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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)

2018 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 2018 first quarterly report of Everbright Securities Company Limited (the “**Company**”) and its subsidiaries as of March 31, 2018. 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
Xue Feng
Chairman

Shanghai, the PRC
April 26, 2018

As at the date of this announcement, the Board comprises Mr. Ge Haijiao (Non-executive Director), Mr. Xue Feng (Chairman, Executive Director), Mr. Ju Hao (Non-executive Director), Mr. Yin Lianchen (Non-executive Director), Mr. Chan Ming Kin (Non-executive Director), Mr. Xue Keqing (Non-executive Director), Mr. Xu Jingchang (Independent Non-executive Director), Mr. Xiong Yan (Independent Non-executive Director), Mr. Li Zheping (Independent Non-executive Director) and Mr. Au Sing Kun (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 that there is no misrepresentation, misleading statement in or material omission from this quarterly report, and jointly and severally accept liability 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** Xue Feng, the Chairman of the Company, Zhou Jiannan, the person-in-charge of accounting affairs, and He Mannian, the head of the accounting department (accounting head), warrant and guarantee the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.
- 1.4** This first 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 March 31, 2018	As at December 31, 2017	Variance as compared with the end of last year (%)
Total assets	204,133,181,331.95	205,864,365,109.99	(0.84)
Net assets attributable to shareholders of the listed company	49,472,905,606.54	48,575,912,324.95	1.85
	January to March, 2018	January to March, 2017	Variance as compared with the corresponding period of last year (%)
Net cash generated from operating activities	4,422,520,760.98	(8,431,000,907.73)	NA

	January to March, 2018	January to March, 2017	Variance as compared with the corresponding period of last year (%)
Operating income	2,335,322,025.03	1,932,409,010.49	20.85
Net profit attributable to shareholders of the listed company	731,457,446.77	587,211,411.32	24.56
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	680,861,848.63	435,332,584.34	56.40
Weighted average returns on net assets (%)	1.49	1.25	Increased by 0.24 percentage point
Basic earnings per share (Yuan/share)	0.1586	0.1274	24.49
Diluted earnings per share (Yuan/share)	0.1586	0.1274	24.49

Non-recurring profit or loss items and amounts

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Items	January to March, 2018	Description
Gains or losses from disposals of non-current assets	58,863.09	
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	60,220,226.52	Fiscal aid
Other non-operating income and expenses except items above	7,180,049.94	
Effect of minority interests (net of tax)	1,673.90	
Effect of income tax	(16,865,215.31)	
Total	<u><u>50,595,598.14</u></u>	

2.2 Total number of shareholders and shareholdings 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 91,146, among which 90,955 are A shareholders and 191 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		Nature of shareholder
				Share state	Number	
China Everbright Group Corporation Limited	1,159,456,183	25.15	0	none		State-owned legal person
China Everbright Limited	1,074,250,000	23.30	0	none		Foreign legal person
HKSCC Nominees Limited	703,646,800	15.26	0	unknown		Others
China Securities Finance Corporation Limited	225,928,332	4.90	0	none		Others
Pingan Dahua Fund – Pingan Bank – Ping An Bank Company Limited	152,718,387	3.31	0	none		Others
China Great Wall Asset Management Co., Ltd.	54,978,619	1.19	0	none		State-owned legal person
Central Huijin Asset Management Ltd.	37,568,900	0.81	0	none		Others
Beijing Haoqing Wealth Management Co. Ltd. – Haoqing Stable Value No.1 Investment Fund (北京昊青財富投資管理 有限公司 – 昊青價值穩健1號 投資基金)	23,193,939	0.50	0	none		Others
Beijing Haoqing Wealth Management Co. Ltd. – Haoqing Stable Value No.10 Investment Fund (北京昊青財富投資管理 有限公司 – 昊青價值穩健10號 投資基金)	22,182,800	0.48	0	none		Others
Anhui Railway Development Fund Co., Ltd.	18,821,017	0.41	0	none		Others

