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*(A joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name “东方证券股份有限公司” and carrying on business in Hong Kong as “東方證券” (in Chinese) and “DFZQ” (in English))*

**(Stock Code: 03958)**

## **RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024**

The board of directors (the “**Board**”) of 東方證券股份有限公司 (the “**Company**”) hereby announces the audited results of the Company and its subsidiaries (the “**Group**”) for the year ended December 31, 2024. This announcement, containing the full text of the 2024 annual report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of annual results.

The Group’s final results for the year ended December 31, 2024 have been reviewed by the audit committee of the Company.

### **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement will be published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company’s website ([www.dfzq.com.cn](http://www.dfzq.com.cn)).

The 2024 annual report will be published on the aforesaid websites of The Stock Exchange of Hong Kong Limited and the Company and will be despatched to the Shareholders who have indicated their wish to receive a printed copy in due course.

By order of the Board  
**GONG Dexiong**  
Chairman

Shanghai, PRC  
March 28, 2025

*As at the date of this announcement, the Board of Directors comprises Mr. GONG Dexiong, Mr. LU Weiming and Mr. LU Dayin as executive Directors; Mr. XIE Weiqing, Mr. YANG Bo, Mr. SHI Lei, Ms. LI Yun, Mr. XU Yongmiao, Mr. REN Zhixiang and Mr. SUN Weidong as non-executive Directors; and Mr. WU Hong, Mr. FENG Xingdong, Mr. LUO Xinyu, Mr. CHAN Hon and Mr. ZHU Kai as independent non-executive Directors.*

# Important Notice

- I. The Board, the Supervisory Committee and the Directors, Supervisors and senior management of the Company warrant that the information contained in the annual report is true, accurate and complete, and there are no false representations, misleading statements or material omissions, and severally and jointly accept legal liability.
- II. This report was considered and approved at the fourth meeting of the sixth session of the Board and the second meeting of the sixth session of the Supervisory Committee of the Company. All Directors of the Company have attended the Board Meeting, and no Director or Supervisor has raised any objection to this report.
- III. The 2024 annual financial report of the Company, prepared in accordance with the China Accounting Standards for Business Enterprises (“CASBE”) and the International Financial Reporting Standards (“IFRS”), was audited by KPMG Huazhen LLP and KPMG Certified Public Accountants, respectively, who each issued a standard unqualified audit report to the Company. Unless otherwise stated, all data included in this report are denominated in RMB.
- IV. Mr. Gong Dexiong, the person-in-charge of the Company, Mr. Shu Hong, the accounting chief, and Mr. You Wenjie, the person-in-charge of the accounting department (head of accounting), warrant the truthfulness, accuracy and completeness of the financial report set out in the annual report.
- V. Proposal on Profit Distribution or Proposal on Transfer of Capital Reserve Fund into Share Capital during the Reporting Period as approved by the Board

The 2024 profit distribution plan of the Company: Based on the total share capital of the Company as at the record date for the dividend distribution, a cash dividend of RMB1.00 (inclusive of tax) for every 10 shares will be distributed to A Shareholders and H Shareholders whose names appear on the register of members on the record date for the dividend distribution.

According to the relevant provisions of the Guidelines of Self-regulation of Companies Listed on the Shanghai Stock Exchange No. 7 – Repurchase of Shares and other relevant regulations, the A Shares in the Company’s designated securities account for repurchase of the Company shall not be entitled to dividend distribution. Based on the Company’s total share capital of 8,496,645,292 shares as at December 31, 2024, after deducting 34,843,324 shares from the Company’s repurchase account as at the disclosure date of the report, the total amount of cash dividends to be distributed is RMB846,180,196.80, accounting for 25.26% of the consolidated net profit attributable to owners of the Parent Company in 2024. The Company has distributed an interim cash dividends of RMB634,635,147.60 in 2024, and the total cash dividends distributed in 2024 amount to RMB1,480,815,344.40, accounting for 44.20% of the consolidated net profit attributable to owners of the Parent Company in 2024.

The proposal for the 2024 annual profit distribution plan of the Company has been considered and approved at the fourth meeting of the sixth session of the Board of the Company and is subject to the consideration of the shareholders’ general meeting of the Company.

## Important Notice

VI. Risk alerts regarding forward-looking statements

Forward-looking statements, including future plans and development strategies, may be contained in this report. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Neither the Company nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information. Investors are advised to pay attention to such investment risks involved and not place undue reliance on forward-looking statements.

VII. No appropriation of funds on a non-operating basis by the Company's controlling shareholder or other related parties has occurred during the Reporting Period.

VIII. The Company did not provide any external guarantee in violation of the stipulated decision-making procedures during the Reporting Period.

IX. There is no situation where more than half of the Directors of the Company are unable to guarantee the truthfulness, accuracy and completeness of the annual report disclosed by the Company.

X. Material risk warnings

General economic and political conditions, such as macroeconomic and monetary policies, laws and regulations on the financial and securities industries, upward and downward trends in the market, business and financial sectors, currency and interest rate fluctuations, availability of short-term and long-term market funding sources, and financing cost, could affect the business of the Company. As a securities company, the business of the Company is directly affected by the inherent risks associated with the securities markets, including market volatility, changes in investment sentiment, fluctuations in trading volume, liquidity changes, and the creditworthiness or the perceived creditworthiness of the securities industry in the marketplace.

## Important Notice

Risks in business operation faced by the Company mainly include: policy risks arising from national macro-control measures, changes in laws, regulations, relevant regulatory policies and trade rules in the securities industry, which will adversely affect the business of securities companies; the risk of unexpected potential loss in value due to changes in share prices, interest rates, exchange rates, etc. in the securities market; the risk of loss caused to the Company due to failure of the debtor or counterparty to meet its contractual obligations or changes in credit quality; the operational risk due to inadequate internal processes, employee errors and misconduct, information system failure and defects, and external events; the liquidity risk of not being able to obtain sufficient funds in a timely manner and at a reasonable cost to pay debts as they fall due, meet other payment obligations and meet the funds required for normal business operations; the risk of inability of the Company's information technology system to provide normal services, affecting the normal operation of the Company's business; the risk of discontinuity of the Company's business or information security due to inadequate protection and backup measures for information technology systems and key data; the risk of negative perception of the Company's reputation resulting from its operations, management and other actions or external events; and the money laundering risk from the utilization of the Company's products or services by criminals to engage in money laundering activities which lead to negative effects on the Company's legal, reputation, compliance, operation and other aspects. In addition, like other financial institutions, the Company is inevitably exposed to a certain degree of compliance risk, legal risk, and ethical risk in the course of operation and management. For these types of risks, the Company has implemented a comprehensive risk management system that fully covers such risks, and has specified relevant responsible departments, established corresponding management systems, and implemented corresponding technical measures.

The Company has described the risks such as market risk, credit risk and liquidity risk in detail in this report. Please refer to the contents of the potential risks and prevention measures of the Company in the section entitled Report of the Board for details.

- XI. The Chinese and English versions of this report are provided by the Company. In the event of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.
- XII. Unless otherwise stated, all analysis and explanations contained in this report are prepared on a consolidated basis.

# CONTENTS

## Page

<b>5</b>	<b>Section I Definitions</b>
<b>8</b>	<b>Section II Company Profile and Key Financial Indicators</b>
<b>25</b>	<b>Section III Report of the Board</b>
<b>103</b>	<b>Section IV Corporate Governance</b>
<b>186</b>	<b>Section V Environmental and Social Responsibilities</b>
<b>192</b>	<b>Section VI Significant Events</b>
<b>219</b>	<b>Section VII Changes in Shares and Information on Shareholders</b>
<b>231</b>	<b>Section VIII Information on Preference Shares</b>
<b>232</b>	<b>Section IX Information on Bonds</b>
<b>252</b>	<b>Section X Information Disclosures of Securities Company</b>
<b>253</b>	<b>Appendix I Organizational Structure of the Company</b>
<b>254</b>	<b>Appendix II Information on the Securities Branches of the Company</b>
<b>267</b>	<b>Appendix III Information on the Futures Branches of the Company</b>
<b>271</b>	<b>Appendix IV Information Disclosure Index</b>
<b>281</b>	<b>Independent Auditor's Report</b>
<b>290</b>	<b>Consolidated Statement of Profit or Loss</b>
<b>291</b>	<b>Consolidated Statement of Profit or Loss and Other Comprehensive Income</b>
<b>292</b>	<b>Consolidated Statement of Financial Position</b>
<b>294</b>	<b>Consolidated Statement of Changes in Equity</b>
<b>296</b>	<b>Consolidated Statement of Cash Flows</b>
<b>300</b>	<b>Notes to the Consolidated Financial Statements</b>

# Section I DEFINITIONS

## I. DEFINITIONS

In this report, unless the context otherwise requires, the following terms shall have the meanings as follows:

Definitions of the frequently used terms

“A Share(s)”	the domestic shares of the Company with a nominal value of RMB1 each, which are listed and traded on the SSE
“Articles of Association”	the articles of association of DFZQ
“Board” or “Board of Directors”	the board of directors of DFZQ
“Company” or “the Company” or “Parent Company” or “DFZQ”	東方證券股份有限公司
“Company Law”	the Company Law of the People’s Republic of China
“China Galaxy”	China Galaxy Securities Co., Ltd. (中國銀河證券股份有限公司)
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules
“China Universal”	China Universal Asset Management Company Limited (匯添富基金管理股份有限公司), an investee company of the Company
“CSRC”	the China Securities Regulatory Commission
“CSDCC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“Dongguan Securities”	Dongguan Securities Co., Ltd. (東莞證券股份有限公司)
“Director(s)”	the director(s) of DFZQ
“Everbright Securities”	Everbright Securities Company Limited (光大證券股份有限公司)
“FICC”	fixed Income, currencies and commodities
“GF Securities”	GF Securities Co., Ltd. (廣發證券股份有限公司)

## Section I DEFINITIONS

“Group” or “the Group” or “We”	DFZQ and its subsidiaries
“H Share(s)”	the overseas listed foreign shares of the Company with a nominal value of RMB1 each, which are listed and traded in Hong Kong dollars on the Hong Kong Stock Exchange
“Hong Kong”	the Special Administrative Region of Hong Kong of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“IPO”	Initial public offering
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
“NEEQ”	National Equities Exchange and Quotations (全國中小企業股份轉讓系統)
“Orient Finance Holdings”	Orient Finance Holdings (Hong Kong) Limited (東方金融控股(香港)有限公司), a wholly-owned subsidiary of the Company
“Orient Futures”	Orient Securities Futures Co., Ltd. (上海東證期貨有限公司), a wholly-owned subsidiary of the Company
“Orient Investment Banking”	Orient Securities Investment Banking Co., Ltd. (東方證券承銷保薦有限公司), the Company has completed the absorption of and merger with Orient Investment Banking in September 2024
“Orient Securities Asset Management”	Shanghai Orient Securities Asset Management Co., Ltd. (上海東方證券資產管理有限公司), a wholly-owned subsidiary of the Company
“Orient Securities Capital Investment”	Shanghai Orient Securities Capital Investment Co., Ltd. (上海東方證券資本投資有限公司), a wholly-owned subsidiary of the Company
“Orient Securities Innovation”	Shanghai Orient Securities Innovation Investment Co., Ltd. (上海東方證券創新投資有限公司), a wholly-owned subsidiary of the Company
“Orient Securities International”	Orient Securities International Financial Group Co., Ltd. (東證國際金融集團有限公司), a wholly-owned subsidiary of Orient Finance Holdings

## Section I DEFINITIONS

“PRC” or “China”	the People’s Republic of China and for the purpose of this report, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Reporting Period”	January 1, 2024 to December 31, 2024
“RMB, RMB’000, RMB’0000, RMB million, RMB100 million”	Renminbi Yuan, Renminbi’000, Renminbi’0000, Renminbi million, Renminbi 100 million (unless otherwise specified)
“Supervisor(s)”	the supervisor(s) of DFZQ
“Supervisory Committee”	the supervisory committee of DFZQ
“Shanghai Bureau of the CSRC”	the Shanghai Securities Regulatory Bureau of the China Securities Regulatory Commission
“SSE”	the Shanghai Stock Exchange
“SZSE”	the Shenzhen Stock Exchange
“Shenergy Group”	Shenergy (Group) Company Limited (申能(集團)有限公司)
“SSE Composite Index”	Shanghai Stock Exchange Stock Price Composite Index
“SZSE Component Index”	Shenzhen Stock Exchange Component Index
“SFC”	Hong Kong Securities and Futures Commission
“Securities Law”	the Securities Law of the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Western Securities”	Western Securities Co., Ltd. (西部證券股份有限公司)

Special explanation: The data set out in this report may differ slightly in the endings from the arithmetic sum of the relevant individual data presented in this report due to rounding.



## Section II Company Profile and Key Financial Indicators

### I. CORPORATE INFORMATION

Chinese name of the Company	東方證券股份有限公司
Chinese abbreviation of the Company	東方證券
English name of the Company	ORIENT SECURITIES COMPANY LIMITED
English abbreviation of the Company	DFZQ
Legal representative of the Company	Gong Dexiong
Vice president of the Company (in charge of affairs)	Lu Dayin
Authorized representatives of the Company	Gong Dexiong, Wang Rufu
Joint company secretaries	Wang Rufu, Ngai Wai Fung

#### Registered capital and net capital of the Company

Unit: Yuan Currency: RMB

	As at the end of the Reporting Period	As at the end of last year
Registered capital	8,496,645,292.00	8,496,645,292.00
Net capital	53,848,274,965.67	50,592,451,966.46

#### Business scope of the Company:

Securities business; securities investment advisory. The business scope of the Company shall be subject to the items approved by the company registration authority.

## Section II Company Profile and Key Financial Indicators

### Each individual business qualification of the Company

no.	Name of business qualification	Approving authority and approval number
1	Permit to operate securities and futures business	CSRC (No. 913100001322947763)
2	Entry qualification for national inter-bank lending market and bonds market to conduct lending, bonds purchase, spot transaction of bonds and bonds repurchase business	Monetary Policy Department of the People's Bank of China (Yin Huo Zheng [2000] No. 108)
3	Qualification for conducting online securities commissioning	CSRC (Zheng Jian Xin Xi Zi [2001] No. 8)
4	Qualification for conducting distribution business of open-ended securities investment funds	CSRC (Zheng Jian Ji Jin Zi [2004] No. 50)
5	Qualification for conducting SSE Fund Connect business	SSE Membership Department (SSE [2005])
6	Qualification for conducting underwriting business of short-term financing bills	People's Bank of China (Yin Fa [2005] No. 275)
7	Pilot securities companies conducting relevant innovative activities	Securities Association of China (Zhong Zheng Xie Han [2004] No. 266)
8	Qualification for conducting share transfer agency business	Securities Association of China (Zhong Zheng Xie Han [2006] No.158)
9	Qualification for conducting quotation and transfer business	Securities Association of China (Zhong Zheng Xie Han [2006] No.173)
10	Dealer qualification for Integrated Electronic Platform of Fixed-income Securities of Shanghai Stock Exchange	SSE (Shang Zheng Hui Zi [2007] No. 45)
11	Approval of brokerage business qualification on financial futures	CSRC (Zheng Jian Qi Huo Zi [2007] No. 351)
12	Qualification of Type A clearing participants of China Securities Depository and Clearing Corporation Limited	CSDCC (Zhong Guo Jie Suan Han Zi [2008] No. 25)
13	Qualification for clearing business of financial futures transaction	CSRC (Zheng Jian Xu Ke [2008] No. 684)
14	Qualification for trial operation of direct investment business	CSRC (Ji Gou Bu Bu Han [2009] No. 475)
15	Qualification for provision of intermediary and referral services to futures companies	CSRC (Hu Zheng Jian Ji Gou Zi [2010] No. 132)
16	Establishment of wholly-owned subsidiary, Shanghai Orient Securities Asset Management Co., Ltd. and qualification for conducting securities assets management business	CSRC (Zheng Jian Xu Ke [2010] No. 518)

## Section II Company Profile and Key Financial Indicators

no.	Name of business qualification	Approving authority and approval number
17	Permit to operate securities and futures business	CSRC (No. 91310000555998513B)
18	Qualification for conducting margin financing and securities lending business	CSRC (Zheng Jian Xu Ke [2010] No. 764)
19	Type 1 Licence – Dealing in securities	Securities and Futures Commission of Hong Kong (CE No. AVD362)
	Type 4 Licence – Advising on securities	
20	Type 9 Licence – Asset management	Securities and Futures Commission of Hong Kong (CE No. AVH864)
21	Qualification for implementation of the securities broker system	CSRC (Hu Zheng Jian Ji Gou Zi [2010] No. 514)
22	Type 2 Licence – Dealing in futures contracts	Securities and Futures Commission of Hong Kong (CE No. AWD036)
23	Establishment of Citi Orient Securities Co., Ltd., qualification for conducting investment banking business	CSRC (Zheng Jian Xu Ke [2011] No. 2136)
24	Qualification for trial operation of dealer-quoted collateralized bond repurchase business	CSRC (Ji Gou Bu Bu Han [2012] No. 20)
25	Qualification for provision of integrated services to insurance institutional investors	China Insurance Regulatory Commission (Zi Jin Bu Han [2012] No. 4)
26	Qualification for conducting securities repurchase agreement transaction business	CSRC (Ji Gou Bu Bu Han [2012] No. 481) SSE (Shang Zheng Hui Zi [2012] No. 167) SZSE (Shen Zheng Hui [2013] No. 15)
27	Qualification for investment manager of insurance funds	China Insurance Regulatory Commission (Zi Jin Bu Han [2012] No. 4)
28	Qualification for the pilot securities lending financing business and securities refinancing business	China Securities Finance Corporation Limited (Zhong Zheng Jin Han [2012] No. 149 and Zhong Zheng Jin Han [2012] No. 153)
29	Qualification for assets management business	CSRC (Zheng Jian Xu Ke [2012] No. 1501)
30	Qualification for conducting special institutional client business of insurance institutions	China Insurance Regulatory Commission (Notice on Conducting Special Institutional Client Business of Insurance Institutions)
31	Permit to operate securities and futures business	CSRC (No. 91310000132110914L)
32	Qualification for financial products distribution business	Shanghai Bureau of the CSRC (Hu Zheng Jian Ji Gou Zi [2013] No. 52)
33	Qualification for conducting brokerage business in National Equities Exchange and Quotations Co., Ltd. as host broker	National Equities Exchange and Quotations Co., Ltd. (Gu Zhuan Xi Tong Han [2013] No. 44)
34	Conducting comprehensive custodian business for private equity fund (limited partnership)	CSRC (Ji Gou Bu Bu Han [2013] No. 174)
35	Qualification for conducting pilot consumption and payment service of securities funds of clients	CSRC (Ji Gou Bu Bu Han [2013] No. 207)

## Section II Company Profile and Key Financial Indicators

no.	Name of business qualification	Approving authority and approval number
36	Qualification for collateralized stock repurchase business	SSE (Shang Zheng Hui [2013] No. 77) SZSE (Shen Zheng Hui [2013] No. 60)
37	Qualification for conducting securities pledge registration agency business	CSDCC (Confirmation on Qualification for Securities Pledge Registration Agency Business)
38	Qualification for management business of publicly offered securities investment fund	CSRC (Zheng Jian Xu Ke [2013] No. 1131)
39	Qualification for equity-based return swaps and OTC options business	Securities Association of China (Zhong Zheng Xie Han [2013] No.923)
40	Qualification for conducting pilot securities refinancing business	China Securities Finance Corporation Limited (Zhong Zheng Jin Han [2013] No. 227)
41	Qualification for brokerage business of marketable securities in foreign currencies	Shanghai Bureau of State Administration of Foreign Exchange (Shang Hai Hui Fu [2014] No. 15)
42	License of Securities Business in Foreign Currency	State Administration of Foreign Exchange (SC201102)
43	Qualification for conducting market maker business in National Equities Exchange and Quotations Co., Ltd. as host broker	National Equities Exchange and Quotations Co., Ltd. (Gu Zhuan Xi Tong Gong Gao [2014] No. 54, Gu Zhuan Xi Tong Han [2014] No. 707)
44	Qualification of first batch participants in the inter-institutional private fund products quotation and service system	China Securities Capital Market Development Monitoring Centre Company Limited (List of Participants of Quotation System [First Batch])
45	Type 6 Licence – Advising on corporate finance	Securities and Futures Commission of Hong Kong (CE No. BDN128)
46	Permit to conduct Shanghai-Hong Kong Stock Connect business	SSE (Shang Zheng Han [2014] No. 626)
47	Qualification for pilot OTC market business	Securities Association of China (Zhong Zheng Xie Han [2014] No. 632)
48	Qualification for pilot proprietary business of gold spot contract	CSRC (Fund Institution Supervision Department Letter [2014] No. 1876)
49	Pilot online securities business	Securities Association of China (Announcement on List of Securities Companies Conducting Pilot Online Securities Business (No. 3))
50	Qualification for underwriting business of debt financing instruments of non-financial institutions	National Association of Financial Market Institutional Investors (Announcement of National Association of Financial Market Institutional Investors [2014] No. 16)
51	Qualification of options transaction participants of Shanghai Stock Exchange and permit to operate stock and options brokerage and proprietary operations; qualification for options clearing business	SSE (Shang Zheng Han [2015] No. 61)

## Section II Company Profile and Key Financial Indicators

no.	Name of business qualification	Approving authority and approval number
52	Qualification for conducting transfer and deposit service of clients' margin	China Securities Depository and Clearing Corporation Limited (Zhong Guo Jie Suan Han Zi [2015] No. 11) China Securities Investor Protection Fund Corporation (Zheng Bao Han [2015] No. 67)
53	Qualification for stock and options market making business	CSRC (Zheng Jian Xu Ke [2015] No. 163)
54	Qualification for conducting quotation business for debt financing instruments of non-financial institutions	National Association of Financial Market Institutional Investors (Zhong Shi Xie Bei [2015] No. 32)
55	Qualification for sales of securities investment fund	Shanghai Bureau of the CSRC (Hu Zheng Jian Xu Ke [2015] No. 61)
56	Qualification for funds sales business	CSRC (No. 000000519)
57	Contractor of service in relation to private equity fund business	Asset Management Association of China
58	Qualification for issue of short-term financing bills	CSRC (Ji Gou Bu Han [2015] No. 3337)
59	Permit to conduct Southbound Trading business under the Shenzhen-Hong Kong Stock Connect	SZSE (Shen Zheng Hui [2016] No. 326)
60	Qualification for company conducting pilot market making business for quotation system	China Securities Internet System Co., Ltd. (Zhong Zheng Bao Jia Han [2016] No. 185)
61	Qualification for inter-bank Gold Price Asking Transactions	Shanghai Gold Exchange (Shang Jin Jiao Fa [2017] No. 81)
62	Qualification of stock options transaction participants of Shanghai Stock Exchange	SSE (Shang Zheng Han [2017] No. 165)
63	Authorization for pledge-type dealer-quoted repurchase transactions of Shenzhen Stock Exchange	SZSE (Shen Zheng Hui [2017] No. 371)
64	Qualification for primary market makers of SSE 50ETF Options	SSE (Shang Zheng Han [2018] No. 430)
65	Qualification of the custodian business for securities investment funds	CSRC (Zheng Jian Xu Ke [2018] No. 1686)
66	Qualification for conducting securities underwriting business (only including government bonds such as treasury bonds, local government bonds, financial bonds of policy banks, financing instruments governed by the National Association of Financial Market Institutional Investors (including but not limited to debt financing instruments of non-financial institutions))	Shanghai Bureau of the CSRC (Hu Zheng Jian Xu Ke [2019] No. 8)
67	Qualification for primary market makers of SSE listed funds business	SSE (Shang Zheng Han [2019] No. 101)

## Section II Company Profile and Key Financial Indicators

no.	Name of business qualification	Approving authority and approval number
68	Qualification for credit derivatives business (inter-bank market credit risk relieving instruments, stock exchange market credit risk relieving instruments and other credit derivatives selling business approved by regulatory authorities)	CSRC (Ji Gou Bu Han [2019] No. 463)
69	Qualification for market making business of treasure bond futures	CSRC (Ji Gou Bu Han [2019] No. 1023)
70	Standard pilot for Internet investment account	Securities Association of China (Zhong Zheng Xie Han [2019] No.185)
71	Authorisation for trading of stock option business on SZSE	SZSE (Shen Zheng Hui [2019] No. 470)
72	Qualification for commodity options market making business	CSRC (Ji Gou Bu Han [2019] No. 3058)
73	Qualification for stock index options market making business	CSRC (Ji Gou Bu Han [2019] No. 3067)
74	Qualification for Shanghai and Shenzhen 300 ETF option primary market maker business on SZSE	SZSE (Shen Zheng Hui [2019] No. 483)
75	Qualification for Shanghai and Shenzhen 300 ETF option primary market maker business on SSE	SSE (Shang Zheng Han [2019] No. 2300)
76	Qualified domestic institutional investor	CSRC (Zheng Jian Xu Ke [2019] No. 1470)
77	Operation Qualification of Settlement and Sale of Foreign Exchange Business	State Administration of Foreign Exchange (Hui Fu [2020] No. 10)
78	Qualification for Foreign Exchange Agency Business	State Administration of Foreign Exchange (Hui Zong Bian Han [2020] No. 482)
79	Qualification for Fund Investment Advisory Business	Securities and Fund Institution Supervision Department (Ji Gou Bu Han [2021] No. 1686)
80	Qualification for Proprietary Trading of Carbon Emission Rights	CSRC (Ji Gou Bu Han [2023] No. 100)
81	Securities Underwriting and Sponsorship	CSRC (Zheng Jian Xu Ke [2023] No. 425)
82	Capital Markets Services License (Securities and Futures Activities) of Singapore Subsidiary of Orient Futures	Monetary Authority of Singapore (CMS100869)
83	Central Bank Swap Facility Business Qualification	CSRC (Ji Gou Si Han [2024] No. 1878)

In addition, the Company is a member of the Securities Association of China, SSE, SZSE, National Debt Association of China and Shanghai Gold Exchange. It is also a clearing participant of CSDCC and a member of the Asset Management Association of China.

