong) established two new securities outlets (Jinan Shungeng Road Securities Outlet and Shouguang Bohai Road Securities Outlet), closed down three securities outlets (Qingdao Jiading Road Securities Outlet, Qingdao Yan’erdao Road Securities Outlet and Huangdao Shuangzhu Road Securities Outlet), renamed Yantai Development Zone Securities Outlet as Yantai Changjiang Road Securities Outlet, and completed same-city relocation of two securities outlets. Details of the relocations are as follows:

No.	Name before relocation	Name after relocation	Address after relocation
1	Chengyang Chuncheng Road Securities Outlet	Chengyang Zhengyang Road Securities Outlet	Shop No. 187–9 & 203, Building No. 22, Shuiyue City Project, No. 177 Middle Zhengyang Road, Chengyang District, Qingdao, Shandong Province
2	Zhengzhou Commercial Inner Ring Road Securities Outlet	Zhengzhou East Nongye Road Securities Outlet	Fu 1, Level 1 and 2, Building No. 6, No. 35 East Nongye Road, Zhengdong New District, Zhengzhou, Henan Province

Currently, CITIC Securities (Shandong) has four branch offices and 63 securities outlets.

Kington Securities Limited Liability Company (a subsidiary of the Company, “Kington Securities”)

During the Reporting Period, there were no changes in the branches of Kington Securities. Currently, Kington Securities has two securities outlets.

CITIC Futures Company Limited (a subsidiary of the Company, “CITIC Futures”)

During the Reporting Period, CITIC Futures did not establish any new futures outlet, but transformed four futures outlets into branch offices (Shijiazhuang Futures Outlet was transformed into Hebei Branch Office, Harbin Futures Outlet was transformed into Heilongjiang Branch Office, Taiyuan Futures Outlet was transformed into Shanxi Branch Office and Shenyang Futures Outlet was transformed into Dongbei Branch Office) and completed same-city relocation of one branch office and two futures outlets. Details of the relocations are as follows:

No.	Name before relocation	Name after relocation	Address after relocation
1	Heilongjiang Branch Office	Heilongjiang Branch Office	No. 1009, 1010 and 1011, Level 10, Unit 2, Block 3, Fortune Center, Interchange of Qunli Avenue and Xingjiang Road, Daoli District, Harbin
2	Wenzhou Futures Outlet	Wenzhou Futures Outlet	Room 906, Fortune Center, No. 577 Chezhan Avenue, Lucheng District, Wenzhou, Zhejiang Province
3	Tianjin Futures Outlet	Tianjin Futures Outlet	Room 2702, Block 3, Guojin Plaza, Interchange of North Dagu Road and Chengde Road, Xiaobailou Street, Heping District, Tianjin

Currently, CITIC Futures has 16 branch offices and 27 futures outlets.

CITIC Securities International Co., Ltd. (a subsidiary of the Company, “CSI”)

During the Reporting Period, there were no changes in the branches of CSI. Currently, CSI has four branches.

3.2.2 Material litigation and arbitration

During the Reporting Period, the Group had not been involved in any litigation or arbitration which has material impact on the Group.

During the Reporting Period, the progress of litigation and arbitration of the Group with an involved amount of over RMB10 million is as follows:

Dispute between the Company and China City Construction on Transaction of Bonds

For related background information, please refer to the 2017 Interim Report of the Company.

(1) Dispute on Transaction of 11 China City Construction MTN1 Bonds

The Company filed a lawsuit with the First Intermediate People's Court of Beijing (hereinafter referred to as "**First Intermediate Court**") on 28 February 2017, requesting China City Construction Holding Group Co., Ltd. (hereinafter referred to as "**China City Construction**") to repay the principal of the bonds of RMB100 million and corresponding interests of RMB5.68 million due to the Company, and requesting China City Construction to pay for the liquidated damages corresponding to the principal and interests as well as other expenses incurred for realizing the claim. The First Intermediate Court accepted this case on 28 February 2017 and made the ruling of property preservation on 25 April 2017. The trial was originally scheduled on 4 July 2017, but China City Construction made an objection on jurisdiction. On 29 June 2017, the Company received the ruling on the objection on jurisdiction from the First Intermediate Court, pursuant to which the case was transferred to the Second Intermediate People's Court of Beijing (hereinafter referred to as "**Second Intermediate Court**"). The Second Intermediate Court has scheduled a trial to hear this case on 6 November 2017.

(2) Dispute on Transaction of 12 China City Construction MTN2 Bonds

The Company filed a lawsuit with the People's Court of Haidian District of Beijing on 28 February 2017, requesting China City Construction to repay the interests of RMB11.10 million due on 19 December 2016 to the Company, and requesting China City Construction to pay for the liquidated damages corresponding to such interests as well as other expenses incurred for realizing the claim. This case has been accepted by the People's Court of Haidian District of Beijing on 28 February 2017. On 23 June 2017, the People's Court of Haidian District of Beijing made the ruling of property preservation. The trial was originally scheduled on 18 August 2017, but China City Construction made an objection on jurisdiction. Currently, the People's Court of Haidian District of Beijing has not made any ruling on the objection on jurisdiction.