Shareholdings 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	1,074,250,000	RMB ordinary shares	1,074,250,000
HKSCC Nominees Limited	703,646,800	Overseas listed foreign shares	703,646,800
China Securities Finance Corporation Limited	225,928,332	RMB ordinary shares	225,928,332
Pingan Dahua Fund – Pingan Bank – Ping An Bank Company Limited	152,718,387	RMB ordinary shares	152,718,387
China Great Wall Asset Management CO., Ltd.	54,978,619	RMB ordinary shares	54,978,619
Central Huijin Asset Management Ltd.	37,568,900	RMB ordinary shares	37,568,900
Beijing Haoqing Wealth Management Co. Ltd. – Haoqing Stable Value No.1 Investment Fund (北京昊青財富投資管理有限公司 – 昊青價值穩健1號投資基金)	23,193,939	RMB ordinary shares	23,193,939
Beijing Haoqing Wealth Management Co. Ltd. – Haoqing Stable Value No.10 Investment Fund (北京昊青財富投資管理有限公司 – 昊青價值穩健10號投資基金)	22,182,800	RMB ordinary shares	22,182,800
Anhui Railway Development Fund Co., Ltd.	18,821,017	RMB ordinary shares	18,821,017

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% equity interests 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: Among the H shareholders of the Company, HKSCC Nominees Limited held the H Shares on behalf of the non-registered shareholders.

2.3 Total number of shareholders of preference shares, top ten shareholders of preference shares, 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 March 31, 2018	As at December 31, 2017	Increase/ Decrease (%)	Major reasons for the change
Available-for-sale financial assets	-	3,795,630.30	NA	Mainly due to the reclassification of new financial instruments standards
Held-to-maturity investments	-	37,888.49	NA	Mainly due to the reclassification of new financial instruments standards
Financial assets at fair value through other comprehensive income	1,872,873.98	-	NA	Mainly due to the reclassification of new financial instruments standards
Financial assets measured at amortized cost	1,032,251.88	-	NA	Mainly due to the reclassification of new financial instruments standards
Construction in progress	117.60	66.66	76.43	Increase in scale of projects in progress
Deferred income tax assets	33,749.48	50,316.04	(32.93)	Decrease in deductible temporary difference
Derivative financial liabilities	26,366.28	15,628.04	68.71	Fluctuations in the value of derivative instruments
Accounts payable	134,482.97	97,260.53	38.27	Increase in settlement funds payable
Deferred income tax liabilities	18,836.70	4,793.82	292.94	Increase in taxable temporary differences
Other comprehensive income	10,937.18	(49,215.58)	NA	Mainly due to the reclassification of new financial instruments standards

Items	January to March, 2018	January to March, 2017	Change (%)	Major reasons for the change
Net fee income from investment banking business	9,651	16,528	(41.61)	Decrease in underwriting size
Net fee income from asset management business	14,363	5,361	167.90	Increase in accrued performance-based pay
Net interest income	13,595	46,959	(71.05)	Increase in interest expense on bonds
Investment gains	9,733	25,899	(62.42)	Decrease in gains from disposal of financial instruments
Gain arising from fair value changes	92,292	(2,863)	NA	Changes in the fair value of financial instruments
Foreign exchange gains	573	(5,551)	NA	Changes in the value of foreign currency positions
Other income	6,022	20,139	(70.10)	Decrease in the financial aid funds received
Other operating income	2,659	4,201	(36.72)	Decrease in income from agency services
Impairment losses of assets	(4,500)	(150)	NA	Reversal of impairment losses in the current period
Other operating cost	358	183	96.33	Increase in account-opening costs
Non-operating expenses	8	84	(90.61)	Reduced litigation damages
Income tax expense	26,379	14,075	87.42	Increase in taxable profits
Other comprehensive income, net of tax	(934)	18,422	NA	Changes in the fair value of financial instruments

