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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)

2023 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 2023 first quarterly report (the “**Quarterly Report**”) of Everbright Securities Company Limited (the “**Company**”) and its subsidiaries as of March 31, 2023. 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 of the Quarterly Report, the Chinese version shall prevail.

By order of the board of directors
Everbright Securities Company Limited
Zhao Ling
Chairman

Shanghai, the PRC
April 27, 2023

As at the date of this announcement, the board of directors of the Company comprises Mr. Zhao Ling (Chairman, Executive Director), Mr. Liu Qiuming (Executive Director, President), Mr. Song Bingfang (Non-executive Director), Mr. Fu Jianping (Non-executive Director), Mr. Yin Yanwu (Non-executive Director), Mr. Chan Ming Kin (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 information contained in this Quarterly Report.

WHETHER THE FINANCIAL STATEMENTS FOR THE FIRST QUARTER HAVE BEEN AUDITED

☐ Yes ☒ No

1. KEY FINANCIAL DATA

(I) Key accounting data and financial indicators

<i>Unit: Yuan Currency: RMB</i>			
Items	The Reporting Period	Increase/decrease during the Reporting Period as compared to the same period of last year (%)	
Operating income	2,750,179,404.48	26.09	
Net profit attributable to shareholders of the listed company	957,777,036.47	43.79	
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	853,496,067.61	30.86	
Net cash flow generated from operating activities	2,311,779,682.98	(88.23)	
Basic earnings per share (Yuan/share)	0.19	43.77	
Diluted earnings per share (Yuan/share)	0.19	43.77	
Weighted average return on net assets (%)	1.57	Increased by 0.46 percentage point	
	The end of the Reporting Period	The end of last year	Increase/decrease at the end of the Reporting Period as compared to the end of last year (%)
Total assets	256,964,103,150.34	258,354,482,199.15	(0.54)
Equity attributable to shareholders of the listed company	65,038,947,839.73	64,004,833,437.13	1.62

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

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount during the Reporting Period	Description
Gains or losses from disposal of non-current assets	531,950.94	
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	117,616,946.90	Fiscal aid
Other non-operating income and expenses except for items above	23,166,545.80	
Less: effect of income tax	35,473,624.31	
Effect of minority interests (net of tax)	<u>1,560,850.47</u>	
Total	<u>104,280,968.86</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		
Net profit attributable to shareholders of the listed company	43.79	Mainly due to the year-on-year increase in operating income of the Company, of which investment gains, gains arising from fair value changes and other income increased by 32.86%, 154.59% and 395.05%, respectively
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	30.86	
Basic earnings per share (Yuan/share)	43.77	
Diluted earnings per share (Yuan/share)	43.77	
Weighted average return on net assets (%)	Increased by 0.46 percentage point	
2. Items of the Balance Sheet		
Clearing settlement funds	(41.41)	Decrease in clearing settlement funds of customers
Financial assets held under resale agreements	(75.86)	Decrease in bond reverse repurchase
Placements from other financial institutions	(60.63)	Mainly due to the decrease in scale of inter-bank borrowing
Financial liabilities held for trading	249.14	Increase in the number and scale of consolidated structured entities
Derivative financial liabilities	48.45	Size and fair value changes of equity derivatives
3. Items of Income Statement		
Investment gains (loss expressed with “()”)	32.86	Changes in income from investment trading and derivatives business due to market volatility
Gains arising from fair value changes (loss expressed with “()”)	154.59	
Other gains	395.05	Increase in government grants received
Credit impairment losses (reversal expressed with “()”)	93.55	The reversal of impairment losses due to the recovery of stock pledge projects last year, however, there was no such event this year
Other operating income	(42.50)	Decrease in the scale of bulk commodity trading
Other operating cost	(42.64)	
Other comprehensive income, net of tax	559.52	Mainly due to changes in fair value of investments in other equity instruments
4. Items of Cash Flow Statement		
Net cash flows generated from operating activities	(88.23)	Mainly due to increase in net cash outflow arising from placements from other financial institutions and accounts payable to brokerage customers
Net cash flows generated from investing activities	(124.70)	Mainly due to the increase in other debt investment scale during the period