Dispute between the Company and CHENG Yu on Securities Transaction Agency Contract

CHENG Yu filed a lawsuit with the People's Court of Futian District of Shenzhen against the Company in respect of the failure of completion of the block trading of sale of his ChiNext shares, requesting for compensation by the Company of his damage of RMB11,906,695 and the corresponding interests as well as the payment of litigation fees (for related background information, please refer to the 2017 Interim Report of the Company). On 22 June 2017, the Company received the summons from the People's Court of Futian District of Shenzhen, and the trial was scheduled on 4 September 2017. On 5 July 2017, according to the law, the Company made an objection on jurisdiction to the People's Court of Futian District of Shenzhen and applied for transferring the case to the People's Court of Chaoyang District of Beijing (the principal place of business of the Company). On 31 July 2017, the Company received the ruling from the People's Court of Futian District of Shenzhen that agreed to transfer the case to the People's Court of Chaoyang District of Beijing. Currently, the Company has not received any notice of trial from the People's Court of Chaoyang District of Beijing.

Dispute between the Company and YANG Hui on Labor Contract

YANG Hui was a former employee in the fixed-income department of the Company for a term from April 2007 to April 2013. His labor contract was later terminated due to alleged involvement in criminal offense. On 12 June 2017, YANG Hui submitted an application for labor arbitration to the Labor Human Resources Disputes Arbitration Commission of Chaoyang District of Beijing requesting for payment by the Company of salary, bonus and compensation for illegal termination of labor contract with a total amount of RMB14,572,600. The Labor Human Resources Disputes Arbitration Commission of Chaoyang District of Beijing accepted the case on 19 June 2017, and the trial was scheduled on 5 September 2017. On the first trial on 5 September 2017, YANG Hui pleaded to increase the payment from RMB14,572,600 to RMB15,172,600. On 19 September 2017, the second trial was conducted by the Labor Human Resources Disputes Arbitration Commission of Chaoyang District of Beijing and so far no ruling has been reached.

Arbitration of Disputes between SOM and the Company and GoldStone Zexin on Design Contract

In December 2016, the Company and GoldStone Zexin Investment Management Co., Ltd. (hereinafter referred to as "**GoldStone Zexin**"), a subsidiary of the Company's subsidiary GoldStone Investment Co., Ltd. (hereinafter referred to as "**GoldStone Investment**") received the Notice of Arbitration and relevant arbitration materials from the China International Economics and Trade Arbitration Commission (hereinafter referred to as "**Arbitration Commission**"). Due to dispute in respect of the design contract, Skidmore, Owings & Merrill LLP (hereinafter referred to as "**SOM**") filed an arbitration with the Arbitration Commission and listed the

Company as the first respondent and GoldStone Zexin as the second respondent (for related background information, please refer to the 2017 First Quarterly Results of the Company). On 1 September 2017, the parties involved formally entered into a settlement agreement to reach a settlement, pursuant which the Company and GoldStone Zexin would pay a settlement fee of USD2,826,353 (approximately RMB18,628,210) to SOM. On 9 October 2017, the Company and GoldStone Zexin received a decision on cancellation of arbitration made by the arbitration court on 30 September 2017 and this case was finally closed with a settlement.

Disputes Involving Zhongzheng Asset on Breach of Contract

Zhongzheng Asset Management (Shenzhen) Company Limited (中證資本管理(深圳)有限公司) (which was renamed as CITIC Zhongzheng Asset Management Company Limited (中信中證資本管理有限公司) on 7 June 2017, and hereinafter referred to as “**Zhongzheng Asset**”), a wholly-owned subsidiary of CITIC Futures, a subsidiary controlled by the Company, brought a lawsuit in the People’s Court of Qianhai Cooperation Zone of Shenzhen (hereinafter referred to as “**Qianhai Court**”) on 9 April 2015 against the counterparties to a thermal coal purchasing agency agreement for breach of contract and the case was accepted on the same date (for related background information, please refer to the 2015 Annual Report and other previous reports of the Company).

This lawsuit proceeded by two separate proceedings. SHEN Peng, one of the defendants in litigation two, brought an action in Qianhai Court on 24 March 2016 for damages arising from property preservation in litigation, claiming for a compensation of RMB11,715,913.86 by Zhongzheng Asset. The first trial was held on 31 August 2017 and so far no ruling has been reached.

