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光大證券股份有限公司

Everbright Securities Company Limited

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

(Stock Code: 6178)

2022 FIRST QUARTERLY REPORT

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

Set out below is the 2022 first quarterly report of Everbright Securities Company Limited (the “**Company**”) and its subsidiaries for the three months ended March 31, 2022. The financial report contained herein is prepared under the Chinese Accounting Standards for Business Enterprises and has not been audited.

This report is prepared in both Chinese and English languages. In the event of any inconsistency between these two versions, the Chinese version shall prevail.

By order of the Board
Everbright Securities Company Limited
Liu Qiuming
Executive Director, President

Shanghai, the PRC
April 28, 2022

As at the date of this announcement, the Board comprises Mr. Liu Qiuming (Executive Director, President), Mr. Song Bingfang (Non-executive Director), Mr. Fu Jianping (Non-executive Director), Mr. Cai Minnan (Non-executive Director), Mr. Chan Ming Kin (Non-executive Director), Mr. Tian Wei (Non-executive Director), Mr. Yu Mingxiong (Non-executive Director), Mr. Wang Yong (Independent Non-executive Director), Mr. Po Wai Kwong (Independent Non-executive Director), Mr. Ren Yongping (Independent Non-executive Director), Mr. Yin Junming (Independent Non-executive Director) and Mr. Liu Yunhong (Independent Non-executive Director).

IMPORTANT NOTICE

The board of directors, the supervisory committee, directors, supervisors and senior management of the Company warrant that the information contained in this quarterly report is truthful, accurate and complete and there is no misrepresentation, misleading statement or material omission in this quarterly report and accept joint and several responsibilities for the truthfulness, accuracy and completeness of the contents contained herein.

The person-in-charge of the Company, the person-in-charge of the accounting affairs, and the head of the accounting department (accounting head) warrant the truthfulness, accuracy and completeness of the financial statement contained in this quarterly report.

WHETHER THE FINANCIAL STATEMENTS FOR THE FIRST QUARTER HAVE BEEN AUDITED

Yes No

In this report, certain figures shown as totals may be slightly different from the arithmetic aggregation of the figures preceding them due to rounding adjustments; certain change percentages under the same item may be slightly different from each other due to the difference of unit.

1. KEY FINANCIAL DATA

(I) Key accounting data and financial indicators

Items	<i>Unit: Yuan Currency: RMB</i>		
	The Reporting Period	Increase/decrease during the Reporting Period as compared to the same period of last year (%)	
Operating income	2,181,100,549.72	(34.45)	
Net profit attributable to shareholders of the listed company	666,089,265.19	(4.39)	
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	652,235,162.98	(3.71)	
Net cash flow generated from operating activities	19,645,195,082.39	190.69	
Basic earnings per share (Yuan/share)	0.13	(13.33)	
Diluted earnings per share (Yuan/share)	0.13	(13.33)	
Weighted average return on net assets (%)	1.11	Decreased by 0.22 percentage points	
			Increase/decrease at the end of the Reporting Period as compared to the end of last year (%)
	The end of the Reporting Period	The end of last year	
Total assets	249,185,088,957.45	239,107,601,376.24	4.21
Equity attributable to shareholders of the listed company	63,043,223,446.72	57,865,594,572.19	8.95

(II) Non-recurring profit or loss items and amounts

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount for the current period	Description
Gains or losses from disposal of non-current assets	190,875.80	
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	18,028,910.48	Fiscal aid
Other non-operating income and expenses except for items above	9,092,099.36	
Less: effect of income tax	6,891,533.22	
Effect of minority interests (net of tax)	6,566,250.21	
Total	<u>13,854,102.21</u>	

Explanation of the non-recurring profit or loss items listed in the Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public – Non-recurring Profit or Loss defined as recurring profit or loss items

Applicable Not Applicable

(III) Changes in key accounting data and financial indicators and the reasons for such changes