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

Applicable Not Applicable

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

3.5 Implementation of new accounting standards for financial instruments

In 2017, the Ministry of Finance amended the Accounting Standards for Enterprises No. 22 – Recognition and Measurement of Financial Instruments, Accounting Standards for Enterprises No. 23 – Transfer of Financial Assets, Accounting Standards for Enterprises No. 24 – Hedge Accounting, and Accounting Standards for Enterprises No. 37 – Presentation of Financial Instruments, which have come into effect on 1 January 2018. The impact of adopting the new standards for financial instruments by the Company from January 1, 2018 mainly includes:

1. Classification and measurement

The Company is required to classify its financial assets into financial assets at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss for the current period according to its business model for financial asset management and the contractual cash flow characteristics of financial assets.

2. Impairment

Under the new standards for financial instruments, the expected credit loss model is used to measure the impairment provisions for debt instruments at amortized cost and debt instruments at fair value through other comprehensive income for a 12-month period or the entire life cycle. The Company measures the impairment provisions for accounts receivable for the entire life cycle using the simplified approach based on the expected loss rate as estimated by the discounted present value of the future cash flow gap. Furthermore, the Company recognizes the expected credit losses of other debt instruments and receivables for the next 12 months using general approach based on expected events of default for the next 12 months.

Following the adoption of the new standards for financial instruments, the net assets at the beginning of the period will be affected by an amount which will not account for a proportion of more than 0.5% of the net assets of the Company.

Name of the Company	Everbright Securities Company Limited
Legal representative	Zhou Jiannan
Date	April 26, 2018

4. APPENDIX

4.1 Financial statements

Consolidated Balance Sheet

March 31, 2018

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	As at March 31, 2018	As at December 31, 2017
Assets:		
Cash and bank balances	44,445,953,773.61	46,278,310,513.29
Including: Cash held on behalf of brokerage clients	37,600,800,966.61	36,519,413,332.60
Clearing settlement funds	5,054,025,259.04	4,324,828,407.58
Including: Settlement funds held on behalf of brokerage clients	3,815,060,776.77	3,586,402,306.29
Margin accounts receivable	36,970,547,422.33	37,708,356,521.63
Financial assets at fair value through profit or loss	46,157,833,242.14	37,446,511,379.39
Derivative financial assets	216,717,219.05	196,874,238.50
Financial assets held under resale agreements	20,858,545,472.29	20,081,043,994.60
Accounts receivables	3,389,877,361.23	3,113,372,742.85
Interest receivable	2,038,701,808.11	1,866,298,670.78
Refundable deposits	3,980,368,137.61	3,713,015,753.27
Dividends receivable	94,696,795.74	101,064,663.95
Available-for-sale financial assets	–	37,956,303,030.42
Held-to-maturity investments	–	378,884,859.34
Financial assets at fair value through other comprehensive income	18,728,739,753.54	–
Financial assets measured at amortized cost	10,322,518,822.63	–
Long-term equity investments	1,261,463,154.25	1,229,773,671.46
Fixed assets	815,756,934.48	829,612,585.40
Construction in progress	1,176,009.70	666,575.74