Disputes Involving Breach of Contract Case between China AMC and Stdawee

On 30 June 2014, since Xiamen Stdawee Fashion Co., Ltd. (hereinafter referred to as “**Stdawee**”) failed to repay the due interests of “13 Std 01”, the private bonds it issued, China AMC filed a lawsuit against its guarantor, Sino-capital Guaranty Trust Co., Ltd. (hereinafter referred to as “**Sino-capital Guaranty**”), requesting Sino-capital Guaranty to assume its joint and several guarantee liabilities to settle the claim for damages of approximately RMB30.40 million, including the principal and the interests of two tranches of the bonds) (for related background information, please refer to the 2014 Annual Report and other previous reports of the Company). The People’s Court of Chaoyang District of Beijing issued to China AMC a filing acceptance notice on 1 July 2014, and trial of the case commenced on 11 March 2015. On 22 September 2017, China AMC received the civil judgment of first instance from the People’s Court of Chaoyang District of Beijing, which supported the request of China AMC regarding assuming the guarantee liabilities by Sino-capital Guaranty (the guarantor of Stdawee).

Dispute between Jindingxin Microfinance and Qingxinda

On 11 January 2016, due to the breach of loan contract, Qingdao Jindingxin Microfinance Company Limited (hereinafter referred to as “**Jindingxin Microfinance**”) commenced legal proceedings against the borrower, Qingdao Qingxinda Trade Co., Ltd. (hereinafter referred to as “**Qingxinda**”), and the joint liability guarantors, Shandong Boxing Changhong Steel Plat Co., Ltd., WANG Yongqing, WANG Wei, WANG Qiang and WANG Zhong for recovery of approximately RMB14.1602 million by Qingxinda. The People’s Court of Shinan District of Qingdao accepted the case on the same day (for related background information, please refer to the 2016 Annual Report of the Company). On 8 September 2016, Jindingxin Microfinance submitted to the People’s Court of Shinan District of Qingdao an application for adding defendant and claims. The trial commenced on 21 February 2017. The People’s Court of Shinan District of Qingdao has made a judgment on 2 June 2017, in which Jindingxin Microfinance prevailed.

3.2.3 Other significant events

Capital Reduction of GoldStone Investment

According to the “Resolution on Capital Reduction of GoldStone Investment Co., Ltd.” passed on the 17th meeting of the Sixth Session of the Board of the Company on 29 September 2017, the Company has completed the capital reduction of RMB4.2 billion in GoldStone Investment on 27 October 2017. The registered capital of GoldStone Investment has reduced to RMB3.0 billion. Currently, the registration of such change with the industrial and commercial administration authority is in process. For related information, please refer to the respective relevant announcement made by the Company on the HKEXnews website of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) on 29 September 2017 and on the website of Shanghai Stock Exchange (<http://www.sse.com.cn>) on the next day.

Transfer of Equity Interest in China AMC

According to the “Resolution on Non-exercise of the Right of First Refusal in relation to the transfer of 17.8% Equity Interest in China Asset Management Co., Ltd.” passed on the 7th meeting of the Sixth Session of the Board of the Company on 28 October 2016, the Company agreed on the transfer of 10% and 7.8% of equity interest in China AMC (hereinafter referred to as “**Such Equity Interests**”) by Shandong Province Rural Economic Development Investment Company (hereinafter referred to as “**Shandong Rural Investment**”) and Southern Industrial Assets Management Co., Ltd. (hereinafter referred to as “**Southern Industry**”), respectively, and agreed not to exercise the right of first refusal in relation to Such Equity Interests. For related information, please refer to the respective relevant announcement made by the Company on the HKEXnews website of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) on 28 October 2016 and on the website of Shanghai Stock Exchange (<http://www.sse.com.cn>) on the next day.

The transfer of Such Equity Interests was completed on 20 September 2017. Upon completion of the transfer of Such Equity Interests, the shareholders and their respective shareholding in China AMC are as follows: CITIC Securities (62.2%), Mackenzie Financial Corporation (13.9%), Power Corporation of Canada (13.9%) and Qingdao Haipeng Technology Investment Co., Ltd. (10%). As a company listed on Toronto Stock Exchange, Power Corporation of Canada (which is also the controlling shareholder of Mackenzie Financial Corporation) is required to disclose the financial information of China AMC in its results announcements. Therefore, in the future, the Company will disclose the financial information of China AMC on a quarterly basis. From the beginning of 2017 to the end of the Reporting Period, China AMC realized a net profit of RMB833.53 million (unaudited).

3.3 Unperformed undertakings due during the Reporting Period

☐ Applicable ☒ Not applicable

During the Reporting Period, there is no change in undertakings. For the performance, please refer to the 2017 Interim Report of the Company.

