Everbright Securities Company Limited
光 大 證 券 股 份 有 限 公 司

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

(Stock Code: 6178)

2019 THIRD 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 2019 third quarterly report of Everbright Securities Company Limited (the "**Company**") and its subsidiaries as of September 30, 2019. The financial report contained herein is prepared under the General Accepted Accounting Principles of the People's Republic of China and has not been audited. This report is prepared in both Chinese and English languages. In the event of any inconsistency between these two versions, the Chinese version shall prevail.

By order of the Board
Everbright Securities Company Limited
Yan Jun
Chairman

Shanghai, the PRC
October 28, 2019

As at the date of this announcement, the Board of the Company comprises Mr. Yan Jun (Chairman, Executive Director), Mr. Ju Hao (Non-executive Director), Mr. Song Bingfang (Non-executive Director), Mr. Yin Lianchen (Non-executive Director), Mr. Chan Ming Kin (Non-executive Director), Mr. Xue Keqing (Non-executive Director), Mr. Meng Xiangkai (Non-executive Director), Mr. Xu Jingchang (Independent Non-executive Director), Mr. Xiong Yan (Independent Non-executive Director), Mr. Li Zheping (Independent Non-executive Director), Mr. Au Sing Kun (Independent Non-executive Director) and Mr. Wang Yong (Independent Non-executive Director).

1. IMPORTANT NOTICE

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

1.2 All directors of the Company attended the Board meeting to review the quarterly report.

1.3 Yan Jun, the person-in-charge of the Company, Dong Jie, the person-in-charge of the accounting affairs, and He Mannian, the head of the accounting department (accounting head), warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

1.4 This third quarterly report of the Company has not been audited.

2. BASIC INFORMATION OF THE COMPANY

2.1 Key financial data

Unit: Yuan Currency: RMB

	As at September 30, 2019	As at December 31, 2018	Variance as at the end of the reporting period as compared with the end of last year (%)
Total assets	**205,670,972,110.92**	205,779,038,152.95	(0.05)
Net assets attributable to shareholders of the listed company	**49,221,204,098.26**	47,203,026,661.83	4.28

	January to September, 2019	January to September, 2018	Variance as compared with the corresponding period of last year (%)
Net cash flows generated from operating activities	**40,425,249,188.25**	(5,083,719,250.07)	N/A

	January to September, 2019	January to September, 2018	Variance as compared with the corresponding period of last year (%)
Operating income	**8,452,503,344.61**	5,848,859,537.47	44.52
Net profit attributable to shareholders of the listed company	**2,267,122,981.68**	1,176,776,113.91	92.66
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	**2,411,087,206.28**	1,033,339,773.84	133.33
Weighted average returns on net assets (%)	**4.70**	2.42	Increased by 2.28 percentage points
Basic earnings per share *(Yuan/share)*	**0.49**	0.26	92.66
Diluted earnings per share *(Yuan/share)*	**0.49**	0.26	92.66

Non-recurring profit or loss items and amounts

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Items	**July to September, 2019**	January to September, 2019	Description
Gains or losses from disposals of non-current assets	**210,926.35**	197,932.41	
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	**3,140,099.98**	140,286,595.06	Fiscal aid
Other non-operating income and expenses except for items above	**(16,348,343.39)**	(321,214,469.04)	
Effect of minority interests (net of tax)	**(186,937.08)**	(8,420,933.51)	
Effect of income tax	**3,250,614.80**	45,186,650.48	
Total	**(9,933,639.34)**	(143,964,224.60)	

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

Unit: share

Total number of shareholders	105,003, among which 104,820 are A shareholders and 183 are registered H shareholders

Shareholding of top ten shareholders

Name of shareholder (full name)	Shareholding at the end of the period	Shareholding (%)	Number of shares held subject to selling restrictions	Pledged or frozen Share state	Pledged or frozen Number	Nature of shareholder
China Everbright Group Corporation Limited	1,159,456,183	25.15	–	none	–	State-owned legal person
China Everbright Limited	982,250,000	21.30	–	none	–	Foreign legal person
HKSCC Nominees Limited	703,639,100	15.26	–	unknown	–	unknown
Pingan Dahua Fund – Pingan Bank – Ping An Bank Company Limited	147,518,447	3.20	–	none	–	Others
China Securities Finance Corporation Limited	137,863,472	2.99	–	none	–	Others
China Great Wall Asset Management Co., Ltd.	54,978,619	1.19	–	none	–	State-owned legal person
Hong Kong Securities Clearing Company Limited	43,425,047	0.94	–	none	–	Others
Central Huijin Asset Management Ltd.	37,568,900	0.81	–	none	–	State-owned legal person
ICBC Credit Suisse Fund – Agricultural Bank – ICBC Credit Suisse CSI Financial Assets Management Scheme	24,431,977	0.53	–	none	–	Others
E Fund – Agricultural Bank – E Fund China Securities and Financial Assets Management Program	23,174,586	0.50	–	none	–	Others