## Section II Company Profile and Key Financial Indicators

### II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Representative of securities affairs
Name	Wang Rufu	Li Tingting
Correspondence address	11/F, No. 119 South Zhongshan Road, Huangpu District, Shanghai, the PRC	11/F, No. 119 South Zhongshan Road, Huangpu District, Shanghai, the PRC
Tel	+86-021-63325888	+86-021-63325888
Fax	+86-021-63326010	+86-021-63326010
E-mail	wangrf@orientsec.com.cn	litingting@orientsec.com.cn

### III. BASIC INFORMATION

Registered address	Orient Securities Building, No. 119 South Zhongshan Road, Huangpu District, Shanghai, the PRC
Business address	Orient Securities Building, No. 119 South Zhongshan Road, Huangpu District, Shanghai, the PRC, 2-6/F, 9/F, 12/F, 14/F, 23-27/F, 32/F, 37/F and 38/F, Building 2, No. 318 South Zhongshan Road, Huangpu District, Shanghai, the PRC
Postal code of business address	200010
Place of business in Hong Kong	28-29/F, No. 100 Queen's Road Central, Central, Hong Kong
Company website	www.dfzq.com.cn
E-mail	ir@orientsec.com.cn
Investor relations hotline	+86-021-63326373
Customer service hotline for brokerage business	95503

### IV. INFORMATION DISCLOSURE AND PLACE FOR INSPECTION

Name and website of newspaper for disclosure of the Company's annual report	China Securities Journal (www.cs.com.cn) Shanghai Securities News (www.cnstock.com) Securities Daily (www.zqrb.cn) Securities Times (www.stcn.com)
Website of stock exchange for disclosure of the Company's annual report	www.sse.com.cn (SSE) www.hkexnews.hk (Hong Kong Stock Exchange)
Place where the annual reports of the Company are available	11/F, Orient Securities Building, No. 119 South Zhongshan Road, Huangpu District, Shanghai, the PRC

## Section II Company Profile and Key Financial Indicators

### V. BRIEF INFORMATION ON SHARES OF THE COMPANY

Type of shares	Stock exchange on which shares are listed	Stock abbreviation	Stock code
A Shares	SSE	東方證券	600958
H Shares	Hong Kong Stock Exchange	DFZQ	03958

### VI. OTHER INFORMATION OF THE COMPANY

#### (i) History of the Company, mainly including its restructuring, capital increase and others in previous years

In December 1997, the Orient Securities Limited Liability Company (東方證券有限責任公司, hereinafter referred to as "Orient Securities Limited"), the Company's predecessor, was established with a registered capital of RMB1.0 billion. At the same time, it obtained the business license issued by the Shanghai Administration for Industry and Commerce.

In August 2003, the Shanghai Municipal People's Government approved Orient Securities Limited to be restructured into a joint-stock limited company. In September 2003, the CSRC approved Orient Securities Limited to be restructured into a joint-stock limited company. The original shareholders of Orient Securities Limited converted the audited net assets as of December 31, 2002 into shares based on a ratio of 1:1, meanwhile, Shenergy Group and nine other new and existing shareholders, increased the capital in an amount of RMB1.0 billion in the form of currency, resulting in the overall conversion into a joint-stock company. The registered capital of the Company was changed to RMB2,139,791,800.00.

In May 2007, as approved by the CSRC, the Company carried out a capital increase by placing shares to all of its shareholders in the proportion of 10:5. The registered capital of the Company was changed to RMB3,079,853,836.00.

In August 2007, as approved by the CSRC, the Company implemented the profit distribution plan for 2006 on the basis of one bonus share for every ten shares. The registered capital of the Company was changed to RMB3,293,833,016.00.

In November 2011, as approved by the CSRC, the Company increased its share capital through rights issue to its shareholders. The registered capital of the Company was changed to RMB4,281,742,921.00.

In March 2015, as approved by the CSRC, the Company made an initial public offering of 1 billion A shares and was listed on the Main Board of the SSE. The registered capital of the Company was changed to RMB5,281,742,921.00.



## Section II Company Profile and Key Financial Indicators

In July 2016, as approved by the CSRC and the Hong Kong Stock Exchange, the Company made an initial public offering of 957 million H shares and listed them on the main board of the Hong Kong Stock Exchange. In the following month, upon the exercise of the over-allotment option, 70.08 million H shares were issued and listed on the main board of the Hong Kong Stock Exchange. The registered capital of the Company was changed to RMB6,215,452,011.00.

In December 2017, as approved by the CSRC, the Company conducted a non-public issuance of 778 million A Shares. The registered capital of the Company was changed to RMB6,993,655,803.00.

In May 2022, as approved by the CSRC and the Hong Kong Stock Exchange, the Company issued 1,503 million A shares and 82,428 H shares through a rights issue. The registered capital of the Company was changed to RMB8,496,645,292.00.

### (ii) Organizational structure of the Company

#### 1. Organizational structure of the Company

The shareholders' general meeting shall be the source of authority of the Company; the Board shall be the institution for decision-making and is responsible for the shareholders' general meeting; the Board has established four special committees, including the strategic development committee, the remuneration and nomination committee, the audit committee, and the compliance and risk management committee. Each of the special committees shall be accountable to the Board. The Supervisory Committee shall be the internal supervisory institution of the Company, which is responsible for the shareholders' general meeting. The Supervisory Committee has established the office of the Supervisory Committee.

The Company implements a president responsibility system under the leadership of the Board; the president shall be appointed or dismissed by the Board and shall be accountable to the Board. As at the end of the Reporting Period, the Board has established the Board's office and audit centre. The management has established business functional units including the office, party committee office, party committee publicity department, trade union office, office of discipline inspection, party committee organization department/human resources management department, planning finance management department, capital management department, strategic development department, operation management department, system research and development department, system operation department, internal audit department, risk management department, compliance and legal management department, administration department, fixed income business department, securities investment business department, securities research institute, financial derivatives business department, custodian business department, institutional customer department, investment banking management committee, and wealth management committee. Among them, the investment banking management committee has set up the regional investment banking department, industrial investment banking

## Section II Company Profile and Key Financial Indicators

department, comprehensive financial services department, comprehensive office of the investment banking management committee and quality control department; the wealth management committee has set up the customer group development department, the margin trading department, financial products department, digital finance department, brokerage business department, comprehensive office of the wealth management committee, and securities branches. (For details, please refer to “Appendix I” to this report.)

### 2. The wholly-owned subsidiaries and major investee companies of the Company

As at the end of the Reporting Period, the Company’s wholly-owned subsidiaries and major investee companies include Orient Securities Futures Co., Ltd., Shanghai Orient Securities Capital Investment Co., Ltd., Orient Finance Holdings (Hong Kong) Limited, Shanghai Orient Securities Asset Management Co., Ltd., Shanghai Orient Securities Innovation Investment Co., Ltd., and China Universal Asset Management Company Limited.

### 3. Briefings of the wholly-owned subsidiaries of the Company

As at the end of the Reporting Period, the Company directly owned four domestic subsidiaries and one overseas subsidiary.

No.	Name of subsidiaries	Registered address	Date of incorporation	Registered capital	Legal representative	Tel
1	Orient Securities Futures Co., Ltd.	11/F, 21/F, 22/F, 29/F, 33-35/F, 39/F and Rooms 3101-3103, Building 2, No. 318 Zhongshan South Road, Huangpu District, Shanghai, the PRC	December 8, 1995	RMB4.8 billion	Lu Dayin	+86-021-63325888
2	Shanghai Orient Securities Capital Investment Co., Ltd.	36/F, Building 2, No. 318 South Zhongshan Road, Huangpu District, Shanghai, the PRC	February 8, 2010	RMB4.0 billion	Jin Wenzhong	+86-021-63325888
3	Orient Finance Holdings (Hong Kong) Limited	28-29/F, 100 Queen’s Road Central, Central, Hong Kong	February 17, 2010	HKD2.754 billion	Zhang Jianhui	+852-35191188
4	Shanghai Orient Securities Asset Management Co., Ltd.	7-11/F, No. 109 South Zhongshan Road, Huangpu District, Shanghai, the PRC	June 8, 2010	RMB0.3 billion	Yang Bin	+86-021-53952888

## Section II Company Profile and Key Financial Indicators

No.	Name of subsidiaries	Registered address	Date of incorporation	Registered capital	Legal representative	Tel
5	Shanghai Orient Securities Innovation Investment Co., Ltd.	8/F, Building 2, No. 318 South Zhongshan Road, Huangpu District, Shanghai, the PRC	November 19, 2012	RMB7.5 billion	Jin Zhaoqiang	+86-021-63325888

### (iii) Number and distribution of securities branches of the Company

As at the end of the Reporting Period, the total number of the securities branches of the Company amounted to 179. (Please refer to “Appendix II” to this report for details)

Number and distribution of securities branches are as follows:



## Section II Company Profile and Key Financial Indicators

### (iv) Number and distribution of other branches

As at the end of the Reporting Period, the Company had a total of 48 futures branches, including 4 in each of Shanghai City, Shenzhen City, Guangdong Province, 3 in each of Beijing City, Hangzhou City, Zhejiang Province and Wuhan City, Hubei Province, 2 in each of Ningbo City, Zhejiang Province, Zhengzhou City, Henan Province, Xiamen City, Fujian Province, Nanjing City, Jiangsu Province, Suzhou City, Jiangsu Province, and Jinan City, Shandong Province, and 1 in each of Chongqing City, Tianjin City, Guangzhou City, Guangdong Province, Shantou City, Guangdong Province, Shenyang City, Liaoning Province, Dalian City, Liaoning Province, Changsha City, Hunan Province, Wuxi City, Jiangsu Province, Changzhou City, Jiangsu Province, Nantong City, Jiangsu Province, Taiyuan City, Shanxi Province, Qingdao City, Shandong Province, Dongying City, Shandong Province, Chengdu City, Sichuan Province, Xi'an City, Shaanxi Province, Quanzhou City, Fujian Province, Fuzhou City, Fujian Province, Taizhou City, Zhejiang Province, and Changchun City, Jilin Province. (Please refer to "Appendix III" to this report for details)

## VII. OTHER RELEVANT INFORMATION

Domestic accounting firm appointed by the Company	Name	KPMG Huazhen LLP (畢馬威華振會計師事務所(特殊普通合夥))
	Office address	25/F, Tower 2, Plaza 66, No. 1266 West Nanjing Road, Shanghai, the PRC
	Name of signing accountant	Zhang Nan, Ni Yi
Overseas accounting firm appointed by the Company	Name	KPMG (畢馬威會計師事務所)
	Office address	8/F, Prince's Building, 10 Chater Road, Central, Hong Kong
	Name of signing accountant	Pang Shing Chor Eric
Chief Risk Officer and Chief Compliance Officer	Jiang Helei	
Legal Advisor to the Company as to the PRC law	Grandall Law Firm (Shanghai)	
Legal Advisor to the Company as to Hong Kong law	Clifford Chance	
A Share Registrar	Shanghai Branch of CSDCC	
H Share Registrar	Computershare Hong Kong Investor Services Limited	

## Section II Company Profile and Key Financial Indicators

### VIII. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS FOR THE RECENT THREE YEARS

#### (i) Principal accounting information

Currency: RMB

Key Accounting Information	2024	2023	Change over the previous year (%)	2022
<b>Operating results ('000)</b>				
Revenue and other total income	<b>27,683,607</b>	24,277,389	14.03	23,107,363
Profit before income tax	<b>3,659,254</b>	2,919,140	25.35	3,378,020
Profit for the year-attributable to shareholders of the Company	<b>3,350,208</b>	2,753,755	21.66	3,010,558
Net cash generated from operating activities	<b>22,731,322</b>	14,044,838	61.85	19,762,089
Other comprehensive (expense)/income, net of income tax	<b>1,691,022</b>	417,081	305.44	(69,259)
<b>Earnings per share (RMB/share)</b>				
Basic earnings per share	<b>0.37</b>	0.30	23.33	0.35
Diluted earnings per share	<b>N/A</b>	N/A	N/A	N/A
<b>Indicators of profitability</b>				
Weighted average returns on net assets (%)	<b>4.14</b>	3.45	Increase of 0.69 percentage point	4.16

## Section II Company Profile and Key Financial Indicators

	As at the end of 2024	As at the end of 2023	Change over the end of the same period of the previous year (%)	As at the end of 2022
<b>Indicators of scale ('000)</b>				
Total assets	<b>417,736,375</b>	383,690,462	8.87	368,066,959
Total liabilities	<b>336,336,559</b>	304,930,265	10.30	290,668,670
Account payables to brokerage clients	<b>113,637,365</b>	111,570,987	1.85	123,041,420
Equity attributable to shareholders of the Company	<b>81,396,740</b>	78,745,531	3.37	77,386,472
<b>Total share capital ('000 shares)</b>	<b>8,496,645</b>	8,496,645	0.00	8,496,645
<b>Net assets per share attributable to shareholders of the Company (RMB/share)</b>	<b>9.62</b>	9.30	3.44	9.11
Gearing ratio (%)	<b>73.20</b>	71.04	Increase of 2.16 percentage points	68.41

Note: Gearing ratio = (Total liabilities – Account payables to brokerage clients – Funds payable to securities issuers)/(Total assets – Account payables to brokerage clients – Funds payable to securities issuers)

### (ii) Key accounting data and key financial indicators for the recent five years

#### 1. Profit

Unit: million Currency: RMB

Items	2024	2023	2022	2021	2020
Revenue and other total income	<b>27,684</b>	24,277	23,107	28,563	27,647
Total expenses	<b>24,482</b>	21,942	20,395	23,700	26,073
Share of results of associates	<b>458</b>	584	666	1,444	1,212
Profit before income tax	<b>3,659</b>	2,919	3,378	6,307	2,786
Profit for the year-attributable to shareholders of the Company	<b>3,350</b>	2,754	3,011	5,371	2,723

## Section II Company Profile and Key Financial Indicators

### 2. Assets

Unit: million Currency: RMB

Items	As at the end of 2024	As at the end of 2023	As at the end of 2022	As at the end of 2021	As at the end of 2020
Share capital	8,497	8,497	8,497	6,994	6,994
Total equity	81,400	78,760	77,398	64,143	60,231
Equity attributable to shareholders of the Company	81,397	78,746	77,386	64,127	60,203
Total liabilities	336,337	304,930	290,669	262,457	230,886
Account payables to brokerage clients	113,637	111,571	123,041	90,012	66,643
Total assets	417,736	383,690	368,067	326,600	291,117

### 3. Key financial indicators

Items	2024	2023	2022	2021	2020
Basic earnings per share (RMB/share)	0.37	0.30	0.35	0.72	0.37
Diluted earnings per share (RMB/share)	N/A	N/A	N/A	N/A	N/A
Weighted average returns on net assets (%)	4.14	3.45	4.16	9.02	4.85
Gearing ratio (%)	73.20	71.04	68.41	72.89	73.13
Net assets per share attributable to shareholders of the Company (RMB/share)	9.62	9.30	9.11	9.17	8.61

Note: The weighted average number of ordinary shares in issue in 2021 and before has been adjusted retrospectively in the calculation of earnings per share.

## Section II Company Profile and Key Financial Indicators

### (iii) Net capital and risk control indicators of the Parent Company

Unit: Yuan Currency: RMB

Items	As at the end of the Reporting Period	As at the end of last year
Net capital	<b>53,848,274,965.67</b>	50,592,451,966.46
Net assets	<b>75,847,512,900.21</b>	72,203,104,842.87
Risk coverage rate (%)	<b>295.00</b>	365.27
Capital leverage ratio (%)	<b>12.69</b>	12.72
Liquidity coverage ratio (%)	<b>184.86</b>	203.97
Net stable funding ratio (%)	<b>130.49</b>	131.89
Net capital/net assets (%)	<b>71.00</b>	70.07
Net capital/liabilities (%)	<b>25.68</b>	27.87
Net assets/liabilities (%)	<b>36.17</b>	39.77
Proprietary equity-based securities and its derivatives/net capital (%)	<b>24.80</b>	13.97
Proprietary non-equity securities and its derivatives/net capital (%)	<b>365.23</b>	318.58

Note: All data above have been calculated based on the financial information prepared in accordance with the CASBE.

## IX. DIFFERENCES BETWEEN IFRS AND CASBE

Net profits for January to December 2024 and January to December 2023, and net assets as at December 31, 2024 and December 31, 2023 as stated in the consolidated financial statements of the Group prepared in accordance with CASBE are consistent with those prepared in accordance with IFRS.



## Section II Company Profile and Key Financial Indicators

### X. ITEMS MEASURED AT FAIR VALUE

Unit: million Currency: RMB

Items	Opening balance	Closing balance	Current changes	Effects on current profits
1. Financial assets at fair value through profit or loss	97,070	<b>90,189</b>	(6,880)	5,038
2. Derivative financial instruments	1,003	<b>873</b>	(131)	(2,138)
3. Debt instruments at fair value through profit or loss	90,814	<b>110,520</b>	19,706	5,048
4. Equity investments at fair value through other comprehensive income	6,298	<b>19,635</b>	13,336	680
5. Financial liabilities at fair value through profit or loss	15,302	<b>14,709</b>	(593)	(979)

Note: The effect on current profit includes: (1) net investment income and interest income acquired through holding and disposing of above-mentioned items; (2) impairment loss from debt instruments at fair value through other comprehensive income. All amounts above-mentioned affecting the current profit are amounts before enterprise income tax.

## Section III Report of the Board

### I. DISCUSSION AND ANALYSIS OF OPERATION

In 2024, despite facing complex and severe challenges from increasing external pressure and internal difficulties, China's economy demonstrated remarkable resilience and vitality. The Company has strictly adhered to the general principle of pursuing progress while ensuring stability, always focusing on high-quality development. Through united efforts and a spirit of enterprise, the Company achieved growth in major indicators against the headwind, consolidating and solidifying the foundation for development. The Company has shown a trend of recovery and improvement, taking solid steps towards high-quality development.

The Company has maintained a steady and stable approach to its operation, with steadily improving asset quality and overall stable business performance. The Company has continued to deepen its reforms: establishing the wealth management committee to restructure the wealth management business system; completing the comprehensive investment banking business restructuring and establishing a new investment banking management committee to promote the construction of a comprehensive investment banking system; and establishing the Institutional Clients Head Office to provide strong organizational support for future reforms. The comprehensive wealth management business is centered on customers, enhancing comprehensive customer group management capabilities, optimizing product portfolios, and improving asset allocation services to meet diversified and professional wealth management needs. The comprehensive investment banking business focuses on three key areas: technology innovation investment banking, energy investment banking, and merger and acquisition investment banking. Leveraging Shenergy Group's resources and the opportunity to serve the construction of Shanghai's "Five Centers" development strategy, the Company promotes the distinctive development of its investment banking business. The comprehensive institutional business deepens the layout of "Unified Orient (一個東方)", improves the coverage of various types of institutional clients, deepens the value extraction from individual institutional clients, and forms a strong synergy in institutional client services.

In 2024, the Company adhered to party-building leadership, upholding the political and people-oriented nature of financial work, and balancing functional responsibilities with profitability. The Company completed the election of a new session of the Board of Directors, Supervisory Committee, and management team, comprehensively strengthening the governance system and capacity building. The Company explored the practical solutions for the securities industry to incorporate data resources into financial statements while integrating the development of the Company's data asset management system, completing the accounting treatment of data resources. It actively carried out the "Quality Improvement, Efficiency Enhancement, and Focus on Shareholder Returns" initiative, striving to strengthen shareholder returns. The Company reinforced ROE orientation, and gave full play to the efficacy of capital allocation, comprehensively promoting cost reduction, quality improvement and efficiency enhancement. It also accelerated the construction of the infrastructure capability of digitalized technology to promote the high-quality development of the Company through technology empowerment. In addition, the Company comprehensively implemented group-wide risk management requirements to enhance the independence, professionalism and effectiveness of risk management, and did a good job in risk prevention and control, thus maintaining a sound operation. No major risk compliance incidents occurred throughout the year.

## Section III Report of the Board

### II. INDUSTRY OVERVIEW FOR THE REPORTING PERIOD

In 2024, the world experienced accelerating changes unseen in a century. Amidst multiple complex internal and external challenges, China introduced a series of effective and coordinated macroeconomic policies to solidly promote high-quality development. As a result, the nation's economic aggregate successfully ascended to a new tier, with the annual GDP exceeding RMB130 trillion for the first time, representing a year-on-year increase of 5%. This marked the successful completion of the major annual targets and tasks.

Concurrently, the capital market has also ushered in profound changes. Under the guidance of the new "National Nine Guidelines", the "1 + N" policy framework has been taking shape. Synergistic efforts have been made at financing side, investment side and trading side, focusing on themes such as enhancing the inherent stability of the capital market, cultivating patient capital, supporting the development of new quality productive forces, and improving the quality of listed companies. Through comprehensive policy measures, remarkable achievements have been made. During the Reporting Period, the A share market initially declined but then rebounded, with all three major stock indices turning positive. The SSE Composite Index rose by 12.67%, the SZSE Component Index increased by 9.34%, the ChiNext Index climbed by 13.23%, and the STAR Market 50 Index surged by 16.07%. The total annual trading volume of the SSE and the SZSE amounted to RMB254.36 trillion, representing a year-on-year increase of 20.23%, and the average daily turnover exceeded RMB1 trillion, reaching a new historical high.

As key participants in the capital markets, securities companies have comprehensively practiced the path of financial development with Chinese characteristics, actively enhanced their capabilities in serving real economy and investors, and continued to develop steadily in 2024 amidst both opportunities and challenges. During the Reporting Period, mergers and acquisitions and restructuring in the securities industry gained momentum, and the degree of concentration was further enhanced, realizing complementary advantages through resource integration, alleviating the pressure of homogenized competition and promoting the overall excellence and strength of the industry. Benefiting from factors such as the macroeconomic recovery, the introduction of coordinated policies and tightened securities market sentiment, the proprietary trading, brokerage and credit businesses of securities companies ushered in a good opportunity for business expansion, while the asset management and investment banking businesses came under short-term pressure due to the reduction in commissions and fees and tightened equity financing. To address the new challenge of rapid industry changes, securities companies have accelerated the pace of transformation and upgrading, focusing on positioning functionalization, competition differentiation, service integration, business specialization, management intensification and operation digitization, etc., and making all-out efforts to move forward towards high-quality development.

The Company has always been committed to building a first-class comprehensive securities company with core competitiveness in the industry. During the Reporting Period, the Company strictly adhered to the principle of seeking progress while maintaining stability, deepened its business transformation, consolidated its asset quality, enhanced its profitability, strengthened its compliance and risk control, and realized a steady increase in its annual operating results and a steady advance in its comprehensive strength.

## Section III Report of the Board

### III. PRINCIPAL BUSINESSES ENGAGED BY THE COMPANY DURING THE REPORTING PERIOD

The Company is a comprehensive securities company established under the CSRC's approval, which provides all-round, one-stop financial services covering securities, futures, asset management, investment banking, investment consultancy and securities research. Adhering to its mission of serving the national strategy and supporting real economy development, the Company focuses on five major areas including technology finance, green finance, inclusive finance, pension finance and digital finance, and maintains a customer-centric approach while deepening reforms and transformation. The Company has established three major business systems, namely, comprehensive wealth management, comprehensive investment banking and comprehensive institutional business, and developed four major business segments, namely, wealth and asset management, investment banking and alternative investments, institutions and sales trading, international and other businesses. These business systems and segments have fostered differentiated competitive advantages in asset management, wealth management, futures business and proprietary investment. The Company's revenue model primarily comprises fee and commission income, interest income from providing financial products or services to customers, and investment income from securities or equity investments.

The specific business segment structure is as follows:

<b>Wealth and asset management</b>	<b>Investment banking and alternative investment</b>	<b>Institutions and sales trading</b>	<b>International and other businesses</b>
<ul style="list-style-type: none"> <li>■ wealth management</li> <li>■ asset management</li> <li>■ futures business</li> </ul>	<ul style="list-style-type: none"> <li>■ investment banking</li> <li>■ alternative investment</li> </ul>	<ul style="list-style-type: none"> <li>■ proprietary investment</li> <li>■ client-oriented services</li> <li>■ market-making business</li> <li>■ research services</li> <li>■ custodian business</li> </ul>	<ul style="list-style-type: none"> <li>■ international business</li> <li>■ other business</li> </ul>

The wealth and asset management segment mainly provides clients with services such as securities brokerage, financial products, investment advisory, margin financing and securities lending, asset management as well as futures business.

The investment banking and alternative investment segment mainly includes services provided to customers such as stock underwriting and sponsoring, bond underwriting, financial advisory, and diversified corporate solutions as well as alternative investment.

The institutions and sales trading segment mainly consists of proprietary investment, client-oriented services, market-making business, research services and custodian business. Among them, proprietary investment includes investment transactions such as in equity, fixed income, commodities and foreign exchange; client-oriented services include OTC derivatives and FICC agency services.

## Section III Report of the Board

The international and other businesses segment mainly includes the international business and other businesses. Among them, the international business mainly relies on overseas platforms such as Orient Finance Holdings, Orient Securities International and their subsidiaries, as well as the Singapore subsidiary of Orient Futures for business layout, and conducts businesses such as securities and futures brokerage, asset management, investment banking, and margin financing.

### (i) Wealth and asset management

#### 1. Wealth management

The Company conducts wealth management business mainly through the wealth management committee and its subordinate first-level departments and branches. During the Reporting Period, the Company completed the organizational structure adjustment for its wealth management line, established the wealth management committee overseeing a number of first-level departments, constructed a client-centered wealth management integrated service platform, and continued to promote the in-depth transformation of its wealth management business towards a “buy-side investment adviser” model. By effectively constructing innovative business models and diversified business scenarios that are closely aligned with the interests of investors, the Company has made every effort to build an all-round business synergy matrix covering securities trading agency, publicly offered products distribution, publicly offered fund investment advisory, institutional wealth management, private wealth management, and personal pension.

#### (1) Securities brokerage business

In 2024, the A share market initially declined but then rebounded, and in the second half of the year, driven by policies, it experienced a bottoming-out recovery, with market trading activity rising significantly. According to Wind data, the SSE Composite Index increased by 12.67% for the whole year, and the SZSE Component Index and STAR Market 50 Index rose by 9.34% and 16.07%, respectively, while the trading volume of stock funds in the SSE and the SZSE exceeded RMB254 trillion, representing an increase of over 20% year-on-year. With the recovery of market valuation and continued favorable policy support, investors' enthusiasm for entering the market has been restored, and the securities brokerage business has achieved steady development. In particular, the expansion of ETFs has brought new development opportunities for the industry.