3.4 Warning on any estimated potential loss in accumulated net profit for the period from the beginning of the year to the end of next reporting period or any material change year-on-year and the reasons thereof

☐ Applicable ☒ Not applicable

§4 Appendix

(See attached tables)

4.1 Financial statements

Statement of Financial Position of the Group (unaudited)

Prepared by: CITIC Securities Company Limited

In RMB Yuan

Items	30 September 2017	31 December 2016
ASSETS:		
Cash and bank balances	107,525,926,971.50	132,856,671,386.69
Including: cash held on behalf of customers	69,608,787,616.93	100,994,211,589.99
Settlement deposits	31,199,462,435.70	33,733,140,940.70
Including: deposits held on behalf of customers	24,877,732,132.16	28,882,566,680.69
Margin accounts	69,822,787,205.09	65,021,193,348.64
Financial assets measured at fair value through profit or loss	161,583,424,341.32	159,618,951,036.77
Derivative financial assets	4,203,899,321.86	3,780,358,384.16
Reverse repurchase agreements	109,307,146,680.26	59,175,083,006.03
Accounts receivable	40,852,538,850.86	23,123,244,132.56
Interest receivable	3,706,246,268.78	4,126,158,664.56
Refundable deposits	1,019,487,052.55	1,600,050,268.48
Available-for-sale financial assets	67,033,434,514.96	84,878,505,032.62
Long-term equity investments	4,063,464,772.68	3,973,851,090.48
Investment properties	878,368,059.50	68,148,295.02
Fixed assets	8,018,625,090.36	3,659,470,345.31
Construction in progress	306,948,852.87	263,790,404.38
Intangible assets	3,499,819,984.86	3,819,579,124.85
Goodwill	10,312,821,400.13	10,406,168,645.00
Deferred income tax assets	2,938,779,849.93	2,810,852,836.45
Other assets	5,500,178,941.80	4,523,622,301.67
Total assets	<u>631,773,360,595.01</u>	<u>597,438,839,244.37</u>

Items	30 September 2017	31 December 2016
LIABILITIES:		
Short-term loans	5,376,942,034.38	3,479,478,324.45
Short-term financing instrument payables	41,091,739,750.83	21,346,229,520.32
Due to banks and other financial institutions	16,300,000,000.00	19,550,000,000.00
Financial liabilities measured at fair value		
through profit or loss	38,289,360,765.87	31,218,323,681.40
Derivative financial liabilities	9,543,811,351.39	2,576,590,766.55
Repurchase agreements	108,626,925,165.70	121,414,243,406.77
Customer brokerage deposits	111,843,684,434.78	134,397,672,395.35
Funds payable to securities issuers	208,576,286.71	134,170,817.31
Salaries, bonuses and allowances payables	9,528,825,082.77	9,536,565,937.39
Tax payable	1,925,944,371.95	2,432,707,803.46
Accounts payable	35,354,335,940.33	26,466,860,904.00
Interest payable	2,436,957,762.43	2,423,119,326.47
Accrued liabilities	436,351,877.12	436,351,877.12
Long-term loans	1,122,187,684.55	1,121,187,684.55
Debt instruments issued	93,536,268,086.49	70,552,174,727.31
Deferred income tax liabilities	2,201,621,228.13	1,565,744,279.34
Other liabilities	3,436,796,536.48	2,998,748,055.68
Total liabilities	481,260,328,359.91	451,650,169,507.47
EQUITY:		
Share capital	12,116,908,400.00	12,116,908,400.00
Capital reserve	54,371,306,744.32	54,458,525,943.56
Other comprehensive income	2,963,338,487.19	2,318,805,516.44
Surplus reserve	7,812,711,706.09	7,812,711,706.09
General reserve	18,900,721,385.71	18,796,702,027.80
Retained earnings	50,871,712,677.66	47,192,292,163.84
Total equity attributable to owners of the parent	147,036,699,400.97	142,695,945,757.73
Non-controlling interests	3,476,332,834.13	3,092,723,979.17
Total equity	150,513,032,235.10	145,788,669,736.90
Total liabilities and equity	631,773,360,595.01	597,438,839,244.37

Legal representative:

ZHANG Youjun

*Person-in-charge of
accounting affairs:*

GE Xiaobo

*Person-in-charge of
accounting department:*

KANG Jiang

Statement of Financial Position of the Company (unaudited)

Prepared by: CITIC Securities Company Limited

In RMB Yuan

Items	30 September 2017	31 December 2016
ASSETS:		
Cash and bank balances	63,275,736,753.84	84,991,782,380.43
Including: cash held on behalf of customers	38,961,581,848.29	67,255,113,599.55
Settlement deposits	15,280,439,424.06	18,142,734,576.54
Including: deposits held on behalf of customers	13,207,163,940.95	16,142,213,045.95
Margin accounts	61,070,596,352.85	56,453,567,424.79
Financial assets measured at fair value through profit or loss	94,915,008,114.67	107,592,242,610.63
Derivative financial assets	5,636,545,885.41	2,786,057,160.24
Reverse repurchase agreements	110,289,672,277.46	61,702,010,411.31
Accounts receivable	5,129,429,324.74	5,793,847,836.53
Interest receivable	2,464,584,924.46	3,366,709,063.55
Refundable deposits	1,440,321,200.21	1,709,824,954.64
Available-for-sale financial assets	46,471,359,863.42	68,229,910,406.79
Long-term equity investments	36,555,579,040.88	26,039,729,286.05
Investment properties	66,068,504.01	68,148,295.02
Fixed assets	461,365,716.27	580,011,093.15
Construction in progress	287,422,751.86	248,174,563.08
Intangible assets	2,232,913,371.45	2,315,944,089.66
Goodwill	43,500,226.67	43,500,226.67
Deferred income tax assets	1,786,630,551.13	1,791,411,520.11
Other assets	11,927,262,386.48	9,754,877,823.42
Total assets	<u>459,334,436,669.87</u>	<u>451,610,483,722.61</u>