√ Applicable □ Not Applicable

Item name	Ratio of change (%)	Major reasons
1. Key accounting data and financial indicators		
Operating income	(34.45)	Mainly due to year-on-year decrease in net fee and commission income, investment gains and other operating income for the current period
Net cash flows generated from operating activities	190.99	Mainly due to increase in net cash inflow from placements from other financial institutions and net cash inflow from financial assets held for trading
2. Items of the Balance Sheet		
Accounts receivable	55.01	Mainly due to increase in settlement receivables from customers
Financial assets held under resale agreements	(41.02)	Decrease in scale of bond pledged repurchase
Other equity instrument investments	178.29	Increase in scale of equity instruments held not for trading
Derivative financial liabilities	88.14	Change in scale and fair value of equity derivatives
Accounts payable	90.53	Increase in securities settlement accounts payable
Other equity instruments	90.01	Issuance of perpetual subordinated bonds during the current period
3. Items of Income Statement and Cash Flow Statement		
Net fee and commission income	(22.50)	Mainly due to decrease in net fee income from brokerage business and net fee income from investment banking business
Investment gains (loss expressed with “()”)	(44.22)	Decrease in gains from disposal and holding of financial assets
Gain arising from fair value changes (loss expressed with “()”)	44.89	Decrease in losses of change in fair value of financial assets
Other operating income	(92.08)	Decrease in bulk commodity trading incomes
Credit impairment losses	(263.03)	Reversal of credit impairment losses due to collection of assets during the current period
Other operating cost	(92.38)	Decrease in bulk commodity trading costs
Other comprehensive income, net of tax	107.33	Mainly due to change in fair value of other equity instruments
Net cash flows generated from investing activities	(1,335.05)	Decrease in cash received from sales of investments during the current period
Net cash flows generated from financing activities	(132.47)	Mainly due to decrease in cash received from borrowings and issuance of bonds

2. SHAREHOLDER INFORMATION

(I) Total number of shareholders of ordinary shares and number of shareholders of preference shares with voting rights restored and shareholding of top ten shareholders

Unit: share

Total number of shareholders of ordinary shares at the end of the Reporting Period	202,308	Total number of shareholders of preference shares with voting rights restored at the end of the Reporting Period (if any)	N/A
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Shareholding of top ten shareholders

Name of shareholder	Nature of shareholder	Number of shares	Shareholding (%)	Number of shares held subject to selling restrictions	Pledged, marked or frozen	Share state	Number
China Everbright Group Ltd.	State-owned legal person	1,159,456,183	25.15	–	None		–
China Everbright Limited	Foreign legal person	956,017,000	20.73	–	Frozen		5,620,000
HKSCC Nominees Limited	Unknown	703,688,100	15.26	–	Unknown		–
China Securities Finance Corporation Limited	Others	130,090,372	2.82	–	None		–
Hong Kong Securities Clearing Company Limited	Others	47,815,567	1.04	–	None		–
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	Others	34,325,545	0.74	–	None		–
China Construction Bank Corporation – Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	Others	26,683,718	0.58	–	None		–
ICBC Credit Suisse Fund – Agricultural Bank of China – ICBC Credit Suisse CSI Financial Asset Management Plan	Others	24,431,977	0.53	–	None		–
E Fund – Agricultural Bank of China – E Fund CSI Financial Asset Management Plan	Others	23,174,586	0.50	–	None		–
Bosera Fund – Agricultural Bank of China – Bosera CSI Financial Asset Management Plan	Others	22,716,500	0.49	–	None		–
Dacheng Fund – Agricultural Bank of China – Dacheng CSI Financial Asset Management Plan	Others	22,716,500	0.49	–	None		–
Harvest Fund – Agricultural Bank of China – Harvest CSI Financial Asset Management Plan	Others	22,716,500	0.49	–	None		–
GF Fund – Agricultural Bank of China – GF CSI Financial Asset Management Plan	Others	22,716,500	0.49	–	None		–

Name of shareholder	Nature of shareholder	Number of shares	Shareholding (%)	Number of shares held subject to selling restrictions	Pledged, marked or frozen	Share state	Number
Zhong'ou Asset – Agricultural Bank of China – Zhong'ou CSI Financial Asset Management Plan	Others	22,716,500	0.49	–	None		–
China AMC – Agricultural Bank of China – China AMC CSI Financial Asset Management Plan	Others	22,716,500	0.49	–	None		–
Yinhua Fund – Agricultural Bank of China – Yinhua CSI Financial Asset Management Plan	Others	22,716,500	0.49	–	None		–
China Southern Asset Management – Agricultural Bank of China – China Southern CSI Financial Asset Management Plan	Others	22,716,500	0.49	–	None		–