## Section III Report of the Board

As at the end of the Reporting Period, the Company had 179 securities branches, covering 89 cities; the Company had 2.9198 million customer capital accounts, representing an increase of 8.50% from the beginning of the year; and total assets under custody amounted to RMB878.273 billion, representing an increase of 17.74% from the beginning of the year.

In terms of agency sale of financial products, the Company actively integrated into market changes and continuously adjusted and enriched its product pool. A total of more than 2,000 publicly offered products have been launched, covering different types of equity, bond and monetary products. The Company has accelerated the layout of private fund products such as bond strategy, quantitative stock selection and ETF-neutral products. The Company has also launched mutual recognition fund business, actively explored on-market and off-market securities settlement and custodian cooperation modes, and successfully issued the first ETF custodian product. The Company established a personal pension investment and education system, and achieved sustained growth in pension business holding size through specialised customer service. During the Reporting Period, the Company's sales scale of non-monetary products amounted to RMB20.956 billion, representing a year-on-year increase of 26.20%. As at the end of the Reporting Period, the holding size of non-monetary products of the Company amounted to RMB55.824 billion, representing an increase of 8.12% from the beginning of the year.

The following table sets forth the type and amount of all the financial products the Group distributed during the periods indicated, including Over-The-Counter (OTC) products:

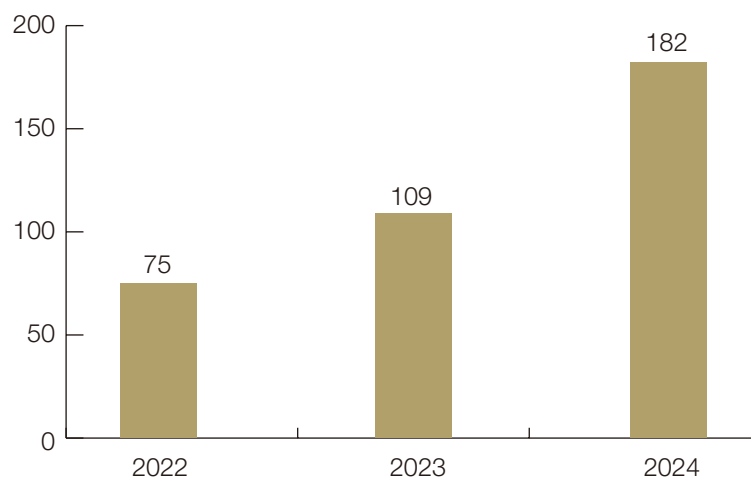
<b>(in RMB100 million)</b>	<b>January – December 2024</b>	<b>January – December 2023</b>
Publicly offered funds (including monetary funds)	<b>1,376.02</b>	1,206.14
Collective asset management products	<b>0.02</b>	0.01
Trust schemes	<b>46.07</b>	19.38
Private equity investment fund products	<b>2.16</b>	7.85
Other financial products	<b>43.02</b>	74.43
<b>Total</b>	<b>1,467.29</b>	1,307.81

## Section III Report of the Board

In terms of institutional wealth management, the relevant platform has been continuously optimized and upgraded, playing a significant role in acquiring large joint-stock banks, insurance companies and other strategic clients, and contributing to a significant increase in scale. During the Reporting Period, the Company further optimized platform functionalities such as access to institutional wealth management platforms for large institutional brokerage clients, the initiation of bank-securities transfer on the securities firm side, and delayed capital verification, and the construction of the institutional portal website, laying a solid foundation for building an integrated operation platform for institutional clients. As at the end of the Reporting Period, the size of the Company's institutional wealth management business reached RMB18.206 billion, representing an increase of 67.03% from the beginning of the year.

### Size of the Company's institutional wealth management business

(Unit: RMB100 million)



In terms of private wealth management, the Company has improved its product lines and strategy types to meet the needs of high-net-worth clients. The Company has established a system of private fund products based on six major strategies, namely bond, composite, quantitative, subjective, FOF and alternative, as well as three major risk categories, namely, low, medium and high, and launched the “Trust Stability (信穩)/Trust Zephyr (信澤)” customized TOF product series, while continuing to promote the “Orient Beauty – Fortune 100” asset allocation service program. As at the end of the Reporting Period, the number of retail high-net-worth clients of the Company amounted to 8,012, an increase of 20.54% from the beginning of the year, and the total size of assets was RMB183.340 billion, an increase of 22.24% from the beginning of the year.

## Section III Report of the Board

In terms of financial technology, the Company strengthened the dual drive of technology and data, and promoted the comprehensive digital, precise and intelligent transformation of wealth management. During the Reporting Period, the Company aimed to improve the user experience of the Oriental Winners APP, online customer acquisition capacity and staff business development efficiency, enhancing the APP platform service capacity, building O2O customer acquisition system and digital operation system, improving the data base capacity and optimizing the product research and development system. According to Analysys data, the average APP monthly active users ranked up one place. The Company is committed to building a “one-stop” trading service support system, focusing on customers, and introduced and enriched trading service tools, including algorithmic strategy, smart order report, intelligent condition order, etc., to satisfy the trading needs of different customers.

In the future, the Company will focus on the general direction of customer demand in the wealth management market, emphasizing customer management. It will build and expand both online and offline customer acquisition channels, and strengthen customer life-cycle services. The Company will deepen the construction of the three forces mechanism of “driving force from headquarters, penetration force from policies and supporting force from branches”. It will focus on the four transformation elements of customers, products, teams and channels. The Company aims to strengthen the main business, optimize the ecosystem, improve the system of supplying financial products and strategies across all categories and spectrums, enrich the buy-side investment advisory services model, and enhance digital service capabilities to build a digital wealth management ecosystem of common construction, governance and sharing.

### (2) *Fund investment advisory business*

In 2024, major wealth management institutions accelerated the in-depth transformation to “buy-side investment advisory”, relying on their respective resource endowments to carry out fund investment advisory business in an orderly manner. The industry system has been further enriched, with a strong demand for customized investment research services and a continuously improved sense of gain among investors.

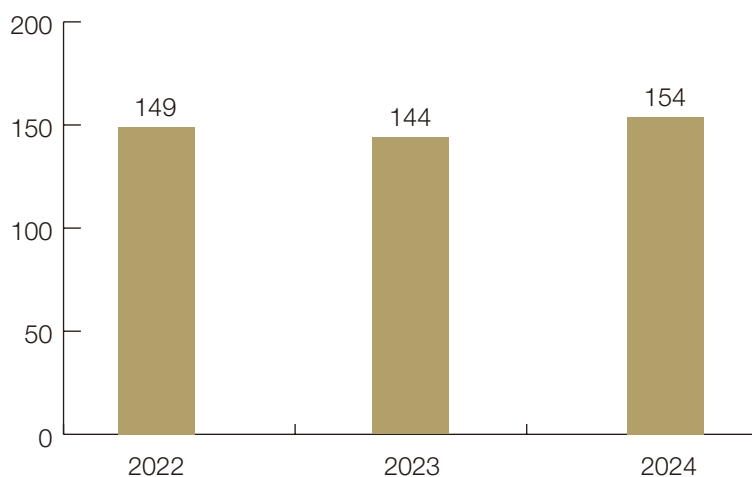
The Company’s buy-side service model has gradually matured, providing an excellent customer service experience. Under the severe fluctuations of the stock market, the Company strengthened market analysis, launched low volatility portfolio strategies and offered comprehensive support services to investors. This approach successfully resulted in net subscription during rapid market declines and a record-high subscription scale during the rebound. As at the end of the Reporting Period, the fund investment advisory business launched two product systems, namely the “Yue” series and the “Ding” series, with a total of 27 investment portfolio strategies and a total scale of approximately RMB15.371 billion, representing an increase of 7.05% from the beginning of the year, and the number of existing accounts amounted to 192.8 thousand with a client retention rate of 58.18% and a reinvestment rate of 76.80%.



## Section III Report of the Board

### Size of the Company's publicly offered fund investment advisory

(Unit: RMB100 million)



In the future, the Company will continue to uphold the core concept of “buy-side investment advisory”, with customer demand as the direction and professional services as the basis, and constantly improve the introduction of products, portfolio research, advisory services and other capabilities, to set up a market-wide benchmark of fund investment advisory services, and contribute to the preservation and enhancement of the value of residents' wealth value.

#### (3) Credit trading business

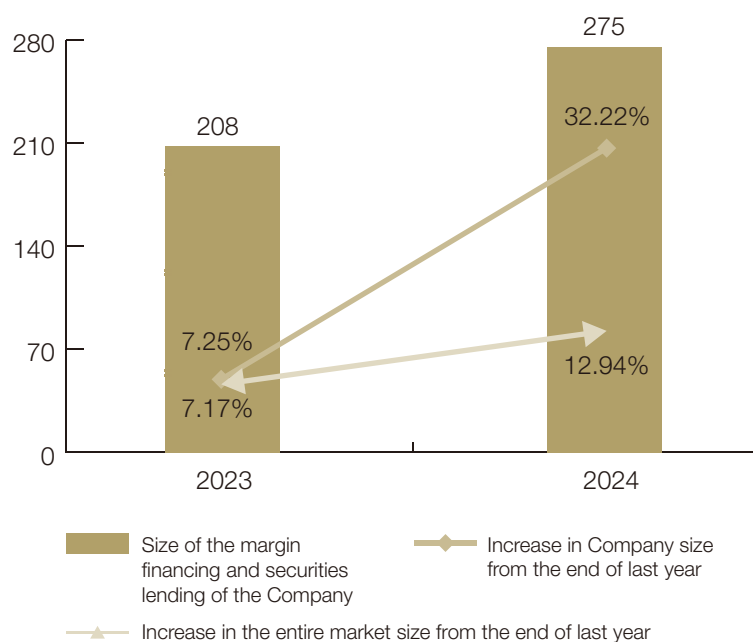
During the Reporting Period, the market showed a “V-shaped” trend twice, the size of margin financing grew significantly during the rebound, and the regulation of securities lending business was intensified. As at the end of the Reporting Period, the market balance of margin financing and securities lending amounted to RMB1,864.583 billion, representing an increase of 12.94% from the end of last year. Among them, the balance of margin financing amounted to RMB1,854.145 billion, representing an increase of 17.40% from the end of last year; the balance of securities lending amounted to RMB10.438 billion, representing a decrease of 85.42% from the end of last year.

## Section III Report of the Board

In terms of the margin financing and securities lending business, the scale and market share increased significantly. The Company formulated a layered pricing management plan for margin financing business, strengthened front-end services and support for branches, and actively expanded customers and business resources. The Hang Seng's new generation of margin financing and securities lending system was successfully launched online, with transaction and query performance significantly improved. The Company continued to improve its risk control mechanism and resolutely implemented counter-cyclical regulation, successfully withstanding the impact of extreme market conditions. As at the end of the Reporting Period, the balance of margin financing and securities lending of the Company amounted to RMB27.461 billion, representing an increase of 32.22% from the end of last year, ahead of the market increase during the same period, and the market share increased from 1.26% at the end of last year to 1.47%, with an average maintenance guarantee ratio of 260.98%.

### Balance and growth of margin financing and securities lending business of the Company

(Unit: RMB100 million)



## Section III Report of the Board

In terms of the collateralized stock business, the Company continued to adhere to the keynote of “risk control and scale reduction” and made every effort to promote the risk disposal of the collateralized stock business. As at the end of the Reporting Period, the outstanding balance of the Company’s collateralized stock business amounted to RMB2.897 billion, all of which was contributed with proprietary funds, representing a decrease of 50.89% from the end of last year, and the risk was effectively eliminated.

In the future, the Company will actively promote the growth of its margin financing and securities lending business, adjust and optimize its business structure, refine its business management, improve its risk control measures, and strive to create a new growth point in profitability. Meanwhile, the Company will continue to promote the clearance and risk mitigation of collateralized stock business.

### 2. *Asset management*

The Company mainly engages in securities asset management business through Orient Securities Asset Management, a wholly-owned subsidiary of the Company; engages in fund management business through China Universal, an associate of which the Company is the largest shareholder holding 35.412% of the shares; and engages in private equity investment business through Orient Securities Capital Investment, a wholly-owned subsidiary of the Company.

#### (1) *Securities asset management business*

Following the successive introduction of policies such as the new “National Nine Guidelines” and the “1 + N” policy to activate the capital market, while guiding long-term capital into the market and encouraging asset management institutions to engage in differentiated competition and strive to become better and stronger, and the industry has entered a new stage of development where challenges and opportunities co-exist. Affected by policy, market, capital, investor sentiment, risk appetite and other factors, the performance differentiation of various types of assets has increased, the scale of most active equity and ‘fixed income +’ products has continued to face pressure, while the passive index funds have gained market favor. After “9 • 24”, a series of supportive policies have gradually taken effect, and the net value of equity-containing products has been restored to a certain extent in the rebound of the market.

## Section III Report of the Board

During the Reporting Period, Orient Securities Asset Management actively responded to the changes in the market environment and continued to promote the transformation and development of its “second venture” by focusing on the construction direction of “platformization, diversification and marketization”. In terms of investment and research, the Company continued to improve the construction level of the integrated investment and research platform. In terms of products, the Company continued to expand its product matrix around its investment and research capabilities, focusing on the layout of eight major product lines, namely currency, pure bonds, equity, multi-strategy, publicly offered REITs, FOF, quantitative and QDII. In terms of sales, the density and intensity of key projects of the head channel were significantly increased compared with last year. The structure of institutional clients was continuously optimised, and the tripartite distribution business achieved double growth in the number of clients and scale. Orient Securities Asset Management endeavoured to promote the service of publicly offered funds in personal pension investment, providing investors with diversified choices of different risk levels and lock-up holding periods, and offering “one-stop” accompanying services for pension investment.

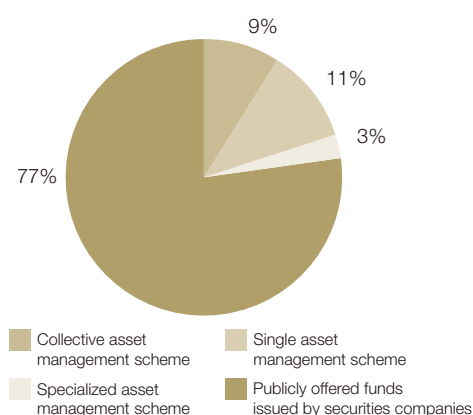
After years of development, Orient Securities Asset Management has gradually formed its own characteristic advantages and core competitiveness. Firstly, it has accumulated a first-mover advantage in the fields of active equity and “Fixed Income +”, while its product diversification strategy has achieved initial results. Secondly, the Dong Fang Hong (東方紅) brand has accumulated a high level of popularity and reputation, providing strong support for the transformation and development. Thirdly, the long-term performance of its products has remained at the forefront and has improved significantly in the past year, with FOF series products and dividend low volatility index funds having performed outstandingly in the market. As at the end of the Reporting Period, the return of equity investment actively managed by Orient Securities Asset Management was 165.10% for the last ten years, ranking first in the industry (source: Galaxy Securities Fund Research Center – Long-term Assessment Ranking of Fund Managers’ Capability in Active Management of Equity Investment). The absolute rate of return of fixed income funds for the last seven years was 36.32%, ranking among the top 30% in the industry (source: Financial Products Research Center of Haitong Securities Research Institute – Performance Rankings of Equity and Fixed Income Assets of Fund Managers).

## Section III Report of the Board

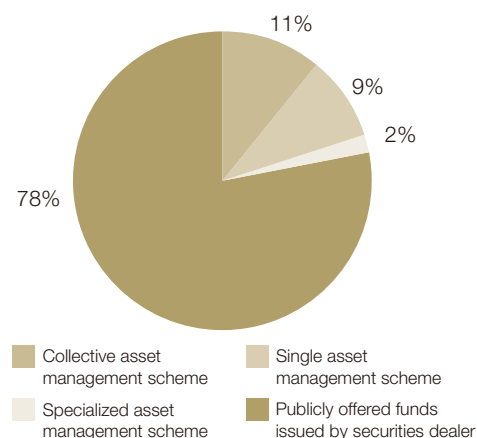
As at the end of the Reporting Period, the total scale of assets under the entrusted management of Orient Securities Asset Management amounted to RMB216.568 billion, and a total of 257 products were managed. Among them, the management scale of publicly offered funds was RMB166.169 billion, and a total of 111 products were managed. The following table sets forth the scale of assets under management (AUM) of the Company by product type:

(RMB100 million)	As at December 31, 2024	As at December 31, 2023
Collective asset management scheme	203.07	253.65
Single asset management scheme	246.53	218.65
Specialized asset management scheme	54.40	51.45
Publicly offered funds issued by securities companies	1,661.69	1,833.79
<b>Total</b>	<b>2,165.68</b>	2,357.54

**Management scale structure of  
Orient Securities Asset Management  
(as at the end of 2024)**



**Management scale structure of  
Orient Securities Asset Management  
(as at the end of 2023)**



## Section III Report of the Board

In the future, based on consolidating the original competitive advantages, Orient Securities Asset Management will focus on cultivating new core competitiveness, and at the same time, we will actively integrate into the transformation of the “comprehensive wealth management” business system of Orient Securities and build the “four beams and eight pillars” of the asset management business. Firstly, we will continuously improve the construction level of the integrated investment and research platform. Secondly, we will further improve the product management system centered on customer needs. Thirdly, we will enhance the stability and richness of the funding side. Fourthly, we will empower the efficient and standardized promotion of new businesses and products through compliance and risk control. Fifthly, we will continuously improve the data-driven service capabilities and platform system.

### (2) *Fund management business*

In 2024, as the Third Plenary Session of the 20th Central Committee of the Communist Party of China deploys to further deepen the reform of the capital market, accompanied by the introduction of the new “National Nine Guidelines” and with the gradual implementation of the “1 + N” policy system, the inherent stability of the capital market continued to increase, market activity continues to rise, and the asset management scale of publicly offered funds has reached a record high. According to the statistics of the Asset Management Association of China, as at the end of 2024, the net asset value of publicly offered funds managed by publicly offered fund management institutions amounted to RMB32.83 trillion, representing an increase of 18.93% over the end of last year. With the continuous release of residents’ financial management needs, accelerated entry of medium- and long-term funds into the market, further strengthening of the industry’s strict supervision and regulation, steady progress of fee reform, and reshaping of the industry’s ecology by artificial intelligence technology, the publicly offered fund industry is making continuous efforts towards the goal of building a first-class investment institution.

In accordance with the requirements of the “Year of Management Quality Improvement” in 2024, China Universal adheres to the business philosophy of “all for the long term” and the value of “customer first”, and actively promotes the steady development of various businesses. In terms of investment and research, the Company adhered to the regularized investment mindset, and strengthened data-driven full-process management in the selection and recruitment of investment managers, investment management, performance review and other aspects. In terms of products, the Company adhered to deploying active equity funds against the trend and continued to improve the product lines of low-risk fixed income and equity index funds. In terms of marketing, the Company effectively provided investment consulting services and companionship, and continued to enhance its service effectiveness by relying on digitalization. In terms of international business, its subsidiary in Singapore commenced operation, and the Phillip-China Universal MSCI China A50 Connect ETF was successfully listed on the Singapore Exchange. As an investment manager for the National Social Security Fund and the Basic Pension Insurance Fund, China Universal regards serving pension funds as its corporate strategy and mission, and has actively promoted pension investment services by bringing them into enterprises and communities. Through a series of diversified pension investment and education efforts, it continuously expands the reach and impact of financial education on retirement planning among residents.

## Section III Report of the Board

As at the end of the Reporting Period, the total assets under management of China Universal amounted to approximately RMB1.16 trillion, representing an increase of over 9% from the beginning of the year, of which, the scale of publicly offered funds excluding monetary funds was approximately RMB500 billion, representing an increase of approximately 10% from the beginning of the year. During the Reporting Period, China Universal continued to enrich its product and strategy matrix, with a total of 32 publicly offered funds established throughout the year. In addition, China Universal Jiuzhoutong REIT, the first pharmaceutical warehousing and logistics REIT in China, was approved for issuance; China Universal Total Treasure (全額寶) and Cash Treasure (現金寶) were included in the first batch of important money market funds list; and China Universal CSI 300 Index Enhanced Fund and CSI 500 Index Enhanced Fund were formally included in the investment list of the Ministry of Human Resources and Social Security for private pension funds.

In the future, China Universal will continue to adhere to the political, people-oriented and functional nature of financial work, actively grasp the industry opportunities, deeply promote the development strategy with the goal of building a first-class investment institution. This includes further deepening the construction of a regularized investment system, strengthening the layout of underlying assets such as active equity, stock indexes, fixed income, etc.; deepening customer service and operation, and comprehensively enhancing the solution formulation capability; vigorously promoting the innovative development of personal pension business, publicly offered REITs business and international business, and improving the comprehensive business system; and continuously enhancing the compliance, risk control management capability, business digital intelligence level, and the quality and efficiency of the personnel and team to promote the high-quality development of the Company.

### (3) *Private equity investment fund*

In 2024, driven by numerous favorable factors such as policy support and regulatory improvement, domestic substitution and technological innovation, and mergers and acquisitions focusing on high-quality productivity, the private equity investment industry ushered in new development opportunities. On the fundraising side, a virtuous ecosystem of “patient capital” with sustained investment of long-term funds is gradually taking shape; on the investment side, fields of cutting-edge science and technology represented by advanced manufacturing and the digital economy gained more market attention and investment opportunities; on the exit side, the exit channels dominated by IPOs are gradually transforming into diversified exit approaches.

## Section III Report of the Board

During the Reporting Period, Orient Securities Capital Investment fully leveraged its characteristics as a state-owned private equity subsidiary, adhered to the business development strategy of “harmony in diversity” and comprehensively strengthened the management of the entire business chain of “fundraising, investment, management and exit”. In the fundraising link, putting the customers at the center, the Company grasped the core demands of various investors so as to expand the scale of fund-of-funds management in an orderly manner; in the investment link, it prioritized key sectors such as new energy and science and innovation, with a particular focus on high-potential areas such as semiconductors, robotics and AI, and military and aerospace, and also continued to focus on mergers and acquisitions business, and actively participated in upstream and downstream collaborative innovation; in the investment management link, it effectively strengthened the control over invested projects and relevant risk prevention; in the exit link, it continued to enrich and diversify the exit channels to accelerate the formation of a virtuous circle of funds.

As at the end of the Reporting Period, Orient Securities Capital Investment managed 54 funds with a total scale of RMB17.730 billion, with 3 new funds added, involving a new scale of RMB880 million. There were 132 projects under investment, with an investment amount of RMB7.381 billion, including 7 listed projects. During the Reporting Period, one target company’s IPO application was approved, while IPO applications from five other companies were submitted and accepted for review.

In the future, Orient Securities Capital Investment will continue to actively respond to national strategic needs, and deeply practice the function and mission as a state-owned securities firm. The Company will focus on “investing in science and innovation, and engaging in mergers and acquisitions”, refine industry tracks, deepen industry cooperation, strengthen research capabilities, optimize the investment structure, and promote the steady development of the equity investment business in a gradual and orderly manner.

### 3. *Futures business*

The Company mainly engages in futures business through Orient Futures, a wholly-owned subsidiary of the Company.

According to the statistics from China Futures Association, on a unilateral basis, the cumulative trading volume of China’s futures market has reached 7.729 billion lots and the cumulative trading volume has amounted to RMB619.26 trillion in 2024, representing a year-on-year decrease of 9.08% and increase of 8.93%, respectively. The futures industry is facing challenges such as the adjustment of the exchange’s return policy, intensified competition in the industry as well as the reduction of non-inter-bank deposit rates. The “Opinions on Strengthening Supervision, Preventing Risks and Promoting the High-Quality Development of the Futures Market”, released during the Reporting Period, has provided guidance for the industry’s development, emphasizing the urgent need for transformation and upgrading.



## Section III Report of the Board

During the Reporting Period, Orient Futures empowered industrial services with financial technology and strengthened the research and development and innovative application of cutting-edge digital technologies, such as large-scale artificial intelligence models to achieve differentiated competition. The Company iterated and upgraded the integrated investment and research service platform, “Orient Finoview (東證繁微)”, to provide customers with comprehensive and deep investment and research analysis and decision-making support, and has gone online with the international version to provide data services for overseas markets and enhance international visibility; the trading speed of the “Orient Swift Trans-Action Platform (東方雨燕極速交易系統)” continued to be the market leader, with groundbreaking growth in trading volume; “CommoSmart (大宗精靈)” focused on the full-cycle management of the commodity futures, empowering digital transformation of industrial clients and effectively improving the stickiness of industrial clients; “Zhida Pro (智達Pro)” gradually become a powerful product to drive the growth of the futures retail business, and at the same time laying a solid foundation for the development of the trading consulting business. In addition, the Company is committed to expanding its capital market services to better serve agricultural entities. In partnership with financial institutions, it implemented a pilot project in Lankao County for an “insurance + futures” price insurance scheme for peanuts. As at the end of the Reporting Period, Orient Futures ranked third in the industry in terms of the scale of client equity. During the Reporting Period, Orient Futures effectively optimized its customer structure, with a year-on-year growth of nearly 50% in the number of industrial customers.

In the future, Orient Futures will adhere to the principle of leveraging financial technology to drive business development, enhancing its two core competitiveness of research and technology. Orient Futures will adhere to the strategic development direction of “marketization, digitalization, internationalization, and group integration”, and strive to become a top-class derivatives service provider.

### (ii) Investment banking and alternative investment

#### 1. Investment banking

The Company mainly engages in investment banking business through the investment banking management committee and its first-tier departments, as well as the fixed income business department. During the Reporting Period, the Company completed the restructuring of its investment banking subsidiaries and established an investment banking management committee with a number of first-tier departments under it, focusing on the three major directions of science and innovation investment banking, energy investment banking and merger and acquisition investment banking, and promoting the linkage of the three investment areas: “investment banking + investment + investment research”, deeply connecting with the strategy of building Shanghai International Science and Innovation Centre, closely serving shareholders’ development of their major energy industries, and deeply tapping the Company’s pioneering advantages in the field of financial advisory for mergers and acquisitions of state-owned enterprises, so as to push forward the distinctive development of the investment banking business.