Items	30 September 2017	31 December 2016
LIABILITIES:		
Short-term financing instrument payables	45,171,442,290.90	20,017,237,267.54
Due to banks and other financial institutions	16,300,000,000.00	18,050,000,000.00
Financial liabilities measured at fair value		
through profit or loss	4,398,652,704.63	5,816,976,159.22
Derivative financial liabilities	9,691,219,981.37	3,001,013,612.24
Repurchase agreements	97,420,132,605.40	111,479,750,335.97
Customer brokerage deposits	51,338,351,277.38	79,999,305,847.65
Funds payable to securities issuers	208,386,854.41	133,971,595.85
Salaries, bonuses and allowances payables	6,142,170,023.64	6,101,216,592.61
Tax payable	1,423,682,129.82	1,825,285,449.71
Accounts payable	14,593,201,181.04	16,432,871,836.59
Interest payable	2,134,710,657.50	2,296,603,855.37
Accrued liabilities	435,666,677.12	435,666,677.12
Debt instruments issued	78,911,522,410.96	60,737,074,979.15
Deferred income tax liabilities	1,143,223,818.47	607,226,162.22
Other liabilities	9,004,449,663.39	5,806,739,387.72
Total liabilities	<u>338,316,812,276.03</u>	<u>332,740,939,758.96</u>
EQUITY:		
Share capital	12,116,908,400.00	12,116,908,400.00
Capital reserve	54,386,255,562.99	54,493,467,458.25
Other comprehensive income	2,343,332,516.67	1,291,390,079.84
Surplus reserve	6,263,770,251.95	6,263,770,251.95
General reserve	17,019,349,558.89	17,019,349,558.89
Retained earnings	28,888,008,103.34	27,684,658,214.72
Total equity	<u>121,017,624,393.84</u>	<u>118,869,543,963.65</u>
Total liabilities and equity	<u>459,334,436,669.87</u>	<u>451,610,483,722.61</u>

Legal representative:
ZHANG Youjun

*Person-in-charge of
accounting affairs:*
GE Xiaobo

*Person-in-charge of
accounting department:*
KANG Jiang

Income Statement of the Group (unaudited)

Prepared by: CITIC Securities Company Limited

In RMB Yuan

Items	Three months ended 30 September 2017	Three months ended 30 September 2016	Nine months ended 30 September 2017	Nine months ended 30 September 2016
1. Operating revenue	9,805,184,662.69	8,880,762,747.41	28,499,383,217.93	27,040,087,385.45
Net fee and commission income	4,832,929,509.21	5,041,760,884.15	13,886,110,217.04	16,315,828,008.63
Including: Net fee income from brokerage	2,271,289,731.11	2,227,772,221.79	6,271,050,828.40	6,924,895,929.45
Net fee income from investment banking	1,205,637,428.78	994,885,256.83	3,047,758,941.86	3,931,283,349.60
Net fee income from asset management	1,238,655,753.96	1,503,258,465.24	3,908,125,382.38	4,620,781,026.68
Net interest income	657,631,748.12	736,551,083.06	1,952,171,695.51	1,711,407,021.66
Investment income (loss denoted by “-”)	3,124,242,515.15	1,151,727,942.90	7,338,351,955.69	6,574,200,772.37
Including: Investment income from associates and joint ventures	45,487,169.40	131,496,019.79	289,458,001.13	177,486,582.25
Gains and losses arising from changes in the fair value (loss denoted by “-”)	-764,839,820.07	509,598,936.23	-470,756,575.71	-767,370,051.20
Foreign exchange gains and losses (loss denoted by “-”)	94,130,240.01	-8,391,958.20	-52,829,276.81	26,943,157.02
Other income	108,408,860.12	—	135,828,872.32	—
Other operating income	1,752,681,610.15	1,449,515,859.27	5,710,506,329.89	3,179,078,476.97
2. Operating expenses	5,796,686,582.84	5,237,162,925.35	17,477,260,388.90	16,028,936,597.61
Tax and surcharges	65,731,689.98	50,429,509.46	189,190,766.89	715,069,217.93
Business and administrative expenses	4,157,959,300.93	3,680,384,247.02	11,715,369,891.32	11,593,099,764.31
Impairment losses	-13,995,709.17	172,163,280.12	245,754,961.67	962,998,295.71
Other operating expenses and costs	1,586,991,301.10	1,334,185,888.75	5,326,944,769.02	2,757,769,319.66
3. Operating profit (loss denoted by “-”)	4,008,498,079.85	3,643,599,822.06	11,022,122,829.03	11,011,150,787.84
Add: Non-operating income	73,690,714.77	27,701,676.00	105,658,023.98	89,485,900.65
Less: Non-operating expenses	2,284,973.66	11,586,851.26	211,688,596.85	111,016,652.10
4. Profit before income tax				
(Gross loss denoted by “-”)	4,079,903,820.96	3,659,714,646.80	10,916,092,256.16	10,989,620,036.39
Less: Income tax expense	924,366,148.96	801,498,676.25	2,577,753,372.17	2,637,055,483.59
5. Profit for the period				
(net loss denoted by “-”)	3,155,537,672.00	2,858,215,970.55	8,338,338,883.99	8,352,564,552.80
Including: Net profit attributable to owners of the parent	3,000,517,810.99	2,698,816,245.21	7,927,026,699.60	7,940,947,372.83
Non-controlling interests	155,019,861.01	159,399,725.34	411,312,184.39	411,617,179.97