Shareholding of top ten shareholders without selling restrictions

Name of shareholder	Number of tradable shares held without selling restrictions	Class and number of shares	
		Class of shares	Number
China Everbright Group Ltd.	1,159,456,183	RMB ordinary shares	1,159,456,183
China Everbright Limited	956,017,000	RMB ordinary shares	956,017,000
HKSCC Nominees Limited	703,688,100	Overseas listed foreign shares	703,688,100
China Securities Finance Corporation Limited	130,090,372	RMB ordinary shares	130,090,372
Hong Kong Securities Clearing Company Limited	47,815,567	RMB ordinary shares	47,815,567
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	34,325,545	RMB ordinary shares	34,325,545
China Construction Bank Corporation – Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	26,683,718	RMB ordinary shares	26,683,718
ICBC Credit Suisse Fund – Agricultural Bank of China – ICBC Credit Suisse CSI Financial Asset Management Plan	24,431,977	RMB ordinary shares	24,431,977
E Fund – Agricultural Bank of China – E Fund CSI Financial Asset Management Plan	23,174,586	RMB ordinary shares	23,174,586
Bosera Fund – Agricultural Bank of China – Bosera CSI Financial Asset Management Plan	22,716,500	RMB ordinary shares	22,716,500
Dacheng Fund – Agricultural Bank of China – Dacheng CSI Financial Asset Management Plan	22,716,500	RMB ordinary shares	22,716,500
Harvest Fund – Agricultural Bank of China – Harvest CSI Financial Asset Management Plan	22,716,500	RMB ordinary shares	22,716,500
GF Fund – Agricultural Bank of China – GF CSI Financial Asset Management Plan	22,716,500	RMB ordinary shares	22,716,500

Name of shareholder	Number of tradable shares held without selling restrictions	Class and number of shares	
		Class of shares	Number
Zhong'ou Asset – Agricultural Bank of China – Zhong'ou CSI Financial Asset Management Plan	22,716,500	RMB ordinary shares	22,716,500
China AMC – Agricultural Bank of China – China AMC CSI Financial Asset Management Plan	22,716,500	RMB ordinary shares	22,716,500
Yinhua Fund – Agricultural Bank of China – Yinhua CSI Financial Asset Management Plan	22,716,500	RMB ordinary shares	22,716,500
China Southern Asset Management – Agricultural Bank of China – China Southern CSI Financial Asset Management Plan	22,716,500	RMB ordinary shares	22,716,500

Description of the connected relationships or action in concert between the above shareholders

China Everbright Limited is a controlled subsidiary of China Everbright Holdings Company Limited, a wholly-owned subsidiary of China Everbright Group Ltd.

Save for the above, the Company is unaware of any connected relationships or action in concert between the above shareholders.

Top 10 shareholders and top 10 shareholders not subject to selling restrictions engaging in margin financing and securities lending, and refinancing (if any)

At the end of the Reporting Period, the number of securities held in the credit securities account of the top 10 shareholders and the top 10 shareholders of A shares without selling restrictions was 0. Apart from the above, the Company was not aware of the engagement status of the top 10 shareholders and the top 10 shareholders without selling restrictions in respect of margin financing and securities lending, and refinancing.

Note 1: As at the end of the Reporting Period, there are a total of 202,308 ordinary shareholders among which 202,140 are A shareholders and 168 are registered H shareholders.

Note 2: Among the H shareholders of the Company, HKSCC Nominees Limited held the H Shares on behalf of the non-registered shareholders.

Note 3: Hong Kong Securities Clearing Company Limited is the nominee holder of the Shanghai-Hong Kong Stock Connect shares.

Note 4: Eight shareholders, including Bosera Fund – Agricultural Bank of China – Bosera CSI Financial Asset Management Plan, hold the same number of shares and are tied for the tenth place.

3. OTHERS

Other important information regarding the Company's business operation during the Reporting Period that requires the attention of investors

