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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 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 2023 third quarterly report (the “**Quarterly Report**”) of Everbright Securities Company Limited (the “**Company**”) and its subsidiaries as of September 30, 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
October 26, 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. 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).

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 THIRD QUARTER HAVE BEEN AUDITED

Yes No

As Everbright Capital Investment Co., Ltd. (光大資本投資有限公司), a subsidiary of the Company, entered into MPS-related enforcement settlement agreements (see the Company's announcement dated September 20, 2023 on progress update of litigation and arbitration of a subsidiary for details) during the Reporting Period, the Company reversed accrued liabilities of RMB2.15 billion as the non-recurring profit or loss item, which had occasional impact on the operating results of the Company. The overall annual operating results of the Company shall comprehensively take into account the operating condition and financial position, including the valuation of various assets, and shall be subject to the audited annual report. Investors shall exercise caution when making investments and be aware of investment risks.

1. KEY FINANCIAL DATA

(I) Key accounting data and financial indicators

Unit: Yuan Currency: RMB

Items	The Reporting Period	Increase/ decrease during the Reporting Period as compared to the same period last year (%)	From the beginning of the year to the end of the Reporting Period		Increase/ decrease from the beginning of the year to the end of the Reporting Period as compared to the same period last year (%)
Operating income	1,575,674,576.94	(55.62)	7,755,088,577.40		(13.09)
Net profit attributable to shareholders of the listed company	1,965,921,607.19	51.41	4,357,874,038.91		27.95
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	(407,927,376.31)	(136.18)	1,928,873,412.98		(38.53)
Net cash flow generated from operating activities	N/A	N/A	(2,511,471,974.88)		N/A
Basic earnings per share (Yuan/ share)	0.40	53.85	0.88		29.41
Diluted earnings per share (Yuan/ share)	0.40	53.85	0.88		29.41
Weighted average return on net assets (%)	3.27	Increased by 1.06 percentage points	7.21		Increased by 1.39 percentage points
					Increase/ decrease at the end of the Reporting Period as compared to the end of last year (%)
Total assets	247,845,189,128.42		258,354,482,199.15		(4.07)
Equity attributable to shareholders of the listed company	67,195,182,605.38		64,004,833,437.13		4.98

Note: The "Reporting Period" herein refers to the three-month period from the beginning of this quarter to the end of this quarter, same for below.

During the Reporting Period, Everbright Capital Investment Co., Ltd. (光大資本投資有限公司), a subsidiary of the Company, entered into enforcement settlement agreements with China Merchants Bank Co., Ltd. and Shanghai Hua Rui Bank Co., Ltd. (see the Company’s announcement dated September 20, 2023 on progress update of litigation and arbitration of a subsidiary for details). The Company assessed the best estimate of the performance of payment obligations for such matter in accordance with the relevant provisions of the recognition and measurement of accrued liabilities under the Accounting Standard for Business Enterprises No. 13 – Contingencies, and reversed the difference of RMB2.15 billion between the best estimate of accrued liabilities and their carrying amount. Such matter is non-recurring profit or loss item and its amount is estimated, the specific data of which shall be subject to the audited annual report.

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

Unit: Yuan Currency: RMB

Items	Amount during the Reporting Period	Amount from the beginning of the year to the end of the Reporting Period	Description
Gains or losses from disposal of non-current assets	(125,033.57)	779,715.75	
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	216,669,425.03	357,649,048.61	Fiscal aid
Other non-operating income and expenses except for items above	2,211,485,028.00	2,170,764,584.97	Mainly due to the reversal of accrued liabilities as a result of the entering into enforcement settlement agreements by Everbright Capital, a subsidiary of the Company
Less: effect of income tax	(52,661,685.63)	(93,873,969.34)	
Effect of minority interests (net of tax)	(1,518,750.33)	(6,318,754.06)	
Total	<u>2,373,848,983.50</u>	<u>2,429,000,625.93</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
Operating income_ during the Reporting Period	(55.62)	Decrease in net fee and commission income, investment gains and revenue from basis trading, which was partially offset by the increase in net interest income and gains arising from fair value changes.
Net profit attributable to shareholders of the listed company_ during the Reporting Period	51.41	Mainly due to the change in non-recurring profit or loss for the current period, namely reversal of accrued liabilities as a result of the entering into enforcement settlement agreements by Everbright Capital, a subsidiary of the Company.
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss_ during the Reporting Period	(136.18)	Change in recurring profit or loss resulting from the decrease in operating income and the increase in general and administrative expenses.
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss_ from the beginning of the year to the end of the Reporting Period	(38.53)	
Net cash flow generated from operating activities_ from the beginning of the year to the end of the Reporting Period	N/A	Mainly due to the increase in net cash outflow resulting from the changes in margin accounts receivable, financial assets sold under repurchase agreements and accounts payable to brokerage customers, which was partially offset by net cash inflow from disposal of financial assets held for trading.
Basic earnings per share_ during the Reporting Period	53.85	Mainly due to the increase in net profit attributable to shareholders of the listed company.
Diluted earnings per share_ during the Reporting Period	53.85	