Items	As at March 31, 2018	As at December 31, 2017
Intangible assets	495,444,392.12	557,702,501.79
Goodwill	1,158,287,533.15	1,199,674,877.03
Long-term deferred expenses	86,264,441.88	101,817,141.49
Deferred income tax assets	337,494,842.59	503,160,445.75
Other assets	7,718,768,956.46	8,277,092,535.73
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Total assets	204,133,181,331.95	205,864,365,109.99
	<hr/> <hr/>	<hr/> <hr/>
Liabilities:		
Short-term borrowings	6,072,564,242.01	6,361,295,405.82
Short-term debt instruments issued	15,091,652,635.66	18,491,732,212.82
Placements from other financial institutions	3,071,540,000.00	2,993,700,000.00
Financial liabilities at fair value through profit or loss	584,769,474.31	456,941,461.06
Derivative financial liabilities	263,662,806.21	156,280,404.98
Financial assets sold under repurchase agreements	24,276,004,674.94	23,315,494,527.54
Accounts payable to brokerage clients	35,243,884,746.41	33,828,911,354.23
Accounts payable to margin clients	8,098,914,908.34	7,117,704,496.30
Employee benefit payable	1,518,759,743.60	2,031,053,378.50
Taxes payable	684,430,991.92	971,851,319.93
Accounts payable	1,344,829,671.16	972,605,310.05
Interest payable	1,492,599,047.34	1,454,502,912.35
Long-term borrowings	5,819,072,737.34	6,102,670,540.16
Bonds payables	39,851,836,026.38	40,917,629,381.64
Long-term employee benefit payable	1,597,684.82	2,051,284.82
Deferred income tax liabilities	188,366,976.52	47,938,190.88
Other liabilities	9,607,709,365.51	10,619,335,227.56
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Total liabilities	153,212,195,732.47	155,841,697,408.64
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Items	As at March 31, 2018	As at December 31, 2017
Equity or shareholders' equity:		
Paid-in capital or shares capital	4,610,787,639.00	4,610,787,639.00
Capital reserve	23,613,758,973.51	23,559,010,853.82
Other comprehensive income	109,371,841.73	(492,155,827.36)
Surplus reserve	2,855,010,959.26	2,909,756,868.36
General risk reserve	6,256,731,584.04	6,357,665,102.99
Retained profits	12,027,244,609.00	11,630,847,688.14
Total equity attributable to the owners of the parent company or shareholders' equity	49,472,905,606.54	48,575,912,324.95
Minority interests	1,448,079,992.94	1,446,755,376.40
Total equity or shareholders' equity	50,920,985,599.48	50,022,667,701.35
Total liabilities and equity or shareholders' equity	204,133,181,331.95	205,864,365,109.99

Legal representative:
Zhou Jiannan

*Person-in-charge of
accounting affairs:*
Zhou Jiannan

*Head of accounting
department:*
He Mannian

Balance Sheet of the Parent Company

March 31, 2018

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	As at March 31, 2018	As at December 31, 2017
Assets:		
Cash and bank balances	24,784,516,770.61	25,363,439,529.36
Including: Cash held on behalf of brokerage clients	20,695,999,158.53	20,049,038,614.01
Clearing settlement funds	6,121,381,072.29	4,857,187,743.80
Including: Settlement funds held on behalf of brokerage clients	4,920,837,036.41	4,152,823,474.45
Margin accounts receivable	28,618,604,096.08	29,436,242,641.07
Financial assets at fair value through profit or loss	31,806,906,531.92	28,096,602,477.98
Derivative financial assets	167,693,342.62	207,314,196.11
Financial assets held under resale agreements	20,768,555,137.30	19,974,636,614.59
Accounts receivables	647,986,423.59	668,024,738.86
Interest receivable	1,823,760,651.04	1,697,801,067.21
Refundable deposits	672,518,619.51	746,761,104.72
Dividends receivable	161,142,147.71	99,456,019.91
Available-for-sale financial assets	-	33,514,333,969.51
Financial assets at fair value through other comprehensive income	18,777,862,156.47	-
Financial assets measured at amortized cost	8,366,091,524.91	-
Long-term equity investments	11,214,469,240.32	11,207,378,093.24
Fixed assets	748,671,332.31	769,195,356.60
Construction in progress	1,176,009.70	666,575.74
Intangible assets	59,822,589.03	65,467,748.72
Long-term deferred expenses	70,969,004.91	73,751,895.80
Deferred income tax assets	189,918,588.51	335,054,155.82
Other assets	918,632,758.17	1,280,171,680.38
Total assets	155,920,677,997.00	158,393,485,609.42