Shareholding of top ten shareholders holding shares without selling restrictions

Name of shareholder	Number of tradable shares held without selling restrictions	Class and number of shares: Class	Number
China Everbright Group Corporation Limited	1,159,456,183	RMB ordinary shares	1,159,456,183
China Everbright Limited	982,250,000	RMB ordinary shares	982,250,000
HKSCC Nominees Limited	703,639,100	Overseas listed foreign shares	703,639,100
Pingan Dahua Fund – Pingan Bank – Ping An Bank Company Limited	147,518,447	RMB ordinary shares	147,518,447
China Securities Finance Corporation Limited	137,863,472	RMB ordinary shares	137,863,472
China Great Wall Asset Management Co., Ltd.	54,978,619	RMB ordinary shares	54,978,619
Hong Kong Securities Clearing Company Limited	43,425,047	RMB ordinary shares	43,425,047
Central Huijin Asset Management Ltd.	37,568,900	RMB ordinary shares	37,568,900
ICBC Credit Suisse Fund – Agricultural Bank – ICBC Credit Suisse CSI Financial Assets Management Scheme	24,431,977	RMB ordinary shares	24,431,977
E Fund – Agricultural Bank – E Fund China Securities and Financial Assets Management Program	23,174,586	RMB ordinary shares	23,174,586

Description of the connected relationships or actions in concert of the above shareholders	Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd., which holds 55.67% shares in China Everbright Group Corporation Limited. China Everbright Limited is a controlled subsidiary of China Everbright Holdings Company Limited, a wholly-owned subsidiary of China Everbright Group Corporation Limited. Save for the above, the Company is unaware of whether the above shareholders are connected to each other or are parties acting in concert.

Note 1: HKSCC Nominees Limited is the nominee holder for the shares of the non-registered H shareholders of the Company

Note 2: Hong Kong Securities Clearing Company Limited is the nominal holder of the SSE securities of the Company

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

□ Applicable √Not Applicable

3. MAJOR EVENTS

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

√Applicable □Not Applicable

Unit: '0,000 Currency: RMB

Items	As at September 30, 2019	As at December 31, 2018	Increase/ Decrease (%)	Major reasons for the change
Cash and bank balances	**5,681,514**	4,020,376	41	Increase in cash deposits from customers
Clearing settlement funds	**651,207**	343,373	90	Increase in clearing settlement funds held on behalf of brokerage clients
Derivative financial assets	**825**	2,672	(69)	Decrease in equity derivatives
Refundable deposits	**442,647**	318,681	39	Increase in deposits with futures exchanges
Financial assets held under resale agreements	**901,874**	3,370,879	(73)	Decrease in scales of the reverse-repo collateralized by bonds and stocks
Other debt investments	**1,230,981**	839,888	47	Change in scales of proprietary bonds
Construction in progress	**2,317**	1,448	60	Increase in renovation works
Right-of-use asset	**76,777**	N/A	100	Impact of adopting the new leasing standard
Short-term borrowings	**194,262**	426,330	(54)	Decrease in short-term borrowings of subsidiaries
Short-term debt instruments issued	**354,084**	1,410,967	(75)	Decrease in the balances of short-term debts
Financial liabilities held for trading	**83,254**	28,762	189	Changes in the liabilities to other investors of structured entities
Derivative financial liabilities	**7,722**	49,282	(84)	Decrease in equity derivative instruments
Financial assets sold under repurchase agreements	**2,084,010**	1,595,382	31	Increase in scales of bond repurchase business

Items	As at September 30, 2019	As at December 31, 2018	Increase/ Decrease (%)	Major reasons for the change
Contract liabilities	**8**	N/A	100	Receipts in advance recognised in accordance with the new revenue standards
Lease liabilities	**75,345**	N/A	100	Impact of adopting the new leasing standard
Other liabilities	**917,925**	1,589,791	(42)	Changes in the payables to other interest holders of structured entities

Items	January to September, 2019	January to September, 2018	Increase/ Decrease (%)	Major reasons for the change
Net fee and commission income	**456,547**	341,704	34	Increase in net fee income from investment banking business and asset management business
Investment gains	**138,045**	10,812	1,177	Improvement in the investment performances of proprietary businesses
Gains arising from fair value changes	**111,766**	76,923	45	Improvement in the investment performances of proprietary businesses
Foreign exchange gains	**918**	(1,959)	N/A	Change in foreign exchange exposures
Other operating income	**5,157**	2,850	81	Mainly due to the increase in income of futures warehouse receipts business
Credit impairment losses	**49,106**	36,057	36	Increase in impairment losses on investments in debt instruments
Other operating cost	**2,649**	1,526	74	Increase in cost of futures warehouse receipts business

Items	**January to September, 2019**	January to September, 2018	Increase/ Decrease (%)	Major reasons for the change
Non-operating income	**100**	333	(70)	Decrease in fiscal aid included in the non-operating income
Non-operating cost	**32,397**	75	43,096	Provision for contingent liabilities
Income tax expense	**73,616**	38,546	91	Increase in taxable profits
Other comprehensive income, net of tax	**32,598**	5,846	458	Changes in fair value of other equity instruments investment

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

On September 20, 2019, the Company submitted an arbitration application to Shanghai Arbitration Commission over the dispute on the securities repurchase contract with Mr. Huang as the respondent, and the amount involved was approximately RMB11.7966 million. So far, the case has not yet been heard.