Applicable Not Applicable

4. QUARTERLY FINANCIAL STATEMENTS

(I) Audit opinion type

Applicable Not Applicable

(II) Financial statements

Consolidated Balance Sheet

March 31, 2022

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	March 31, 2022	December 31, 2021
Assets:		
Cash and bank balances	85,729,518,077.28	67,605,143,355.12
Including: Cash deposits from customers	58,701,477,903.21	55,369,863,817.83
Clearing settlement funds	6,761,456,576.26	7,167,716,237.59
Including: Settlement funds held on behalf of brokerage customers	6,258,304,687.51	6,764,401,246.47
Margin accounts receivable	44,005,612,789.58	48,445,767,652.25
Derivative financial assets	427,126,370.31	547,338,248.14
Refundable deposits	11,378,957,929.81	10,245,461,698.39
Accounts receivable	3,005,708,907.25	1,939,085,407.80
Financial assets held under resale agreements	4,006,093,779.64	6,792,386,886.54
Financial investments:		
Financial assets held for trading	65,286,762,270.29	68,750,196,803.69
Debt investments	4,054,847,252.28	4,136,619,307.08
Other debt investments	12,820,860,304.87	13,098,078,717.30
Other equity instrument investments	1,557,184,494.78	559,564,059.19
Long-term equity investments	1,030,305,227.39	1,004,203,770.13
Fixed assets	823,786,583.09	836,035,275.27
Construction in progress	232,847.79	859,128.54
Right-of-use asset	675,474,732.20	696,901,364.21
Intangible assets	237,474,225.05	257,413,334.25
Goodwill	920,915,495.98	928,322,333.37
Deferred income tax assets	2,245,764,608.70	2,156,068,892.81
Long-term deferred expenses	56,657,022.46	62,058,049.13
Other assets	4,160,349,462.44	3,878,380,855.44
Total assets	249,185,088,957.45	239,107,601,376.24

Items	March 31, 2022	December 31, 2021
Liabilities:		
Short-term borrowings	4,153,666,863.38	3,790,856,459.67
Short-term debt instruments	5,733,631,578.10	7,244,955,835.27
Placements from other financial institutions	15,644,345,421.96	13,692,414,901.75
Financial liabilities held for trading	343,514,894.28	342,424,526.06
Derivative financial liabilities	963,353,585.50	512,045,561.35
Financial assets sold under repurchase agreements	21,297,136,188.02	19,863,912,094.20
Accounts payable to brokerage customers	74,179,706,905.07	69,803,417,762.41
Employee benefit payable	2,031,191,098.51	1,822,758,782.41
Taxes payable	906,720,767.60	1,262,054,800.88
Accounts payable	1,670,220,066.07	876,619,031.15
Contract liabilities	43,066,404.00	50,851,210.49
Accrued liabilities	5,284,293,318.32	5,284,293,318.32
Long-term borrowings	3,169,573,054.73	3,963,149,409.15
Bonds payables	44,822,612,179.62	47,826,703,516.86
Lease liabilities	694,822,625.25	710,892,361.55
Deferred income tax liabilities	18,470,890.49	18,102,801.62
Other liabilities	4,438,865,351.75	3,446,886,864.28
Total liabilities	185,395,191,192.65	180,512,339,237.42
Equity or shareholders' equity:		
Paid-in capital or share capital	4,610,787,639.00	4,610,787,639.00
Other equity instruments	9,498,943,396.22	4,999,056,603.77
Including: Perpetual bonds	9,498,943,396.22	4,999,056,603.77
Capital reserve	24,198,686,523.47	24,198,686,523.37
Other comprehensive income	(292,228,222.73)	(303,881,039.62)
Surplus reserve	3,748,566,127.45	3,748,566,127.45
General risk reserve	8,996,146,766.56	8,975,098,959.09
Retained profits	12,282,321,216.75	11,637,279,759.13
Total equity attributable to the owners of the parent company or shareholders' equity	63,043,223,446.72	57,865,594,572.19
Minority interests	746,674,318.08	729,667,566.63
Total equity or shareholders' equity	63,789,897,764.80	58,595,262,138.82
Total liabilities and equity or shareholders' equity	249,185,088,957.45	239,107,601,376.24