Items	As at March 31, 2018	As at December 31, 2017
Liabilities:		
Short-term debt instruments issued	15,091,652,635.66	18,491,732,212.82
Placements from other financial institutions	3,071,540,000.00	2,993,700,000.00
Financial liabilities at fair value through profit or loss	135,151,000.00	241,493,350.00
Derivative financial liabilities	230,842,276.20	167,386,483.52
Financial assets sold under repurchase agreements	23,038,716,613.70	23,004,245,571.92
Accounts payable to brokerage clients	21,031,891,707.24	19,656,125,080.09
Accounts payable to margin clients	3,553,191,817.05	2,978,146,363.69
Employee benefit payable	1,151,586,658.81	1,548,556,732.43
Taxes payable	481,634,197.03	664,826,923.26
Accounts payable	257,914,619.28	160,350,515.56
Interest payable	1,441,885,154.01	1,372,001,882.61
Bonds payables	35,194,752,116.99	37,184,909,665.00
Other liabilities	2,190,085,225.33	1,507,870,903.85
	<u>106,870,844,021.30</u>	<u>109,971,345,684.75</u>
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	389,600,719.27	(319,155,410.46)
Surplus reserve	2,855,010,959.26	2,909,756,868.36
General risk reserve	5,589,055,378.12	5,698,547,196.32
Retained profits	10,466,408,623.31	10,383,232,974.71
Total equity or shareholders' equity	<u>49,049,833,975.70</u>	<u>48,422,139,924.67</u>
Total liabilities and equity or shareholders' equity	<u>155,920,677,997.00</u>	<u>158,393,485,609.42</u>

Legal representative:
Zhou Jiannan

*Person-in-charge of
accounting affairs:*
Zhou Jiannan

*Head of accounting
department:*
He Mannian

Consolidated Income Statements

January to March 2018

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	January to March, 2018	January to March, 2017
I. Operating Income	2,335,322,025.03	1,932,409,010.49
Net fee and commission income	1,086,590,715.03	1,044,561,241.26
Including: Net fee income from brokerage business	680,029,931.45	645,175,702.06
Net fee income from investment banking business	96,508,583.83	165,278,636.15
Net fee income from asset management business	143,630,339.74	53,612,490.35
Net interest income	135,947,220.08	469,590,341.03
Investment gains	97,329,205.37	258,987,484.39
Including: Gains attributable to investment in associates and joint ventures	3,522,817.49	12,746,051.21
Gain arising from fair value changes	922,915,225.14	(28,626,283.22)
Foreign exchange gains	5,734,214.95	(55,505,512.76)
Other income	60,220,226.52	201,390,700.00
Other operating income	26,585,217.94	42,011,039.79
II. Operating expenses	1,308,755,502.22	1,182,502,419.94
Tax and surcharges	12,943,338.79	12,480,223.11
General and administrative expenses	1,337,229,662.27	1,169,698,066.18
Impairment losses of assets	(45,001,658.23)	(1,501,469.90)
Other operating cost	3,584,159.39	1,825,600.55
III. Operating profit	1,026,566,522.81	749,906,590.55
Add: Non-operating income	7,317,470.21	5,996,272.80
Less: Non-operating expenses	78,557.18	836,351.62
IV. Gross profit	1,033,805,435.84	755,066,511.73
Less: Income tax expense	263,789,230.75	140,745,394.34