On September 25, 2019, the Company initiated legal proceedings to the People's Court of Jing'an District of Shanghai over the dispute on the pledge-style repo contract with Zhejiang Runcheng Holding Group Co., Ltd. (浙江潤成控股集團有限公司) as the defendant, and the amount involved was approximately RMB36.7585 million. So far, the case has not yet been heard.

3.3 Commitments not fulfilled during the reporting period

□Applicable √Not Applicable

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

□Applicable √Not Applicable

Name of the Company	**Everbright Securities Company Limited**
Legal representative	**Yan Jun (Acting)**
Date	October 28, 2019

4. APPENDIX

4.1 Financial statements

Consolidated Balance Sheet
September 30, 2019

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	September 30, 2019	December 31, 2018
Assets:		
Cash and bank balances	**56,815,137,554.89**	40,203,764,691.76
Including: Cash deposits from customers	**35,762,628,851.05**	31,276,227,774.54
Clearing settlement funds	**6,512,067,562.46**	3,433,734,850.06
Including: Settlement funds held on behalf of brokerage clients	**6,146,350,809.76**	1,958,316,167.84
Margin accounts receivable	**33,093,339,172.81**	30,337,928,466.34
Derivative financial assets	**8,254,793.83**	26,719,615.36
Refundable deposits	**4,426,468,597.26**	3,186,807,835.32
Accounts receivables	**2,810,356,773.48**	3,211,111,666.62
Financial assets held under resale agreements	**9,018,744,842.58**	33,708,788,436.47
Financial investments:		
Financial assets held for trading	**56,609,015,473.64**	57,649,337,675.08
Debt investments	**7,234,266,154.83**	7,902,881,243.00
Other debt investments	**12,309,810,130.67**	8,398,879,544.00
Other equity instrument investments	**5,183,498,438.07**	4,848,014,771.43
Long-term equity investments	**1,097,721,463.46**	1,096,310,499.43
Fixed assets	**845,334,237.22**	785,559,277.96
Construction in progress	**23,165,861.64**	14,483,827.74
Right-of-use asset	**767,773,770.29**	–
Intangible assets	**332,171,362.15**	436,213,629.13
Goodwill	**1,302,766,693.52**	1,257,045,864.96
Long-term deferred expenses	**68,674,044.07**	92,109,211.82
Deferred income tax assets	**1,024,327,638.82**	1,235,048,078.56
Other assets	**6,188,077,545.23**	7,954,298,967.91
Total assets	**205,670,972,110.92**	205,779,038,152.95

Items	September 30, 2019	December 31, 2018
Liabilities:		
Short-term borrowings	**1,942,617,469.98**	4,263,296,829.56
Short-term debt instruments issued	**3,540,837,925.08**	14,109,673,121.09
Placements from other financial institutions	**6,465,283,381.99**	5,609,349,089.41
Financial liabilities held for trading	**832,544,370.25**	287,615,615.86
Derivative financial liabilities	**77,216,193.49**	492,824,073.29
Financial assets sold under repurchase agreements	**20,840,104,644.93**	15,953,819,208.49
Accounts payable to brokerage customers	**45,064,460,227.88**	35,771,016,928.57
Employee benefit payable	**1,840,894,902.64**	1,497,240,610.71
Taxes payable	**635,819,377.75**	581,403,631.94
Accounts payable	**942,753,624.32**	819,323,661.39
Contract liabilities	**77,681.09**	–
Accrued liabilities	**1,699,938,012.22**	1,400,000,000.00
Long-term borrowings	**10,570,461,479.30**	10,718,429,969.67
Bonds payables	**50,370,092,226.15**	49,517,844,555.12
Lease liabilities	**753,451,066.14**	–
Deferred income tax liabilities	**99,820,280.39**	101,436,073.99
Other liabilities	**9,179,246,905.31**	15,897,910,364.55
Total liabilities	**154,855,619,768.91**	157,021,183,733.64
Equity or shareholders' equity:		
Paid-in capital or shares capital	**4,610,787,639.00**	4,610,787,639.00
Capital reserve	**23,300,295,172.76**	23,388,072,667.27
Other comprehensive income	**1,755,807.00**	(298,154,906.16)
Surplus reserve	**2,893,340,363.77**	2,893,340,363.77
General risk reserve	**6,529,806,934.57**	6,475,730,964.56
Retained profits	**11,885,218,181.16**	10,133,249,933.39
Total equity attributable to the owners of the parent company or shareholders' equity	**49,221,204,098.26**	47,203,026,661.83
Minority interests	**1,594,148,243.75**	1,554,827,757.48
Total equity or shareholders' equity	**50,815,352,342.01**	48,757,854,419.31
Total liabilities and equity or shareholders' equity	**205,670,972,110.92**	205,779,038,152.95

Legal representative:	*Person-in-charge of accounting affairs:*	*Head of accounting department:*
Yan Jun (Acting)	**Dong Jie**	**He Mannian**