Items	Three months ended 30 September 2017	Three months ended 30 September 2016	Nine months ended 30 September 2017	Nine months ended 30 September 2016
6. Other comprehensive income, net of tax	326,526,125.61	551,736,571.30	654,638,036.31	-1,582,932,117.32
Other comprehensive income attributable to owners of the parent, net of tax	338,266,665.61	549,347,884.37	644,532,970.75	-1,568,937,550.19
(1) Other comprehensive income to be reclassified to profit or loss in subsequent period:	338,266,665.61	549,347,884.37	644,532,970.75	-1,568,937,550.19
1. Share of other comprehensive income of investee to be reclassified to profit or loss in subsequent period under equity method	—	—	-346,511.19	1,116,839.21
2. Gains or losses arising from changes in fair value of available-for-sale financial assets	703,176,775.78	404,722,714.62	1,409,122,665.69	-2,084,675,119.47
3. Exchange differences on translation of foreign operations	-366,909,958.90	144,341,753.02	-764,615,347.01	513,084,270.70
4. Others	1,999,848.73	283,416.73	372,163.26	1,536,459.37
Other comprehensive income attributable to non-controlling interest, net of tax	-11,740,540.00	2,388,686.93	10,105,065.56	-13,994,567.13
7. Total comprehensive income for the period	3,482,063,797.61	3,409,952,541.85	8,992,976,920.30	6,769,632,435.48
Attributable to owners of the parent	3,338,784,476.60	3,248,164,129.58	8,571,559,670.35	6,372,009,822.64
Attributable to non-controlling interests	143,279,321.01	161,788,412.27	421,417,249.95	397,622,612.84
8. Earnings per share:				
(1) Basic earnings per share (RMB/share)	0.24	0.23	0.65	0.66
(2) Diluted earnings per share (RMB/share)	0.24	0.23	0.65	0.66

Legal representative:

ZHANG Youjun

*Person-in-charge of
accounting affairs:*

GE Xiaobo

*Person-in-charge of
accounting department:*

KANG Jiang

Income Statement of the Company (unaudited)

Prepared by: CITIC Securities Company Limited

In RMB Yuan

Items	Three months ended 30 September 2017	Three months ended 30 September 2016	Nine months ended 30 September 2017	Nine months ended 30 September 2016
1. Operating revenue	4,724,491,642.93	4,450,715,224.99	12,941,861,894.98	14,042,036,337.27
Net fee and commission income	2,912,052,453.29	2,966,949,739.36	8,218,879,167.60	10,056,049,042.58
Including: Net fee income from brokerage	1,297,021,943.00	1,337,762,152.61	3,364,132,791.29	4,115,227,133.17
Net fee income from investment banking	1,134,093,875.31	915,994,639.62	2,818,861,833.37	3,659,461,177.48
Net fee income from asset management	408,378,451.08	479,634,296.60	1,420,054,718.20	1,494,655,537.46
Net interest income	368,369,313.73	416,722,689.41	1,026,451,016.51	701,419,035.09
Investment income (loss denoted by “-”)	1,443,155,302.43	766,313,001.20	3,242,795,373.09	3,927,945,590.61
Including: Investment income from associates and joint ventures	4,398,619.22	39,242,261.86	121,494,788.32	-129,899,857.81
Gains and losses arising from changes in the fair value (loss denoted by “-”)	14,080,051.93	258,491,089.54	520,382,486.82	-844,084,266.43
Foreign exchange gains and losses (loss denoted by “-”)	-21,103,586.01	34,993,265.50	-109,006,359.70	179,884,925.81
Other income	—	—	15,980,647.49	—
Other operating income	7,938,107.56	7,245,439.98	26,379,563.17	20,822,009.61
2. Operating expenses	1,894,117,975.77	1,783,914,556.92	5,800,859,342.02	6,732,534,041.12
Tax and surcharges	36,362,238.66	36,026,180.45	112,738,948.38	531,201,923.31
Business and administrative expenses	1,888,865,442.17	1,659,101,022.23	5,524,990,647.90	5,552,222,070.71
Impairment losses	-31,802,968.73	87,979,090.61	161,049,954.73	646,414,256.21
Other operating expenses and costs	693,263.67	808,263.63	2,079,791.01	2,695,790.89
3. Operating profit (loss denoted by “-”)	2,830,373,667.16	2,666,800,668.07	7,141,002,552.96	7,309,502,296.15
Add: Non-operating income	11,276,044.43	24,932,473.52	37,139,761.94	54,360,796.55
Less: Non-operating expenses	1,328,637.32	5,323,817.62	17,730,747.09	13,884,625.05
4. Profit before income tax				
(Gross loss denoted by “-”)	2,840,321,074.27	2,686,409,323.97	7,160,411,567.81	7,349,978,467.65
Less: Income tax expense	665,064,313.25	427,824,493.82	1,716,143,739.19	1,588,608,942.53
5. Profit for the period				
(net loss denoted by “-”)	2,175,256,761.02	2,258,584,830.15	5,444,267,828.62	5,761,369,525.12