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	212,361	Total number of shareholders of preference shares with voting rights restored at the end of the Reporting Period (if any)		N/A		
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	–	None	–
HKSCC Nominees Limited	Unknown	703,689,500	15.26	–	Unknown	–
China Securities Finance Corporation Limited	Others	130,090,372	2.82	–	None	–
Hong Kong Securities Clearing Company Limited	Others	53,926,197	1.17	–	None	–
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	Others	41,675,592	0.90	–	None	–
China Construction Bank Corporation – Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	Others	30,023,638	0.65	–	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	–

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
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	703,689,500	Overseas listed foreign shares	703,689,500
China Securities Finance Corporation Limited	130,090,372	RMB ordinary shares	130,090,372
Hong Kong Securities Clearing Company Limited	53,926,197	RMB ordinary shares	53,926,197
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	41,675,592	RMB ordinary shares	41,675,592
China Construction Bank Corporation – Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	30,023,638	RMB ordinary shares	30,023,638
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
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	<p>China Everbright Limited is a controlled subsidiary of China Everbright Holdings Company Limited, a wholly-owned subsidiary of China Everbright Group Ltd.</p> <p>Save for the above, the Company is unaware of any connected relationships or action in concert between the above shareholders.</p>
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 any other involvement of the top 10 shareholders and the top 10 shareholders without selling restrictions in margin financing and securities lending, and refinancing.
<i>Note 1:</i> As at the end of the Reporting Period, there were a total of 212,361 ordinary shareholders, which included 212,199 A shareholders and 162 registered H shareholders.	
<i>Note 2:</i> HKSCC Nominees Limited holds the H Shares as a nominee holder on behalf of the non-registered H shareholders of the Company.	
<i>Note 3:</i> Hong Kong Securities Clearing Company Limited is the nominee holder of the Shanghai-Hong Kong Stock Connect shares.	
<i>Note 4:</i> 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, 2023

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	March 31, 2023	December 31, 2022
Assets:		
Cash and bank balances	68,623,848,362.46	68,203,738,226.76
Including: Cash deposits from customers	50,325,028,214.99	54,234,230,153.63
Clearing settlement funds	5,200,743,194.82	8,876,592,313.36
Including: Settlement funds held on behalf of brokerage customers	4,848,361,794.95	7,687,911,274.21
Margin accounts receivable	37,997,077,948.82	36,814,355,995.45
Derivative financial assets	1,116,756,558.05	1,107,394,749.60
Refundable deposits	10,575,162,491.04	9,701,251,783.50
Accounts receivable	1,691,602,148.16	1,450,422,460.99
Financial assets held under resale agreements	338,903,036.44	1,404,133,779.63
Financial investments:		
Financial assets held for trading	88,105,212,050.06	92,067,674,973.17
Debt investments	3,437,732,946.93	3,589,372,001.21
Other debt investments	27,015,746,144.29	21,750,475,657.38
Other equity instrument investments	2,466,424,449.55	2,485,330,561.63
Long-term equity investments	1,083,288,152.68	1,062,534,851.93
Investment properties	11,971,183.71	12,151,073.19
Fixed assets	810,811,823.49	822,988,303.39
Construction in progress	158,511.50	158,511.50
Right-of-use assets	494,720,721.89	542,666,054.98
Intangible assets	240,088,211.93	215,492,376.34
Goodwill	818,215,943.34	834,717,709.02
Deferred income tax assets	2,306,578,353.95	2,480,144,611.22
Long-term deferred expenses	50,365,870.21	53,709,917.09
Other assets	4,578,695,047.02	4,879,176,287.81
Total assets	256,964,103,150.34	258,354,482,199.15