## Section III Report of the Board

### (1) *Equity financing business*

In 2024, following the introduction of important policy documents such as the “Two Strengthenings and Two Strictness”, the new “National Nine Guidelines” and the “1 + N” series capital market policies, as well as the in-depth implementation of the spirit of the Third Plenary Session of the 20th Central Committee of the Communist Party of China and the meetings of the Political Bureau of the Central Committee, the comprehensive registration-based system reform with “high-quality development” as the core has been further deepened and solidified. Under the tone of strengthening supervision, preventing risks, and promoting high-quality development, the stock issuance market has entered a counter-cyclical adjustment stage, and the overall pace of A-share financing has been significantly tightened in 2024.

During the Reporting Period, the Company solidly carried out the construction of science and innovation investment bank, practiced the concept of science and technology financial development, and strengthened its services for the issuance and listing of high-quality science and technology-based enterprises and refinancing. The Company completed 4 equity financing projects, including the refinancing of several enterprises in the new energy field, such as SK Technology, Guanghua Sci-tech, Haimo Technologies, etc. The total underwriting amount as lead underwriter of the projects throughout the year was RMB1.331 billion, ranking 8th in the industry for the number of additional issuance projects. The Company strictly controlled the project quality. During the Reporting Period, it assisted 1 enterprise in successfully passing the IPO review and 3 enterprises in successfully passing the refinancing review by the listing committee, achieving a passing rate of 100%.

In the future, the Company will focus on the development of industrial investment banking and deepen the construction of energy investment banking. The Company will actively respond to the national development strategy of “peaking carbon emissions” and “carbon neutrality” as well as industrial policies, focus on serving energy enterprises and assist in developing the circular economy; focus on industry segments, strengthen industrial mindset, highlight value discovery, and utilize our professional advantages and resource endowments to empower enterprises.

### (2) *Bond financing business*

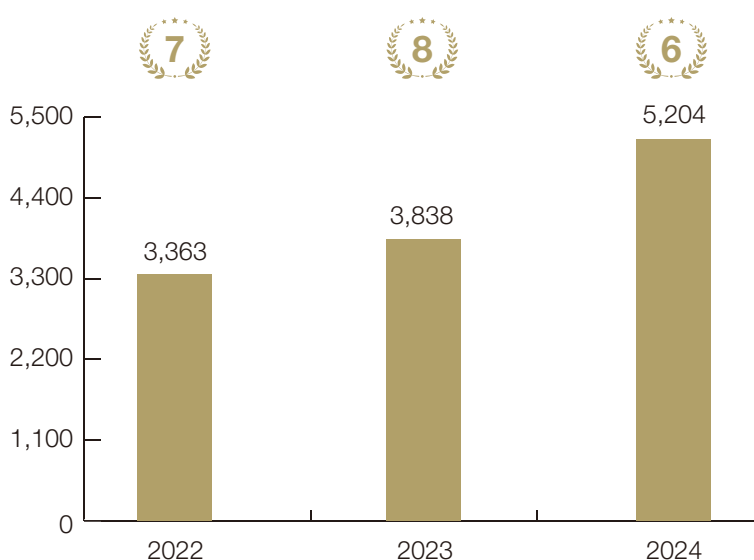
During the Reporting Period, the issuance scale in the primary market of inter-bank bonds increased significantly, with the total issuance of all types of bonds amounting to RMB79.75 trillion for the year, representing a year-on-year increase of 12%, which has brought more opportunities for the underwriting business and at the same time made the market competition more intense. The policy on municipal investment bonds has continued to tighten, and the financing entered an era of “refinancing existing debt”, with the issuance scale of the bonds decreasing by 15% year-on-year, and the net financing amount significantly decreasing by RMB1.35 trillion. The policy support for industrial bonds has increased, and the proportion of financing has risen.

## Section III Report of the Board

According to Wind data statistics, the total underwriting size of the Company's bond underwriting business was RMB520.443 billion, representing a year-on-year increase of 35.61%, ranking 6th in the market, up 2 places from last year.

### Total underwriting size of the Company's bond underwriting business and industry ranking

(Unit: RMB100 million)



In terms of interest rate bonds, the Company took on the mission of financial institutions and demonstrated its industry-leading strength. The Company ranked second among securities dealers in the underwriting of book-entry treasury bonds and financial bonds issued by CDB, ADB and Export-Import Bank of China. As one of the only two Class A underwriters of book-entry treasury bonds among securities firms and one of the five securities dealers with the qualification to be a member of the underwriting syndicate for local government bonds in all regions across the country, the Company fully cooperated with the implementation of the country's proactive fiscal policy. The Company underwrote more than RMB240 billion of government bonds throughout the year, contributing financial resources to the implementation of major national strategies and the construction of security capabilities in key areas. Leveraging its own business advantages, the Company served key areas such as scientific and technological innovation, green development, and rural revitalization, and actively participated in the underwriting of a number of green bonds and thematic bonds issued by the three major policy banks, with the underwriting market share of ESG-related thematic bonds increasing by 13% during the Reporting Period as compared with that of the previous year.

## Section III Report of the Board

The Company vigorously explored special varieties and issued multiple green bonds, corporate bonds for science and technology innovation, technological innovation notes, corporate bonds for rural revitalisation, asset-backed notes for rural revitalisation, corporate bonds for “the Belt and Road”, enterprise bonds for “the coordinated development of Beijing-Tianjin-Hebei”, TLAC non-capital bonds, small and micro-enterprise financial bonds, financial bonds for Agriculture, Rural Areas and Farmers, Direct Model Supply Chain Notes Asset-Backed Securitisation Products and other innovative varieties to support the construction of major projects in “carbon peaking and carbon neutrality” initiatives, scientific and technological innovation, rural revitalisation, etc., and to contribute to the high-quality development of the real economy. The Company adheres to stable and compliant operations and strictly controls risks, with bond projects maintaining zero default, and its bond underwriting business has been rated as Class A in the 2024 Evaluation of the Practice Quality of Securities Firms’ Bond Business conducted by the China Securities Association.

The table below sets forth the breakdown of bonds underwritten by the Company as lead underwriter:

(in RMB100 million)	January – December, 2024	January – December, 2023
<b>Corporate debentures:</b>		
Number of underwriting as lead underwriter	347	367
Amount underwritten as lead underwriter	1,135.30	1,351.38
<b>Corporate bonds:</b>		
Number of underwriting as lead underwrite	5	10
Amount underwritten as lead underwriter	10.79	29.78
<b>Financial bonds:</b>		
Number of underwriting as lead underwrite	67	40
Amount underwritten as lead underwriter	644.32	290.07
<b>Asset-backed securities:</b>		
Number of underwriting as lead underwrite	177	116
Amount underwritten as lead underwriter	248.54	181.35
<b>Debt financing instruments of non-financial enterprises:</b>		
Number of underwriting as lead underwrite	179	124
Amount underwritten as lead underwriter	544.91	402.16
<b>Local government bonds:</b>		
Number of underwriting as lead underwrite	170	98
Amount underwritten as lead underwriter	366.99	215.74
<b>Total:</b>		
Number of underwriting as lead underwrite	945	755
Amount underwritten as lead underwriter	2,950.85	2,470.47

## Section III Report of the Board

In the future, the Company will leverage technology to empower the transformation of financial services, continue to improve the quality and efficiency of customer service, promote the continuous execution of innovative business and key initiatives, and actively fulfil its social responsibilities. Based on the existing advantageous regions, the Company will deeply explore the diversified financing needs of high-quality customers in the region, and extend and expand to the neighbouring regions, so as to further grow bigger and stronger.

### (3) *Financial advisory services*

During the Reporting Period, regulatory authorities continued to introduce policies to encourage merger and acquisition (M&A) business and the market response was very positive. Since the fourth quarter of 2024, the M&A market has continued to warm up, with the number of first-time disclosure of share issuance restructuring and cash-based major restructuring projects accounting for about half of the year.

The Company actively responded to the policy call by focusing on scientific and technological innovation M&A and industrial M&A, and participating in M&A transactions with significant scale and market influence. During the Reporting Period, the Company completed a total of 10 financial advisory projects in the M&A and restructuring category, with a transaction amount of approximately RMB1,608 million. The Company acted as an independent financial advisor to Guotai Junan Securities Co., Ltd. (“Guotai Junan”), assisting Guotai Junan to merge with Haitong Securities Co., Ltd. by way of share exchange, which was the largest A + H bilateral market absorption merger in the history of China’s capital market, and the largest M&A project in the international investment banking sector since 2008. In the field of M&A of scientific and technological innovation enterprises, the Company has been assisting Ferrotec in its acquisition of Fulehua, an advanced manufacturer of copper-clad ceramic carrier boards for power semiconductors; RoboTouch in its acquisition of ficonTEC, a global leading enterprise in photon and semiconductor automated packaging and testing equipment; and Sanyou Medical in its acquisition of Shuimu Tianpeng, a manufacturer of ultrasound surgical equipment and consumables. In addition, the Company is also assisting a number of listed companies in carrying out high-quality industrial mergers and acquisitions involving business areas such as semiconductors, automotive parts, mineral resources, and food health.

In the future, the Company will focus on its advantageous industries, support listed companies to center around scientific and technological innovation, industrial upgrading layout, and guide more resource elements to gather in the direction of high-quality productive forces. In addition, the Company will also actively develop innovative business opportunities such as the transfer of control rights of listed companies and financial advisory services for bankruptcy reorganization, through which it will give priority to obtaining business opportunities for the future capital operation of listed companies; it will pay attention to the internationalization needs of its high-quality listed company clients, and provide comprehensive financial services through domestic and overseas linkage to meet the clients’ needs for financing and business development in overseas markets.

## Section III Report of the Board

### 2. *Alternative investments*

The Company primarily engages in alternative investment business through Orient Securities Innovation, a wholly-owned subsidiary of the Company.

In 2024, the real estate and capital market underwent continuous adjustment. The IPO policy remained tightened, the valuation anchoring in the primary market changed and the supply in the special asset market continued to increase. The competition within the industry became more intense.

Based on in-depth research and judgment of the macroeconomic situation, industrial development trend and risk-return characteristics of various assets, Orient Securities Innovation continuously optimized the investment structure of assets with different maturity periods, risk characteristics and expected returns, thereby continuously increasing the stability of returns. In terms of equity investment business, it adhered to the concept of long-termism. On the investment side, it secured in advance the investment opportunities from start-up companies with reasonable valuations and core technologies, and effectively executed the post-investment management of existing projects, promoting the exit of invested projects through diversified methods such as transfer, merger and acquisition, and repurchase by major shareholders. As at the end of the Reporting Period, Orient Securities Innovation had a total of 105 existing equity investment projects with a scale of RMB4.367 billion and made co-investment in a total of 10 projects on the STAR Market, with an investment of RMB549 million. In the special assets investment business, it pursued progress while maintaining a prudent tone, elevating the certainty of investment recovery to a more important position, and actively exploring innovative business opportunities beyond the real estate including bankruptcy restructuring, debt repayment with assets and debt-equity linkage. As at the end of the Reporting Period, Orient Securities Innovation had 26 existing projects in the special asset investment business, with a scale of RMB1.830 billion.

In the future, Orient Securities Innovation will focus on the goal of “building a first-class subsidiary of a securities firm in alternative investment”. It will continue to leverage the two major advantages of “professionalism” and “innovation”, strengthen the distinctive features of technology-driven finance, deeply engage in the equity investment business and the special assets investment business, optimize the structure of asset allocation, flexibly select the project exit methods, and establish a more comprehensive risk management system.

## Section III Report of the Board

### (iii) Institutional and sales trading

#### 1. Proprietary investment

The Company conducts both equity and non-equity proprietary investment businesses primarily through the securities investment business department and the fixed income business department.

In 2024, the capital market witnessed significant volatility, with substantial changes in market dynamics. Driven by a series of policies in the second half of the year, The SSE Composite Index increased by 12.67% for the whole year, the SZSE Component Index increased by 9.34%, the ChiNext Index climbed by 13.23%, and the Hang Seng Index grew by 17.67%. The bond market interest rates generally showed a one-way downward trend. The yields of 10-year treasury bond decreased by 88bp to approximately 1.68%, and the 10-year CDB bond yields decreased by 95bp to approximately 1.73%. The total price index of ChinaBond increased by 5.43%, and the comprehensive price index of ChinaBond increased by 4.98%.

In terms of equity proprietary trading, the Company strictly controlled and flexibly adjusted its position, actively selected the timing and seized trading opportunities. It continuously increased the investment scale under the high dividend strategy, constantly optimized the structure, improved the diversification degree of the industry, and maintained a relatively high level of the portfolio's dividend yield. It also continuously optimized the framework of the multi-modal quantitative model to maintain a drawdown level lower than the market. It actively responded to the national call, prudently using the funds under the swap facility and efficiently screening suitable A-share targets.

In terms of proprietary non-equity, the fixed income investment maintained a stable scale, and the position structure continued to be optimized. During the Reporting Period, the spot securities trading volume in the interbank market increased by 9.56% year-on-year, and the trading volume of interest rate swaps increased by 66.38% year-on-year. The Company ranked among the top securities firms in terms of spot securities trading volume in the interbank market, total trading volume of bonds and the interest rate swap trading volume. The proprietary operations of bulk commodity business achieved satisfactory business results, and foreign exchange proprietary operations maintained steady operations.

In the future, for the proprietary equity business, the Company will continue to aim for absolute returns. It will continuously strengthen its ability to analyze and assess the macro-economy and international politics, and improve its level of strategic research. It will optimize the absolute return investment strategies for equities and quantitative investments, deepen the value investment strategy focusing on dividends, expand the multi-strategy investment in active asset allocation, and diversify the sources of stable income. For the proprietary non-equity investment, it will further promote the refined operation of investments, and adhere to the non-directional transformation, shifting from the traditional allocation strategy to a more flexible and diversified trading strategy; it will effectively prevent and control credit risks, incorporate ESG into the investment research and analysis framework, and attach importance to green investment; it will also intensify the construction of the SIMP system to promote the Fintech integration.

## Section III Report of the Board

### 2. Client-oriented business

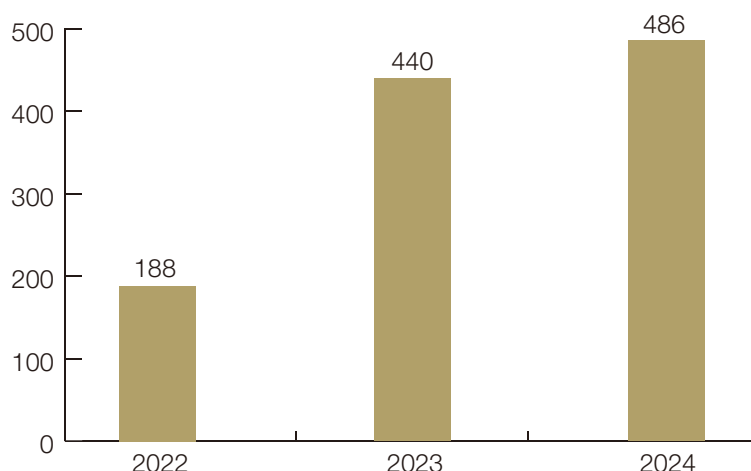
The Company mainly conducts client-oriented business through the financial derivatives department and the fixed income business department.

During the Reporting Period, the landscape of client-oriented business accelerated its reshaping. On the one hand, the regulators have improved the compliance requirements for various products to promote the standardization of the industry ecosystem. On the other hand, financial institutions generally increased their investment in client-oriented business, intensifying the market competition. Meanwhile, with the accelerated high-quality development of the financial sector, clients' demand for various financial products is also rising rapidly, providing new opportunities for the development of client-oriented business.

In respect of OTC derivatives, the Company adjusted the scale of each sub-sector according to the risk level and reduced the proportion of volatile businesses so as to improve the stability of returns. Meanwhile, it actively explored business models, enriched the product structure, expanded the range of counterparties, and enhanced market activity. The Group's collaborative capabilities have been continuously strengthened, achieving the linkage of the Company's high-quality resources. The Company also explored collaborative opportunities with private equity clients and actively addressed clients' needs to achieve a win-win situation. Specifically, in terms of the OTC options business, it significantly reduced the Greeks exposure and tail risks of the positions held, with the transaction volume reaching RMB45.301 billion during the Reporting Period; as for the total return swaps business, it focused on low-risk business models, promoted the diversified development of the product structure, underlying assets and client system. During the Reporting Period, the transaction volume reached RMB48.605 billion, representing a year-on-year increase of 10.59%.

#### Size of income swap business transactions of the Company

(Unit: RMB100 million)





## Section III Report of the Board

In terms of the FICC agency business, the Company has made positive progress in the domestic and overseas institutional sales and trading platforms for all assets. The integrated model of “Capital + Service” achieved remarkable results, and the proportion of revenue from client-oriented business has increased. During the Reporting Period, the Company focused on exerting the first-mover advantage in the field of carbon finance business and continuously enriched the green financial products in the capital market. In the field of carbon finance innovation, multiple repurchase transactions and carbon borrowing trades were successfully carried out, and a comprehensive service solution of “Electricity-Carbon-Finance” for enterprises was created; As one of the first batch of participating institutions, the Company actively cooperated with Shanghai Clearing House to expand general repurchase business; Three major asset strategy indices and one bond duration strategy index were released; Innovative CDS transactions were carried out through cooperation with the Shanghai Clearing House.

In the future, the Company will strive to enhance the efficiency of its OTC derivatives business, continue to expand customer coverage, and enhance cross-business linkage to increase collaborative revenue. For OTC options, it will continuously optimize the overall positions to control the Greeks exposure and tail risks. For total return swaps, it will expand the transaction volume of capital intermediary business, and achieve the comprehensive, effective, and real-time monitoring and management of risk indicators through system construction. For FICC business, the Company will adhere to the overall approach of developing proprietary trading stably and improving client-oriented business steadily. It will continue to promote the construction of sales and trading platforms for all assets among the domestic and overseas institutions, and deepen business transformation. Adhering to the customer-centric approach, it will further enrich the business models by focusing on customers’ needs for asset allocation and risk management. Meanwhile, it will consolidate the advantages of carbon finance business and strengthen its position in green finance development.

### 3. *Market-making business*

The Company conducts equity and non-equity market-making business mainly through the securities investment business department, the financial derivatives business department, and the fixed income business department.

In 2024, a total of 14 and 17 securities firms in the entire market respectively obtained the qualifications for the market-making business at the STAR Market and the Beijing Stock Exchange, effectively playing the role of providing liquidity to the market and stabilizing volatility; The increase in the overall trading volume of the equity market and the great popularity of the ETF sector provided favorable conditions for the development of equity market-making; Major large and medium-sized banks increased their investment in bond market-making business, leading to increasingly fierce competition in the industry. At the same time, the accelerated development of interest rate derivatives and bond ETFs brought new opportunities to the industry.

## Section III Report of the Board

As at the end of the Reporting Period, the number of individual stocks for which the Company conducts market-making on the STAR Market increased to 10, and the business expanded rapidly; The Company conducted in-depth research and investigation on the stocks of the Beijing Stock Exchange, and carefully selected high-quality underlying assets to participate in market-making and strategic placement.

The Company is a full-licensed main market-maker for equity options, ranking among the top in terms of trading volume and maintaining the level of the first echelon in the industry; The number of funds for which the Company conducts market-making has rapidly increased to more than 240, with a year-on-year increase of 140%. It successfully seized the opportunity of the A500, effectively expanding new channels for capital intermediary income and was honored with the annual A rating from the SSE and the SZSE as well as the highest A rating in the same period on Shanghai-Shenzhen Connect. It added the tin option of the Shanghai Futures Exchange to its commodity options market-making business, helping to build a trading capability system covering all assets. Adhering to the strategy of self-developing the core system, the Company continuously optimized the full-link of the system, updated the hardware, and iterated the strategies, having basically achieved a stable profit model in which profits are positively correlated with the market trading volume and volatility.

The Company continued to make breakthroughs in corporate bond market-making business. During the Reporting Period, the trading volume of its inter-bank market-making achieved a year-on-year increase of 16.96%, the trading volume of quotations to overseas clients through Bond Connect and Global Connect achieved a year-on-year increase of 8.09%, and that of Swap Connect achieved a year-on-year increase of 130.63%, all ranking among the top in the market. The market-making of financial bonds of the three major policy banks continuously remained among the top two in the market; In the Shanghai Stock Exchange, the market-making of interest rate bonds and corporate bonds ranked first and fourth respectively in the whole market, and SZSE interest rate bonds and credit bonds were both rated Class A ratings; The number of bonds for which the Company provides market-making in the exchange-traded bond ETFs gradually increased, and all obtained AA ratings; The market-making of interest rate swaps, standard bond forward, and treasury bond futures remained among the top. During the Reporting Period, the Company launched a co-branded bond basket with a fund company, and built an ETF ecosystem in multiple ways. The green bond basket of the CFETS jointly classified catalogue of DFZQ has attracted the attention of the motions of the representatives of the Two Sessions. With the support of the self-developed trading system, the Company continuously optimized strategic trading, and launched client-oriented market-making service solutions such as automated quotation robots, iDeal preferred quotations, and bond basket trading, and the trading volume of quotations to clients increased several times; The client-demand-oriented market-making service model has continuously deepened, and the profitability has been steadily enhanced.

## Section III Report of the Board

In the future, the Company will enhance its capabilities of investment research and increase the coverage of companies on the STAR Market and the Beijing Stock Exchange. The Company will enhance the advantages of equity option market-making business, increase the investment in system and development resources, seize the opportunity of ETFs to rapidly enhance the industry influence of its fund market making business, and balance the functionality and profitability of market-making for commodity futures and options. In the bond market-making business, the Company will strengthen the empowerment of technology, and create a differentiated and customized one-stop service model by focusing on client needs.

### 4. *Research services*

The Company primarily provides securities research and other services through the securities research institute.

In 2024, the Administrative Provisions on the Securities Trading Expenses of Publicly Offered Securities Investment Funds was officially issued, which further adjusted and regulated the commissions rate of publicly offered funds, the procurement of third-party services, the use of market commissions, and other industry concerns. With the implementation of the new rules, the industry has entered a crucial period of transformation, change and reshaping.

During the Reporting Period, the securities research institute broadened the breadth and depth of its research by expanding its coverage of markets, categories and themes to create differentiated investment research services. The Group leveraged the research advantages of traditional equity rights to enhance the research capabilities in areas such as fixed income securities and financial engineering. Externally, the Company continued to strengthen its position in the public offering market and, on this basis, the non-public offering customers became an important source of growth; On the internal front, the Company actively cultivated a profound compliance culture and continued to improve its internal management and compliance risk control in line with the concept that compliance creates value, thereby continuously improving the effectiveness of compliance control. As at the end of the Reporting Period, the Company published 2,165 research reports, and provided 21,772 online and offline research roadshows for institutional customers. The Company jointly released the “China Climate Finance Development Report (2024)” with the University of Chinese Academy of Social Sciences and the China Society of Urban Economy, and the “China Securities Industry Climate Risk Management Practice Report 2024” with China Economic Information Service Shanghai Headquarters, exploring feasible paths for the capital market to serve climate risk management; 34 institutional customers were newly added, including 32 non-public offering customers such as private equity funds, insurance companies and trusts companies. During the Reporting Period, the Company achieved a revenue of RMB319 million from public offering commissions (including special accounts, social security, and annuity seats), with a trading volume of publicly offered funds accounting for 2.30%.

## Section III Report of the Board

In the future, the Company will continue to expand its service scope, strengthen research on green finance and enhance its comprehensive service capabilities to fully meet the needs of different types of customers in all aspects; Focus on strengthening the high-frequency collection of client needs by institutional sales team and immediate feedback to the research team, forming a research service model that combines an independent research perspective and also fully meets client needs.

### 5. Custody business

The Company conducts its custody business primarily through its custodian business department.

In 2024, the size of assets under custody continued to grow steadily, but the structure was differentiated, with faster growth in the size of publicly offered funds, especially ETFs. With the further decline in management and custody fees of publicly offered funds, the market competition in the custody industry become more intense.

The Company adhered to the concept of “Serving the People with Finance”, earnestly implemented the requirements of various policies and systems, improved internal systems and processes, strictly fulfilled the duties of a custodian, effectively protected the interests of investors, and served the development of micro, small and medium-sized investment institutions. The Company strongly promoted digitalized management, and continued to improve the operational efficiency in areas such as product valuation and information disclosure; formed a marketing service system for custody outsourcing business, adhered to the customer demand orientation and strengthened the classified and stratified service for customers, thereby continuously improving customer satisfaction; carried out in-depth and refined business risk management and control, and constructed a grid-style risk prevention and control system. As at the end of the Reporting Period, the Company had more than 2,400 outsourced products under custody with a total size of over RMB180 billion, and RMB6,323 million of publicly offered funds under custody.

In the future, the Company will adhere to the customer demand orientation of giving priority to the interests of shareholders. It will strengthen market research, actively build a business ecosystem, and accelerate the deployment of ETF product custody; continuously improve the compliance and risk control system and digital custodian system, and vigorously promote the custody capability project, operational efficiency project and branch empowerment project, thereby effectively fulfilling our responsibilities as a custodian and supporting the high-quality development of the financial services industry.

## Section III Report of the Board

### (iv) International and other businesses

The Company conducts international business mainly through its wholly-owned subsidiaries, Orient Finance Holdings, Orient Securities International and their subsidiaries, as well as the Singapore subsidiary of Orient Futures.

In 2024, the international situation was complex and changing, the global economy slowly recovered and the capital market continued to fluctuate; the Hong Kong economy and capital market, which had been experiencing a downturn for several years, turned for the better. The Hong Kong stock market reversed its four consecutive years of decline, and the Hang Seng Index oscillated upward by 17.67%; The Chinese-issued US dollar bonds were subjected to some repair with the composite index and investment-grade index rising by 6.72% and 5.40%, respectively. The number of participants in the global derivatives market has been increasing continuously, and high-frequency trading and quantitative trading are becoming dominant forces in this market.