Items	Three months ended 30 September 2017	Three months ended 30 September 2016	Nine months ended 30 September 2017	Nine months ended 30 September 2016
6. Other comprehensive income, net of tax	499,744,719.80	603,878,257.13	1,051,942,436.83	-844,448,381.05
Other comprehensive income to be reclassified to profit or loss in subsequent period	499,744,719.80	603,878,257.13	1,051,942,436.83	-844,448,381.05
1. Share of other comprehensive income of investee to be reclassified to profit or loss in subsequent period under equity method	—	—	-346,511.19	—
2. Gains or losses arising from changes in fair value of available-for-sale financial assets	499,744,719.80	603,878,257.13	1,052,288,948.02	-844,448,381.05
7. Total comprehensive income	2,675,001,480.82	2,862,463,087.28	6,496,210,265.45	4,916,921,144.07

Legal representative:

ZHANG Youjun

*Person-in-charge of
accounting affairs:*

GE Xiaobo

*Person-in-charge of
accounting department:*

KANG Jiang

Statement of Cash Flows of the Group (unaudited)

Prepared by: CITIC Securities Company Limited

In RMB Yuan

Items	Nine months ended 30 September 2017	Nine months ended 30 September 2016
1. Cash flows from operating activities:		
Net increase/(decrease) in financial instruments measured at fair value through profit or loss	16,364,036,724.60	15,879,784,977.03
Interest, fee and commission received	27,150,820,214.61	26,655,036,605.28
Net increase/(decrease) in due to banks and other financial institutions	-3,250,000,000.00	-10,482,969,033.30
Cash received from other operating activities	22,187,267,306.86	17,934,372,338.67
Total cash inflow from operating activities	62,452,124,246.07	49,986,224,887.68
Net increase/(decrease) in margin accounts	4,814,846,380.92	-10,981,054,429.84
Net increase/(decrease) in customer brokerage deposits	28,903,692,013.46	27,427,013,109.99
Net increase/(decrease) in repurchase agreements	63,044,339,648.64	41,585,681,944.15
Interest, fee and commission paid	7,101,554,797.27	6,115,223,323.47
Cash payments for employees	8,282,258,430.14	9,495,957,605.37
Tax expenses paid	4,297,777,467.08	5,951,173,902.19
Cash paid for other operating activities	22,245,098,158.49	26,532,093,650.38
Total cash outflow from operating activities	138,689,566,896.00	106,126,089,105.71
Net cash inflow/(outflow) from operating activities	-76,237,442,649.93	-56,139,864,218.03
2. Cash flows from investing activities:		
Net increase/(decrease) in available-for-sale financial assets	20,618,663,930.45	5,806,294,409.02
Cash received from investment	934,110,678.42	873,605,026.92
Dividend income received	27,525,865.27	20,245,579.54
Cash received from other investing activities	533,983,950.16	3,285,294.79
Total cash inflow from investing activities	22,114,284,424.30	6,703,430,310.27
Cash paid for investments	458,694,631.21	33,850,902.93
Purchases of property and equipment, intangible assets and other long-term assets	219,876,567.51	286,941,462.03
Cash paid for other investing activities	—	90,321.41
Total cash outflow from investing activities	678,571,198.72	320,882,686.37
Net cash inflow/(outflow) from investing activities	21,435,713,225.58	6,382,547,623.90