Items	March 31, 2023	December 31, 2022
Liabilities:		
Short-term borrowings	2,078,015,169.57	2,051,500,091.31
Short-term financing payables	6,300,524,245.64	8,575,314,930.26
Placements from other financial institutions	5,395,567,579.41	13,704,054,683.14
Financial liabilities held for trading	340,260,513.23	97,457,817.81
Derivative financial liabilities	1,043,896,438.48	703,188,689.63
Financial assets sold under repurchase agreements	40,127,986,562.17	31,249,189,174.07
Accounts payable to brokerage customers	62,950,192,667.82	68,926,080,064.28
Employee benefit payable	2,078,856,280.03	1,818,516,883.32
Taxes payable	218,343,102.75	254,199,757.02
Accounts payable	951,047,609.30	1,228,421,244.28
Contract liabilities	38,442,568.95	44,635,560.69
Accrued liabilities	5,284,293,318.32	5,284,293,318.32
Long-term borrowings	3,111,764,080.15	3,188,704,597.77
Bonds payables	43,676,500,091.13	41,616,483,391.36
Lease liabilities	510,184,852.52	561,400,460.29
Deferred income tax liabilities	17,327,204.48	22,872,995.44
Other liabilities	17,009,851,690.57	14,243,730,005.90
Total liabilities	191,133,053,974.52	193,570,043,664.89
Equity or shareholders' equity:		
Paid-in capital or share capital	4,610,787,639.00	4,610,787,639.00
Other equity instruments	9,498,934,603.72	9,498,943,396.22
Including: Perpetual bonds	9,498,934,603.72	9,498,943,396.22
Capital reserve	24,198,179,990.74	24,198,686,523.37
Other comprehensive income	(335,939,140.45)	(412,791,831.81)
Surplus reserve	4,042,363,284.11	4,042,363,284.11
General risk reserve	9,788,450,025.04	9,780,180,895.86
Retained profits	13,236,171,437.57	12,286,663,530.38
Total equity attributable to the owners of the parent company or shareholders' equity	65,038,947,839.73	64,004,833,437.13
Minority interests	792,101,336.09	779,605,097.13
Total equity or shareholders' equity	65,831,049,175.82	64,784,438,534.26
Total liabilities and equity or shareholders' equity	256,964,103,150.34	258,354,482,199.15
<i>Person-in-charge of the Company:</i> Zhao Ling	<i>Person-in-charge of the accounting affairs:</i> Mei Jian	<i>Head of the accounting department:</i> Mou Haixia

Consolidated Income Statement*January to March 2023*

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	First quarter of 2023	First quarter of 2022
I. Operating income	2,750,179,404.48	2,181,100,549.72
Net interest income	421,980,322.44	602,580,467.00
Including: Interest income	1,222,079,058.38	1,448,995,876.08
Interest expenses	800,098,735.94	846,415,409.08
Net fee and commission income	1,171,744,997.86	1,551,890,115.44
Including: Net fee income from brokerage business	737,309,151.73	878,940,950.95
Net fee income from investment banking business	192,141,799.53	317,399,245.12
Net fee income from asset management business and fund management business	218,576,646.39	326,306,946.58
Investment gains (loss expressed with “()”)	663,448,097.89	499,358,459.77
Including: Gains attributable to investment in associates and joint ventures	26,797,398.94	19,793,741.36
Gains arising from derecognition of financial assets carried at amortised cost (loss expressed with “()”)	446,064.16	315,611.79
Other income	142,247,886.51	28,733,881.00
Gains arising from fair value changes (loss expressed with “()”)	308,292,053.27	(564,764,793.41)
Foreign exchange gains (loss expressed with “()”)	7,071,674.86	1,602,619.84
Other operating income	35,394,371.65	61,551,282.77
Gains from disposal of assets (loss expressed with “()”)	–	148,517.31
II. Operating expenses	1,533,584,465.21	1,267,170,127.80
Tax and surcharges	13,987,444.14	17,892,426.73
General and administrative expenses	1,495,866,094.53	1,346,325,067.02
Credit impairment losses (reversal expressed with “()”)	(10,060,135.51)	(155,968,089.72)
Impairment losses on other assets (reversal expressed with “()”)	(4,582.05)	–
Other operating cost	33,795,644.10	58,920,723.77
III. Operating profit (loss expressed with “()”)	1,216,594,939.27	913,930,421.92
Add: Non-operating income	816,751.12	264,479.98
Less: Non-operating expenses	1,749,193.99	1,834,992.65
IV. Gross profit (gross loss expressed with “()”)	1,215,662,496.40	912,359,909.25
Less: Income tax expense	245,389,220.96	229,263,892.62