*Person-in-charge of
the Company:*
Liu Qiuming

*Person-in-charge of the
accounting affairs:*
Liu Qiuming

*Head of the accounting
department:*
Mou Haixia

Consolidated Income Statement

January to March 2022

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	First quarter of 2022	First quarter of 2021
I. Operating income	2,181,100,549.72	3,327,363,196.96
Net interest income	602,580,467.00	638,173,536.47
Including: Interest income	1,448,995,876.08	1,581,794,746.59
Interest expenses	846,415,409.08	943,621,210.12
Net fee and commission income	1,551,890,115.44	2,002,449,929.69
Including: Net fee income from brokerage business	878,940,950.95	1,070,169,249.39
Net fee income from investment banking business	317,399,245.12	582,910,687.59
Net fee income from asset management business and fund management business	326,306,946.58	321,856,843.11
Investment gains (loss expressed with “()”)	499,358,459.77	895,165,449.43
Including: Gains attributable to investment in associates and joint ventures	19,793,741.36	19,758,277.27
Gains arising from derecognition of financial assets carried at amortised cost (loss expressed with “()”)	315,611.79	1,737,878.71
Other income	28,733,881.00	32,336,630.48
Gains arising from fair value changes (loss expressed with “()”)	(564,764,793.41)	(1,024,727,692.00)
Foreign exchange gains (loss expressed with “()”)	1,602,619.84	7,065,783.16
Other operating income	61,551,282.77	776,904,508.96
Gains from disposal of assets (loss expressed with “()”)	148,517.31	(4,949.23)
II. Operating expenses	1,267,170,127.80	2,393,018,032.41
Tax and surcharges	17,892,426.73	19,595,134.86
General and administrative expenses	1,346,325,067.02	1,503,271,870.41
Credit impairment losses	(155,968,089.72)	95,671,194.95
Impairment losses on other assets	–	1,261,369.27
Other operating cost	58,920,723.77	773,218,462.92
III. Operating profit (loss expressed with “()”)	913,930,421.92	934,345,164.55
Add: Non-operating income	264,479.98	2,567,992.80
Less: Non-operating expenses	1,834,992.65	597,241.55

Items	First quarter of 2022	First quarter of 2021
IV. Gross profit (gross loss expressed with “()”)	912,359,909.25	936,315,915.80
Less: Income tax expense	229,263,892.62	217,525,587.56
V. Net profit (net loss expressed with “()”)	683,096,016.63	718,790,328.24
(I) Classified by continuity of operation		
1. Net profit from continued operation (net loss expressed with “()”)	683,096,016.63	718,790,328.24
(II) Classified by ownership		
1. Net profit attributable to shareholders of the parent company (net loss expressed with “()”)	666,089,265.19	696,691,061.76
2. Gain/loss attributable to minority interests (net loss expressed with “()”)	17,006,751.44	22,099,266.48
VI. Other comprehensive income, net of tax	11,652,816.89	(159,005,221.42)
Other comprehensive income, net of tax, attributable to owners of the parent company	11,652,816.89	(159,005,221.42)
(I) Other comprehensive income that may not be reclassified to profit or loss	15,248,919.85	(165,228,754.08)
1. Changes in fair value of other equity instruments investment	15,248,919.85	(165,228,754.08)
(II) Other comprehensive income that may be reclassified to profit or loss	(3,596,102.96)	6,223,532.66
1. Other comprehensive income under equity method that may be reclassified to profit and loss	6,236,983.89	251,671.13
2. Change in fair value of other debt investments	(4,116,107.08)	5,194,519.48
3. Credit loss provisions for other debt investments	(80,837.99)	469,896.11
4. Currency translation difference	(5,636,141.78)	307,445.94
Other comprehensive income, net of tax, attributable to the minority interests	-	-
VII. Total comprehensive income	694,748,833.52	559,785,106.82
Total comprehensive income attributable to owners of the parent company	677,742,082.08	537,685,840.34
Total comprehensive income attributable to the minority interests	17,006,751.44	22,099,266.48
VIII. Earnings per share:		
(I) Basic earnings per share (Yuan/share)	0.13	0.15
(II) Diluted earnings per share (Yuan/share)	0.13	0.15
<i>Person-in-charge of the Company:</i> Liu Qiuming	<i>Person-in-charge of the accounting affairs:</i> Liu Qiuming	<i>Head of the accounting department:</i> Mou Haixia