Balance Sheet of the Parent Company
September 30, 2019

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	September 30, 2019	December 31, 2018
Assets:		
Cash and bank balances	**37,702,577,511.10**	20,519,862,422.73
Including: Cash deposits from customers	**21,624,985,450.32**	17,320,115,790.41
Clearing settlement funds	**7,018,680,119.16**	4,753,293,974.47
Including: Settlement funds held on behalf of brokerage clients	**6,146,350,809.76**	3,315,217,084.58
Margin accounts receivable	**26,217,887,130.08**	22,259,357,606.63
Derivative financial assets	**10,960.97**	6,939,376.17
Refundable deposits	**295,866,847.22**	692,536,082.92
Accounts receivables	**576,400,378.13**	729,346,712.05
Financial assets held under resale agreements	**7,449,564,842.58**	27,385,234,243.44
Financial investments:		
Financial assets held for trading	**45,385,898,533.50**	46,346,150,553.46
Debt investments	**7,096,421,302.12**	7,769,078,005.04
Other debt investments	**12,330,530,453.14**	8,470,542,332.22
Other equity instrument investments	**5,049,137,634.70**	4,713,653,968.06
Long-term equity investments	**9,499,283,226.45**	9,703,092,279.79
Fixed assets	**685,855,689.22**	723,212,562.45
Construction in progress	**23,165,861.64**	14,483,827.74
Right-of-use asset	**617,319,243.54**	–
Intangible assets	**66,796,672.39**	62,738,723.55
Long-term deferred expenses	**61,008,487.92**	72,660,877.67
Deferred income tax assets	**717,782,685.56**	951,227,507.53
Other assets	**1,276,972,071.47**	1,780,257,649.23
Total assets	**162,071,159,650.89**	156,953,668,705.15

Items	September 30, 2019	December 31, 2018
Liabilities:		
Short-term debt instruments issued	**3,540,837,925.08**	14,109,673,121.09
Placements from other financial institutions	**6,465,283,381.99**	5,609,349,089.41
Derivative financial liabilities	**87,573,921.77**	453,500,861.07
Financial assets sold under repurchase agreements	**19,998,611,924.18**	13,983,817,046.40
Accounts payable to brokerage customers	**26,801,733,333.86**	19,511,526,837.42
Employee benefit payable	**1,311,488,582.20**	989,608,691.08
Taxes payable	**438,362,034.36**	356,680,678.04
Accounts payable	**339,254,606.08**	309,816,442.18
Contract liabilities	**77,681.09**	–
Bonds payables	**47,929,554,903.33**	46,668,934,109.44
Lease liabilities	**600,574,042.02**	–
Other liabilities	**5,217,084,832.44**	7,392,779,349.13
Total liabilities	**112,730,437,168.40**	109,385,686,225.26
Equity or shareholders' equity:		
Paid-in capital or shares capital	**4,610,787,639.00**	4,610,787,639.00
Capital reserve	**25,138,970,656.74**	25,138,970,656.74
Other comprehensive income	**175,696,894.39**	(85,427,447.43)
Surplus reserve	**2,893,340,363.77**	2,893,340,363.77
General risk reserve	**5,665,714,187.14**	5,665,714,187.14
Retained profits	**10,856,212,741.45**	9,344,597,080.67
Total equity or shareholders' equity	**49,340,722,482.49**	47,567,982,479.89
Total liabilities and equity or shareholders' equity	**162,071,159,650.89**	156,953,668,705.15

Legal representative:
Yan Jun (Acting)

Person-in-charge of accounting affairs:
Dong Jie

Head of accounting department:
He Mannian

Consolidated Income Statement
January to September 2019

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	**July to September 2019**	July to September 2018	**January to September 2019**	January to September 2018
I. Total operating income	**2,591,470,067.33**	1,734,494,574.24	**8,452,503,344.61**	5,848,859,537.47
Net interest income	**408,827,297.32**	483,229,917.94	**1,185,935,457.53**	1,350,120,208.78
Including: Interest income	**1,425,404,289.60**	1,707,187,707.98	**4,465,260,501.69**	4,967,164,693.92
Interest expenses	**1,016,576,992.28**	1,223,957,790.04	**3,279,325,044.16**	3,617,044,485.14
Net fee and commission income	**1,693,627,890.68**	1,139,245,362.44	**4,565,467,955.70**	3,417,043,043.30
Including: Net fee income from brokerage business	**623,135,485.14**	569,786,815.22	**2,001,159,435.11**	1,803,986,210.71
Net fee income from investment banking business	**374,945,909.78**	234,917,154.19	**1,174,419,870.23**	597,219,688.60
Net fee income from asset management business	**556,562,177.61**	163,436,741.10	**959,002,276.93**	504,630,483.10
Investment gains	**367,213,557.04**	(42,006,367.59)	**1,380,453,598.91**	108,119,993.46
Including: Gains attributable to investment in associates and joint ventures	**10,421,980.09**	19,747,431.35	**32,156,283.11**	54,854,492.89
Gains arising from derecognition of financial assets carried at amortised cost	**2,823,023.21**	1,938,087.65	**(6,491,219.97)**	1,869,050.62
Other income	**3,601,740.20**	3,136,151.64	**142,221,261.54**	195,417,319.54
Gains arising from fair value changes	**118,963,015.12**	211,820,749.80	**1,117,655,764.70**	769,234,343.54
Foreign exchange gains	**6,894,256.34**	(19,449,596.98)	**9,183,627.86**	(19,586,663.24)
Other operating income	**(7,672,551.96)**	(41,482,878.03)	**51,570,815.78**	28,500,239.48
Gains from disposal of assets	**14,862.59**	1,235.02	**14,862.59**	11,052.61