Items	January to March, 2018	January to March, 2017
V. Net profit	770,016,205.09	614,321,117.39
I) Classified by continuity of operation		
1. Net profit from continued operation	770,016,205.09	614,321,117.39
2. Net profit from discontinued operation	-	-
II) Classified by ownership		
1. Gain/loss attributable to minority interests	38,558,758.32	27,109,706.07
2. Net profit attributable to shareholders of the parent company	731,457,446.77	587,211,411.32
VI. Other comprehensive income, net of tax	(9,337,979.52)	184,219,924.37
Other comprehensive income, net of tax, attributable to owners of the parent company	27,896,162.25	183,021,821.06
I) Other comprehensive income that will not be reclassified subsequently to profit or loss	-	-
1. Changes due to remeasurement of net assets or liabilities of defined benefit plan	-	-
2. Share of other comprehensive income of the investee accounted for using the equity method, which will not be reclassified subsequently to profit or loss	-	-
II) Other comprehensive income that may be reclassified to profit or loss	27,896,162.25	183,021,821.06
1. Share of other comprehensive income of the investee accounted for using the equity method that will be reclassified to profit or loss	(200,646.03)	(480,552.97)
2. Gain/loss arising from fair value change of available-for-sale financial assets	-	171,673,626.90
3. Gain/loss arising from fair value change of debt instruments at fair value through other comprehensive income	62,132,066.55	-
4. Gain/loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets	-	-
5. The effective portion of gains or losses arising from cash flow hedging instruments	-	-
6. Currency translation difference	(34,035,258.27)	11,828,747.13
7. Others	-	-
Other comprehensive income, net of tax, attributable to the minority interests	(37,234,141.77)	1,198,103.31

Items	January to March, 2018	January to March, 2017
VII. Total comprehensive income	760,678,225.57	798,541,041.76
Total comprehensive income attributable to owners of the parent company	759,353,609.02	770,233,232.38
Total comprehensive income attributable to the minority interests	1,324,616.55	28,307,809.38
VIII. Earnings per share:		
I) Basic Earnings per share (<i>Yuan/share</i>)	0.1586	0.1274
II) Diluted Earnings per share (<i>Yuan/share</i>)	0.1586	0.1274
<i>Legal representative:</i> Zhou Jiannan	<i>Person-in-charge of accounting affairs:</i> Zhou Jiannan	<i>Head of accounting department:</i> He Mannian

Income Statement of the Parent Company

January to March 2018

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	January to March, 2018	January to March, 2017
I. Operating Income	1,267,497,936.67	1,506,350,106.41
Net fee and commission income	599,142,289.50	654,527,017.42
Including: Net fee income from brokerage business	496,206,463.56	487,213,135.86
Net fee income from investment banking business	89,307,636.14	157,516,090.13
Net interest income	49,622,755.73	407,495,103.98
Investment gains	231,207,876.96	312,215,336.16
Including: Gains attributable to investment in associates and joint ventures	7,291,793.11	11,784,231.61
Gains from disposals of assets		
Gain arising from fair value changes	334,917,135.94	(4,557,360.80)
Foreign exchange gains	(12,694,404.76)	(60,621,733.24)
Other income	60,220,226.52	192,090,700.00
Other operating income	5,082,056.78	5,201,042.89
II. Operating expenses	737,942,920.82	756,608,536.27
Tax and surcharges	11,902,608.64	10,703,293.80
General and administrative expenses	752,043,690.25	745,434,852.61
Impairment losses of assets	(29,270,696.78)	(1,479,830.37)
Other operating cost	3,267,318.71	1,950,220.23
III. Operating profit	529,555,015.85	749,741,570.14
Add: Non-operating income	62,013.86	5,840,066.45
Less: Non-operating expenses	12,605.22	204,612.62
IV. Gross profit	529,604,424.49	755,377,023.97
Less: Income tax expense	63,207,412.19	95,131,528.43