(IV) Changes in key items of the statements and the reasons for such changes*Unit: Yuan Currency: RMB*

Item name	The end of the Reporting Period	The end of last year	Ratio of change (%)	Major reasons
Derivative financial assets	1,527,902,816.21	1,107,394,749.60	37.97	Increase in scale of equity swaps and over-the-counter options
Financial assets held under resale agreements	521,701,562.20	1,404,133,779.63	(62.85)	Decrease in bond reverse repurchase
Other equity instrument investments	1,046,053,269.75	2,485,330,561.63	(57.91)	Decrease in equity investments included in such account
Right-of-use asset	847,325,199.16	542,666,054.98	56.14	New property lease contract
Placements from other financial institutions	8,430,565,299.42	13,704,054,683.14	(38.48)	Decrease in scale of inter-bank borrowing
Financial liabilities held for trading	351,552,490.75	97,457,817.81	260.72	Change in size of consolidated structured entities and their fair value
Taxes payable	108,509,637.41	254,199,757.02	(57.31)	Payment of corporate income tax and value-added tax
Contract liabilities	30,015,443.49	44,635,560.69	(32.75)	Change in advance received from customers in investment banking business
Accrued liabilities	528,112,080.61	5,284,293,318.32	(90.01)	Reversal and transfer out of accrued liabilities as a result of the entering into enforcement settlement agreements by Everbright Capital, a subsidiary of the Company
Lease liabilities	851,822,081.25	561,400,460.29	51.73	New property lease contract
Other liabilities	19,600,088,678.99	14,243,730,005.90	37.61	Increase in margin for derivatives and transfer of accrued liabilities to financial liabilities
Other comprehensive income	(214,447,595.74)	(412,791,831.81)	N/A	Mainly due to changes in fair value of investments in other equity instruments

Item name	From the beginning of the year to the end of the Reporting Period	From the beginning of the last year to the end of the Reporting Period of the last year	Ratio of change (%)	Major reasons
Gains arising from fair value changes (loss expressed with “()”)	427,414,766.13	(627,097,797.89)	N/A	Changes in fair value of financial assets held for trading and financial derivative instruments during the current period
Foreign exchange gains (loss expressed with “()”)	(4,460,715.20)	2,188,639.38	(303.81)	Changes in exchange rates
Other operating income	294,689,096.23	799,651,362.39	(63.15)	Decrease in revenue from bulk commodity basis trading
Gains from disposal of assets (loss expressed with “()”)	–	270,788.63	(100.00)	No such event for the current period
Credit impairment losses (reversal expressed with “()”)	203,620,227.53	(284,555,347.20)	N/A	Provision for impairment losses due to estimated recoverable amount of certain receivables being lower than their carrying amount
Impairment losses on other assets (reversal expressed with “()”)	(4,582.05)	168,896,000.00	(100.00)	Provision for goodwill impairment by subsidiaries for the last period, but no such event for the current period
Other operating cost	282,173,151.60	786,347,499.40	(64.12)	Decrease in the cost of bulk commodity basis trading
Non-operating income	1,638,670.28	3,064,953.83	(46.54)	Higher base number resulting from subsidy income for the last period
Non-operating expenses	(2,144,002,518.63)	11,202,254.40	(19,239.03)	Mainly due to the reversal of accrued liabilities as a result of the entering into enforcement settlement agreements by Everbright Capital, a subsidiary of the Company
Income tax expense	414,205,124.99	822,820,804.64	(49.66)	Decrease in taxable income
Other comprehensive income, net of tax	198,344,236.07	(16,266,178.62)	N/A	Mainly due to changes in fair value of investments in other equity instruments
Net cash flows generated from investing activities	(4,567,735,118.91)	(2,860,310,914.80)	N/A	Mainly due to the increase in cash paid for financial investment