Consolidated Statement of Cash Flows

January to March 2022

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	First quarter of 2022	First quarter of 2021
I. Cash flows generated from operating activities:		
Net decrease in financial assets held for trading	3,510,512,085.86	–
Net increase in placements from other financial institutions	1,951,930,520.21	–
Net decrease in margin accounts receivable	4,463,819,186.74	1,153,630,979.01
Net increase in financial assets sold under repurchase agreements	4,402,025,831.76	7,912,780,168.67
Net cash received from securities trading agency services	3,659,899,832.63	5,053,224,023.12
Cash received from interests, fees and commissions	3,089,525,757.91	3,702,409,763.93
Decrease in finance lease receivables and sale and leaseback payments	325,677,953.69	291,121,485.77
Cash received relating to other operating activities	1,765,315,942.03	809,378,441.59
Sub-total of cash inflows from operating activities	23,168,707,110.83	18,922,544,862.09
Net increase in financial assets held for trading	–	1,018,534,289.61
Net decrease in placements from other financial institutions	–	7,018,697,355.11
Cash payment of interest, fees and commissions	597,756,831.61	697,101,266.51
Cash paid to and on behalf of employees	745,191,448.90	754,207,984.40
Payment for taxes and levies	813,921,345.92	951,690,528.34
Cash paid relating to other operating activities	1,366,642,402.01	1,724,289,254.52
Sub-total of cash outflows from operating activities	3,523,512,028.44	12,164,520,678.49
Net cash flows generated from operating activities	19,645,195,082.39	6,758,024,183.60
II. Cash flows generated from investing activities:		
Cash received from sales of investments	619,208,182.38	3,672,601,406.25
Cash received from return on investments	182,782,315.44	520,381,297.64
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets	418,398.99	46,647.46
Sub-total of cash inflows from investing activities	802,408,896.81	4,193,029,351.35
Cash paid for acquisition of investments	4,502,324,098.68	4,408,902,700.00
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	34,718,438.59	44,371,191.13
Sub-total of cash outflows from investing activities	4,537,042,537.27	4,453,273,891.13
Net cash flows generated from investing activities	(3,734,633,640.46)	(260,244,539.78)

Items	First quarter of 2022	First quarter of 2021
III. Cash flows generated from financing activities:		
Cash received from issuance of perpetual bonds	4,499,886,792.45	–
Cash received from issuance of bonds	10,812,762,100.00	18,482,080,000.00
Cash received from borrowings	1,730,544,641.38	7,687,590,122.23
Sub-total of cash inflows from financing activities	17,043,193,533.83	26,169,670,122.23
Cash paid for repayment of debts	15,339,690,000.00	14,795,760,000.00
Cash paid for repayment of borrowings	2,162,320,930.87	7,717,615,414.32
Cash paid for distribution of dividends, or profits or for interest expenses	493,134,688.76	407,826,124.05
Including: Dividends and profits paid by subsidiaries to minority interests	–	–
Cash paid for leases	77,474,325.42	78,005,348.20
Sub-total of cash outflows from financing activities	18,072,619,945.05	22,999,206,886.57
Net cash flows generated from financing activities	(1,029,426,411.22)	3,170,463,235.66
IV. Effects of changes in foreign exchange rates on cash and cash equivalents	1,602,619.84	7,065,783.16
V. Net increase in cash and cash equivalents	14,882,737,650.55	9,675,308,662.64
Add: Balance of cash and cash equivalents at the beginning of the period	63,291,279,738.98	61,933,204,224.22
VI. Balance of cash and cash equivalents at the end of the period	78,174,017,389.53	71,608,512,886.86
<i>Person-in-charge of the Company:</i> Liu Qiuming	<i>Person-in-charge of the accounting affairs:</i> Liu Qiuming	<i>Head of the accounting department:</i> Mou Haixia

Balance Sheet of the Parent

March 31, 2022

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	March 31, 2022	December 31, 2021
Assets:		
Cash and bank balances	54,920,279,740.78	37,028,901,483.31
Including: Cash deposits from customers	34,843,486,001.19	32,647,251,748.42
Clearing settlement funds	8,766,557,664.98	10,317,745,352.99
Including: Settlement funds held on behalf of brokerage customers	6,258,304,687.51	6,764,401,246.47
Margin accounts receivable	40,115,445,189.62	43,970,593,062.39
Derivative financial assets	404,932,116.31	418,834,948.57
Refundable deposits	1,243,072,998.97	1,226,605,453.61
Accounts receivable	454,613,096.93	480,970,719.73
Financial assets held under resale agreements	3,995,093,026.22	6,622,622,572.79
Financial investments:		
Financial assets held for trading	56,653,654,954.17	60,220,933,981.71
Debt investments	3,897,892,327.41	3,979,001,452.13
Other debt investments	12,820,860,304.87	13,098,078,717.30
Other equity instrument investments	1,470,288,421.96	472,667,986.37
Long-term equity investments	9,353,962,416.34	9,325,874,758.28
Fixed assets	692,301,898.48	698,797,270.97
Right-of-use asset	498,029,543.56	493,324,425.02
Intangible assets	141,790,589.20	157,329,956.18
Deferred income tax assets	1,850,399,208.90	1,836,093,673.71
Long-term deferred expenses	53,198,381.56	59,325,235.32
Other assets	2,408,153,180.41	1,737,063,509.18
Total assets	199,740,525,060.67	192,144,764,559.56