Items	First quarter of 2023	First quarter of 2022
V. Net profit (net loss expressed with “()”)	970,273,275.44	683,096,016.63
(I) Classified by continuity of operation		
1. Net profit from continued operation (net loss expressed with “()”)	970,273,275.44	683,096,016.63
(II) Classified by ownership		
1. Net profit attributable to shareholders of the parent company (net loss expressed with “()”)	957,777,036.47	666,089,265.19
2. Gain/loss attributable to minority interests (net loss expressed with “()”)	12,496,238.97	17,006,751.44
VI. Other comprehensive income, net of tax	76,852,691.36	11,652,816.89
Other comprehensive income, net of tax, attributable to owners of the parent company	76,852,691.36	11,652,816.89
(I) Other comprehensive income that may not be reclassified to profit or loss	84,538,102.40	15,248,919.85
1. Changes in fair value of other equity instruments investment	84,538,102.40	15,248,919.85
(II) Other comprehensive income that may be reclassified to profit or loss	(7,685,411.04)	(3,596,102.96)
1. Other comprehensive income under equity method that may be reclassified to profit and loss	(3,756,605.26)	6,236,983.89
2. Change in fair value of other debt investments	4,259,192.26	(4,116,107.08)
3. Credit loss provisions for other debt investments	2,259,600.29	(80,837.99)
4. Currency translation difference	(10,447,598.33)	(5,636,141.78)
Other comprehensive income, net of tax, attributable to the minority interests	—	—
VII. Total comprehensive income	1,047,125,966.80	694,748,833.52
Total comprehensive income attributable to owners of the parent company	1,034,629,727.83	677,742,082.08
Total comprehensive income attributable to the minority interests	12,496,238.97	17,006,751.44
VIII. Earnings per share:		
(I) Basic earnings per share (Yuan/share)	0.19	0.13
(II) Diluted earnings per share (Yuan/share)	0.19	0.13
<i>Person-in-charge of the Company:</i> Zhao Ling	<i>Person-in-charge of the accounting affairs:</i> Mei Jian	<i>Head of the accounting department:</i> Mou Haixia

Consolidated Statement of Cash Flows
January to March 2023

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	First quarter of 2023	First quarter of 2022
I. Cash flows generated from operating activities:		
Net decrease in financial instruments held for trading	6,908,870,573.16	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
Net increase in financial assets sold under repurchase agreements	9,949,163,107.50	4,402,025,831.76
Net cash received from securities trading agency services	–	3,659,899,832.63
Cash received from interests, fees and commissions	2,466,634,923.70	3,089,525,757.91
Decrease in finance lease receivables and sale and leaseback payments	113,951,096.85	325,677,953.69
Cash received relating to other operating activities	2,328,829,131.90	1,765,315,942.03
Sub-total of cash inflows from operating activities	21,767,448,833.11	23,168,707,110.83
Net increase in placements from other financial institutions	8,308,487,103.73	–
Net increase in margin accounts receivable	1,156,617,685.14	–
Net cash paid for securities trading agency services	6,836,444,953.06	–
Cash payment of interest, fees and commissions	501,952,221.82	597,756,831.61
Cash paid to and on behalf of employees	821,889,633.66	745,191,448.90
Payment for taxes and levies	205,106,443.22	813,921,345.92
Cash paid relating to other operating activities	1,625,171,109.50	1,366,642,402.01
Sub-total of cash outflows from operating activities	19,455,669,150.13	3,523,512,028.44
Net cash flows generated from operating activities	2,311,779,682.98	19,645,195,082.39
II. Cash flows generated from investing activities:		
Cash received from sales of investments	3,278,809,070.52	619,208,182.38
Cash received from return on investments	332,504,063.52	182,782,315.44
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets	5,626,854.39	418,398.99
Sub-total of cash inflows from investing activities	3,616,939,988.43	802,408,896.81
Cash paid for acquisition of investments	11,893,308,651.19	4,502,324,098.68
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	115,522,067.43	34,718,438.59
Sub-total of cash outflows from investing activities	12,008,830,718.62	4,537,042,537.27
Net cash flows generated from investing activities	(8,391,890,730.19)	(3,734,633,640.46)