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	188,371	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	–	None	–
HKSCC Nominees Limited	Unknown	703,691,100	15.26	–	Unknown	–
China Securities Finance Corporation Limited	Others	130,090,372	2.82	–	None	–
Hong Kong Securities Clearing Company Limited	Others	59,303,067	1.29	–	None	–
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	Others	36,665,580	0.80	–	None	–
ICBC Credit Suisse Fund – Agricultural Bank of China – ICBC Credit Suisse CSI Financial Asset Management Plan	Others	24,431,977	0.53	–	None	–
China Construction Bank Corporation – Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	Others	24,416,460	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	–
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	703,691,100	Overseas listed foreign shares	703,691,100
China Securities Finance Corporation Limited	130,090,372	RMB ordinary shares	130,090,372
Hong Kong Securities Clearing Company Limited	59,303,067	RMB ordinary shares	59,303,067
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	36,665,580	RMB ordinary shares	36,665,580
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
China Construction Bank Corporation – Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	24,416,460	RMB ordinary shares	24,416,460
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

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
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 any other involvement of the top 10 shareholders and the top 10 shareholders without selling restrictions in margin financing and securities lending, and refinancing.		

Note 1: As at the end of the Reporting Period, there were a total of 188,371 ordinary shareholders, which included 188,212 A shareholders and 159 registered H shareholders.

Note 2: HKSCC Nominees Limited holds the H Shares as a nominee holder on behalf of the non-registered H shareholders of the Company.

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

During the Reporting Period, the Company reversed accrued liabilities of RMB2.15 billion as the non-recurring profit or loss item, which had occasional impact on the operating results of the Company. The overall annual operating results of the Company shall comprehensively take into account the operating condition and financial position, including the valuation of various assets, and shall be subject to the audited annual report. Investors shall exercise caution when making investments and be aware of investment risks.

4. QUARTERLY FINANCIAL STATEMENTS

(I) Audit opinion type

Applicable Not Applicable

(II) Financial statements

Consolidated Balance Sheet

September 30, 2023

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	September 30, 2023	December 31, 2022
Assets:		
Cash and bank balances	56,548,240,168.20	68,203,738,226.76
Including: Cash deposits from customers	42,365,321,189.02	54,234,230,153.63
Clearing settlement funds	11,330,191,779.05	8,876,592,313.36
Including: Settlement funds held on behalf of brokerage customers	10,238,799,978.68	7,687,911,274.21
Margin accounts receivable	36,976,594,878.74	36,814,355,995.45
Derivative financial assets	1,527,902,816.21	1,107,394,749.60
Refundable deposits	9,482,325,076.20	9,701,251,783.50
Accounts receivable	1,146,225,472.01	1,450,422,460.99
Financial assets held under resale agreements	521,701,562.20	1,404,133,779.63
Financial investments:		
Financial assets held for trading	89,289,477,887.18	92,067,674,973.17
Debt investments	3,403,862,249.32	3,589,372,001.21
Other debt investments	25,621,191,431.02	21,750,475,657.38
Other equity instrument investments	1,046,053,269.75	2,485,330,561.63
Long-term equity investments	997,466,988.66	1,062,534,851.93
Investment properties	11,611,404.75	12,151,073.19
Fixed assets	837,585,882.78	822,988,303.39
Construction in progress	–	158,511.50
Right-of-use asset	847,325,199.16	542,666,054.98
Intangible assets	228,306,903.94	215,492,376.34
Goodwill	857,225,156.50	834,717,709.02
Deferred income tax assets	2,206,108,907.50	2,480,144,611.22
Long-term deferred expenses	54,075,941.27	53,709,917.09
Other assets	4,911,716,153.98	4,879,176,287.81
Total assets	247,845,189,128.42	258,354,482,199.15