As the Company's international business platform, Orient Securities International has established various wholly-owned subsidiaries licensed by the SFC to operate businesses in financial markets, securities and futures brokerage, asset management, and investment banking. During the Reporting Period, the Hong Kong subsidiaries achieved relatively good performance and operated more steadily, with a number of adjustments beneficial to their future development. For the financial market investment business, the Company basically completed the adjustment of its allocation-based investment model and optimized its position structure, with investment-grade bonds accounting for nearly 90%; sales transactions business is mainly driven by customer demand, and the Company has innovatively launched various asset-linked note products and financial services. For the brokerage business, the Company strengthened its customer base, actively expanded diversified customers such as the bond trading customers and global large asset management institutions, with the scale of assets under custody doubled compared to the beginning of the year. For the asset management business, by focusing on providing customized products for clients' offshore asset allocation, the Company enriched product types, with the scale of the business increasing by more than 80% compared to the beginning of the year. The bond underwriting business continued to develop in an integrated manner both domestically and internationally, with 85 projects underwritten, an increase of 1.2 times year-on-year; For the equity underwriting business, the Company strengthened domestic coordination, market intermediaries and other diversified cooperation, underwriting 7 Hong Kong stock listing projects, and the total underwriting amount increased by 5 times.

## Section III Report of the Board

Singapore subsidiary of Orient Futures successfully connected to B3 S.A. – Brasil Bolsa Balcão (巴西B3交易所), the world's second largest derivatives exchange, opening channels to provide services to emerging markets. In addition, the Singapore subsidiary was granted a securities business license issued by the regulatory authority, expanding its scope of operation.

In the future, the Company will prudently advance its internationalization in an orderly manner. The subsidiaries incorporated in Hong Kong will continue to consolidate the operating results, steadily improve the operating results, continuously optimize the business structure, adhere to strict compliance and strive to build core competitiveness, so as to promote stable, balanced and sustainable operation and high-quality development. The Singapore subsidiary will further expand its membership credentials of key stock exchanges globally through setting up offices around the world to expand its international business coverage.

In addition, the Company will continue to promote the construction of digital finance, strengthen the digital transformation efforts, use digital thinking to deeply transform the business model and management model, apply digital technology methods to empower operational decision-making, resource allocation, business transformation, risk management, product development and other aspects, and comprehensively enhance the level of technology-driven operations.

## Section III Report of the Board

### IV. AWARDS RECEIVED BY THE COMPANY DURING THE REPORTING PERIOD

Award Recipients	Awarding Institution	Awards and Honors Received
Company	China Association for Public Companies	Excellent Practice Case of Sustainable Development of Listed Companies in 2024, Best Practice Case of the Board of Directors of Listed Companies in 2024, Best Practice Case of the Board of Directors Office, Best Practice Case of Investor Relations
	People's Bank of China	Second Prize of the Development of Financial Technology in 2023, Third Prize of the Development of Financial Technology
	Cailian Press	"ESG Financial Award of the Year" of the Cailianshe Lucui Jinshan Award in 2024
	New Fortune	The Seventh Best IR Hong Kong Stock Company (A + H Stocks)
	China Securities Journal	Top Ten Golden Bull Securities Companies in 2024, ESG Golden Bull Award of the Securities Industry
	Securities Times	The 15th Tianma Award for Investor Relations Management of Chinese Listed Companies
	National Business Daily	Top 13 Securities Listed Companies in the Brand Value List of Chinese Listed Companies in 2024, Golden Tripod Award for the Classic Case of the Best Rural Revitalization in 2024
	Times Weekly, Times Finance	"High-quality Development Financial Institution" of the Ninth Times Finance Golden Kumquat Award
	21st Century Business Herald	"Outstanding Securities Company of the Year 2024" in the Golden Sail Case of the Capital Market, "Golden Shell Award for Outstanding and Supreme Securities Company in 2024" in the 2024 Golden Shell Asset Management Competitiveness Case
Wealth and Asset Management	China Securities Regulatory Commission	"Excellent" Rating of the National-level Investor Education Base
	China Financial Futures Exchange	Platinum Award for Excellent Member
	Shanghai International Energy Exchange	Outstanding Member

## Section III Report of the Board

Award Recipients	Awarding Institution	Awards and Honors Received
	China Securities Journal	“Golden Bull Wealth Management Team” of Securities Companies in 2024, “Three-year Golden Bull Securities Firm Collective Asset Manager” of the Golden Bull Award of China’s Securities Industry in 2024, “One-year Golden Bull Overseas Chinese Bond Fund” of the Overseas Fund Golden Bull Award, “Golden Bull Award for Fund Investment Advisory Institutions” of the Second China Fund Investment Advisory Golden Bull Award
	Securities Times	Junding Award for Institutional Brokers of China’s Securities Industry in 2024, Junding Award for Business Outlets, Junding Award for Omnipotent Asset Management Institutions, Junding Award for Asset Management Brands, Junding Award for Asset Management Equity Teams, Junding Award for Public Welfare Investor Education Cases in Asset Management
	New Fortune	“Best Investment Advisor Team”, “Excellent Organization Award” and “Best Style Award of the Investment Advisor Team” of the Seventh New Fortune Best Investment Advisor
	Caillian Press	Huazun Award for the Best Wealth Management Institution, Huazun Award for the Best Fund Investment Advisor, Huazun Award for the Best Wealth Management Brand, Award for the Best Investment Advisor Team
	Sina Finance	The Most Socially Responsible Fund Company in the Fund Industry in 2024, Excellent Case Award of the Most Influential Investor Education Project in 2024
	National Business Daily	The Most Powerful Securities Asset Management of the Year 2024 of the Golden Tripod Award in 2024
	Xinhua Finance	Fund Investment Advisory Institution Golden Advisory Award in 2024
	Securities Market Weekly	“Best ESG Management Fund Company of the Year 2024” of the Crystal Ball Award of the Capital Market in 2024



## Section III Report of the Board

Award Recipients	Awarding Institution	Awards and Honors Received
	China Fund News	“Excellent Asset Management Demonstration Institution”, “Excellent Securities Company Social Responsibility Demonstration Case”, “Excellent Securities Company Investor Education Demonstration Case”, “Excellent Investment Advisor Demonstration Institution”, “Excellent Wealth Management Brand Demonstration Case” in the Yinghua Demonstration Case Awards of Chinese Securities Companies in 2024 Excellent ETF Seller, Growing ETF Manager, Excellent ETF Marketing Case, Excellent Equity ETF (Industry or Theme Category), Excellent Equity ETF (Broad-based Category) on the 20th Anniversary of ETFs
	Zero2IPO Group	Top 100 Chinese Private Equity Investment Institutions in 2024
Investment Banking and Alternative Investment	Shanghai Stock Exchange	Excellent Underwriter of Corporate Bonds, Excellent Underwriter of Industrial Bonds
	New Fortune	Best Debt Underwriting Investment Bank, Best Corporate Bond Investment Bank
	Securities Times	Judging Award for Equity Financing Investment Banks in China’s Securities Industry in 2024, Judging Award for Bond Financing Investment Banks in China’s Securities Industry
	Wind Information	Best Equity Underwriter for Science and Technology Innovation Board, Best A-share Equity Underwriter for the Biopharmaceutical Industry, Best Underwriter of Corporate Bonds, Best Underwriter of Convertible Bonds
Institutional Business and Sales Trading	Shanghai Stock Exchange	Pioneer Market Maker for Science and Technology Innovation Board Stocks in 2023, Excellent Market Maker (Interest Rate Category), Excellent Bond Market Maker (Credit Category), “Market Development Contribution Award” and “Contribution Award for New Option Varieties” in 2023

## Section III Report of the Board

Award Recipients	Awarding Institution	Awards and Honors Received
	Shenzhen Stock Exchange	Excellent Market Maker and Underwriting Institution, Excellent Option Market Maker in 2023, Excellent Fund Liquidity Service Provider in 2023
	Shanghai Futures Exchange	Silver Award for Market Making Business in 2023
	Bond Connect Company Limited	Excellent Market Maker for Northbound Trading
	China Financial Futures Exchange	Best Contribution Award (Proprietary Trading Category) on the Tenth Anniversary of the Listing of Treasury Bond Futures, Excellent Market Maker of Stock Index Options in 2023
	Guangzhou Futures Exchange	Silver Award for Market Making of Lithium Carbonate Options in 2023, Merit Award for Market Making of Industrial Silicon Options in 2023
	China Central Depository and Clearing Co., Ltd.	Top 100 in Self-operated Settlement, Excellent Bond Underwriting Institution
	China Development Bank, Agricultural Development Bank of China, Export-Import Bank of China	Excellent Underwriter and Market Maker
	China Securities Journal	Excellent Liquidity Service Institution in the Golden Bull Ecosystem of ETFs, Fourth Place of the Best Industry Analyst Team in Macroeconomics of the Golden Bull Award for Chinese Securities Analysts
	Sina Finance	The Most Characteristic Research Institution of the Sixth Golden Kirin Best Analysts, First Place in Financial Engineering for Elite Analysts, First Place in the Military Industry, Second Place in the Media Industry, Third Place in the Innovative Pharmaceutical Industry, Third Place in Overseas Market Research, Fifth Place in the Telecommunications Industry, Rising Star of Securities Analysts
	Shanghai Securities News	Fifth Place of the Best ESG Practice Institution
	Wind Information	Third Place of ESG Research Institutions in the Selection of the Twelfth Gold Medal Analysts in 2024, Fifth Place in the Iron and Steel Industry
	Eastmoney Choice	The Most Popular Research Institution in 2024 of the Selection of the Twelfth Best Analysts in 2024

## Section III Report of the Board

Award Recipients	Awarding Institution	Awards and Honors Received
	Securities Market Weekly	First Place in South China of the Best Sales Award of the Seventeenth Crystal Ball Award for Sell-side Analysts in 2023
	21st Century Business Herald	Influential Securities Company Research Institute in 2024, Fourth Place in the Banking Category
International Business	Bond Connect Company Limited	Innovative Institution in the Primary Market of Bond Connect (Underwriter)
	Hong Kong Chinese-funded Securities Industry Association	Best Performance Award of Wealth Management in the Sixth Golden Central Link in 2024
	Shanghai International Energy Exchange	Outstanding Market Contribution Award for Overseas Intermediary Institutions

## Section III Report of the Board

### V. ANALYSIS ON CORE COMPETITIVENESS DURING THE REPORTING PERIOD

#### Excellent party building culture

The Company's party committee has always adhered to the concept of "party building and corporate culture as productivity", and has led and safeguarded high-quality development with high-quality party building. At present, the Company's party committee is the only Party Committee of a securities company in China that has been awarded the title of National Advanced Grassroots Party Organization by the Organization Department of the CPC Central Committee, which is a profound source of the Company's adherence to the political nature of the work of the financial industry and the people's nature. The Company was awarded honorary titles such as the Flag Party Organization of the Shanghai State-owned Assets Supervision and Administration Commission (紅旗黨組織), Shanghai State-owned Enterprise Party Building Brands (上海國企黨建品牌) and the first batch of innovative practice bases for grassroots party construction of the Shanghai State-owned Assets Supervision and Administration Commission System (首批市國資委系統基層黨建創新實踐基地).

#### Unique shareholder resources

Shenergy Group, the largest Shareholder of the Company, has given strong and unwavering support to the Company. The background of the shareholders in energy industry strongly enhances the Company's political position and visionary thinking in serving the real economy, guarding the national energy security and financial security, and implementing the "dual-carbon" strategy. This is a natural advantage for the Company to specialize in "energy investment banking and green investment banking". Currently, the Company has formulated a work plan for energy investment bank, issued a green finance action plan, and established a Green Finance Working Group for promoting the deep integration of energy and finance, and further solidifying the foundation for the development of green finance.

#### Long-term brand strength

After years of cultivation, the Company has built a brand with a long-term advantage in areas including asset management, publicly offered funds, fixed income, and futures brokerage. The operating results of Orient Securities Asset Management ranks high in the industry, and the "Dong Fang Hong (東方紅)" brand enjoys a good reputation in the market; China Universal has developed stable and top-class comprehensive capabilities and has ranked among the top in the industry in terms of size of active equity business. The Company's fixed-income business has delivered solid long-term results, and its interest rate bond underwriting, bond market-making and trading have always ranked among the top in the market, while its carbon finance business has developed innovatively; By strengthening the application of financial technology, Orient Futures maintains a competitive market share.

#### Visionary and pioneering mindset

The Company has always emancipated its mind and kept abreast of the times. It has seized the opportunity of A + H stock listing at an early stage, promoted reform and innovation of its business model, has taken the lead in the industry in implementing wealth management transformation and sales trading transformation, and has been the first to obtain the qualifications of Swap Connect, Listed Securities Market Making, fund advisory services, and personal pension, etc. It has also established a flexible market-oriented mechanism and a target-oriented operation mechanism ahead of industry peers.

## Section III Report of the Board

### Effective compliance and risk control

The Company has always adhered to the operating concept of “overall compliance based on risk control”, and has formed a closed-loop compliance and risk management system of “culture – people – systems – tools” with stable risk culture as the core, sound system as the basis and professional management tools as the support. Our compliance and risk management work has been sound and effective, and no significant illegal or non-compliance incidents occurred during the Reporting Period, with risk control indicators remaining at a relatively safe level. We have received the classification evaluation of Class A securities company for 16 consecutive years (AA rating of Class A for 4 consecutive years) and been included in the “White List” of securities companies.

## VI. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD

As at the end of 2024, the Group’s total assets amounted to RMB417.736 billion, representing an increase of 8.87% over the end of last year; shareholders’ equity attributable to the Company amounted to RMB81.397 billion, representing an increase of 3.37% over the end of last year; net capital of the Parent Company amounted to RMB53.848 billion, representing an increase of 6.44% over the end of last year.

In 2024, the Company realized revenue and other income of RMB27.684 billion, representing a year-on-year increase of 14.03%; profit for the year attributable to shareholders of the Company amounted to RMB3.350 billion, representing a year-on-year increase of 21.66%; weighted average return on net assets amounted to 4.14%, representing a year-on-year increase of 0.69 percentage point. In the revenue and other income: wealth and asset management business realized RMB17.695 billion, accounting for 55.49% of the total; investment banking and alternative investment business realized RMB1.492 billion, accounting for 4.68% of the total; institutional and sales trading business realized RMB7.104 billion, accounting for 22.28% of the total; international and other businesses realized RMB5.595 billion, accounting for 17.55% of the total (Consolidation and offsetting factors were not considered when calculating segment revenue and other income, segment expenses and their proportions. The same approach is adopted below).

Business segment (in thousand)	Principal businesses by segments			Change in segment revenue and other income over previous year (%)	Change in segment expenses over previous year (%)	Change in profit margin over previous year
	Segment revenue and other income	Segment expenses	Profit margin (%)			
Wealth and asset management	17,694,509	16,734,071	5.31	10.44	9.12	Increased by 1.18 percentage points
Investment banking and alternative investment	1,491,653	982,626	31.90	-9.22	-21.95	Decreased by 23.20 percentage points
Institutional and sales trading	7,103,971	4,227,476	40.49	32.34	-1.36	Increased by 19.22 percentage points
International and other businesses	5,594,808	5,575,962	9.49	-2.65	29.56	Decreased by 15.32 percentage points

## Section III Report of the Board

### (i) Analysis of financial statements

#### 1. Analysis on major items of consolidated statement of profit or loss

##### (1) Revenue and other income

During the Reporting Period, the Group realized revenue and other income of RMB27.684 billion, representing an increase of RMB3.406 billion or 14.03% over the last year. The change in revenue and other income was mainly due to: the year-on-year increase in income from securities proprietary trading business and income from sales of commodities by subsidiaries. Components of the revenue and other income are set out below:

Unit: '000 Currency: RMB

Items	2024		2023		Changes	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Commission and fee income	9,988,145	36.08	10,298,336	42.42	(310,191)	-3.01
Interest income	5,558,875	20.08	6,064,164	24.98	(505,289)	-8.33
Net investment gains	4,926,135	17.79	2,387,769	9.83	2,538,366	106.31
Other income and gains	7,210,452	26.05	5,527,120	22.77	1,683,332	30.46
<b>Total revenue and other income</b>	<b>27,683,607</b>	<b>100.00</b>	<b>24,277,389</b>	<b>100.00</b>	<b>3,406,218</b>	<b>14.03</b>

Details were as follows:

Commission and fee income amounted to RMB9.988 billion, accounting for 36.08% of the total and representing a decrease of 3.01%, which was primarily attributable to the decrease in income from asset and fund management fee, commission on securities brokerage, underwriting, sponsors and financial advisory fee.

Interest income amounted to RMB5.559 billion, accounting for 20.08% of the total and representing a decrease of 8.33%, which was primarily attributable to the decrease in interest income from the stock pledge repurchase business.

Net investment gains amounted to RMB4.926 billion, accounting for 17.79% of the total and representing an increase of 106.31%, which was primarily attributable to the increase in gains from disposal of financial assets at fair value through profit or loss and gains from unrealised fair value change, as well as the increase in gains from disposal of debt instruments at fair value through other comprehensive income.

Other income and gains amounted to RMB7.210 billion, accounting for 26.05% of the total and representing an increase of 30.46%, which was primarily attributable to the increase in the income of sales of bulk commodities by our subsidiaries.

## Section III Report of the Board

### (2) Total expenses

During the Reporting Period, expenses of the Group amounted to RMB24.482 billion, representing a year-on-year increase of RMB2.540 billion or 11.58%, which was mainly attributable to: increase in futures brokerage transaction costs and commodity sales costs of subsidiaries. The expenditure structure is as follows:

Unit: '000 Currency: RMB

Items	2024	2023	Changes	
			Amount	Proportion (%)
Employment costs	<b>5,031,727</b>	4,564,804	466,923	10.23
Interest expenses	<b>4,237,545</b>	4,299,827	(62,282)	-1.45
Commission and fee expenses	<b>4,553,442</b>	3,363,740	1,189,702	35.37
Depreciation and amortization expenses	<b>799,307</b>	809,398	(10,091)	-1.25
Other operating expenses	<b>9,184,395</b>	7,652,584	1,531,811	20.02
Other impairment losses	<b>214,686</b>	221,947	(7,261)	-3.27
Credit impairment loss	<b>461,328</b>	1,030,199	(568,871)	-55.22
<b>Total</b>	<b>24,482,430</b>	21,942,499	2,539,931	11.58

Details were as follows:

Employment costs were RMB5.032 billion, up by 10.23%, which was mainly attributable to the increase in remuneration expense related to business income.

Interest expenses were RMB4.238 billion, down by 1.45%, which was mainly attributable to the decrease in interest expenses on bonds.

Commission and fee expenses amounted to RMB4.553 billion, up by 35.37%, which was mainly attributable to the increase in fee expenses from subsidiaries' futures brokerage transactions.

Depreciation and amortization expenses were RMB0.799 billion, down by 1.25%, which was mainly attributable to the decrease in depreciation of fixed assets and investment properties.

Other operating expenses, including operation expenses, and tax and surcharges, were totally RMB9.184 billion, up by 20.02%, which was mainly attributable to the increase in cost of sales of products by our subsidiaries.

## Section III Report of the Board

Other impairment losses amounted to RMB0.215 billion, down by 3.27%, which was mainly due to the decrease in the provision for impairment of investment in associates.

Credit impairment loss amounted to RMB0.461 billion, down by 55.22%, which was mainly due to the decrease in provision for expected credit impairment losses of stock pledge repurchase business.

In 2024, the Group invested a total of RMB23.9502 million in charitable donations and other public welfare activities.

During the Reporting Period, the Company did not record any material change in profit as a result of non-major operations.

### 2. Cash flows

During the Reporting Period, the Company recorded RMB3.445 billion net decrease in cash and cash equivalents, including:

- (1) Net cash from operating activities amounted to RMB22.731 billion, which was mainly attributable to:
  - i. RMB25.812 billion of net cash inflow was attributable to increase in repurchase agreements and placements from banks and other financial institutions;
  - ii. RMB20.235 billion of net cash inflow was attributable to decrease in cash and clearing settlement funds restricted or held on behalf of customers;
  - iii. RMB6.424 billion of net cash inflow was attributable to decrease in financial assets at fair value through profit or loss and derivative financial assets; and
  - iv. RMB26.858 billion of net cash outflow was attributable to increase in deposits and reserves and deposits with exchanges.
- (2) Net cash used in investment activities was RMB24.466 billion, which was primarily attributable to:
  - i. RMB28.432 billion of net cash outflow as a result of investment and disposal of financial investment; and
  - ii. RMB3.952 billion of net cash inflow as a result of receipt of investment dividend and interest.



## Section III Report of the Board

- (3) Net cash used in financing activities amounted to RMB1.711 billion, which was mainly attributable to:
- i. RMB2.348 billion of net cash outflow as a result of payment of interests of bonds, short-term payables and borrowings;
  - ii. RMB2.141 billion of net cash outflow as a result of dividends paid to shareholders and holders of other equity instruments; and
  - iii. RMB3.198 billion of net cash inflow as a result of issuance, borrowing and repayment of debt securities, short-term debt instruments and borrowings.

### 3. Analysis on major items of consolidated statement of financial position

As at the end of the Reporting Period, the Group achieved total assets of RMB417.736 billion, total liabilities of RMB336.337 billion and total equity of RMB81.400 billion. Analysis on items of consolidated statement of financial position is set out below:

Unit: '000 Currency: RMB

Items	As at the end of 2024	Proportion (%)	As at the end of 2023	Proportion (%)	Changes	
					Amount	Proportion (%)
Total assets	<b>417,736,375</b>		383,690,462		34,045,913	8.87%
Cash and bank balances	<b>103,093,101</b>	<b>24.68</b>	104,093,142	27.13	(1,000,041)	-0.96
Clearing settlement funds	<b>15,177,207</b>	<b>3.63</b>	35,314,411	9.20	(20,137,204)	-57.02
Deposits with exchanges and non-bank financial institutions	<b>27,654,365</b>	<b>6.62</b>	3,241,547	0.84	24,412,818	753.12
Derivative financial assets	<b>1,965,131</b>	<b>0.47</b>	1,877,650	0.49	87,481	4.66
Advances to customers	<b>28,047,525</b>	<b>6.71</b>	21,071,801	5.49	6,975,724	33.10
Account receivables	<b>973,364</b>	<b>0.23</b>	670,759	0.17	302,605	45.11
Financial assets held under resale agreements	<b>3,984,103</b>	<b>0.95</b>	5,437,734	1.42	(1,453,631)	-26.73
Financial assets at fair value through profit or loss	<b>90,189,331</b>	<b>21.59</b>	97,069,644	25.30	(6,880,313)	-7.09
Debt instruments at fair value through other comprehensive income	<b>110,519,911</b>	<b>26.46</b>	90,813,713	23.67	19,706,198	21.70
Equity instruments at fair value through other comprehensive income	<b>19,634,600</b>	<b>4.70</b>	6,298,178	1.64	13,336,422	211.75
Debt instruments at amortized cost	<b>1,586,905</b>	<b>0.38</b>	1,586,591	0.41	314	0.02
Deferred tax assets	<b>1,490,513</b>	<b>0.36</b>	2,079,575	0.54	(589,062)	-28.33

## Section III Report of the Board

Items	As at the end of 2024		As at the end of 2023		Changes	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Investments in associates	6,128,123	1.47	6,253,974	1.63	(125,851)	-2.01
Right-of-use assets	1,072,423	0.26	557,334	0.15	515,089	92.42
Investment property	30,936	0.01	165,413	0.04	(134,477)	-81.30
Properties and equipment	2,602,196	0.62	2,739,369	0.71	(137,173)	-5.01
Other intangible assets	272,393	0.07	286,724	0.07	(14,331)	-5.00
Goodwill	32,135	0.01	32,135	0.01	0	0.00
Other account receivables, other receivables and prepayments	3,282,113	0.79	4,100,768	1.07	(818,655)	-19.96
Total liabilities	336,336,559		304,930,265		31,406,294	10.30
Placements from banks and financial institutions	39,194,625	11.65	25,670,059	8.42	13,524,566	52.69
Short-term financing bill payables	5,678,905	1.69	2,797,700	0.92	2,881,205	102.98
Account payables to brokerage clients	113,637,365	33.79	111,570,987	36.59	2,066,378	1.85
Financial assets sold under repurchase agreements	85,916,300	25.54	73,716,143	24.17	12,200,157	16.55
Financial liabilities at fair value through profit or loss	14,708,501	4.37	15,301,834	5.02	(593,333)	-3.88
Derivative financial liabilities	1,092,582	0.32	874,202	0.29	218,380	24.98
Contract liabilities	157,209	0.05	147,405	0.05	9,804	6.65
Current tax liabilities	93,183	0.03	102,664	0.03	(9,481)	-9.23
Employee benefits payable	2,370,667	0.70	1,704,042	0.56	666,625	39.12
Borrowings	1,549,417	0.46	1,700,024	0.56	(150,607)	-8.86
Lease liabilities	1,058,950	0.31	547,475	0.18	511,475	93.42
Debt securities payables	60,734,318	18.06	60,157,845	19.73	576,473	0.96
Deferred tax liabilities	218	0.00	35,936	0.01	(35,718)	-99.39
Other account payables, other payables and accruals	10,144,319	3.02	10,603,949	3.48	(459,630)	-4.33
Total equity	81,399,816		78,760,197		2,639,619	3.35

Note: Percentages for assets and liabilities refer to the share in total assets and the share in total liabilities respectively.

## Section III Report of the Board

### (1) *Assets*

As at the end of the Reporting Period, the Group's total assets reached RMB417.736 billion, an increase of RMB34.046 billion or 8.87% from the end of last year, which was mainly attributable to the increase in deposits with exchanges and financial institutions and debt instruments at fair value through other comprehensive income. Among the Group's assets, cash and bank balances, clearing settlement funds and deposits with exchanges and financial institutions amounted to RMB145.925 billion, an increase of RMB3.276 billion from the end of last year, accounting for 34.93% of total assets. Financial investment and derivative financial assets amounted to RMB223.896 billion, an increase of RMB26.250 billion from the end of last year, accounting for 53.60% of total assets. Advances to customers, agreements held under resale agreements and accounts receivable amounted to RMB33.005 billion, an increase of RMB5.825 billion from the end of last year, accounting for 7.90% of total assets. Investments in associates, properties and equipment and others amounted to RMB14.911 billion, a decrease of RMB1.304 billion from the end of last year, accounting for 3.57% of total assets. During the Reporting Period, the Company maintained stable asset scale with rational structure and sufficient liquidity.