Items	First quarter of 2023	First quarter of 2022
III. Cash flows generated from financing activities:		
Cash received from issuance of perpetual bonds	–	4,499,886,792.45
Cash received from borrowings	2,743,822,472.36	1,730,544,641.38
Cash received from issuance of bonds	9,781,405,000.00	10,812,762,100.00
Sub-total of cash inflows from financing activities	12,525,227,472.36	17,043,193,533.83
Cash paid for repayment of debts	10,067,115,792.50	15,339,690,000.00
Cash paid for repayment of borrowings	2,752,898,882.36	2,162,320,930.87
Cash paid for distribution of dividends, or profits or for interest expenses	607,406,873.31	493,134,688.76
Including: Dividends and profits paid by subsidiaries to minority interests	–	–
Cash paid for leases	87,840,617.78	77,474,325.42
Sub-total of cash outflows from financing activities	13,515,262,165.95	18,072,619,945.05
Net cash flows generated from financing activities	(990,034,693.59)	(1,029,426,411.22)
IV. Effects of changes in foreign exchange rates on cash and cash equivalents	7,071,674.86	1,602,619.84
V. Net increase in cash and cash equivalents	(7,063,074,065.94)	14,882,737,650.55
Add: Balance of cash and cash equivalents at the beginning of the period	66,215,076,514.60	63,291,279,738.98
VI. Balance of cash and cash equivalents at the end of the period	59,152,002,448.66	78,174,017,389.53
<i>Person-in-charge of the Company:</i> Zhao Ling	<i>Person-in-charge of the accounting affairs:</i> Mei Jian	<i>Head of the accounting department:</i> Mou Haixia

Balance Sheet of the Parent*March 31, 2023*

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	March 31, 2023	December 31, 2022
Assets:		
Cash and bank balances	36,848,769,738.85	36,752,419,273.12
Including: Cash deposits from customers	28,734,941,039.85	31,436,768,208.78
Clearing settlement funds	11,806,899,493.86	13,338,239,626.37
Including: Settlement funds held on behalf of brokerage customers	4,848,361,794.95	7,687,911,274.21
Margin accounts receivable	35,219,256,637.05	33,951,179,300.43
Derivative financial assets	1,087,226,116.38	1,095,495,969.72
Refundable deposits	361,055,830.12	951,629,743.25
Accounts receivable	119,615,277.91	205,634,469.34
Financial assets held under resale agreements	170,396,617.11	1,366,237,025.11
Financial investments:		
Financial assets held for trading	80,627,622,137.70	84,292,936,578.29
Debt investments	3,565,050,501.67	3,589,372,001.21
Other debt investments	27,015,746,144.29	21,750,475,657.38
Other equity instrument investments	2,393,880,781.22	2,412,786,893.30
Long-term equity investments	9,419,908,044.72	9,397,224,078.68
Investment properties	11,971,183.71	12,151,073.19
Fixed assets	688,346,037.38	695,677,531.18
Right-of-use assets	402,859,844.51	429,916,411.02
Intangible assets	155,819,150.03	129,174,212.19
Deferred income tax assets	1,817,301,014.85	1,973,043,026.51
Long-term deferred expenses	46,244,834.85	50,108,125.89
Other assets	2,711,850,847.23	3,042,246,323.00
Total assets	214,469,820,233.44	215,435,947,319.18