Items	September 30, 2023	December 31, 2022
Liabilities:		
Short-term borrowings	1,585,221,232.03	2,051,500,091.31
Short-term financing payables	7,314,290,677.11	8,575,314,930.26
Placements from other financial institutions	8,430,565,299.42	13,704,054,683.14
Financial liabilities held for trading	351,552,490.75	97,457,817.81
Derivative financial liabilities	629,944,004.80	703,188,689.63
Financial assets sold under repurchase agreements	33,964,091,642.96	31,249,189,174.07
Accounts payable to brokerage customers	59,209,553,181.25	68,926,080,064.28
Employee benefit payable	1,876,474,907.72	1,818,516,883.32
Taxes payable	108,509,637.41	254,199,757.02
Accounts payable	1,052,132,584.25	1,228,421,244.28
Contract liabilities	30,015,443.49	44,635,560.69
Accrued liabilities	528,112,080.61	5,284,293,318.32
Long-term borrowings	3,227,030,555.58	3,188,704,597.77
Bonds payables	41,066,502,871.15	41,616,483,391.36
Lease liabilities	851,822,081.25	561,400,460.29
Deferred income tax liabilities	17,216,535.02	22,872,995.44
Other liabilities	19,600,088,678.99	14,243,730,005.90
	<u>179,843,123,903.79</u>	<u>193,570,043,664.89</u>
Equity or shareholders' equity:		
Paid-in capital or share capital	4,610,787,639.00	4,610,787,639.00
Other equity instruments	9,491,396,226.41	9,498,943,396.22
Including: Perpetual bonds	9,491,396,226.41	9,498,943,396.22
Capital reserve	24,198,179,990.74	24,198,686,523.37
Other comprehensive income	(214,447,595.74)	(412,791,831.81)
Surplus reserve	4,042,363,284.11	4,042,363,284.11
General risk reserve	9,805,882,645.37	9,780,180,895.86
Retained profits	15,261,020,415.49	12,286,663,530.38
Total equity attributable to the owners of the parent company or shareholders' equity	67,195,182,605.38	64,004,833,437.13
Minority interests	806,882,619.25	779,605,097.13
Total equity or shareholders' equity	68,002,065,224.63	64,784,438,534.26
	<u>247,845,189,128.42</u>	<u>258,354,482,199.15</u>
<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> Du Jia

Consolidated Income Statement

January to September 2023

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
I. Total operating income	7,755,088,577.40	8,923,312,892.49
Net interest income	1,355,479,526.16	1,684,513,633.98
Including: Interest income	3,806,046,616.11	4,127,650,150.31
Interest expenses	2,450,567,089.95	2,443,136,516.33
Net fee and commission income	3,707,051,592.41	4,937,146,874.57
Including: Net fee income from brokerage business	2,195,667,028.19	2,621,292,346.99
Net fee income from investment banking business	758,476,036.60	1,025,995,450.55
Net fee income from asset management business and fund management business	694,324,820.15	1,224,074,119.29
Investment gains (loss expressed with “()”)	1,591,362,151.25	1,750,803,707.61
Including: Gains attributable to investment in associates and joint ventures	85,290,442.72	92,791,922.17
Gains arising from derecognition of financial assets carried at amortised cost (loss expressed with “()”)	10,031,588.22	2,457,401.61
Other income	383,552,160.42	375,835,683.82
Gains arising from fair value changes (loss expressed with “()”)	427,414,766.13	(627,097,797.89)
Foreign exchange gains (loss expressed with “()”)	(4,460,715.20)	2,188,639.38
Other operating income	294,689,096.23	799,651,362.39
Gains from disposal of assets (loss expressed with “()”)	-	270,788.63
II. Total operating expenses	5,101,373,080.28	4,638,242,535.98
Tax and surcharges	42,451,775.74	52,007,780.60
General and administrative expenses	4,573,132,507.46	3,915,546,603.18
Credit impairment losses (reversal expressed with “()”)	203,620,227.53	(284,555,347.20)
Impairment losses on other assets (reversal expressed with “()”)	(4,582.05)	168,896,000.00
Other operating cost	282,173,151.60	786,347,499.40
III. Operating profit (loss expressed with “()”)	2,653,715,497.12	4,285,070,356.51
Add: Non-operating income	1,638,670.28	3,064,953.83
Less: Non-operating expenses	(2,144,002,518.63)	11,202,254.40