### (2) *Liabilities*

As at the end of the Reporting Period, the Group's total liabilities reached RMB336.337 billion, an increase of RMB31.406 billion or 10.30% from the end of last year. The gearing ratio, net of account payables to brokerage clients and funds payable to securities issuers, was 73.20%, an increase of 2.16 percentage points from the end of last year. In the Group's liabilities, borrowings, short-term debt instruments, placements from banks and financial institutions, debt securities issued and repurchase agreements amounted to RMB193.074 billion, an increase of RMB29.032 billion from the end of last year, accounting for 57.40% of total liabilities. Financial liabilities at fair value through profit or loss and derivative financial liabilities amounted to RMB15.801 billion, a decrease of RMB0.375 billion from the end of last year, accounting for 4.70% of total liabilities. Account payables to brokerage clients amounted to RMB113.637 billion, an increase of RMB2.066 billion from the end of last year, accounting for 33.79% of total liabilities. Employee benefits payable, current tax liabilities, contractual liabilities and others amounted to RMB13.825 billion, an increase of RMB0.683 billion from the end of last year, accounting for 4.11% of total liabilities.

## Section III Report of the Board

### (3) Borrowings and bond financing

As at the end of the Reporting Period, the Company's total borrowings and bond financing amounted to RMB107.157 billion, with details as follows:

Unit: '000 Currency: RMB

	As at the end of 2024	As at the end of 2023
Placements from banks and financial institutions	<b>39,194,625</b>	25,670,059
Short-term financing bill payables	<b>5,678,905</b>	2,797,700
Borrowings	<b>1,549,417</b>	1,700,024
Bond payables	<b>60,734,318</b>	60,157,845
Total	<b>107,157,265</b>	90,325,628

For details of interest rate and maturity profiles of borrowings and bonds financing, please refer to Notes 40, 41, 47 and 49 to the consolidated financial statements herein.

Except for the liabilities disclosed in this report, as at the end of the Reporting Period, the Company had no outstanding mortgage, charges, bonds, other debt capital, liabilities under acceptance or other similar indebtedness, lease purchase and finance lease commitment, guarantee or other material contingent liabilities.

### (4) Overseas assets

The Company has overseas assets of RMB12.694 billion, accounting for 3.04% of total assets.

### (5) Transactions between the Company and its overseas subsidiaries

In accordance with relevant requirements of the Measures for the Administration of Overseas Establishment and Acquisition of, and Shareholding in, Operating Institutions of Securities Companies and Securities Investment Fund Management Companies (《證券公司和證券投資基金管理公司境外設立、收購、參股經營機構管理辦法》), the transactions between the Company and its overseas subsidiaries are as follows: in 2024, the Company's internal transactions with its overseas subsidiaries amounted to RMB0.001 billion, involving net fee and commission income, business and management expenses, etc.

### (6) Major assets subject to restriction as at the end of the Reporting Period

For details, please refer to Note 18 to the consolidated financial statements herein.

## Section III Report of the Board

### (ii) Analysis on industrial operations

#### 1. New establishment and disposal of the Company's securities branches and subsidiaries during the Reporting Period

##### (1) Securities branches

During the Reporting Period, the Company did not establish or cancel any securities branches, completed the change of address of 9 branches and the intra-city relocation of 13 branches. As at the end of the Reporting Period, the Company had 179 securities branches.

Details of the change of address of branches are as follows:

No.	Name of branch	The change of address
1	DFZQ Foshan Nanhai North Avenue Securities Branch	17/F (03-08), Office Building E, Zone 1, Yunjin Plaza, Yuexiu Xinghui, 84 Nanhai North Avenue, Guicheng Street, Nanhai District, Foshan, Guangdong Province
2	DFZQ Shanghai Minhang District Heqing Road Securities Branch	Ground floor, No. 330-338, Heqing Road, Minhang District, Shanghai
3	DFZQ Shenzhen Shennan East Road Securities Branch	1902, 1903 and 1905, Main Building, Shun Hing Square, No. 5002 Shennan East Road, Hongcun Community, Guiyuan Street, Luohu District, Shenzhen, Guangdong Province
4	DFZQ Wuhan Sanyang Road Securities Branch	Room 1, 5/F, Block A, Jinyang New City, No. 118 Sanyang Road, Siwei Subdistrict, Jiang'an District, Wuhan, Hubei Province
5	DFZQ Shanghai Jiading District Jinsha Road Securities Branch	Room 501, No. 77 and 1/F, No. 1 and No. 3, Jinsha Road, Jiading District, Shanghai
6	DFZQ Changzhou Longjin Road Securities Branch	Rooms 1103 and 1104, Building 3, Modern Media Centre, No. 1590 Longjin Road, Sanjing Subdistrict, Xinbei District, Changzhou, Jiangsu Province
7	DFZQ Jiangmen Yingbin Middle Avenue Securities Branch	Suite 2208-2209, Block 1, No. 118 Middle section of Yingbin Avenue, Pengjiang District, Jiangmen, Guangdong Province
8	DFZQ Shanghai Minhang District Suhong Road Securities Branch	Room 206, No. 29 and 33 Suhong Road, Minhang District, Shanghai
9	DFZQ Ningbo Tiantong North Road Securities Branch	Rooms 1605 and 1607, Block C, Hebang Mansion, No. 899 Tiantong North Road, Zhonghe Subdistrict, Yinzhou District, Ningbo, Zhejiang Province

## Section III Report of the Board

The intra-city relocation of branches are as follows:

No.	Original name of branch	Current name of branch	Relocated address
1	DFZQ Chengdu Tianfu Avenue Securities Branch	DFZQ Chengdu Tianfu 2nd Street Securities Branch	No. 203, 204 and 205, 2/F, Block 2, No. 138, Tianfu 2nd Street, Chengdu High-tech Zone, China (Sichuan) Pilot Free Trade Zone
2	DFZQ Changsha Renmin East Road Securities Branch	DFZQ Changsha Furong South Road Securities Branch	Room 201A, Jiezuo Building, No. 828, South Furong Road (Section 1), Tianxin District, Changsha, Hunan Province
3	DFZQ Shanghai Pudong New Area Jinke Road Securities Branch	DFZQ Shanghai Pudong New Area Jinke Road Securities Branch	Rooms 310 and 313, Block 2, No. 2966 Jinke Road, China (Shanghai) Pilot Free Trade Zone
4	DFZQ Weifang Shengli East Street Securities Branch	DFZQ Weifang Shengli East Street Securities Branch	Rooms 1628, 1629, 1630 and 1631, Weifang Fortune Center, No. 299 Shengli East Street, Jinma Community, Xincheng Street, High-tech Zone, Weifang, Shandong Province
5	DFZQ Guiyang Huaguoyuan Securities Branch	DFZQ Guiyang Changling North Road Securities Branch	No. 1 (Room 8), 4/F, Building 5, East Tower 5, Financial Business East District, Zhongtian Convention & Exhibition City B district, Changling North Road, Guanshanhu District, Guiyang City, Guizhou Province
6	DFZQ Suzhou Xihuan Road Securities Branch	DFZQ Suzhou Nanhuan East Road Securities Branch	Rooms 109-115, 1/F, No.1 Building, No.858 Nanhuan East Road, Gusu District, Suzhou City, Jiangsu Province
7	DFZQ Dongguan Hongfu Road Securities Branch	DFZQ Dongguan Hongfu Road Securities Branch	Room 701, Building 1, No. 106 Hongfu Road, Nancheng Street, Dongguan, Guangdong Province
8	DFZQ Shanghai Baoshan District Songnan Road Securities Branch	DFZQ Shanghai Baoshan District Songliang Road Securities Branch	Room 102, No. 10 Songliang Road, Baoshan District, Shanghai
9	DFZQ Shaoxing Shengli East Road Securities Branch	DFZQ Shaoxing Didanghu Road Securities Branch	Rooms 705 and 706, No. 68 Didanghu Road, Didang Street, Yuecheng District, Shaoxing, Zhejiang Province

## Section III Report of the Board

No.	Original name of branch	Current name of branch	Relocated address
10	DFZQ Shanghai Chongming Dongmen Road Securities Branch	DFZQ Shanghai Chongming District Nanmen Road Securities Branch	West district of the lobby on 1st floor, Building 1, No. 178 Nanmen Road, Chongming District, Shanghai
11	DFZQ Zhengzhou Wan'an Street Securities Branch	DFZQ Zhengzhou Jinshui East Road Securities Branch	1909, 19/F, Unit 1, No. 51 Jinshui East Road, Zhengzhou Area (Zhengdong) of China (Henan) Pilot Free Trade Zone
12	DFZQ Shanghai Pudong New Area Nanmen Street Securities Branch	DFZQ Shanghai Pudong New Area Beimen Street Securities Branch	1/F and 5/F, No. 86 Beimen Street, Pudong New Area, Shanghai
13	DFZQ Zhengzhou Huanghe Road Securities Branch	DFZQ Zhengzhou Jingsan Road Securities Branch	2/F, No. 14 Jingsan Road, Huayuan Road Sub-district, Jinshui District, Zhengzhou, Henan Province

### (2) *Futures branches*

During the Reporting Period, the Company established 4 new branches, cancelled 1 branch and completed the intra-city relocation of 8 branches. As at the end of the Reporting Period, the Company had 11 futures subsidiaries and 37 futures branches.

Details of the new establishment are as follows:

No.	Name of branch	Address
1	Shanghai Century Avenue Business Department of Orient Securities Futures Co., Ltd.	Room 1002, 10/F, No. 1196 Century Avenue, China (Shanghai) Pilot Free Trade Zone
2	Changchun Business Department of Orient Securities Futures Co., Ltd.	No. 2001, 12# Office Building, Weifeng-Caiyu New City Phase II (Weifeng Information Center), Jingyue Development Zone, Changchun, Jilin Province
3	Jinan Business Department of Orient Securities Futures Co., Ltd.	606-607, 6/F, Luneng International Center, No. 2666 Erhuan South Road, Shiliulihe Street, Shizhong District, Jinan City, Shandong Province
4	Shenzhen Futian Business Department of Orient Securities Futures Co., Ltd.	Unit 1506-2, 15/F, Life Insurance Building, No. 1001, Fuzhong 1st Road, Fuzhong Community, Lianhua Street, Futian District, Shenzhen

## Section III Report of the Board

Details of the cancellation is as follows:

No.	Name of branch	Address
1	Harbin Business Department of Orient Securities Futures Co., Ltd.	No. 1103 & 1104, 11/F, Unit 1, Block 3, Fortune Center, Enclosure Area of Qunli Avenue, Lingjiang Road and Qunli Fourth Avenue, Qunli New District, Daoli District, Harbin, Heilongjiang Province

Details of the intra-city relocation of branches are as follows:

No.	Name of branch	Relocated address
1	Zhejiang Branch of Orient Securities Futures Co., Ltd.	Rooms 3806 and 3809, Yintai International Commercial Center, No. 1600 Kejiguan Street, Changhe Subdistrict, Binjiang District, Hangzhou, Zhejiang Province
2	Shanghai Branch of Orient Securities Futures Co., Ltd.	Rooms 3104 and 3105, Building 2, No. 318 Zhongshan South Road, Huangpu District, Shanghai
3	Dalian Branch of Orient Securities Futures Co., Ltd.	Rooms 2412 and 3501, Dalian Futures Building, Block A, Dalian International Finance Center, No. 129 Huizhan Road, Shahekou District, Dalian, Liaoning Province
4	Beijing Chaoyangmen Business Department of Orient Securities Futures Co., Ltd.	Rooms 601A-602, 6/F, No. 22 Chaowai Street, Chaoyang District, Beijing
5	Beijing Branch of Orient Securities Futures Co., Ltd.	Room 2708, 23/F, Building 237, Chaoyang North Road, Chaoyang District, Beijing
6	Changzhou Business Department of Orient Securities Futures Co., Ltd.	Rooms 2201, 2205-2206, Building 1, No. 1590 Longjin Road, Xinbei District, Changzhou, Jiangsu Province
7	Jiangsu Branch of Orient Securities Futures Co., Ltd.	Rooms 805-806, 8/F, CMB Building, No. 199 Lushan Road, Jianye District, Nanjing, Jiangsu Province
8	Sichuan Branch of Orient Securities Futures Co., Ltd.	No. 6002, -1/F, Building 6, No. 68, Huayang Haichang Road, Tianfu New District, China (Sichuan) Pilot Free Trade Zone



## Section III Report of the Board

### 2. *Specific explanation on account standardization*

In strict compliance with the relevant requirements on account management by the CSRC and CSDCC, the Company advanced its account management work, further optimized its long-term account management mechanism, and conducted further standardized clean-up of the unqualified accounts, small-amount-dormant accounts and dormant accounts without risk management which had been put in separated reserve category.

In 2024, the Company totally standardized 25 unqualified capital accounts, 15 unqualified securities accounts; 1,490 activated small-amount dormant capital accounts, 2,589 activated small-amount dormant securities accounts; 27,325 newly added small-amount dormant capital accounts, and 18,137 newly added small-amount dormant securities accounts; 28 activated dormant capital accounts without risk management, and 30 activated dormant securities accounts without risk management, all of which have been put in separated reserve category.

As at December 31, 2024, the Company had 3,435,532 capital accounts and 5,389,336 securities accounts, of which 2,919,547 and 4,803,896 were qualified capital accounts and qualified securities accounts respectively, 10,204 and 1,167 were unqualified capital accounts and unqualified securities accounts respectively, 472,237 and 569,976 were small-amount-dormant capital accounts and small-amount-dormant securities accounts respectively, and 33,544 and 14,297 were dormant capital accounts without risk management and dormant securities accounts without risk management respectively.

### 3. *Development of innovative business and its risk control*

#### (1) *Analysis on development of innovative business*

1. The innovative businesses of the Company have developed brand influence. During the Reporting Period, the Company intensified its innovation and transformation efforts in the wealth management business, completed the organizational restructuring and set up the wealth management committee, and maintained an industry-leading service scale and repeat investment rate in the fund advisory business. The asset management business continued to enhance its brand reputation, and Orient Securities Asset Management actively promoted its “second venture”, maintaining a leading position in the industry in terms of operating results; China Universal operated steadily, ranking among the top ten in the industry in terms of non-monetary public fund scale, and actively promoted internationalization with the official opening of its Singapore subsidiary. The futures business saw steady growth in the size of customer interests and continued to rank higher in the industry, while the risk management business became a new profit growth point. The Company’s investment banking business was innovatively expanded, and the Company’s Euro Yulan bonds were successfully listed on the Luxembourg Stock Exchange, becoming the world’s first Yulan bond to be listed and traded on a European exchange. In terms of institutional business, FICC OTC derivative business steadily advanced, and the interest rate bond underwriting and bond market making businesses continued to rank among the top in the market.

## Section III Report of the Board

2. Expanding new areas of innovative business. On the basis of consolidating the brand innovation business, the Company has also actively carried out the five major areas of finance and expanding new areas of innovative business around the policy direction: in the area of science and technology finance, the Company has insisted on fostering the characteristics of technology innovation investment banking, with an increase in the scale of science and technology innovation corporate bond underwriting and an increase in the participation amount of co-investment projects in the STAR market; in terms of green finance, the Company has set up the first “Electricity-Carbon-Finance” green circle business in Hubei carbon market, and has started trading in Shanghai, Hubei, Guangzhou and other local carbon markets, which has resulted in a significant increase in carbon trading volume and carbon asset reserve scale, and a significant increase in the underwriting scale of green finance bonds and energy industry bonds; in terms of inclusive finance and pension finance, the pension business has reached business collaborations with several large banks, including ICBC and BOCOM, and the retention scale of pension has been growing steadily; in terms of digital finance, Orient Integrated Account (東方一戶通) has increased the coverage of institutional clients, the Oriental Brain Artificial Intelligence middle platform has implemented large model applications in various areas such as customer service and investment research, and the functions of the Oriental Winners APP have been continuously optimized. The Company also responded to the policy initiatives by completing the first treasury bond swap-in transaction and treasury bond pledge repurchase transaction under the “Swap Convenience”, becoming one of the first batch of securities companies to implement this innovative business.

## Section III Report of the Board

3. The Company obtained numerous awards for its innovative business. During the Reporting Period, the Company won various awards for its innovative business: the fund advisory business won the Best Fund Advisor Award, the Best Advisory Team Award at the First Wealth Management Huazun Award of Cailian Press and the third session of Fund Investment Advisory Institution Golden Advisory Award of Xinhua Finance; Orient Securities Asset Management and its products won five major awards, including the “Three-Year Golden Bull Securities Firm Collective Asset Manager Award”; Orient Futures received awards including the “Outstanding Member” from the Zhengzhou Commodity Exchange, the “Outstanding Member Platinum Award” from the China Financial Futures Exchange, the “Outstanding Member Gold Award” from the Shanghai Futures Exchange, the “Outstanding Member” award from the Shanghai International Energy Exchange, the “Outstanding Member” award from the Dalian Commodity Exchange, and the “Outstanding Member Gold Award” from the Guangzhou Futures Exchange; the Company’s Green Circle Carbon Quota Buyback Trading Project won the “Outstanding Achievement Award (Merit Award) for Enabling New Quality Productivity in Shanghai’s Financial Industry”, and the first “Electricity-Carbon-Finance” Green Circle Business in Hubei Carbon Market won the Market Pioneer Award for the 10th anniversary of the opening of the Hubei Carbon Market; the Company also won a number of awards in the 2024 China Securities Industry Junding Awards and China Futures Industry Junding Awards, covering five major areas, including wealth management, digital practice, investment banking, asset management and futures derivatives. Further progress was made in business qualification, with China Universal’s sales subsidiary receiving approval from the CSRC.

## Section III Report of the Board

4. The Company properly advanced in fintech and drove growth through innovation. The Company adhered to the technology development philosophy that aligns technology with its scale, strength, business and management capabilities of the Company and properly spearheading the development of technology to give full play to the leading role of fintech in the Company's operation and development. During the Reporting Period, the Company continued to promote the implementation of an agile organizational mechanism across departments, teams and functions, strengthened the practical innovation collaboration and the integration of industry, academia and research, made breakthroughs in the construction of new-generation core business systems, achieved remarkable results in digital transformation, effectively promoted innovative systems, and significantly enhanced the role of fintech leadership. Innovative project in information technology applications, the Company's new-generation over-the-counter trading system, was awarded the "Shanghai 2024 Excellent Information Innovation Solution" by the Shanghai Municipal Commission of Economy and Informatization, and the "Fourth Session (2024) of 'Jinxintong' Most Scalable and Beneficial Case of Fintech Innovation Application" by the China Academy of Information and Communications Technology. Orient Futures Big Data Service Platform was selected into the "2024 Star River Case Typical Cases" jointly organized by the China Academy of Information and Communications Technology and the China Communications Standards Association.

### (2) Risk control for innovative businesses

With the promotion of the Company's development strategies, its innovative businesses maintained a steady development during the Reporting Period. Based on the actual conditions, the Company actively pursued business innovation and emphasized strengthening business risk verification by adopting the following measures:

1. In terms of organizational structure, the risk management department strengthened the communication with the business departments, kept track of and monitored innovative business, and also actively conducted risk identification and assessment. To jointly mitigate business risk with various departments, the Company's business department, branches and subsidiaries served as the first defense line, the risk management function departments served as the second defense line, and the risk supervision and management departments served as the third defense line.
2. In terms of management procedures, the Company continued to improve the synchronous risk management system of innovative business, and closely kept up with the compliance and risk management of its innovative business. The Company also implemented a new assessment and verification mechanism of innovative business to keep track of the entire process of framework design, innovation declaration and business development of innovative business.

## Section III Report of the Board

3. In terms of risk identification and assessment, the Company optimized risk assessment tools for innovative products, improved risk measurement level by combining with self-research engine, established internal assessment model for product counterparties and a credit management scheme, ensured the smooth development of complicated financial derivatives business, and ensured that the risks of innovative business remained controllable and tolerable.
4. In terms of risk reports, the Company integrated the risk measurement and the progress of innovative business into the overall risk management report system to earnestly summarize risk management experience in innovative business.
5. In terms of system building, the Company considered innovative business in building an overall risk management system. The Company steadily conducted its innovative business with risk exposures being measurable, controllable and tolerable.

#### 4. Risk control indicators and establishment of net capital replenishment mechanism of the Company

##### (1) Establishment of dynamic monitoring mechanism of risk control indicators

To meet regulatory requirements and enhance its risk management, the Company continued to improve the mechanism for monitoring, pre-warning and reporting mechanism of risk control indicators to effectively ensure that risks related to business operations remain measurable, controllable and tolerable. In addition, based on changes in market, business development, technology and regulatory environment, the Company constantly improved the risk control indicator system and continuously optimized the functions of the system for dynamic monitoring of risk control indicators. During the Reporting Period, the Company completed the renovation for information innovation of the dynamic monitoring system and improved the Group's risk consolidation and management system to ensure synchronous coverage of all business activities carried out by the Company and to effectively support the monitoring of the Company's risk control indicators. In September 2024, the CSRC revised and issued the Calculation Standards for Risk Control Indicators of Securities Companies (《證券公司風險控制指標計算標準規定》) which came into effect on 1 January 2025, and the Company completed the upgrading and renovation of the dynamic monitoring system and other ancillary implementation of the new regulations to ensure the timeliness and accuracy of the reporting of risk control indicators before and after the implementation of the new regulations.

The Company has set risk monitoring positions for all business lines and its overall indicators. Each of the positions has been assigned with explicit tasks and clear duties. With the monitoring system for various businesses and the dynamic monitoring mechanism for risk control indicators as its working platform, the Company has conducted dynamic monitoring and early warning on unusual changes and trigger issues of relevant risk control indicators, prepared risk management reports on a regular and ad hoc basis and kept track of the rectifications of the risks involved.

## Section III Report of the Board

### (2) *Capital replenishment mechanism*

Based on the risk control requirements of regulatory authorities and its own risk tolerance, the Company has established the capital replenishment mechanism to make dynamic adjustments to the scale and structure of various business sectors, while replenishing or increasing net capital according to its business development when appropriate.

The Company formulates plans for allocation of assets and liabilities as well as risk appetite and limitations at the beginning of each year, and the relevant functional departments such as the risk management department are responsible for the monitoring and reporting of risk control indicators. Once any risk control indicator reaches the triggering standard, the Company will adopt risk handling measures according to the alert level, including strictly controlling investment products with relatively high risk exposures and capital consumption or its business scale, adjusting the structure of financial asset investments, reducing risk exposures with risk hedging instruments and replenishing its net capital in a timely manner through various channels including issuance of long-term subordinated bonds.

### (3) *Establishment of stress testing mechanism*

The Company has established the regular stress testing mechanism and conducts comprehensive stress tests and special stress tests on a regular or irregular basis based on market changes, business scale and risk levels to ensure its risks are measurable, controllable and tolerable in various stress scenarios, so as to ensure the sustainable operation of the Company. The Company has specified in its rules and regulations that a special or comprehensive stress test is required to be conducted when the risk control indicators such as net capital and liquidity may experience material adverse changes or may approach the triggering level due to major external investment or acquisition, major external guarantee, major fixed asset investment, profit distribution or other capital expenditure, negative adjustment to the classification evaluation securities firms, concentrated maturities or redemption of liabilities, restricted financing channels or other relevant activities, or when the Company needs to determine the scale of significant business or commence significant innovative business or internal or external material risks are expected to or have occurred or significant external risks and policy changes are expected to or have occurred. Furthermore, suggestions for adjusting business scale based on the analysis of testing results and the Company's risk tolerance should be provided for the reference of the management when making decisions.

## Section III Report of the Board

During the Reporting Period, according to the requirements under the Guideline on Stress Testing of Securities Companies (《證券公司壓力測試指引》) issued by the Securities Association of China, based on market environment changes and business development of the Company, the Company constantly optimized the stress testing mechanism in terms of organizational guarantee, system establishment and system support. The Company regularly carried out comprehensive and special stress tests throughout the year to enhance its ability to respond to extreme situations and events. The comprehensive stress test focused on risk control indicators and overall financial indicators including but not limited to net capital and liquidity, and the targets of the special stress test varied depending on the purposes of the test.

### (4) *Attainment of risk control indicators during the Reporting Period*

During the Reporting Period, the key risk control indicators related to net capital and liquidity of the Company were kept in continuous compliance with the regulatory standards under the Administrative Measures for the Risk Control Indicators of Securities Companies (《證券公司風險控制指標管理辦法》) and its implementation rules with certain margin of safety.

## 5. *Explanations on financing*

### (1) *Financing channels of the Company*

The Company has diversified financing channels with smooth development. The Company may conduct equity financing by means of issuance of new shares or rights issue, and conduct debt financing by means of corporate bonds, subordinated bonds, perpetual subordinated bonds, overseas bonds, short-term financing bills, income certificates, income right financing, refinancing, inter-bank borrowing and bond repurchase.

### (2) *Analysis on financing capability*

The Company operates in compliance with regulations with sound reputation, all risk regulatory indicators meet relevant regulatory requirements, and has strong financing ability and solvency. The Company maintains good cooperative relations with major financial institutions and has sufficient credit lines. The Company rationally arranges financing plans according to business needs and market environment, and continuously optimizes the debt structure. As at the end of the Reporting Period, the long-term rating of the Company assessed by Moody was Baa2, with a stable rating outlook, while the long-term rating of the Company assessed by Standard & Poor was BBB-, with a stable rating outlook.

During the Reporting Period, the Company adopted various forms of debt financing, including inter-bank borrowing, bond repurchase, income certificates, short-term corporate bonds, corporate bonds and subordinated bonds. For details of the issuance of various debt financing instruments by the Company, please refer to “Section VII, II. Issuance and Listing of Securities” of this report.

## Section III Report of the Board

(3) *The Company's liabilities structure*

Please refer to "Section III, VI. (i). 3. Analysis on principal components of consolidated statement of financial position".

(4) *Measures adopted by the Company for liquidity and the relevant management policies*

In terms of liquidity risk management, the Company has established a risk measurement and monitoring system covering before, during and after the event. From the pre-identification of business splitting and risk mapping to the management of daily monitoring, risk early warning and crisis handling mechanisms during the event, as well as the follow-up coordination of liquidity stress testing and financing planning, a closed-loop management has been formed, giving full play to the active advantages of liquidity management.

The Company actively uses information technology to build and improve the cash flow measurement and analysis framework, so as to continuously enhance the efficiency of centralized fund management. By improving the professionalism and initiative of liquidity reserve asset management, the Company maintains liquidity reserve assets with reasonable scale, scientific structure and stable operation, and ensures reasonable and sufficient daily available funds through fund security with scientific adjustment of asset structure.