Items	**July to September 2019**	July to September 2018	**January to September 2019**	January to September 2018
II. Total operating expenses	**1,705,976,276.20**	1,441,918,180.23	**5,026,374,982.28**	4,185,079,006.74
Tax and surcharges	**14,763,598.68**	13,557,944.51	**46,137,232.31**	45,924,023.02
General and administrative expenses	**1,544,460,052.40**	1,254,253,459.89	**4,462,684,880.11**	3,763,324,021.87
Credit impairment losses	**137,443,759.20**	169,271,055.96	**491,064,648.14**	360,567,183.99
Other operating cost	**9,308,865.92**	4,835,719.87	**26,488,221.72**	15,263,777.86
III. Operating profit	**885,493,791.13**	292,576,394.01	**3,426,128,362.33**	1,663,780,530.73
Add: Non-operating income	**236,857.22**	845,915.48	**1,001,344.96**	3,327,184.82
Less: Non-operating expenses	**16,850,777.07**	466,403.69	**323,967,410.66**	751,656.88
IV. Gross profit	**868,879,871.28**	292,955,905.80	**3,103,162,296.63**	1,666,356,058.67
Less: Income tax expense	**183,996,205.43**	52,751,008.23	**736,159,954.79**	385,462,441.58
V. Net profit	**684,883,665.85**	240,204,897.57	**2,367,002,341.84**	1,280,893,617.09
(I) Classified by continuity of operation				
1. Net profit from continued operation	**684,883,665.85**	240,204,897.57	**2,367,002,341.84**	1,280,893,617.09
(II) Classified by ownership				
1. Net profit attributable to shareholders of the parent company	**658,058,053.12**	207,983,728.65	**2,267,122,981.68**	1,176,776,113.91
2. Gain/loss attributable to minority interests	**26,825,612.73**	32,221,168.92	**99,879,360.16**	104,117,503.18

Items	July to September 2019	July to September 2018	January to September 2019	January to September 2018
VI. Other comprehensive income, net of tax	**127,396,203.34**	218,593,279.66	**325,978,667.69**	58,458,707.25
Other comprehensive income, net of tax, attributable to owners of the parent company	**105,451,440.23**	181,199,457.16	**299,910,713.16**	15,998,575.48
(I) Other comprehensive income that may not be reclassified to profit or loss	**6,736,696.30**	88,434,787.80	**200,864,189.45**	(122,847,007.53)
1. Changes in fair value of other equity instruments investment	**6,736,696.30**	88,434,787.80	**200,864,189.45**	(122,847,007.53)
(II) Other comprehensive income that may be reclassified to profit or loss	**98,714,743.93**	92,764,669.36	**99,046,523.71**	138,845,583.01
1. Other comprehensive income under equity method that may be reclassified to profit and loss	**2,347,777.47**	146,892.15	**9,550,326.14**	1,141,368.43
2. Change in fair value of other debt investments	**48,662,129.77**	13,848,015.22	**(5,471,764.51)**	48,077,390.92
3. Credit loss provisions for other debt investments	**14,133,895.20**	30,098,874.31	**56,181,590.74**	30,623,779.18
4. Currency translation difference	**33,570,941.49**	48,670,887.68	**38,786,371.34**	59,003,044.48
Other comprehensive income, net of tax, attributable to the minority interests	**21,944,763.11**	37,393,822.50	**26,067,954.53**	42,460,131.77
VII. Total comprehensive income	**812,279,869.19**	458,798,177.23	**2,692,981,009.53**	1,339,352,324.34
Total comprehensive income attributable to owners of the parent company	**763,509,493.35**	389,183,185.81	**2,567,033,694.84**	1,192,774,689.39
Total comprehensive income attributable to the minority interests	**48,770,375.84**	69,614,991.42	**125,947,314.69**	146,577,634.95
VIII. Earnings per share:				
(I) Basic earnings per share *(Yuan/share)*	**0.14**	0.05	**0.49**	0.26
(II) Diluted earnings per share *(Yuan/share)*	**0.14**	0.05	**0.49**	0.26

Legal representative:	*Person-in-charge of accounting affairs:*	*Head of accounting department:*
Yan Jun (Acting)	**Dong Jie**	**He Mannian**