Items	March 31, 2022	December 31, 2021
Liabilities:		
Short-term debt instruments	5,733,631,578.10	7,244,955,835.27
Placements from other financial institutions	15,644,345,421.96	13,692,414,901.75
Derivative financial liabilities	825,629,360.05	349,208,876.47
Financial assets sold under repurchase agreements	20,673,356,100.73	19,342,985,402.22
Accounts payable to brokerage customers	39,969,574,115.85	38,024,725,562.40
Employee benefit payable	1,277,406,550.40	1,132,710,109.13
Taxes payable	718,798,062.42	831,396,041.99
Accounts payable	510,838,282.83	524,511,525.86
Contract liabilities	27,962,271.71	25,075,479.26
Bonds payables	44,822,612,179.62	47,826,703,516.86
Lease liabilities	504,721,642.91	499,536,243.31
Other liabilities	4,275,471,760.00	2,891,208,119.18
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Total liabilities	134,984,347,326.58	132,385,431,613.70
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Equity or shareholders' equity:		
Paid-in capital or share capital	4,610,787,639.00	4,610,787,639.00
Other equity instruments	9,498,943,396.22	4,999,056,603.77
Including: Perpetual bonds	9,498,943,396.22	4,999,056,603.77
Capital reserve	25,138,970,656.74	25,138,970,656.74
Other comprehensive income	99,628,978.87	82,340,020.20
Surplus reserve	3,748,566,127.45	3,748,566,127.45
General risk reserve	7,376,206,095.93	7,376,189,880.57
Retained profits	14,283,074,839.88	13,803,422,018.13
Total equity or shareholders' equity	64,756,177,734.09	59,759,332,945.86
	<hr/>	<hr/>
Total liabilities and equity or shareholders' equity	199,740,525,060.67	192,144,764,559.56
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<i>Person-in-charge of the Company:</i> Liu Qiuming	<i>Person-in-charge of the accounting affairs:</i> Liu Qiuming	<i>Head of the accounting department:</i> Mou Haixia

Income Statement of the Parent

January to March 2022

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	First quarter of 2022	First quarter of 2021
I. Operating income	1,365,402,567.93	1,764,914,651.09
Net interest income	486,229,132.13	496,495,957.12
Including: Interest income	1,254,725,243.26	1,362,556,188.69
Interest expenses	768,496,111.13	866,060,231.57
Net fee and commission income	1,009,637,123.21	1,379,114,648.71
Including: Net fee income from brokerage business	681,398,223.55	788,194,129.18
Net fee income from investment banking business	306,441,053.93	572,377,964.40
Investment gains (loss expressed with “()”)	102,862,712.30	838,409,655.71
Including: Gains attributable to investment in associates and joint ventures	21,850,674.17	16,980,226.23
Gains arising from derecognition of financial assets carried at amortised cost (loss expressed with “()”)	315,611.79	1,737,878.71
Other income	8,681,933.45	9,368,699.36
Gains arising from fair value changes (loss expressed with “()”)	(244,036,054.78)	(963,604,011.63)
Foreign exchange gains (loss expressed with “()”)	(1,753,464.27)	1,015,940.99
Other operating income	3,781,185.89	4,113,760.83
II. Operating expenses	739,636,040.79	1,149,507,490.00
Tax and surcharges	14,058,133.44	17,196,652.95
General and administrative expenses	896,421,215.17	1,031,731,182.27
Credit impairment losses	(176,875,911.39)	94,373,360.70
Other operating cost	6,032,603.57	6,206,294.08

Items	First quarter of 2022	First quarter of 2021
III. Operating profit (loss expressed with “()”)	625,766,527.14	615,407,161.09
Add: Non-operating income	228,612.01	2,338,832.32
Less: Non-operating expenses	535,030.62	80,528.94
IV. Gross profit (gross loss expressed with “()”)	625,460,108.53	617,665,464.47
Less: Income tax expense	145,791,071.42	125,770,878.78
V. Net profit (net loss expressed with “()”)	479,669,037.11	491,894,585.69
(I) Net profit from continued operation (net loss expressed with “()”)	479,669,037.11	491,894,585.69
VI. Other comprehensive income, net of tax	17,288,958.67	(159,312,667.36)
(I) Other comprehensive income that may not be reclassified to profit or loss	15,248,919.85	(165,228,754.08)
1. Changes in fair value of other equity instruments investment	15,248,919.85	(165,228,754.08)
(II) Other comprehensive income that may be reclassified to profit or loss	2,040,038.82	5,916,086.72
1. Other comprehensive income under equity method that may be reclassified to profit and loss	6,236,983.89	251,671.13
2. Change in fair value of other debt investments	(4,116,107.08)	5,194,519.48
3. Credit loss provisions for other debt investments	(80,837.99)	469,896.11
VII. Total comprehensive income	496,957,995.78	332,581,918.33

