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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)

**ANNOUNCEMENT ON PROGRESS UPDATE OF LITIGATION
AND ARBITRATION OF A SUBSIDIARY**

This announcement is made by Everbright Securities Company Limited (the “**Company**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09(2) and Rule 13.10B of the Listing Rules.

References are made to the various announcements published by the Company since February 1, 2019, and the interim and annual reports published in the corresponding years, which have disclosed, among others, matters pertaining to the litigation and arbitration against Everbright Capital Investment Co., Ltd. (“**Everbright Capital**”, a wholly-owned subsidiary of the Company) and its subsidiary, due to Jinxin Investment Consultancy Partnership (Limited Partnership)’s (“**Jinxin Fund**”) failure to exit from the 2016 investment in MP & Silva Holding S.A as originally planned in the event of emergence of specific risks. Two stakeholders of senior-tranche limited partners of Jinxin Fund, China Merchants Bank Co., Ltd. (“**China Merchants Bank**”) and Shanghai Huarui Bank Co., Ltd. (“**Huarui Bank**”) brought the cases against Everbright Capital and its subsidiary.

The judgements of the two cases between Everbright Capital and China Merchants Bank and between Everbright Capital and Huarui Bank have become final and been proceeded to enforcement. Parties involved in these cases have agreed on the enforcement settlement plans after negotiation, and as considered and approved at the 29th meeting of the sixth session of the board of directors the Company, Everbright Capital proposes to sign enforcement settlement agreements with China Merchants Bank and Huarui Bank, respectively, pursuant to which all the payment obligations as determined in the final adjudication of the two cases will be fulfilled with RMB2.64 billion in total (the “**Settlement**”), for the enforcement settlement with China Merchants Bank being paid by installment in four years, and the enforcement settlement with Huarui Bank being paid in one lump sum. In the event that Everbright Capital fails to fulfill its payment obligations as required, the other party(ies) shall have the right to apply for the resumed enforcement of the final adjudication. The Settlement will be primarily funded by the proceeds from the liquidation and subsequent disposal of frozen assets at the initial stages of the relevant litigation. For any portion of the frozen assets that are temporarily difficult to materialize, the Company or its subsidiary may provide Everbright Capital with relevant financial assistance by way of liquidity support or loan as and when necessary. Upon fulfillment all the payment obligations under the enforcement settlement agreements, Everbright Capital and its subsidiaries will have no further unsatisfied claims or debts under the relevant litigation and arbitration cases with China Merchants Bank and Huarui Bank, and the enforcement of such litigation and arbitration will be concluded.

Based on the principle of prudence, the Company has previously made corresponding provisions for estimated liabilities and asset impairment with respect to the matters on the MPS-related litigation matters. Based on its preliminary assessments and for the purpose of satisfying the relevant requirements under the enforcement settlement agreements and the accounting standards, the estimated liabilities of the Company will be reversed, while the Company’s non-recurring income items will be increased by approximately RMB2-2.1 billion accordingly. The above figures are estimated amounts and the specific data are subject to the audited annual report of the Company. The overall annual results of the Company shall be based on the audited annual report of the Company. Investors are advised to exercise caution when making investment and be aware of investment risks.

The current operation and management of the Company are functioning normally, and it will continue to fulfill its information disclosure obligations in accordance with relevant laws and regulations. The Company wishes to remind the investors that they shall refer to the relevant announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn), the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) and on the designated information disclosure media, such as the China Securities Journal, the Shanghai Securities Journal, the Securities Times and the Securities Daily, for relevant information.

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

Shanghai, the PRC
September 20, 2023

As at the date of this announcement, the board of directors comprises Mr. Zhao Ling (Chairman, Executive Director), Mr. Liu Qiuming (Executive Director, President), Mr. Song Bingfang (Non-executive Director), Mr. Yin Yanwu (Non-executive Director), Mr. Chan Ming Kin (Non-executive Director), Mr. Xie Song (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).