Income Statement of the Parent Company
January to September 2019

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	July to September 2019	July to September 2018	January to September 2019	January to September 2018
I. Total operating income	**1,555,490,472.75**	1,285,127,152.13	**5,941,194,374.82**	3,716,518,521.53
Net interest income	**268,083,060.60**	369,704,564.37	**848,003,897.01**	1,043,841,458.49
Including: Interest income	**1,126,198,622.95**	1,367,583,357.24	**3,495,024,538.97**	4,019,693,970.44
Interest expenses	**858,115,562.35**	997,878,792.87	**2,647,020,641.96**	2,975,852,511.95
Net fee and commission income	**802,814,335.43**	572,753,559.69	**2,681,418,669.79**	1,859,869,611.09
Including: Net fee income from brokerage business	**439,941,998.17**	339,279,195.64	**1,503,187,559.02**	1,247,996,587.35
Net fee income from investment banking business	**350,998,094.70**	218,326,515.29	**1,134,952,985.05**	572,279,372.33
Investment gains	**293,474,286.17**	(43,309,903.65)	**1,066,773,197.72**	222,264,905.42
Including: Gains attributable to investment in associates and joint ventures	**9,535,565.80**	6,994,155.38	**46,640,620.52**	33,592,262.36
Gains arising from derecognition of financial assets carried at amortised cost	**2,823,023.21**	1,938,087.65	**(6,491,219.97)**	1,869,050.62
Other income	**676,202.73**	1,298,717.76	**105,622,987.04**	164,152,885.66
Gains arising from fair value changes	**180,998,790.47**	372,812,408.77	**1,220,157,625.55**	402,836,541.88
Foreign exchange gains	**6,841,140.79**	7,334,061.41	**7,977,189.32**	10,419,551.93
Other operating income	**2,602,656.56**	4,533,743.78	**11,240,808.39**	13,133,567.06
II. Total operating expenses	**1,041,003,959.49**	935,546,796.34	**3,457,860,977.26**	2,612,543,092.21
Tax and surcharges	**9,950,861.45**	11,334,872.21	**37,617,344.30**	40,323,479.99
General and administrative expenses	**891,706,784.53**	755,054,478.57	**2,783,337,498.72**	2,205,768,374.35
Credit impairment losses	**137,605,804.33**	165,289,393.34	**371,012,654.46**	355,211,123.14
Impairment losses of other assets	**–**	–	**260,000,000.00**	–
Other operating cost	**1,740,509.18**	3,868,052.22	**5,893,479.78**	11,240,114.73

Items	**July to September 2019**	July to September 2018	**January to September 2019**	January to September 2018
III. Operating profit	**514,486,513.26**	349,580,355.79	**2,483,333,397.56**	1,103,975,429.32
Add: Non-operating income	**76,413.00**	592,888.40	**513,210.85**	978,290.79
Less: Non-operating expenses	**230,419.56**	262,239.09	**5,550,264.70**	285,512.81
IV. Gross profit	**514,332,506.70**	349,911,005.10	**2,478,296,343.71**	1,104,668,207.30
Less: Income tax expense	**92,193,321.32**	41,497,113.53	**505,601,919.03**	134,472,517.03
V. Net profit	**422,139,185.38**	308,413,891.57	**1,972,694,424.68**	970,195,690.27
(I) Net profit from continued operation	**422,139,185.38**	308,413,891.57	**1,972,694,424.68**	970,195,690.27
VI. Other comprehensive income, net of tax	**72,137,319.57**	132,528,569.48	**261,124,341.82**	(43,004,469.00)
(I) Other comprehensive income that may not be reclassified to profit or loss	**6,736,696.29**	88,434,787.80	**200,864,189.45**	(122,847,007.53)
1. Changes in fair value of other equity instruments investment	**6,736,696.29**	88,434,787.80	**200,864,189.45**	(122,847,007.53)
(II) Other comprehensive income that may be reclassified to profit or loss	**65,400,623.28**	44,093,781.68	**60,260,152.37**	79,842,538.53
1. Other comprehensive income under equity method that may be reclassified to profit and loss	**2,347,777.47**	146,892.15	**9,550,326.14**	1,141,368.43
2. Changes in fair value of other debt investments	**48,943,389.77**	13,848,015.22	**(5,471,764.51)**	48,077,390.92
3. Credit loss provisions for other debt investments	**14,109,456.04**	30,098,874.31	**56,181,590.74**	30,623,779.18
VII. Total comprehensive income	**494,276,504.95**	440,942,461.05	**2,233,818,766.50**	927,191,221.27

Legal representative:
Yan Jun (Acting)

Person-in-charge of accounting affairs:
Dong Jie

Head of accounting department:
He Mannian

Consolidated Statement of Cash Flows
January to September 2019

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items		**January to September 2019**	January to September 2018
I.	**Cash flows generated from operating activities:**		
	Net increase in disposal of financial assets held for trading	**4,311,832,341.00**	–
	Net increase in placements from other financial institutions	**855,934,292.58**	–
	Net decrease in margin accounts receivable	**–**	4,620,716,828.03
	Net increase in financial assets sold under repurchase agreements	**29,341,821,293.49**	–
	Net cash received from securities trading agency services	**10,175,004,429.25**	–
	Cash received from interests, fees and commissions	**9,501,046,053.76**	8,729,534,218.51
	Decrease in finance lease receivables	**1,546,890,143.81**	–
	Cash received relating to other operating activities	**488,681,518.03**	2,004,563,113.74
	Sub-total of cash inflows from operating activities	**56,221,210,071.92**	15,354,814,160.28
	Net decrease in purchase of financial assets held for trading	**–**	1,021,238,475.85
	Net increase in purchase of debt investments	**–**	1,466,608,925.48
	Net decrease in placements from other financial institutions	**–**	1,380,560,000.00
	Net increase in margin accounts receivable	**2,604,053,461.89**	–
	Net decrease in financial assets sold under repurchase agreements	**–**	1,018,193,154.14
	Net cash paid from securities trading agency services	**–**	3,893,068,430.32
	Cash payment of interest, fees and commissions	**1,553,397,756.97**	2,397,198,631.84
	Cash paid to and on behalf of employees	**2,576,394,571.76**	2,320,353,876.69
	Payment for taxes and levies	**883,222,504.61**	2,082,816,667.11
	Increase in finance lease receivables	**–**	211,688,702.62
	Cash paid relating to other operating activities	**8,178,892,588.44**	4,646,806,546.30
	Sub-total of cash outflows from operating activities	**15,795,960,883.67**	20,438,533,410.35
	Net cash flows generated from operating activities	**40,425,249,188.25**	(5,083,719,250.07)