*Person-in-charge of
the Company:*
Liu Qiuming

*Person-in-charge of
the accounting affairs:*
Liu Qiuming

*Head of the
accounting department:*
Mou Haixia

Statement of Cash Flows of the Parent
January to March 2022

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	First quarter of 2022	First quarter of 2021
I. Cash flows generated from operating activities:		
Net decrease in financial assets held for trading	3,221,716,163.44	–
Net increase in placements from other financial institutions	1,951,930,520.21	–
Net decrease in margin accounts receivable	3,929,444,388.47	991,187,664.19
Net increase in financial assets sold under repurchase agreements	4,140,408,876.12	7,873,097,524.60
Net cash received from securities trading agency services	1,305,684,693.03	1,835,843,533.88
Cash received from interests, fees and commissions	2,401,931,121.27	2,859,476,902.43
Cash received relating to other operating activities	2,270,405,666.53	258,786,757.99
Sub-total of cash inflows from operating activities	19,221,521,429.07	13,818,392,383.09
Net increase in financial assets held for trading	–	1,543,089,819.42
Net decrease in placements from other financial institutions	–	7,018,697,355.11
Cash payment of interest, fees and commissions	541,684,461.62	480,037,847.53
Cash paid to and on behalf of employees	546,748,523.39	550,246,706.39
Payment for taxes and levies	374,921,887.67	435,082,561.75
Cash paid relating to other operating activities	390,974,380.72	52,561,380.67
Sub-total of cash outflows from operating activities	1,854,329,253.40	10,079,715,670.87
Net cash flows generated from operating activities	17,367,192,175.67	3,738,676,712.22
II. Cash flows generated from investing activities:		
Cash received from sales of investments	617,774,867.70	5,574,329,050.41
Cash received from return on investments	179,051,867.29	495,629,187.79
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets	191,326.50	47,525.33
Sub-total of cash inflows from investing activities	797,018,061.49	6,070,005,763.53
Cash paid for acquisition of investments	1,262,324,098.68	4,388,902,700.00
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	30,823,455.47	40,757,383.68
Sub-total of cash outflows from investing activities	1,293,147,554.15	4,429,660,083.68
Net cash flows generated from investing activities	(496,129,492.66)	1,640,345,679.85

Items	First quarter of 2022	First quarter of 2021
III. Cash flows generated from financing activities:		
Cash received from issuance of perpetual bonds	4,499,886,792.45	–
Cash received from issuance of bonds	10,812,762,100.00	18,482,080,000.00
Sub-total of cash inflows from financing activities	15,312,648,892.45	18,482,080,000.00
Cash paid for repayment of debts	15,339,690,000.00	14,595,760,000.00
Cash paid for distribution of dividends, or profits or for interest expenses	448,958,083.32	367,939,054.64
Cash paid for leases	51,105,658.01	46,101,769.80
Sub-total of cash outflows from financing activities	15,839,753,741.33	15,009,800,824.44
Net cash flows generated from financing activities	(527,104,848.88)	3,472,279,175.56
IV. Effects of changes in foreign exchange rates on cash and cash equivalents	(1,753,464.27)	1,015,940.99
V. Net increase in cash and cash equivalents	16,342,204,369.86	8,852,317,508.62
Add: Balance of cash and cash equivalents at the beginning of the period	47,343,055,170.11	45,700,823,634.46
VI. Balance of cash and cash equivalents at the end of the period	63,685,259,539.97	54,553,141,143.08
<i>Person-in-charge of the Company:</i> Liu Qiuming	<i>Person-in-charge of the accounting affairs:</i> Liu Qiuming	<i>Head of the accounting department:</i> Mou Haixia

Information on making adjustment to related items in the financial statement at the beginning of such year against initial application of the new accounting standards in 2022

Applicable Not Applicable