Items	March 31, 2023	December 31, 2022
Liabilities:		
Short-term financing payables	6,300,524,245.64	8,575,314,930.26
Placements from other financial institutions	5,395,567,579.41	13,704,054,683.14
Derivative financial liabilities	979,614,986.38	687,837,986.63
Financial assets sold under repurchase agreements	39,444,204,011.10	30,475,739,082.00
Accounts payable to brokerage customers	32,443,412,433.81	38,163,594,593.73
Employee benefit payable	1,567,260,809.39	1,326,883,384.43
Taxes payable	67,786,178.99	88,069,428.33
Accounts payable	523,110,764.69	515,494,673.01
Contract liabilities	28,557,366.04	31,670,573.58
Bonds payables	43,676,500,091.13	41,616,483,391.36
Lease liabilities	404,038,303.95	434,771,021.45
Other liabilities	17,209,590,978.29	14,198,150,915.70
Total liabilities	148,040,167,748.82	149,818,064,663.62
Equity or shareholders' equity:		
Paid-in capital or share capital	4,610,787,639.00	4,610,787,639.00
Other equity instruments	9,498,934,603.72	9,498,943,396.22
Including: Perpetual bonds	9,498,934,603.72	9,498,943,396.22
Capital reserve	25,138,970,656.74	25,138,970,656.74
Other comprehensive income	31,141,242.26	(56,159,047.43)
Surplus reserve	4,042,363,284.11	4,042,363,284.11
General risk reserve	7,963,866,728.07	7,963,845,480.83
Retained profits	15,143,588,330.72	14,419,131,246.09
Total equity or shareholders' equity	66,429,652,484.62	65,617,882,655.56
Total liabilities and equity or shareholders' equity	214,469,820,233.44	215,435,947,319.18
<i>Person-in-charge of the Company:</i> Zhao Ling	<i>Person-in-charge of the accounting affairs:</i> Mei Jian	<i>Head of the accounting department:</i> Mou Haixia

Income Statement of the Parent*January to March 2023*

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	First quarter of 2023	First quarter of 2022
I. Operating income	1,981,875,538.19	1,365,402,567.93
Net interest income	282,918,134.60	486,229,132.13
Including: Interest income	962,694,861.58	1,254,725,243.26
Interest expenses	679,776,726.98	768,496,111.13
Net fee and commission income	787,897,839.06	1,009,637,123.21
Including: Net fee income from brokerage business	581,326,342.91	681,398,223.55
Net fee income from investment banking business	187,514,554.87	306,441,053.93
Investment gains (loss expressed with “()”)	561,685,795.54	102,862,712.30
Including: Gains attributable to investment in associates and joint ventures	26,440,571.30	21,850,674.17
Gains arising from derecognition of financial assets carried at amortised cost (loss expressed with “()”)	446,064.16	315,611.79
Other income	25,295,993.90	8,681,933.45
Gains arising from fair value changes (loss expressed with “()”)	320,806,703.07	(244,036,054.78)
Foreign exchange gains (loss expressed with “()”)	(115,633.85)	(1,753,464.27)
Other operating income	3,386,705.87	3,781,185.89
II. Operating expenses	1,087,951,048.39	739,636,040.79
Tax and surcharge	12,405,661.40	14,058,133.44
General and administrative expenses	1,081,363,768.96	896,421,215.17
Credit impairment losses (reversal expressed with “()”)	(8,874,235.88)	(176,875,911.39)
Other operating cost	3,055,853.91	6,032,603.57
III. Operating profit (loss expressed with “()”)	893,924,489.80	625,766,527.14
Add: Non-operating income	654,642.61	228,612.01
Less: Non-operating expenses	5,617.79	535,030.62
IV. Gross profit (gross loss expressed with “()”)	894,573,514.62	625,460,108.53
Less: Income tax expense	170,095,182.75	145,791,071.42
V. Net profit (net loss expressed with “()”)	724,478,331.87	479,669,037.11
(I) Net profit from continued operation (net loss expressed with “()”)	724,478,331.87	479,669,037.11