During the Reporting Period, the Company actively expanded various financing channels, improved financing strategies, strengthened the professional level of financing management, and enhanced the diversification and stability of financing sources. The Company maintained sound cooperative relationship with major commercial banks and other financing counterparties, and had in place abundant bank facilities with strong financing capabilities.

### (iii) Analysis on investments

At the end of the Reporting Period, investment in associates of the Group amounted to RMB6,128 million, representing a decrease of RMB126 million or 2.01% over the beginning of the year. During the Reporting Period, investment in associates of the Group decreased by a net amount of RMB312 million, associates declared dividends of RMB261 million and the share of results of associates amounted to RMB458 million. For details of investment in subsidiaries, please refer to Note 36 to the consolidated financial statements herein.

During the Reporting Period, the Group had no material equity or non-equity investments.

During the Reporting Period, there was no material investment held by the Group or future plans for material investments or capital assets, and none of each individual investment held by the Group constituted 5% or above of total assets of the Group as at the end of the Reporting Period.



## Section III Report of the Board

The structure of the Group's financial assets held at fair value at the end of the Reporting Period is as follows:

Unit: million Currency: RMB

Items	Investment cost as at the end of the year	Book value as at the end of the year	Net amount purchased or sold during the year	Change in fair value during the year	Investment income during the year
1. Financial assets at fair value through profit or loss	89,338	90,189	(6,229)	575	5,038
2. Debt instruments at fair value through other comprehensive income	108,183	110,520	18,631	1,605	2,344
3. Equity instruments at fair value through other comprehensive income	17,870	19,635	12,082	1,252	680
4. Derivative financial instruments	223	873	147	(959)	(2,138)

### (iv) Material assets and equity disposal

During the Reporting Period, the Group had no material disposal of assets and equity.

### (v) Analysis on major subsidiaries and associates

1. Orient Securities Futures Co., Ltd., with a registered capital of RMB4.8 billion, is 100% owned by the Company. As at December 31, 2024, total assets of Orient Futures amounted to RMB93.661 billion, and its net assets amounted to RMB6.496 billion. In 2024, its operating income (income from principal business) amounted to RMB8.751 billion, the profit from principal business amounted to RMB0.652 billion, and the net profit amounted to RMB0.506 billion.

Its principal businesses are commodity futures brokerage, financial futures brokerage, futures investment consultancy, asset management and fund sales.

2. Shanghai Orient Securities Capital Investment Co., Ltd., with a registered capital of RMB4.0 billion, is 100% owned by the Company. As at December 31, 2024, total assets of Orient Securities Capital Investment amounted to RMB4.360 billion, and its net assets amounted to RMB4.295 billion. In 2024, its operating income amounted to RMB-0.339 billion, and the net loss amounted to RMB0.465 billion.

Its principal businesses are establishment of direct investment funds, equity investments of enterprises, or investment of other funds related to equity investment, the provision of financial advisory services to clients in respect of equity investment and other businesses permitted by the CSRC.

## Section III Report of the Board

3. Orient Finance Holdings (Hong Kong) Limited, with a registered capital of HKD2.754 billion, is 100% owned by the Company. As at December 31, 2024, total assets of Orient Finance Holdings amounted to HKD10.989 billion, and its net assets amounted to HKD1.076 billion. In 2024, its operating income amounted to HKD0.326 billion, and the net profit amounted to HKD0.084 billion.

Its principal businesses are investment holding, and operation of securities brokerage business, futures brokerage business, asset management business, investment banking and margin financing business as regulated by the SFC pursuant to SFO through establishment of various subsidiaries and licensed sub-subsidiaries.

4. Shanghai Orient Securities Asset Management Co., Ltd., with a registered capital of RMB0.3 billion, is 100% owned by the Company. As at December 31, 2024, total assets of Orient Securities Asset Management amounted to RMB4.865 billion, and its net assets amounted to RMB4.102 billion. In 2024, its operating income amounted to RMB1.435 billion, and the net profit amounted to RMB0.333 billion.

Its principal businesses are securities asset management and management of publicly offered securities investment funds.

5. Shanghai Orient Securities Innovation Investment Co., Ltd., with a registered capital of RMB7.5 billion, is 100% owned by the Company. As at December 31, 2024, total assets of Orient Securities Innovation amounted to RMB8.880 billion, and its net assets amounted to RMB8.614 billion. In 2024, its operating income amounted to RMB0.264 billion, and the net profit amounted to RMB0.128 billion.

Its principal businesses are venture capital, financial products investment, investment management and investment consultancy.

6. China Universal Asset Management Company Limited has a registered capital of RMB0.133 billion and its 35.412% equity interests is held by the Company. As at December 31, 2024, total assets of China Universal amounted to RMB14.353 billion, and its net assets amounted to RMB10.778 billion. In 2024, its operating income (income from principal business) amounted to RMB4.828 billion, the profit from principal business amounted to RMB2.047 billion, and the net profit amounted to RMB1.547 billion.

Its principal businesses are fund raising, fund sales, asset management and other businesses permitted by the CSRC.

*Note:* The above data are all based on financial information prepared in accordance with CASBE.

## Section III Report of the Board

### (vi) Explanations on change in the scope of consolidation of the statements

1. As compared with the end of last year, the Group added 17 entities into its scope of consolidation during the year, which included five, seven, three and two structured entities newly consolidated by the Company, Orient Futures, Orient Finance Holdings and Orient Securities Asset Management, respectively.
2. As compared with the end of last year, the Group excluded 17 entities from its scope of consolidation during the year, which included three subsidiaries deregistered by Orient Securities Capital Investment and one, eight, two, two, and one structured entities excluded by the Parent Company, Orient Futures, Orient Securities Asset Management, Orient Securities Capital Investment and Orient Finance Holdings, respectively. The reasons for the exclusion include maturity liquidation and changes in shareholding resulting in loss of control.

### (vii) Structured entities controlled by the Company

When determining whether to consolidate structured entities, the Company considers total variable returns from such structured entities attributable to the companies within the consolidation scope, the risk exposures and other factors, and has incorporated 45 structured entities into the consolidation scope. 17 structured entities were newly included in the consolidation scope during the year, and 14 structured entities were excluded due to reasons such as maturity liquidation and changes in shareholding resulting in loss of control.

Details of structured entities incorporated into the consolidation scope during the period:

Unit: Yuan Currency: RMB

	<b>December 31, 2024 or the year of 2024</b>
<b>Structured entities incorporated into the consolidation scope</b>	
Total assets	11,649,774,470.68
Total liabilities	120,394,536.98
Total net assets	11,529,379,933.70
Operating income	953,781,096.55
Net profit	916,835,790.69

Note: The above data are all based on financial information prepared in accordance with CASBE.

## Section III Report of the Board

### VII. DISCUSSION AND ANALYSIS ON THE COMPANY'S FUTURE DEVELOPMENT

#### (i) Industrial layout and trend

The Central Financial Work Conference, for the first time, has put forward the goal of “accelerating the construction of a strong financial country”, firmly pursuing the path of financial development with Chinese characteristics, deepening the supply-side structural reforms in the financial sector, promoting the high-quality development of finance, and focusing on five major areas including technology finance, green finance, inclusive finance, pension finance and digital finance. The new “National Nine Guidelines” emphasizes comprehensively strengthening supervision and effectively preventing and resolving risks, with stability as the keynote and strictness as the priority. The CSRC has put forward the “three-step” construction goal of first-class investment banks and investment institutions, and clarified the direction of high-quality development of the securities industry in the aspects of “functional, intensive, professional and specialized development”. Based on the above background, the securities industry is expected to exhibit the following layout and trend in the future:

#### 1. *Optimize and upgrade the development model*

The functional positioning of finance has become clearer. With the deepening reforms in the capital markets, the securities industry has assumed the responsibility and mission of providing strong support for Chinese modernization and the construction of a strong financial country. In terms of development concept, the securities industry will focus on the complete and accurate implementation of the new development concept, plan and act in accordance with the situation, enhance the core function of financial services for the real economy, play a role in implementing the national strategy, and increase its presence in the five areas of technology finance, green finance, inclusive finance, pension finance and digital finance. In terms of development model, it focuses on improving business competitiveness and asset quality, shifting from the previous one-sided pursuit of scaling up and strengthening to helping to cultivate high-quality productivity and build a modernized industrial system, achieving effective qualitative improvement and reasonable quantitative growth, and enhancing the core competitiveness of the investment banks.

#### 2. *Accelerated pace of business transformation*

With the reform of publicly offered fund rates, the adjustment of the IPO rhythm, and the strengthening of transaction regulation, the industry operating environment has fundamentally changed, the profitability of the licensing business has been further compressed, and the traditional profit model is facing great challenges. In the future, the securities industry will change the “license-based” business model and build a new investment banking business model oriented towards integrated financial services. With the direction of business integration and the focus on unlocking the value of licenses, the industry will shift from channel business to providing customers with a full range of investment consulting and asset allocation services, from pure securities underwriting to providing enterprises with strategic consulting, mergers and acquisitions, restructuring planning and other in-depth professional services, and from focusing solely on the domestic sector to both the domestic sector and offshore sector to satisfy the needs of customers for cross-border asset allocation and cross-border investment and financing of enterprises.

## Section III Report of the Board

### 3. *Accelerated reshaping of the competitive landscape*

Regulatory authorities encourage high-quality securities companies to become better and stronger through mergers and acquisitions. Industry mergers and acquisitions open a new chapter at all levels, and optimization of risk control indicators opens a new space for high-quality development. Leading securities firms are expected to obtain more policy support, dominate the market competition, and are expected to significantly improve their comprehensive competitiveness through methods such as business innovation, group operation, mergers and acquisitions and restructuring to become the industry's leader and benchmark, and further strengthen the trend of concentration of the industry's leading institutions. Small and medium-sized securities firms, on the other hand, should leverage their unique resources to build differentiated competitive advantages in niche markets by focusing on specific regional markets and customer groups, or by carrying out specialized services in niche business areas such as wealth management and investment banking.

### 4. *New norm of financial technology empowerment*

As the world enters the era of digital economy, digital capability has become one of the basic capabilities of securities firms in competitive markets, and the application of financial technology has become an important way for the securities industry to achieve high-quality development. As financial technology and digitalization are the core driving force of the business model transformation of securities firms and the core competitiveness of high-quality development, many technological and digital innovation applications such as digital management platforms, intelligent tools and intelligent risk control systems are transforming from purely supporting business development to actively empowering business and leading business development. It is expected that securities firms will further explore emerging digital technologies in depth and constantly optimize their financial technology infrastructure and capabilities to promote innovation in financial products and services, thereby fostering new competitive edges.

### 5. *Increasingly heightened importance of compliance risk control*

Under the guidance of the regulatory principle of "Two Strengthenings and Two Strictness", compliance risk control has become an important tool for the high-quality development of securities firms. With the increasingly complex business structure of securities firms and the increasing variety of investment and trading instruments, greater risks have emerged across markets and regions, leading to more difficulties in risk management and control, and compliance work has become an internal driving force for the long-term sustainable development of securities firms. In the face of market turbulence, more complex financial products and increased scale of asset-heavy business, the effectiveness of compliance management and risk management capabilities will become key determinants of business development and scale expansion for securities firms. Securities firms with more effective compliance management, stronger risk control capabilities and more balanced businesses are expected to achieve a favorable position in the fiercely competitive market.

## Section III Report of the Board

### (ii) Development strategy

The Company adheres to the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as its fundamental guideline, thoroughly understanding General Secretary Xi Jinping's important remarks on financial work. By adopting a comprehensive new vision for development, the Company will practice the political and people-oriented nature of financial work while correctly balancing functionality and profitability. It will deepen reform, and ensure high-quality development guided by high-quality Party Building, embarking on a high-quality development path with the characteristics of DFZQ. The Company aims to build a first-class modern investment bank with domestic competitiveness and international influence, making greater contributions to the construction of a financial powerhouse and Shanghai's "Five Centers".

Guided by the above philosophy, the Company takes "collectivization, digitalization, and internationalization" as strategic drivers and proposes the "12345" development path and main tasks. During the planning period, the Company will adhere to one overall positioning and continuously promote high-quality development with the characteristics of DFZQ, focus on two key areas of comprehensive wealth management and comprehensive investment banking. The Company will forge three core capability pillars of comprehensive customer group management, digital technology-driven initiatives, and endogenous compliance and risk control, create four characteristic advantages of buyer's investment advisory, industrial investment banking, institutional finance, and digital technology, and promote five coordinated developments including comprehensive wealth management, comprehensive investment banking, comprehensive institution, energy and finance, domestic sector and offshore sectors. The Company will enhance the planning and implementation of safeguard mechanisms, adhere to the overall leadership of the Party, and strengthen the leadership guarantee for the Company's development. It will promote steady and long-term reform, consolidate the elemental foundation for the Company's development, and strengthen the construction of talent teams to stimulate the internal driving force for the Company's development.

## Section III Report of the Board

### (iii) Business plan

In order to achieve the strategic goal of building a first-class enterprise in the industry, the company adheres to the general tone of seeking progress while maintaining stability, scientifically assesses the market situation, accurately grasps development opportunities, continuously consolidates its core competitive advantages, and promotes steady growth in its business performance; adheres to the path of high-quality development with the characteristics of DFZQ, takes comprehensive deepening of reform as the leading factor, focuses on building a complete, scientific, standardized, intensive and professional business system and management structure, and lays a solid foundation for the company's high-quality development. The Company will continuously strengthen its capital operation capabilities, risk management and control capabilities, and value creation capabilities, comprehensively enhance its core competitiveness and brand value, and accelerate its progress towards a listed securities and financial group with industry leadership and international influence.

The wealth and asset management segment will insist on returning to the essence of wealth management, firmly transforming from charging for channel services to acting as a buyer-side investment advisor, strengthening the comprehensive customer group operation ability, enhancing the service level of customer asset allocation, and satisfying the needs for diversified and professional wealth management. The investment banking and alternative investment segment will focus on the three major characteristics of science and innovation investment banking, energy investment banking and merger and acquisition investment banking, deeply connecting with the strategy of building Shanghai International Science and Innovation Centre, deeply serving the extensive layout of Shenergy Group in the energy industry, and deeply tapping the Company's pioneering advantages in the field of financial advisory for mergers and acquisitions of state-owned enterprises, so as to push forward the characteristic development of the investment banking business. The institutional and sales and trading segment will deepen the "Unified Orient (一個東方)" layout, comprehensively improve the coverage of various types of institutional clients, deepen the value exploration of individual institutional clients, implement total quantity management and classified accounting, and form a strong synergy of institutional client services. The Company's international layout aims to promote the coordinated development of domestic and overseas institutions, collaboratively building a one-stop cross-border financial service system, so as to accelerate the integration of digitalization and internationalization, driving the Company's global progress to achieve leapfrog development.

### (iv) Potential risks (including the implementation of comprehensive risk management and investment in compliance risk control and information technology)

#### 1. Major risks and countermeasures

The risks to which the Company is exposed to in its operations are mainly market risk, credit risk, liquidity risk, operational risk, money laundering and terrorism financing risk, technology risk and reputational risk. Specifically, such risks and respective countermeasures are as follows:

## Section III Report of the Board

(1) *Market risk*

Market risk refers to the risk of loss of the portfolio held by the Company due to adverse market changes. Market risk can be categorized into securities assets price risk, interest rate risk, exchange rate risk and commodity price risk, which refers to risks which the Company is exposed to due to the fluctuation in securities assets price, interest rate, exchange rate and commodity price respectively.

The Company has established a system covering the Group's allocation of assets and liabilities and risk limits, reflecting the Company's overall market risk appetite and risk tolerance. Under the Company's overall business authority framework, each business segment operates within different levels of authorized risk limits to implement effective controls over various businesses and products so as to ensure the risk level to be within risk appetite set by the Company. The Company's business departments, branches and subsidiaries are the first line of defense against market risk, while its risk management functional department is responsible for coordinating the overall market risk management of the Company.

The Company adopts daily mark-to-market, concentration analysis and quantitative risk model to manage business scale, risk exposure, establishes trailing stop-loss mechanisms, identifies the key factors affecting investment portfolio returns through sensitivity analysis, and evaluates the tolerance of investment portfolios to extreme market fluctuations by using scenario analysis and stress testing.

The Company closely follows the macro-economic indicators and trends, and significant economic policies and development. The Company also evaluates the potential systemic risk of investment as may be caused by changes in macro-economic factors, and adjusts its investment strategies based on regular monitoring of market risk indicators. The Company establishes decision-making, implementation and accountability systems relating to material issues and develops contingency plans for different predictable extreme situations, under which material issues will be categorized and managed according to the level of seriousness.



## Section III Report of the Board

During the Reporting Period, the capital market fluctuated significantly due to a number of factors, including the strengthening of extraordinary counter-cyclical adjustments in domestic macro policies, wavering expectations of interest rate cuts by the US Federal Reserve overseas, and the emergence of anti-globalisation voices. In terms of equity securities investment, the Company kept a daily track of changes in trading positions, made appropriate adjustment to trading positions through implementing diversified investment strategies, and conducted hedging through stock index futures, stock options and other equity derivatives to hedge against stock price risk. In terms of fixed income securities investment, the Company used interest rate swaps, treasury bond futures and other derivative instruments to hedge interest rate risks, effectively controlled the basis point value and duration of the investment portfolio, and ensured that the overall assets were under control due to changes in interest rate fluctuations. In terms of derivatives business, the Company mainly adopted a market-neutral strategy, controlled the Greeks exposure such as Delta and Vega to an acceptable range, and stringently implemented the risk verification working procedures of products pricing, hedging strategies and models for derivatives with high risk including OTC options. In terms of foreign exchange business, the Company strengthened research on the foreign exchange market, tracked changes in overseas asset prices, monitored exchange rate risk exposure, and effectively managed exchange rate risk by reasonably using exchange rate derivatives for hedging and mitigation.

Value-at-Risk (“VaR”) refers to the potential loss of the investment portfolio arising from future movement in market price under a certain confidence level. The Company adopts a VaR with a confidence level of 95% and a holding period of one day to measure the market risk condition of its financial products investment portfolio. In 2024, due to the market environment and allocation of trading positions, the VaR of the Company’s interest rate and equity portfolios fluctuated to a certain extent. At the end of the Reporting Period, the VaR of the Company’s overall market risk was RMB220 million with a confidence level of 95%.

### (2) *Credit risk*

Credit risk mainly refers to the risk of loss due to default by the financier, counterparty or issuer. The first is direct credit risk, i.e. the risk arising from the issuer’s failure to fulfill contractual obligations; the second is counterparty risk, i.e. the risk arising from a breach of contract by the counterparty and financier in a derivatives transaction or securities financing transaction; the third is settlement risk, i.e. the risk arising from a breach of contract during the settlement and delivery of a transaction. To summarize, this occurs when the Company fulfills its delivery obligation, but the counterparty breaches the contract.

The Company has implemented limit management on credit risk according to regulatory requirements and risk management needs, set credit risk limits based on the Company’s risk tolerance and net capital to control the quality of credit assets and credit risk concentration, and realized refined management on credit risk exposure. In the course of business, the Company strictly complied with the credit risk limit approved by the Company, and established a daily monitoring mechanism for limit indicators to effectively control credit risk.

## Section III Report of the Board

The Company has established its respective credit risk management system with regard to bond issuers, counterparties and financing clients from the perspective of business practices. The Company has enhanced evaluation of quality and risks and implemented credit risk management through means including contract review and monitoring of transactions and public sentiment. The Company pays great attention to possible non-compliance in the transaction and has developed corresponding risk control and countermeasures. In bond investment and counterparty transactions associated with credit risk, the Company has enhanced analysis on the fundamentals of bond issuers and counterparties, and established the corporate internal scoring system for credit risk, and realized internal rating, united credit management, collective management of investment, pledged bonds management, defaulting clients management, stress tests, early warning, risk reporting and other functions through the credit risk management system, thus strengthening its credit risk management and enhancing credit risk management capabilities. In derivative transactions, the Company has set the margin deposit ratio for counterparties and rule restrictions on the transaction, controlled the counterparty's credit risk exposure through daily mark-to-market, margin calls, forced closure of positions and other means. In credit trading business, the Company has established mechanisms of credit rating assessment for clients, credit facilities management, collateral management, concentration management and supervisory reporting, used the extension of the trading period as a means of in-process management, and handled risk projects through mandatory close-out mechanism and legal proceedings. In addition, the Company has established the unified business and customer management mechanism based on external guidelines and in line with the Company's actual business development, to carry out unified measurement, monitoring and management of credit business, improve the Group credit management system for the Company's credit business and further refine credit risk management.

### (3) *Liquidity risk*

Liquidity risk refers to the risk that the Company cannot obtain sufficient funds at a reasonable cost in time to pay its debts when falling due, fulfill other payment obligations and meet the capital demand for normal business development.

According to the regulatory requirements including the Guideline on Liquidity Risk Management of Securities Companies (《證券公司流動性風險管理指引》) and for the purpose of its own risk management, the Company continuously refines the liquidity risk management system and internal management system and has dedicated personnel responsible for dynamic monitoring, pre-warning, analysis and reporting of the Company's liquidity risk. For management of daily liquidity position, the Company reserves sufficient high-quality liquid assets, sets corresponding limits on liquidity reserve assets and monitors cash flow shortfall on a daily basis to ensure the smooth operation of the Company's business and the timely repayment of liabilities as they fall due. The Company carefully determines the qualitative principles and quantitative indicators of liquidity risk appetite at the beginning of each year, and has established limit assessment and adjustment mechanism to implement limit management of liquidity risk and conduct monitoring and reporting of compliance with limits. The Company strives to formulate comprehensive

## Section III Report of the Board

financing strategies to improve the diversity and stability of its financing sources and establish flexible financing channels both on and off the exchange. The Company conducts regular and ad hoc liquidity stress testing and emergency exercise, continuously updates and improves the stress scenario and report, analyses the results of the stress tests to identify risk spots and vulnerabilities, and applies the results of the stress tests in the Company's relevant decision-making processes. During the Reporting Period, the Company completed the transformation of its liquidity risk management system towards domestically developed information technology applications, utilized the information system to effectively identify, measure, monitor and control the liquidity risk, and ensured that the Company's liquidity coverage ratio and net stable funding ratio continued to meet regulatory requirements. During the Reporting Period, the Company put more efforts into liquidity risk management of subsidiaries, improved the liquidity risk management capabilities of subsidiaries and the whole liquidity risk control level of the Group.

### (4) *Operational risk*

Operational risk refers to risk of losses which may be caused by weakness or problem existing in internal procedure, staff and information technology systems as well as by external events.

In accordance with the Guidelines on Operational Risk Management for Securities Firms (《證券公司操作風險管理指引》), the Company has continued to improve its operational risk management system and has amended the "Measures for Operational Risk Management of Orient Securities Company Limited"; utilized its operational risk management system to identify, assess, monitor and report operational risks; established an operational risk identification and assessment mechanism to conduct risk and control self-assessment on a regular and ad hoc basis; and set up a system of key risk indicators to conduct dynamic and continuous monitoring of various types of operational risk-related information and indicators to analyze the operational risk situation; established a mechanism for the collection and management of operational risk events and loss data for the comprehensive and sustainable identification, collection, summary, analysis and reporting of operational risks loss data.

### (5) *Money laundering and terrorism financing risk*

Money laundering and terrorism financing risk refers to the risk that the products or services of financial institutions are manipulated by criminals to engage in money laundering and terrorism financing activities, which will adversely affect the Company in terms of law, reputation, compliance and operation.

## Section III Report of the Board

During the Reporting Period, the Company took the various instructions and opinions put forward by the People's Bank of China during its anti-money laundering supervision visits as a guide, combined with the Company's daily money laundering risk prevention, and coordinated the implementation of various rectification work, promoted special work such as continuous due diligence investigations, self-examinations of anti-money laundering data, and business money laundering risk assessments, continued to improve various working mechanisms related to anti-money laundering publicity and training, performance appraisals, and inspections, and synchronized with the optimization of the money laundering risk classification model, suspicious transaction monitoring model and list monitoring matching logic to accelerate the development of the Company's anti-money laundering work in the vertical and deep direction of "risk-based". During the year, the Company continued to improve the senior management's deliberation mechanism and anti-money laundering coordination mechanism; the Company continued to enhance the functions of the anti-money laundering system and promoted more than 100 items of anti-money laundering system optimization; it also continued to assess the effectiveness of the anti-money laundering system, and optimized the functions of the system for the management of customers involved in letters and the functions of the system related to customer due diligence investigations. The Company has made efforts to improve its ongoing due diligence mechanism and launched a special project on customer data governance; the Company has continued to optimize its customer money laundering risk level model, with a total of 87 indicators in 15 categories optimized and adjusted, with the total number of adjusted indicators exceeding 70% of all indicators; the Company has launched an annual effectiveness assessment of its suspicious transaction monitoring standards, reorganized the self-defined characteristics of suspicious transactions, optimized the suspicious transaction monitoring indicators, added five new indicators such as "mismatch between the identity of institutional customers and the size of assets or the flow of funds", and adjusted two indicators such as "expiry of the documents of clients with large amount of assets" to the rules for continuous due diligence monitoring, adjusted three indicators such as "cross-regional opening of clients with large amount of assets" to manual reporting, and focused on optimizing key suspicious transaction detection indicators such as "sudden activation of idle accounts" and "transfer of funds without material transactions" to continuously enhance the effectiveness of transaction monitoring. The Company launched the money laundering risk assessment work of its product business, comprehensively optimized the money laundering risk assessment indicator system and assessment method, reorganized and divided the product business of the department, and launched the money laundering risk assessment across all business operations of the Company. The Company continuously improved its anti-money laundering performance evaluation and disciplinary mechanism, and formulated differentiated and refined performance appraisal indicators for personnel in anti-money laundering related positions. The Company enhanced the judgement and handling of specific business risks, such as systematically detecting abnormal transaction patterns, issuing risk warnings, and intensifying follow-up supporting control measures for the prominent money laundering threats faced by the single-customer multi-bank services. In addition, the Company attached great importance to anti-money laundering education and training, and organized a variety of anti-money laundering training to enhance the awareness of anti-money laundering and the ability of the Company's staff to perform their duties.