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
IV. Gross profit (gross loss expressed with “()”)	4,799,356,686.03	4,276,933,055.94
Less: Income tax expense	414,205,124.99	822,820,804.64
V. Net profit (net loss expressed with “()”)	4,385,151,561.04	3,454,112,251.30
(I) Classified by continuity of operation		
1. Net profit from continued operation (net loss expressed with “()”)	4,385,151,561.04	3,454,112,251.30
(II) Classified by ownership		
1. Net profit attributable to shareholders of the parent company (net loss expressed with “()”)	4,357,874,038.91	3,405,890,948.71
2. Gain/loss attributable to minority interests (net loss expressed with “()”)	27,277,522.13	48,221,302.59
VI. Other comprehensive income, net of tax	198,344,236.07	(16,266,178.62)
Other comprehensive income, net of tax, attributable to owners of the parent company	198,344,236.07	(16,266,178.62)
(I) Other comprehensive income that may not be reclassified to profit or loss	185,038,980.25	(76,504,111.60)
1. Changes in fair value of other equity instruments investment	185,038,980.25	(76,504,111.60)
(II) Other comprehensive income that may be reclassified to profit or loss	13,305,255.82	60,237,932.98
1. Other comprehensive income under equity method that may be reclassified to profit and loss	759,638.61	2,583,293.07
2. Change in fair value of other debt investments	40,846,830.98	14,748,724.08
3. Credit loss provisions for other debt investments	1,637,723.61	1,015,866.12
4. Currency translation difference	(29,938,937.38)	41,890,049.71
Other comprehensive income, net of tax, attributable to the minority interests	-	-
VII. Total comprehensive income	4,583,495,797.11	3,437,846,072.68
Total comprehensive income attributable to owners of the parent company	4,556,218,274.98	3,389,624,770.09
Total comprehensive income attributable to the minority interests	27,277,522.13	48,221,302.59
VIII. Earnings per share:		
(I) Basic earnings per share (Yuan/share)	0.88	0.68
(II) Diluted earnings per share (Yuan/share)	0.88	0.68

*Person-in-charge of the
Company:*
Zhao Ling

*Person-in-charge of the
accounting affairs:*
Mei Jian

*Head of the accounting
department:*
Du Jia

Consolidated Statement of Cash Flows

January to September 2023

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
I. Cash flows generated from operating activities:		
Net decrease in financial instruments held for trading	6,559,103,270.38	–
Net decrease in margin accounts receivable	–	10,951,518,374.99
Net increase in financial assets sold under repurchase agreements	3,602,515,335.23	14,762,790,959.49
Net cash received from securities trading agency services	–	2,827,430,365.71
Cash received from interests, fees and commissions	8,452,040,856.89	9,960,834,939.99
Decrease in finance lease receivables and sale and leaseback payments	365,903,084.18	807,375,164.46
Cash received relating to other operating activities	4,726,038,505.99	9,861,183,271.98
Sub-total of cash inflows from operating activities	23,705,601,052.67	49,171,133,076.62
Net increase in financial assets held for trading	–	19,822,402,263.50
Net decrease in placements from other financial institutions	5,273,489,383.72	4,642,620,133.71
Net increase in margin accounts receivable	185,336,202.39	–
Net cash paid for securities trading agency services	10,376,286,096.58	–
Cash payment of interest, fees and commissions	2,221,687,359.95	2,535,919,002.22
Cash paid to and on behalf of employees	3,084,859,958.66	3,165,356,624.14
Payment for taxes and levies	1,042,445,506.19	2,192,372,702.15
Cash paid relating to other operating activities	4,032,968,520.06	3,113,264,956.61
Sub-total of cash outflows from operating activities	26,217,073,027.55	35,471,935,682.33
Net cash flows generated from operating activities	(2,511,471,974.88)	13,699,197,394.29
II. Cash flows generated from investing activities:		
Cash received from sales of investments	14,458,469,052.17	4,303,192,039.10
Cash received from return on investments	1,040,584,243.40	853,153,725.59
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets	17,521,822.32	12,264,321.75
Sub-total of cash inflows from investing activities	15,516,575,117.89	5,168,610,086.44
Cash paid for acquisition of investments	19,739,473,174.31	7,868,255,709.06
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	344,837,062.49	160,665,292.18
Sub-total of cash outflows from investing activities	20,084,310,236.80	8,028,921,001.24
Net cash flows generated from investing activities	(4,567,735,118.91)	(2,860,310,914.80)