Items	Nine months ended 30 September 2017	Nine months ended 30 September 2016
3. Cash flows from financing activities:		
Capital injection	11,329,982.88	2,232,904,881.46
Including: capital injection into subsidiaries by non-controlling shareholders	11,329,982.88	48,036,940.12
Cash received from loans	2,926,662,321.49	31,131,932.17
Cash received from bond issuance	142,399,234,790.71	41,120,272,663.13
Cash received from other financing activities	200,208,107.00	—
Total cash inflow from financing activities	145,537,435,202.08	43,384,309,476.76
Cash paid for debt repayment	107,150,321,965.74	42,860,137,850.85
Dividend and interest paid	7,789,255,361.44	10,080,712,226.32
Including: Dividends paid to non-controlling shareholders	127,991.02	171,228,189.14
Cash paid for other financing activities	2,503,868,004.77	554,479,666.39
Total cash outflow from financing activities	117,443,445,331.95	53,495,329,743.56
Net cash inflow/(outflow) from financing activities	28,093,989,870.13	-10,111,020,266.80
4. Effect of exchange rate changes on cash and cash equivalents	-1,153,134,814.22	631,850,187.84
5. Net increase/(decrease) in cash and cash equivalents	-27,860,874,368.44	-59,236,486,673.09
Add: cash and cash equivalents at the beginning of the period	163,107,133,282.82	209,224,652,677.10
6. Cash and cash equivalents at the end of the period	135,246,258,914.38	149,988,166,004.01

Legal representative:

ZHANG Youjun

*Person-in-charge of
accounting affairs:*

GE Xiaobo

*Person-in-charge of
accounting department:*

KANG Jiang

Statement of Cash Flows of the Company (Unaudited)

Prepared by: CITIC Securities Company Limited

In RMB Yuan

Items	Nine months ended 30 September 2017	Nine months ended 30 September 2016
1. Cash flows from operating activities:		
Net increase/(decrease) in financial instruments measured at fair value through profit or loss	17,474,851,992.94	15,804,183,969.55
Interest, fee and commission received	18,128,063,007.65	18,138,560,349.57
Net increase/(decrease) in due to banks and other financial institutions	-1,750,000,000.00	-12,000,000,000.00
Cash received from other operating activities	1,781,675,097.51	5,308,523,917.72
Total cash inflow from operating activities	35,634,590,098.10	27,251,268,236.84
Net increase/(decrease) in margin accounts	4,630,921,693.18	-9,093,827,903.77
Net increase/(decrease) in customer brokerage deposits	28,660,954,570.27	26,472,874,115.44
Net increase/(decrease) in repurchase agreements	62,772,237,330.06	39,552,985,660.08
Interest, fee and commission paid	4,727,209,112.28	4,938,434,451.49
Cash payments for employees	4,086,775,093.05	5,345,740,692.21
Tax expenses paid	2,891,136,077.68	4,468,952,799.94
Cash paid for other operating activities	2,673,947,395.95	7,515,716,218.62
Total cash outflow from operating activities	110,443,181,272.47	79,200,876,034.01
Net cash inflow/(outflow) from operating activities	-74,808,591,174.37	-51,949,607,797.17
2. Cash flows from investing activities:		
Net increase/(decrease) in available-for-sale financial assets	24,814,169,535.41	3,652,955,343.10
Cash received from investment	1,422,671,000.01	117,367,775.43
Dividend income received	1,200,000.00	299,030,791.50
Cash received from other investing activities	31,089,470.46	689,298.52
Total cash inflow from investing activities	26,269,130,005.88	4,070,043,208.55
Cash paid for investments	11,581,729,200.00	60,000,000.00
Purchases of property and equipment, intangible assets and other long-term assets	100,774,716.25	99,765,504.68
Total cash outflow from investing activities	11,682,503,916.25	159,765,504.68
Net cash inflow/(outflow) from investing activities	14,586,626,089.63	3,910,277,703.87

Items	Nine months ended 30 September 2017	Nine months ended 30 September 2016
3. Cash flows from financing activities:		
Cash received from bond issuance	141,614,114,746.86	43,845,422,663.13
Total cash inflow from financing activities	141,614,114,746.86	43,845,422,663.13
Cash paid for debt repayment	98,555,856,304.00	38,793,568,000.00
Dividend and interest paid	7,305,627,777.49	9,288,444,782.89
Total cash outflow from financing activities	105,861,484,081.49	48,082,012,782.89
Net cash inflow/(outflow) from financing activities	35,752,630,665.37	-4,236,590,119.76
4. Effect of exchange rate changes on cash and cash equivalents	-109,006,359.70	179,884,925.81
5. Net increase/(decrease) in cash and cash equivalents	-24,578,340,779.07	-52,096,035,287.25
Add: cash and cash equivalents at the beginning of the period	103,134,516,956.97	148,101,953,941.01
6. Cash and cash equivalents at the end of the period	78,556,176,177.90	96,005,918,653.76

Legal representative:

ZHANG Youjun

*Person-in-charge of
accounting affairs:*

GE Xiaobo

*Person-in-charge of
accounting department:*

KANG Jiang

4.2 Audit report

☐ Applicable

☒ Not applicable

By Order of the Board
CITIC Securities Company Limited
ZHANG Youjun
Chairman

Beijing, the PRC
30 October 2017

As at the date of this announcement, the executive Directors of the Company are Mr. ZHANG Youjun, and Mr. YANG Minghui; the non-executive Director is Mr. CHEN Zhong; and the independent non-executive Directors are Mr. LIU Ke, Mr. HE Jia and Mr. CHAN Charles Sheung Wai.