Items	January to September 2019	January to September 2018
II. Cash flows generated from investing activities:		
Cash received from sales of investments	**6,327,267,742.00**	4,076,183,210.49
Cash received from return on investments	**883,874,409.55**	1,141,368.43
Cash received relating to other investing activities	**104,815,286.30**	388,312.27
Sub-total of cash inflows from investing activities	**7,315,957,437.85**	4,077,712,891.19
Cash paid for acquisition of investments	**9,228,442,668.86**	245,261,692.68
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	**182,566,031.05**	105,934,650.74
Sub-total of cash outflows from investing activities	**9,411,008,699.91**	351,196,343.42
Net cash flows generated from investing activities	**(2,095,051,262.06)**	3,726,516,547.77
III. Cash flows generated from financing activities:		
Cash received from issuance of bonds	**34,486,630,000.00**	28,684,396,666.67
Cash received from borrowings	**5,410,731,667.98**	26,567,544,903.65
Sub-total of cash inflows from financing activities	**39,897,361,667.98**	55,251,941,570.32
Cash paid for repayment of debts	**46,230,622,328.97**	30,460,062,368.52
Cash paid for repayment of borrowings	**8,106,674,713.94**	16,533,244,099.07
Cash paid for distribution of dividends, or profits or for interest expenses	**2,942,960,617.68**	2,410,566,660.88
Including: Dividends and profits paid to minority interests by subsidiaries	**86,626,828.41**	64,958,871.68
Cash paid for repayment of lease principal and interest	**230,460,891.95**	–
Sub-total of cash outflows from financing activities	**57,510,718,552.54**	49,403,873,128.47
Net cash flows generated from financing activities	**(17,613,356,884.56)**	5,848,068,441.85
IV. Effects of changes in foreign exchange rates on cash and cash equivalents	**9,183,627.86**	(19,586,663.24)
V. Net increase in cash and cash equivalents	**20,726,024,669.49**	4,471,279,076.31
Add: Balance of cash and cash equivalents at the beginning of the period	**38,937,006,077.53**	46,263,881,703.00
VI. Balance of cash and cash equivalents at the end of the period	**59,663,030,747.02**	50,735,160,779.31

Legal representative:	*Person-in-charge of accounting affairs:*	*Head of accounting department:*
Yan Jun (Acting)	**Dong Jie**	**He Mannian**

Cash Flow Statement of the Parent Company
January to September 2019

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	**January to September 2019**	January to September 2018
I. Cash flows generated from operating activities:		
Net increase in disposal of financial assets held for trading	**3,074,592,237.44**	–
Net increase in disposal of debt investment	**–**	873,011,074.77
Net increase in placements from other financial institutions	**855,934,292.58**	–
Net decrease in margin accounts receivable	**–**	4,226,591,633.73
Net increase in financial assets sold under repurchase agreements	**25,715,956,541.80**	–
Net cash received from securities trading agency services	**7,923,205,301.47**	–
Cash received from interests, fees and commissions	**6,394,462,971.33**	5,989,491,902.93
Cash received relating to other operating activities	**502,772,656.47**	904,222,235.53
Sub-total of cash inflows from operating activities	**44,466,924,001.09**	11,993,316,846.96
Net decrease in purchase of financial assets held for trading	**–**	869,353,757.91
Net decrease in placements from other financial institutions	**–**	1,380,560,000.00
Net increase in margin accounts receivable	**3,925,077,921.75**	–
Net decrease in financial assets sold under repurchase agreements	**–**	2,365,481,502.07
Net cash paid from securities trading agency services	**–**	3,451,387,126.36
Cash payment of interest, fees and commissions	**1,029,325,695.93**	1,381,327,891.02
Cash paid to and on behalf of employees	**1,735,052,112.83**	1,476,135,942.33
Payment for taxes and levies	**625,101,564.82**	1,665,365,884.97
Cash paid relating to other operating activities	**777,535,100.74**	2,889,049,268.10
Sub-total of cash outflows from operating activities	**8,092,092,396.07**	15,478,661,372.76
Net cash flows generated from operating activities	**36,374,831,605.02**	(3,485,344,525.80)