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
III. Cash flows generated from financing activities:		
Cash received from issuance of perpetual bonds	–	4,499,886,792.45
Cash received from borrowings	7,440,894,476.44	13,803,725,785.33
Cash received from issuance of bonds	22,746,625,000.00	26,617,759,100.00
Sub-total of cash inflows from financing activities	30,187,519,476.44	44,921,371,677.78
Cash paid for repayment of debts	24,383,766,469.81	33,113,100,000.00
Cash paid for repayment of borrowings	7,955,096,390.16	15,102,692,439.71
Cash paid for distribution of dividends, or profits or for interest expenses	2,785,913,867.72	2,866,350,039.08
Including: Dividends and profits paid by subsidiaries to minority interests	–	–
Cash paid for leases	282,695,716.74	239,732,056.50
Sub-total of cash outflows from financing activities	35,407,472,444.43	51,321,874,535.29
Net cash flows generated from financing activities	(5,219,952,967.99)	(6,400,502,857.51)
IV. Effects of changes in foreign exchange rates on cash and cash equivalents	(4,460,715.20)	2,188,639.38
V. Net increase in cash and cash equivalents	(12,303,620,776.98)	4,440,572,261.36
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	53,911,455,737.62	67,731,852,000.34

The payments of social insurance contributions for employees and others under “cash paid relating to other operating activities” for the same period last year were adjusted to “cash paid to and on behalf of employees” item as presented.

*Person-in-charge of the
Company:*
Zhao Ling

*Person-in-charge of the
accounting affairs:*
Mei Jian

*Head of the accounting
department:*
Du Jia

Balance Sheet of the Parent

September 30, 2023

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	September 30, 2023	December 31, 2022
Assets:		
Cash and bank balances	25,559,330,896.03	36,752,419,273.12
Including: Cash deposits from customers	22,054,402,270.24	31,436,768,208.78
Clearing settlement funds	15,882,645,448.85	13,338,239,626.37
Including: Settlement funds held on behalf of brokerage customers	10,238,799,978.68	7,687,911,274.21
Margin accounts receivable	34,351,506,840.50	33,951,179,300.43
Derivative financial assets	1,516,492,598.91	1,095,495,969.72
Refundable deposits	524,731,637.75	951,629,743.25
Accounts receivable	189,360,279.08	205,634,469.34
Financial assets held under resale agreements	101,505,726.62	1,366,237,025.11
Financial investments:		
Financial assets held for trading	81,147,040,612.81	84,292,936,578.29
Debt investments	3,403,862,249.32	3,589,372,001.21
Other debt investments	25,621,191,431.02	21,750,475,657.38
Other equity instrument investments	973,509,601.42	2,412,786,893.30
Long-term equity investments	11,618,660,534.21	9,397,224,078.68
Investment properties	11,611,404.75	12,151,073.19
Fixed assets	713,973,693.44	695,677,531.18
Right-of-use asset	461,826,595.08	429,916,411.02
Intangible assets	155,630,046.74	129,174,212.19
Deferred income tax assets	1,749,142,936.91	1,973,043,026.51
Long-term deferred expenses	49,520,283.76	50,108,125.89
Other assets	3,235,594,826.88	3,042,246,323.00
Total assets	207,267,137,644.08	215,435,947,319.18