Items	January to March, 2018	January to March, 2017
V. Net profit	466,397,012.30	660,245,495.54
I) Net profit from continued operation	466,397,012.30	660,245,495.54
II) Net profit from discontinued operation	-	-
VI. Other comprehensive income, net of tax	61,931,420.52	212,902,850.72
I) Other comprehensive income that will not be reclassified subsequently to profit or loss	-	-
1. Changes due to remeasurement of net assets or liabilities of defined benefit plan	-	-
2. Share of other comprehensive income of the investee accounted for using the equity method, which will not be reclassified subsequently to profit or loss	-	-
II) Other comprehensive income that may be reclassified subsequently to profit or loss	61,931,420.52	212,902,850.72
1. Share of other comprehensive income of the investee accounted for using the equity method that will be reclassified to profit or loss	(200,646.03)	(480,552.97)
2. Gain/loss arising from fair value change of available-for-sale financial assets	-	213,383,403.69
3. Gain/loss arising from fair value change of debt instruments at fair value through other comprehensive income	62,132,066.55	-
4. Gain/loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets	-	-
5. The effective portion of gains or losses arising from cash flow hedging instruments	-	-
6. Currency translation difference	-	-
7. Others	-	-
VII. Total comprehensive income	528,328,432.82	873,148,346.26

Legal representative:
Zhou Jiannan

*Person-in-charge of
accounting affairs:*
Zhou Jiannan

*Head of accounting
department:*
He Mannian

Consolidated Statement of Cash Flows

January to March 2018

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	January to March, 2018	January to March, 2017
I. Cash flows from operating activities:		
Net increase in disposal of financial assets at fair value through profit or loss	5,922,268,107.72	6,939,575,867.01
Cash received from interests, fees and commissions	2,525,959,658.46	2,754,227,073.41
Net increase in placements from other financial institutions	77,840,000.00	–
Net increase in financial assets sold under repurchase agreements	153,750,978.02	–
Net decrease in margin accounts receivable	758,067,552.02	1,422,478,184.42
Net cash received from securities trading agency services	1,372,997,993.01	–
Cash received relating to other operating activities	1,044,064,462.03	283,719,715.83
Sub-total of cash inflows from operating activities	11,854,948,751.26	11,400,000,840.67
Net decrease in financial assets sold under repurchase agreements	–	591,222,291.75
Net decrease in placements from other financial institutions	–	8,907,560,000.00
Net cash paid for securities trading agency services	–	238,697,286.89
Cash payment for interests, fees and commissions	654,540.28	961,040,387.15
Cash paid to and on behalf of employees	1,720,537,084.13	1,258,028,035.19
Payment for taxes and levies	307,612,017.12	753,208,418.31
Increase in finance lease receivables	446,952,917.26	140,241,269.35
Cash paid relating to other operating activities	4,956,671,431.49	6,981,004,059.76
Sub-total of cash outflows from operating activities	7,432,427,990.28	19,831,001,748.40
Net cash generated from operating activities	4,422,520,760.98	(8,431,000,907.73)

Items	January to March, 2018	January to March, 2017
II. Cash flows from investing activities		
Cash received from sales of investments	986,815,353.15	352,925,815.97
Cash received from return on investments	10,094,115.19	10,721,489.30
Cash received relating to other investing activities	163,165.15	19,340.00
Sub-total of cash inflows from investing activities	997,072,633.49	363,666,645.27
Cash paid for acquisition of investments	-	2,087,130,931.11
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	10,992,550.53	71,300,683.96
Sub-total of cash outflows from investing activities	10,992,550.53	2,158,431,615.07
Net cash generated from investing activities	986,080,082.96	(1,794,764,969.80)
III. Cash flows from financing activities:		
Cash received from borrowings	3,088,900,400.00	8,559,250,641.59
Cash received from issuance of bonds	5,601,500,000.00	12,344,956,908.13
Sub-total of cash inflows from financing activities	8,690,400,400.00	20,904,207,549.72
Cash paid for repayment of debts	13,065,993,000.00	3,893,166,353.47
Cash repayment of borrowings	796,815,943.79	7,070,770,267.21
Cash paid for distribution of dividends, or profits or for interest expenses	542,102,649.87	72,977,956.63
Sub-total of cash outflows from financing activities	14,404,911,593.66	11,036,914,577.31
Net cash generated from financing activities	(5,714,511,193.66)	9,867,292,972.41
IV. Effects of changes in foreign exchange rates on cash and cash equivalents	5,734,214.95	(55,505,512.76)
V. Net increase in cash and cash equivalents	(300,176,134.77)	(413,978,417.88)
Add: Cash and cash equivalents at the beginning of the period	46,263,881,703.00	60,510,628,178.92
VI. Cash and cash equivalents at the end of the period	45,963,705,568.23	60,096,649,761.04