Items	**January to September 2019**	January to September 2018
II. Cash flows generated from investing activities:		
Cash received from sales of investments	**6,031,413,968.59**	–
Cash received from return on investments	**712,187,474.31**	365,000,000.00
Cash received relating to other investing activities	**27,368,038.73**	388,312.27
Sub-total of cash inflows from investing activities	**6,770,969,481.63**	365,388,312.27
Cash paid for acquisition of investments	**9,241,516,404.46**	13,816,789.51
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	**77,052,819.34**	89,866,475.58
Sub-total of cash outflows from investing activities	**9,318,569,223.80**	103,683,265.09
Net cash flows generated from investing activities	**(2,547,599,742.17)**	261,705,047.18
III. Cash flows generated from financing activities:		
Cash received from issuance of bonds	**34,486,630,000.00**	28,684,396,666.67
Cash received from borrowings	**100,000,000.00**	7,824,250,000.00
Sub-total of cash inflows from financing activities	**34,586,630,000.00**	36,508,646,666.67
Cash paid for repayment of debts	**45,912,950,000.00**	27,708,473,000.00
Cash paid for distribution of dividends, or profits or for interest expenses	**2,914,650,999.53**	2,808,111,712.35
Cash paid for repayment of lease principal and interest	**148,838,476.57**	–
Sub-total of cash outflows from financing activities	**48,976,439,476.10**	30,516,584,712.35
Net cash flows generated from financing activities	**(14,389,809,476.10)**	5,992,061,954.32
IV. Effects of changes in foreign exchange rates on cash and cash equivalents	**7,977,189.32**	10,419,551.93
V. Net increase in cash and cash equivalents	**19,445,399,576.07**	2,778,842,027.63
Add: Balance of cash and cash equivalents at the beginning of the period	**25,221,724,072.04**	30,398,510,628.09
VI. Cash and cash equivalents at the end of the period	**44,667,123,648.11**	33,177,352,655.72

Legal representative:	*Person-in-charge of accounting affairs:*	*Head of accounting department:*
Yan Jun (Acting)	**Dong Jie**	**He Mannian**

4.2 Information on making adjustment on implementation of related items in the financial statement at the beginning of such year for the first time against initial application of the new financial instruments standards, the new revenue standards or the new leasing standard

√Applicable ☐Not applicable

Consolidated Balance Sheet

Unit: Yuan Currency: RMB

Items	As at December 31, 2018	**As at January 1, 2019**	Adjustments
Assets:			
Right-of-use asset	–	**826,197,130.22**	826,197,130.22
Other assets	7,954,298,967.91	**7,955,649,160.74**	1,350,192.83
Total assets	205,779,038,152.95	**206,606,585,476.00**	827,547,323.05
Liabilities:			
Lease liabilities	–	**810,842,137.70**	810,842,137.70
Other liabilities	15,897,910,364.55	**15,914,615,549.90**	16,705,185.35
Total liabilities	157,021,183,733.64	**157,848,731,056.69**	827,547,323.05
Total liabilities and equity or shareholders' equity	205,779,038,152.95	**206,606,585,476.00**	827,547,323.05

Description of the adjustment on each item:

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Minimum lease payments for significant operating leases as of December 31, 2018	931,157,627.56
Less: minimum lease payments subject to simplified treatment	51,920,803.77
Including: short-term lease	22,253,108.97
Lease with a remaining lease term of less than 12 months	25,530,874.17
Low-value asset lease with a remaining lease term of more than 12 months	4,136,820.63
Minimum lease payments under the new leasing standard as of January 1, 2019	901,741.75
Weighted average at incremental borrowing rate as of January 1, 2019	4.42%
Lease liability as of January 1, 2019	810,842,137.70

Balance Sheet of the Parent Company

Unit: Yuan   Currency: RMB

Items	As at December 31, 2018	**As at January 1, 2019**	Adjustments
Assets:			
Right-of-use asset	–	**594,373,071.55**	594,373,071.55
Total assets	156,953,668,705.15	**157,548,041,776.70**	594,373,071.55
Liabilities:			
Lease liabilities	–	**577,667,886.20**	577,667,886.20
Other liabilities	7,392,779,349.13	**7,409,484,534.48**	16,705,185.35
Total liabilities	109,385,686,225.26	**109,980,059,296.81**	594,373,071.55
Total liabilities and equity or shareholders' equity	156,953,668,705.15	**157,548,041,776.70**	594,373,071.55

Description of the adjustment on each item:

□ Applicable   √ Not applicable

4.3 Description of retrospective adjustment on the comparative figures in the previous period against initial application of the new financial instruments standard or the new leasing standard

√ Applicable   □ Not applicable

The Company began to implement the accounting treatment by following the above newly revised leasing standard from January 1, 2019 and chose not to re-assess whether the existing contract is, or contains, a lease at the date of initial application. According to provisions of transition, no comparatives will be restated and the difference between the new leasing standard and the current leasing standard at the date of initial application is recognised retrospectively as an adjustment to the opening balance of retained earnings during the reporting period.

Pursuant to the requirements of the Notice on Revising and Issuing the Format of Financial Statements of Financial Enterprises for 2018 (《關於修訂印發2018年度金融企業財務報表格式的通知》) (Cai Kuai [2018] No. 36), the Company has restated the financial statements from January to September 2018 and July to September 2018. The above adjustments have no impact on the Company's net profit and shareholders' equity.

4.4 Audit Reports

□ Applicable   √ Not applicable