Items	September 30, 2023	December 31, 2022
Liabilities:		
Short-term financing payables	7,314,290,677.11	8,575,314,930.26
Placements from other financial institutions	8,430,565,299.42	13,704,054,683.14
Derivative financial liabilities	630,048,697.15	687,837,986.63
Financial assets sold under repurchase agreements	31,963,451,492.51	30,475,739,082.00
Accounts payable to brokerage customers	31,140,392,136.50	38,163,594,593.73
Employee benefit payable	1,486,224,681.94	1,326,883,384.43
Taxes payable	61,401,199.60	88,069,428.33
Accounts payable	523,618,720.12	515,494,673.01
Contract liabilities	18,500,762.26	31,670,573.58
Bonds payables	41,066,502,871.15	41,616,483,391.36
Lease liabilities	458,279,450.15	434,771,021.45
Other liabilities	17,738,785,872.11	14,198,150,915.70
	<u>140,832,061,860.02</u>	<u>149,818,064,663.62</u>
Equity or shareholders' equity:		
Paid-in capital or share capital	4,610,787,639.00	4,610,787,639.00
Other equity instruments	9,491,396,226.41	9,498,943,396.22
Including: Perpetual bonds	9,491,396,226.41	9,498,943,396.22
Capital reserve	25,138,970,656.74	25,138,970,656.74
Other comprehensive income	172,124,126.02	(56,159,047.43)
Surplus reserve	4,042,363,284.11	4,042,363,284.11
General risk reserve	7,963,949,987.77	7,963,845,480.83
Retained profits	15,015,483,864.01	14,419,131,246.09
Total equity or shareholders' equity	<u>66,435,075,784.06</u>	<u>65,617,882,655.56</u>
Total liabilities and equity or shareholders' equity	<u>207,267,137,644.08</u>	<u>215,435,947,319.18</u>

*Person-in-charge of the
Company:*
Zhao Ling

*Person-in-charge of the
accounting affairs:*
Mei Jian

*Head of the accounting
department:*
Du Jia

Income Statement of the Parent
January to September 2023

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	First three quarters of 2023	First three quarters of 2022
I. Total operating income	5,560,707,541.92	5,866,425,215.28
Net interest income	881,345,489.80	1,320,181,719.52
Including: Interest income	2,926,750,745.18	3,441,700,425.98
Interest expenses	2,045,405,255.38	2,121,518,706.46
Net fee and commission income	2,508,032,149.26	3,124,017,567.04
Including: Net fee income from brokerage business	1,707,921,088.95	2,062,225,725.04
Net fee income from investment banking business	750,145,077.77	1,008,074,738.68
Investment gains (loss expressed with “()”)	1,188,056,733.47	1,134,915,232.71
Including: Gains attributable to investment in associates and joint ventures	87,433,116.92	89,122,386.14
Gains arising from derecognition of financial assets carried at amortised cost (loss expressed with “()”)	10,031,588.22	2,457,401.61
Other income	236,335,854.47	338,288,166.78
Gains arising from fair value changes (loss expressed with “()”)	735,006,593.55	(72,074,737.23)
Foreign exchange gains (loss expressed with “()”)	(657,000.26)	12,123,870.01
Other operating income	12,587,721.63	8,973,396.45
II. Total operating expenses	3,377,502,766.02	2,319,564,941.21
Tax and surcharges	36,243,611.27	40,817,653.35
General and administrative expenses	3,275,571,426.13	2,552,887,218.18
Credit impairment losses (reversal expressed with “()”)	57,424,506.52	(286,994,609.45)
Other operating cost	8,263,222.10	12,854,679.13
III. Operating profit (loss expressed with “()”)	2,183,204,775.90	3,546,860,274.07
Add: Non-operating income	1,312,209.50	1,196,875.38
Less: Non-operating expenses	5,045,625.80	6,419,348.84
IV. Gross profit (gross loss expressed with “()”)	2,179,471,359.60	3,541,637,800.61
Less: Income tax expense	225,198,830.55	583,121,979.52
V. Net profit (net loss expressed with “()”)	1,954,272,529.05	2,958,515,821.09
(I) Net profit from continued operation (net loss expressed with “()”)	1,954,272,529.05	2,958,515,821.09