Legal representative:
Zhou Jiannan

*Person-in-charge of
accounting affairs:*
Zhou Jiannan

*Head of accounting
department:*
He Mannian

Cash Flow Statement of Parent Company

January to March 2018

Prepared by: Everbright Securities Company Limited

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	January to March, 2018	January to March, 2017
I. Cash flows from operating activities:		
Net increase in disposal of financial assets at fair value through profit or loss	6,189,107,345.60	6,224,073,252.56
Cash received from interests, fees and commissions	1,645,962,966.90	2,025,258,414.55
Net increase in placements from other financial institutions	77,840,000.00	–
Net increase in financial assets sold under repurchase agreements	1,162,106,907.89	–
Net decrease in margin accounts receivable	832,074,451.24	1,345,988,140.54
Net cash received from securities trading agency services	71,210,176.41	0.00
Cash received relating to other operating activities	602,383,743.20	204,935,785.76
Sub-total of cash inflows from operating activities	10,580,685,591.24	9,800,255,593.41
Net decrease in placements from other financial institutions	–	8,907,560,000.00
Net decrease in financial assets sold under repurchase agreements	–	362,696,818.03
Net cash paid for securities trading agency services	–	1,168,779,968.04
Cash payment for interests, fees and commissions	420,596,532.62	728,197,232.79
Cash paid to and on behalf of employees	937,008,994.11	810,565,228.78
Payment for taxes and levies	167,004,740.34	556,802,870.89
Cash paid relating to other operating activities	2,578,959,741.10	3,723,059,817.94
Sub-total of cash outflows from operating activities	4,103,570,008.17	16,257,661,936.47
Net cash generated from operating activities	6,477,115,583.07	(6,457,406,343.06)

Items	January to March, 2018	January to March, 2017
II. Cash flows from investing activities:		
Cash received from sales of investments	–	28,645,213.65
Cash received from return on investments	70,000,000.00	149,417,810.66
Sub-total of cash inflows from investing activities	70,000,000.00	178,063,024.31
Cash paid for acquisition of investments	3,103,184,646.85	2,055,089,453.00
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	19,573,569.81	41,791,199.92
Sub-total of cash outflows from investing activities	3,122,758,216.66	2,096,880,652.92
Net cash generated from investing activities	(3,052,758,216.66)	(1,918,817,628.61)
III. Cash flows from financing activities:		
Cash received from borrowings	2,864,470,000.00	–
Cash received from issuance of bonds	4,801,500,000.00	11,744,956,908.13
Sub-total of cash inflows from financing activities	7,665,970,000.00	11,744,956,908.13
Cash paid for repayment of debts	13,065,993,000.00	3,893,166,353.47
Cash paid for distribution of dividends, or profits or for interest expenses	592,128,378.22	(14,424,051.97)
Sub-total of cash outflows from financing activities	13,658,121,378.22	3,878,742,301.50
Net cash generated from financing activities	(5,992,151,378.22)	7,866,214,606.63
IV. Effects of changes in foreign exchange rates on cash and cash equivalents		
	(12,694,404.76)	(60,621,733.24)
V. Net increase in cash and cash equivalents		
	(2,580,488,416.57)	(570,631,098.28)
Add: Cash and cash equivalents at the beginning of the period	30,398,510,628.09	43,068,303,069.59
VI. Cash and cash equivalents at the end of the period		
	27,818,022,211.52	42,497,671,971.31
<i>Legal representative:</i> Zhou Jiannan	<i>Person-in-charge of accounting affairs:</i> Zhou Jiannan	<i>Head of accounting department:</i> He Mannian

4.2 Audit Reports

Applicable Not Applicable