Items	First quarter of 2023	First quarter of 2022
VI. Other comprehensive income, net of tax	87,300,289.69	17,288,958.67
(I) Other comprehensive income that may not be reclassified to profit or loss	84,538,102.40	15,248,919.85
1. Changes in fair value of other equity instruments investment	84,538,102.40	15,248,919.85
(II) Other comprehensive income that may be reclassified to profit or loss	2,762,187.29	2,040,038.82
1. Other comprehensive income under equity method that may be reclassified to profit and loss	(3,756,605.26)	6,236,983.89
2. Change in fair value of other debt investments	4,259,192.26	(4,116,107.08)
3. Credit loss provisions for other debt investments	2,259,600.29	(80,837.99)
VII. Total comprehensive income	811,778,621.56	496,957,995.78
<i>Person-in-charge of the Company:</i> Zhao Ling	<i>Person-in-charge of the accounting affairs:</i> Mei Jian	<i>Head of the accounting department:</i> Mou Haixia

Statement of Cash Flows of the Parent
January to March 2023

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	First quarter of 2023	First quarter of 2022
I. Cash flows generated from operating activities:		
Net decrease in financial instruments held for trading	6,360,052,552.48	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
Net increase in financial assets sold under repurchase agreements	10,184,202,377.52	4,140,408,876.12
Net cash received from securities trading agency services	–	1,305,684,693.03
Cash received from interests, fees and commissions	1,762,862,938.08	2,401,931,121.27
Cash received relating to other operating activities	1,978,556,134.17	2,270,405,666.53
Sub-total of cash inflows from operating activities	20,285,674,002.25	19,221,521,429.07
Net increase in placements from other financial institutions	8,308,487,103.73	–
Net increase in margin accounts receivable	1,216,837,953.03	–
Net cash paid for securities trading agency services	5,222,283,270.71	–
Cash payment of interest, fees and commissions	453,011,720.70	541,684,461.62
Cash paid to and on behalf of employees	593,492,035.07	546,748,523.39
Payment for taxes and levies	135,231,705.66	374,921,887.67
Cash paid relating to other operating activities	212,445,905.63	390,974,380.72
Sub-total of cash outflows from operating activities	16,141,789,694.53	1,854,329,253.40
Net cash flows generated from operating activities	4,143,884,307.72	17,367,192,175.67
II. Cash flows generated from investing activities:		
Cash received from sales of investments	3,270,750,353.12	617,774,867.70
Cash received from return on investments	202,550,605.68	179,051,867.29
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets	316,843.73	191,326.50
Sub-total of cash inflows from investing activities	3,473,617,802.53	797,018,061.49
Cash paid for acquisition of investments	8,353,637,415.89	1,262,324,098.68
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	91,843,608.75	30,823,455.47
Sub-total of cash outflows from investing activities	8,445,481,024.64	1,293,147,554.15
Net cash flows generated from investing activities	(4,971,863,222.11)	(496,129,492.66)

Items	First quarter of 2023	First quarter of 2022
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	9,781,405,000.00	10,812,762,100.00
Sub-total of cash inflows from financing activities	9,781,405,000.00	15,312,648,892.45
Cash paid for repayment of debts	10,067,115,792.50	15,339,690,000.00
Cash paid for distribution of dividends, or profits or for interest expenses	491,826,964.26	448,958,083.32
Cash paid for leases	52,452,628.91	51,105,658.01
Sub-total of cash outflows from financing activities	10,611,395,385.67	15,839,753,741.33
Net cash flows generated from financing activities	(829,990,385.67)	(527,104,848.88)
IV. Effects of changes in foreign exchange rates on cash and cash equivalents	(115,633.85)	(1,753,464.27)
V. Net increase in cash and cash equivalents	(1,658,084,933.91)	16,342,204,369.86
Add: Balance of cash and cash equivalents at the beginning of the period	50,079,965,721.54	47,343,055,170.11
VI. Balance of cash and cash equivalents at the end of the period	48,421,880,787.63	63,685,259,539.97
<i>Person-in-charge of the Company:</i> Zhao Ling	<i>Person-in-charge of the accounting affairs:</i> Mei Jian	<i>Head of the accounting department:</i> Mou Haixia

(III) Adjustments to the financial statements at the beginning of the year against initial application of new accounting standards or interpretation of standards in 2023

☐ Applicable ☒ Not Applicable

It is hereby announced.

The board of directors of Everbright Securities Company Limited
April 27, 2023