Items	First three quarters of 2023	First three quarters of 2022
VI. Other comprehensive income, net of tax	228,283,173.45	(58,156,228.33)
(I) Other comprehensive income that may not be reclassified to profit or loss	185,038,980.25	(76,504,111.60)
1. Changes in fair value of other equity instruments investment	185,038,980.25	(76,504,111.60)
(II) Other comprehensive income that may be reclassified to profit or loss	43,244,193.20	18,347,883.27
1. Other comprehensive income under equity method that may be reclassified to profit and loss	759,638.61	2,583,293.07
2. Change in fair value of other debt investments	40,846,830.98	14,748,724.08
3. Credit loss provisions for other debt investments	1,637,723.61	1,015,866.12
VII. Total comprehensive income	2,182,555,702.50	2,900,359,592.76

*Person-in-charge of the
Company:*
Zhao Ling

*Person-in-charge of the
accounting affairs:*
Mei Jian

*Head of the accounting
department:*
Du Jia

Statement of Cash Flows of the Parent
January to September 2023

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	First three quarters of 2023	First three quarters of 2022
I. Cash flows generated from operating activities:		
Net decrease in financial instruments held for trading	6,516,687,401.41	–
Net decrease in margin accounts receivable	–	10,067,015,926.24
Net increase in financial assets sold under repurchase agreements	2,772,386,422.12	14,274,423,919.61
Cash received from interests, fees and commissions	5,513,128,608.18	7,162,392,042.52
Cash received relating to other operating activities	3,987,835,424.02	6,770,041,359.59
Sub-total of cash inflows from operating activities	18,790,037,855.73	38,273,873,247.96
Net increase in financial assets held for trading	–	19,438,102,677.12
Net decrease in placements from other financial institutions	5,273,489,383.72	4,642,620,133.71
Net increase in margin accounts receivable	392,815,666.72	–
Net cash paid for securities trading agency services	6,984,184,056.39	4,911,526,466.54
Cash payment of interest, fees and commissions	1,396,388,801.34	1,439,624,700.72
Cash paid to and on behalf of employees	2,066,943,859.26	2,241,162,314.46
Payment for taxes and levies	409,889,150.89	1,533,365,194.83
Cash paid relating to other operating activities	2,877,640,975.41	567,267,366.73
Sub-total of cash outflows from operating activities	19,401,351,893.73	34,773,668,854.11
Net cash flows generated from operating activities	(611,314,038.00)	3,500,204,393.85
II. Cash flows generated from investing activities:		
Cash received from sales of investments	14,543,867,322.14	4,296,941,866.52
Cash received from return on investments	801,742,098.57	836,421,423.15
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets	1,078,625.12	528,997.76
Sub-total of cash inflows from investing activities	15,346,688,045.83	5,133,892,287.43
Cash paid for acquisition of investments	18,673,045,639.01	9,178,255,709.06
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	280,262,994.47	118,747,030.99
Sub-total of cash outflows from investing activities	18,953,308,633.48	9,297,002,740.05
Net cash flows generated from investing activities	(3,606,620,587.65)	(4,163,110,452.62)

Items	First three quarters of 2023	First three quarters 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	22,746,625,000.00	26,617,759,100.00
Sub-total of cash inflows from financing activities	22,746,625,000.00	31,117,645,892.45
Cash paid for repayment of debts	24,383,766,469.81	33,113,100,000.00
Cash paid for distribution of dividends, or profits or for interest expenses	2,650,249,690.14	2,751,006,548.91
Cash paid for leases	166,808,381.18	150,472,749.94
Sub-total of cash outflows from financing activities	27,200,824,541.13	36,014,579,298.85
Net cash flows generated from financing activities	(4,454,199,541.13)	(4,896,933,406.40)
IV. Effects of changes in foreign exchange rates on cash and cash equivalents	(657,000.26)	12,123,870.01
V. Net increase in cash and cash equivalents	(8,672,791,167.04)	(5,547,715,595.16)
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	41,407,174,554.50	41,795,339,574.95

*Person-in-charge of the
Company:*
Zhao Ling

*Person-in-charge of the
accounting affairs:*
Mei Jian

*Head of the accounting
department:*
Du Jia

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
October 26, 2023