## Section III Report of the Board

### (6) *Technology risk*

Technology risks refer to the risk of abnormal operation of the Company due to failure of the information technology system; the risk of business disruption of the Company or exposure to information security risk due to insufficient protection and backup measures for the information technology system and key data; the risk of abnormal operation of the Company due to the failure to adopt data interactions prevailing in regulatory authorities or the market for key information technology system; the risk of incapability of providing continuous support and service by key information technology system suppliers throughout the life cycle of technology system.

The Company attaches great importance to technology risk management. The IT Strategic Development and Governance Committee proposes and audits the IT management goals and development plans, formulates the IT annual budget, reviews the initiation, input and priorities of major IT projects, and evaluates these projects while providing opinions. The System R&D Headquarters carries out comprehensive control over the R&D and construction of application information systems in accordance with the relevant requirements: in terms of the construction of application software systems, it implements whole life cycle process control over various parts such as the development, testing and launching in accordance with the project management measures to ensure compliance with the internal and external regulations as well as the management requirements of superior units; in terms of data security management, it strictly managed data in accordance with relevant systems, took effective measures to safeguard the confidentiality, integrity and availability of data, and prevented the risks of data leakage, tampering and loss, etc.; in terms of management of external personnel, it strictly managed the admission and evaluation of outsourcing providers, and regulated the behaviours of external personnel of the information system to ensure that they comply with the Company's security requirements and standards; in terms of IT procurement, it strictly complied with the Company's procurement management measures and implement the centralised management of IT procurement budgets, and the procurement workflow is regulated to ensure compliance, transparency and competitive selection in the procurement process. The system operation department takes a variety of measures to ensure the stable operation of the system, and has completed the main and side stands for major positions as for the staffing. In respect of process control, the Company, in accordance with ISO20000 rules, regulates main operation and maintenance procedures, such as implementation of graded examination and approval for procedures including events and modification, recheck for modifications, preparation of monthly reports on management and operation on a month basis, regulating the systematic operation at the technical and management level. In respect of emergency handling, the Company strictly obeys the regulatory requirements, conducts disaster drills and emergency plan drills, with all operation and maintenance teams and branches regularly carrying out the emergency drills for specific systems. As for the data backup, restore and verification, the Company conducts implementation, review and supervision on a monthly basis as per the annual plan, and sets system permissions according to the established process which includes approval, recording and filing. The compliance and legal management department, together with the risk management department, reviews IT compliance and risk management matters and relevant systems, organizes regular compliance inspection, and issues monthly compliance and risk management reports.

## Section III Report of the Board

### (7) Reputational risk

Reputation risk mainly refers to the risk that due to the Company's operation or external events, and the violation of honest practice requirements, professional ethics, business norms, industry rules and regulations and other related behaviours by the staff, resulting in negative reviews of the Company by investors, issuers, regulatory authorities, self-regulatory organisations, the general public and the media, thereby damaging the brand value, adversely affecting the normal operation of the Company, and even affecting market stability and social stability.

During the Reporting Period, the Company primarily manages its reputational risk by the following means:

1. In order to effectively manage the reputation risk of the Company, improve the comprehensive risk management system, prevent the moral risk of the Company's employees, and safeguard the Company's brand image and market stability. In accordance with the requirements of the Party's leadership over propaganda, ideology, and media, and in light of the actual situation of the Company, the Measures for the Management of Reputation Risks of DFZQ (《東方證券聲譽風險管理辦法》) and the Public Opinion Management Emergency Response Plan (《輿情管理應急預案》) were revised.
2. In order to implement the cultural construction requirements of the securities industry, the Company carried out the "Special Training and Tests on Reputational Risk Management Awareness Education for All Staff" to further raise the reputational risk awareness of employees, continuously strengthen the Company's "soft power" and social image, resist behaviors that damage the industry image, and facilitate the high-quality development of the industry. In addition, the Company arranged all the staff to study the warning cases of reputation incidents regarding "Ten Prohibitions" of the concept of honor and disgrace in the securities industry, so that the staff could learn from the cases to avoid the various reputational incidents affecting the Company and the industry, to jointly create a clean and upright market environment, to provide strong spiritual impetus for the high-quality development of the industry, and to strive to make due contributions to the construction of a modern capital market with Chinese characteristics.
3. The Company has established a six-in-one incident handling mechanism for monitoring, reporting, response, information dissemination, evaluation and improvement, and external reporting. Through the 7\*24-hour public opinion monitoring system and the perfect public opinion reporting mechanism, the Company effectively carries out early warning, prevention and control of reputational risk, manages reputational risk, and incorporates reputational risk management into the Company's comprehensive risk management system and internal audit scope. At the same time, the Company also incorporates reputation risk management into its performance appraisal system, sets performance appraisal indicators, and conducts appraisals and evaluations for each department and staff member on a regular basis.

## Section III Report of the Board

4. Establishing a comprehensive system for reporting public opinion. Monthly briefings on public opinion are submitted to senior leadership of the Company and relevant updates are reported to the Board of the Company through the Board office and risk control department to ensure that the Board and the management are promptly informed of the level of reputational risk of the Company. In the event of unexpected sensitive public opinion incidents, a special analysis report (typically in the form of a daily report) will be prepared and promptly submitted to the leaders and relevant departments of the Company.

### 2. Overall implementation of risk management

The Company has always upheld the risk management concept of “high-quality development”, and strives to realize the organic integration and convergence among risk management, compliance management and internal control. The Company has built sound and endogenous comprehensive risk management system and effective internal control system that covers the whole process of decision-making, implementation, supervision and feedback and effectively ensures that the Company’s overall risk is measurable, controllable and tolerable.

The Company has established a clear and rational risk management organizational structure. The Company has set up the strict and effective comprehensive risk management featuring “three defenses” consisting of various business departments, branches and subsidiaries, relevant functional management departments and risk supervision and management departments, which clarifies the division of responsibilities among the Board, the Supervisory Committee, management and various subsidiaries and functional departments to ensure the effective operation of the risk management system.

The Company attaches great importance to the construction of risk management system. Based on the Basic System of Comprehensive Risk Management of DFZQ (《東方證券股份有限公司全面風險管理基本制度》), the Company has formulated special risk management systems regarding market risk, credit risk, liquidity risk, operational risk and reputational risk, and defines risk management requirements for various business systems and ensures the specific implementation of various risk management requirements through the formulation of operational specifications and rules. At the same time, in order to scientifically guide and rationally allocate resources, the Company prepares plans for asset and liability allocation, risk appetite, risk tolerance and risk limit according to market conditions, corporate strategy and industry development on an annual basis, and implements a dynamic adjustment mechanism to cater for the Company’s business development.



## Section III Report of the Board

The Company has established risk management mechanisms for risk identification and assessment, risk monitoring and measurement, risk analysis and response, and adopts a combination of qualitative and quantitative risk measurement methods to enhance the professional management capabilities of various risks. Through the establishment of a risk control platform, a risk management indicator dynamic management system and various professional risk management information systems, the Company has further promoted the practical application of information technology in risk management. The Company implements the multi-perspective risk review mechanism based on comprehensive risk management through strict approval of new businesses and new products and dynamic monitoring on risks of all key processes in daily business operations. The Company also dynamically monitors and evaluates various types of risks and tolerance during its business operation through sensitivity analysis and stress testing. The Company strengthens risk response mechanism construction and risk defense through multiple channels with a focus on pre-judgment of risk response and handling, so as to effectively control various risks. A smooth risk information communication mechanism is established to ensure timely, accurate and complete information transmission and feedback.

Based on the requirements of industry cultural standards, the Company strengthens the coordination between the risk management culture and corporate culture as well as party discipline and integrity standards, and consolidates the risk management awareness of all employees of the Company through multiple approaches to improve the level of risk management. The Company continuously enhances the training and recruitment of risk management personnel to keep their members meeting regulatory requirements. The Company adheres to the organic integration of risk management with performance appraisal and accountability mechanisms and specifies performance assessment standards to effectively ensure that the Company's various business developments comply with regulatory requirements.

### 3. *Investment in information technology*

The Company attaches great importance to the construction of compliance risk management information system, and has established a proactive and effective comprehensive risk management system. The Company continuously improves the compliance risk management system to constantly enhance the compliance risk management level and ensure compliance of business operations. The Company's compliance risk control investment mainly includes the procurement and development expenditures of compliance risk control related systems, the daily operation expenses of the compliance risk control department, and the compliance risk control staff investment. During the Reporting Period, the total compliance control investment was RMB0.281 billion.



## Section III Report of the Board

The Company has comprehensively strengthened the efforts of digital transformation, accelerated the creation of a digital and intelligent technological driving force, promoted the high integration of business and technology, and enhanced the empowerment of digital business. The Company's information technology investment (based on the information system construction investment indicators of securities companies) mainly includes: IT investment, depreciation and amortization expenses of fixed assets and intangible assets, IT daily operating expenses, computer room rental or depreciation expenses, IT line leasing, IT independent R&D expenses and IT staff investment. During the Reporting Period, the Company's IT investment totaled RMB0.964 billion.

### (v) Others

#### 1. *Pre-emptive rights*

According to the PRC laws and the Articles of Association, none of the shareholders of the Company has any pre-emptive rights.

#### 2. *Sufficient public float*

As at the latest practicable date prior to the printing of this report, based on the information available to the public and as far as the Directors are aware, the Directors believe that the Company has sufficient public float which satisfies the public float requirement under the Rule 8.08 of the Hong Kong Listing Rules and the waiver granted by the Hong Kong Stock Exchange.

#### 3. *Directors' interests in the business competing with the Company*

During the Reporting Period, Mr. Shi Lei, a non-executive Director of the Company, has been a non-executive director of Haitong Securities Co., Ltd. during the Reporting Period. As the business scope of Haitong Securities Co., Ltd. is engaged in, among others, securities brokerage; securities proprietary trading; securities underwriting and sponsorship; securities investment consulting; financial advisory services relating to securities trading and investment activities; direct investment; securities investment fund consignment; provision of intermediary introduction business for the futures companies; margin financing and securities lending; agency sale of financial products; the stock options market making; the custodian business for securities investment funds and other businesses approved by the CSRC. Haitong Securities Co., Ltd. has competed or is likely to compete, either directly or indirectly, with some aspects of the business of the Company. Save as disclosed above, none of the Company's Directors has any interest in the business which competes or is likely to compete, either directly or indirectly, with the Company's business.

#### 4. *Service contracts of Directors and Supervisors*

None of the Company's Directors or Supervisors has entered into any service contract with the Company or its subsidiaries which is not determinable within one year without payment of any compensation (other than statutory compensation).

## Section III Report of the Board

### 5. *Directors' and Supervisors' interests in major transactions, arrangements and contracts*

During the Reporting Period, the Directors or Supervisors of the Company or entities relating to the Directors or Supervisors did not have any material interests, whether directly or indirectly, in any major transactions, arrangements and contracts entered into by the Company or its subsidiaries.

### 6. *Share option scheme*

The Company did not set any share option scheme.

### 7. *Major clients and suppliers*

The Company serves a diverse base of institutional and retail clients across a spectrum of industrial sectors. The Company's clients range from large state-owned enterprises, multinational corporations and small and medium enterprises clients to high net worth individuals and retail clients. Its clients are primarily located in the PRC. The improving overseas network layout will help the Company provide overseas services and expand its clients' source. In 2024, the percentage of the revenue attributable to the five largest clients of the Company did not exceed 7% of the Group's total revenue.

The Company has no major suppliers given the nature of its business.

### 8. *Relationship with employees, customers and suppliers and persons who are materially related*

For the details of the remuneration and training plans of employees of the Company, please refer to "Section IV, IX. Information on the Staff of the Parent Company and Major Subsidiaries as at the end of the Reporting Period" of this report. For the relationships between the Company and its major customers and suppliers, please refer to "Section III, VII, (v), 7. Major clients and suppliers" of this report.

### 9. *Proposal on profit distribution*

For the proposal on profit distribution of the Company, please refer to "Section IV, X. Proposal on Profit Distribution or on Transfer of Capital Reserve Fund into Share Capital" of this report.

## Section III Report of the Board

### 10. Tax relief

#### (1) Holders of A Shares

Pursuant to the provisions under the Circular on Relevant Issues Concerning Differentiated Individual Income Tax Policies for Dividends of Listed Companies (Cai Shui [2015] No. 101) (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2015]101號)) and the Circular on Relevant Issues Concerning Implementation of Differentiated Individual Income Tax Policies for Dividends of Listed Companies (Cai Shui [2012] No. 85) (《關於實施上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2012]85號)) issued by the Ministry of Finance of the PRC, the State Administration of Taxation and the CSRC, for individual shareholders of the Company who hold shares for a period (from the date of an individual's acquisition of the shares of a listed company from the public offering and the secondary market to the date prior to the date of transfer and settlement of such shares) of within one month (including one month), their dividends and bonus incomes are fully included in taxable income (effective tax rate is 20%); for those who hold shares for a period of over one month to one year (including one year), 50% of their dividends and bonus incomes are temporarily included in taxable income (effective tax rate is 10%); for those who hold shares for a period of over one year, their dividends and bonus incomes are temporarily exempt from income tax. When distributing dividends and bonuses, the listed company temporarily withholds no individual income tax for its individual holders who hold shares for a period of within one year (including one year). When an individual transfers his/her shares, the securities depository and clearing company calculates the actual taxable income according to his/her period for holding shares, and the company withholds tax otherwise through the securities depository and clearing company. For the dividends and bonus incomes obtained by a securities investment fund from a listed company, individual income tax thereof is levied in accordance with the requirements of Cai Shui [2012] No. 85.

For Qualified Foreign Institutional Investors ("QFII"), listed companies are required to uniformly withhold and pay enterprise income tax at a rate of 10% pursuant to the provisions under the Notice on the Relevant Issues Concerning the Withholding and Payment of Enterprise Income Tax Relating to the Payment of Dividends, Bonus and Interest by PRC Resident Enterprises to QFII (Guo Shui Han [2009] No. 47) (《關於中國居民企業向QFII支付股息、紅利、利息代扣代繳企業所得稅有關問題的通知》(國稅函2009[47]號)) issued by the State Administration of Taxation. If the QFII shareholder intends to claim the preferential treatment as stipulated in tax treaties (arrangements) for his dividend and bonus incomes, application for tax refund can be submitted to the competent tax authority after obtaining such dividends and bonuses in accordance with the regulations.

## Section III Report of the Board

Pursuant to the provisions under the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Market Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) issued by the Ministry of Finance of the PRC, the State Administration of Taxation and the CSRC, for dividends and bonus incomes obtained by investors (including enterprises and individuals) in the Hong Kong market from investing in A Shares listed on the SSE, the implementation of differentiated tax policies based on period of shareholding are suspended before Hong Kong Securities Clearing Co., Ltd. meets the conditions of providing identification, term of shareholding and other specific data of investors, and the income taxes thereof are withheld and paid by the listed company at the rate of 10%, which should be duly declared to the competent tax authority. For Hong Kong investors who are tax residents from another country and that country has entered into a tax treaty with the PRC stipulating a tax rate of lower than 10% for the dividends, those enterprises or individuals may by themselves, or may entrust a withholding agent on their behalf to, apply to the competent tax authority of the listed company for the treatment as stipulated in such tax treaties. Upon the verification and approval by the competent tax authority, taxes shall be refunded based on the discrepancy between the levied taxes and the taxes payable pursuant to the tax treaty.

For institutional investors, the taxes on their dividends and bonus incomes shall be paid by themselves.

### (2) *Holders of H Shares*

Pursuant to the provisions under the Notice on Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅征管理問題的通知》(國稅函[2011]348號)) issued by the State Administration of Taxation, the dividends and bonus incomes received by the overseas resident individual shareholders from the stocks issued by domestic non-foreign invested enterprises in Hong Kong are subject to the individual income tax according to the items of “interests, dividends and bonus incomes”, which shall be withheld by the withholding agents according to the relevant laws. The overseas resident individual shareholders who hold the stocks issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions under the tax treaties signed between the countries where they are residents and China as well as the tax arrangements between Mainland and Hong Kong (Macau). The tax rate for dividends under the relevant tax treaties and tax arrangements is generally 10%, and for the purpose of simplifying tax administration, domestic non-foreign invested enterprises issuing stocks in Hong Kong may, when distributing dividends and bonuses, generally withhold individual income tax at the rate of 10%, and are not obligated to file an application. If the tax rate for dividends is not equal to 10%, the following provisions shall apply: 1) for citizens from countries under treaties to be entitled to tax rates lower than 10%, the withholding agents will file applications on their behalf to seek entitlement of the relevant agreed preferential treatments, and upon approval by the competent tax authority, the excess tax amounts withheld will be refunded; 2) for citizens from countries under treaties to be entitled to tax rates higher than 10% but lower than 20%, the withholding

## Section III Report of the Board

agents will withhold the individual income tax at the agreed-upon effective tax rate when distributing dividends and bonuses, and are not obligated to file an application; 3) for citizens from countries without tax treaties or under other situations, the withholding agents will withhold the individual income tax at a tax rate of 20% when distributing dividends and bonuses.

Pursuant to the provisions under the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by PRC Resident Enterprises to H Shareholders of Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) issued by the State Administration of Taxation, a PRC resident enterprise, when distributing dividends for 2008 and for the years afterwards to H shareholders of the overseas non-resident enterprises, shall be subject to the enterprise income tax withheld at a uniform rate of 10%.

Pursuant to the provisions under the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Market Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) issued by the Ministry of Finance of the PRC, the State Administration of Taxation and the CSRC, for dividends and bonuses obtained by Mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, such H shares companies shall withhold individual income tax at the rate of 20%. For the dividends and bonus incomes obtained by Mainland securities investment funds by investing in stocks listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the individual income tax will be levied pursuant to the provisions mentioned above. For the dividends and bonus incomes obtained by Mainland enterprise investors from investing in stocks listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, such H shares companies shall not withhold and pay any income taxes on the dividends and bonus incomes, and those enterprise investors shall report and pay the relevant tax themselves. Meanwhile, for the dividends and bonus incomes obtained by Mainland resident enterprises from holding relevant H shares for consecutive 12 months, the enterprise income taxes shall be exempted according to laws.

## Section III Report of the Board

Pursuant to the provisions under the Notice on the Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)) issued by the Ministry of Finance of the PRC, the State Administration of Taxation and the CSRC, for dividends received by domestic individual investors from investing in H shares listed on Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on their behalf. For dividends received by mainland securities investment funds from investing in shares listed on Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors; and for domestic corporate investors, the company of such H shares shall not withhold and pay the income tax on their behalf and the domestic corporate investors shall report and pay the relevant tax themselves.

Shareholders of the Company are recommended to consult their taxation advisors regarding tax implications arising from their holding and disposal of shares of the Company in the PRC, Hong Kong and other countries (regions).

### 11. *Contract of significance*

During the Reporting Period, the Company did not have any controlling shareholder and there is neither any contract of significance between the Company or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries, nor any contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries (as defined in Appendix D2 to the Hong Kong Listing Rules).

### 12. *Management contract*

During the Reporting Period, no contracts were entered into and subsisting (other than the service contracts with any Director or Supervisor or any of the full-time employee of the Company), and pursuant to which, the management and administration of the whole or any substantial part of the business of the Company were undertaken by any individual, firm or body corporate.

### 13. *Permitted indemnity provision*

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the Reporting Period. The Company has arranged appropriate insurance coverage for potential legal actions and liabilities of the Directors, the Supervisors and the senior management.

### 14. *Equity-linked agreement*

No equity-linked agreements were entered into by the Company or subsisted during the Reporting Period.

## Section III Report of the Board

### 15. *Review of annual results*

The Audit Committee of the Board of the Company has reviewed the audited annual financial statements and annual report of the Company for the year ended December 31, 2024, and did not raise any objection to the accounting policies and practices adopted by the Company.

### 16. *Directors, Supervisors and senior management*

For details of the composition and changes of Directors, Supervisors and senior management of the Company during the Reporting Period, please refer to “Section IV, IV. Directors, Supervisors and Senior Management” in this report.

### 17. *Compliance with relevant laws and regulations*

The Board is of the view that during the Reporting Period, the Company conducted its business activities and made relevant decisions in strict compliance with the Company Law, the Securities Law, the Regulations Governing the Supervision and Administration of Securities Companies, the Code of Governance for Securities Companies, the Code of Governance for Listed Companies, the Corporate Governance Code and other relevant laws and regulations as well as the Articles of Association. The Company is not aware of any violation of laws, regulations and the Articles of Association by its Directors, Supervisors and senior management in the performance of their duties or damage to the interests of the Company and its shareholders. For details of penalties imposed on the Company during the Reporting Period, please refer to “Section VI, X. Violation of laws and regulations by, punishment on and rectification of the listed company and its directors, supervisors, senior management, controlling shareholders and de facto controller” in this report.

### 18. *Share capital and equity and debt issuance*

For the Company's share capital and share and debenture issuance as of December 31, 2024, please refer to “Section VII. Changes in Shares and Information on Shareholders” and “Section IX. Information on Bonds” in this report.

### 19. *Subsequent events*

Other than those disclosed in this report, the Company had no other material events subsequent to the financial year-end date and up to the date of this report.

## VIII. THE COMPANY FAILED TO DISCLOSE INFORMATION ACCORDING TO THE STANDARDS DUE TO SPECIAL REASONS, E.G. NON-APPLICABILITY TO THE STANDARDS OR STATE SECRETS AND TRADE SECRETS AND THE DESCRIPTION OF RELEVANT REASONS

The Company belongs to the financial securities industry, proprietary securities investment is the main business of the Company, the relevant securities position involves commercial confidentiality, and the Company has already disclosed the overall situation of proprietary securities investment in the relevant section, therefore, it has not disclosed the details in the standard format.

## Section IV Corporate Governance

### I. RELEVANT DESCRIPTION OF CORPORATE GOVERNANCE

#### (i) Corporate governance

In strict compliance with the requirements under the Company Law, the Securities Law, the Regulations on Supervision and Administration of Securities Companies, the Rules for Governance of Securities Companies, the Code of Corporate Governance for Listed Companies, the Corporate Governance Code and other relevant laws and regulations and regulatory documents in the places where the shares of the Company are listed as well as the Articles of Association, and in order to establish a modern corporate system, the Company, as a public company listed in both Mainland China and Hong Kong, has strengthened and refined its corporate governance structure, compliance and risk control system and internal control management system, and shaped a corporate governance structure of a listed company where the general meeting, the Board, the Supervisory Committee and the management perform their own functions and responsibilities corresponding to their respective positions in a collaborative manner with effective check and balance, thereby ensuring the prudent and standardized operations of the Company as well as a scientific, standardized and transparent corporate governance. The procedures for convening and holding the Company's general meeting, Board meetings, meetings of the Supervisory Committee and the voting mechanisms with respect thereto are legitimate and valid, with the information disclosed in a true, accurate, complete, timely and fair manner.

During the Reporting Period, in accordance with the Administrative Measures for Independent Director of Listed Companies (《上市公司獨立董事管理辦法》) and Guidelines on the Supervision of Listed Companies No.3 – Cash Dividends of Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》) issued by the CSRC, and the Rules Governing the Listing of Stocks (《股票上市規則》), and Guidelines for Self-discipline Supervision of Listed Companies No. 1 – Standardized Operation of Shanghai Stock Exchange (《上海證券交易所上市公司自律監管指引第1號—規範運作》) issued by the SSE, we systematically reviewed and promptly revised various regulations, including the Articles of Association, Independent Director Policy of the Company, Management Measures for Raised Funds of the Company, Management Measures for Related Party Transactions of the Company, Terms of Reference of Special Committees of the Board of the Company, and the Management Measures for Shareholdings and Changes in Shareholdings of the Company by Directors, Supervisors and Senior Management of the Company, which were considered and approved by the Board of Directors or the general meeting. During the Reporting Period, after consideration and approval of the general meeting or the Board of Directors, the Company completed the election for the sixth session of the Board of Directors and its special committees, the Supervisory Committee and senior management. Through the continuous improvement and implementation of the above systems and mechanisms, the corporate governance structure has been constantly standardized and the level of corporate governance has been constantly improved. During the Reporting Period, the Company strictly complied with all provisions under Part 2 of the Corporate Governance Code and met requirements for most recommended best practices specified in the Corporate Governance Code.

During the Reporting Period, the Company won the Best Practice Case in the 2024 Best Practice Creation Activity of the Board of Directors of Listed Companies and the Best Practice Case in the 2024 Best Practice Creation Activity of the Offices of Board of Directors of Listed Companies organized by China Association of Public Companies. The secretary to the Board won the 5A Board Secretary Performance Evaluation of China



## Section IV Corporate Governance

Association of Listed Companies and the Golden Board Secretary of New Fortune for three consecutive years. In addition, with excellent ESG governance practices, the Company maintained its MSCI ESG rating of AA in 2024.

During the Reporting Period, the Company convened 38 meetings in total, including 3 general meetings, 10 meetings of the Board, 5 meetings of the Supervisory Committee, 2 meetings of the Strategic Development Committee, 4 meetings of the Compliance and Risk Management Committee, 5 meetings of the Remuneration and Nomination Committee and 8 meetings of the Audit Committee under the Board, and 1 special meeting of the independent Directors.

### (ii) Formulation and implementation of insider registration and management system

During the Reporting Period, the Company made more efforts to maintain the confidentiality of insider information, performed its obligation of insider registration, management and confidentiality diligently, kept records of the names of insiders who had accessed the insider information at the stage of negotiation, planning, demonstration and consultation and contracting as well as in the processes of reporting, delivery, preparation, auditing, resolution and disclosing before its final disclosure in strict compliance with all requirements relating to the procedures and internal control measures of handling and publishing of insider information prescribed in the System regarding Insider Registration, Management and Confidentiality (《内幕信息知情人登記管理及保密制度》), and kept records of information relating to insiders and memos of progress of major events, in order to effectively prevent insider trading and properly carry out information disclosure.

### (iii) Corporate governance policies and the Board's duties in respect of corporate governance

The Company is in strict compliance with the Hong Kong Listing Rules and takes all the principles set out in the Corporate Governance Code as its corporate governance policies. In respect of the corporate governance function, the terms of reference of the Board include:

1. to develop and review the corporate governance policies and practices of the Company;
2. to review and monitor the training and continuous professional development of the Directors and senior management;
3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
4. to develop, review and monitor the Company's code of conduct and compliance manual (if any) applicable to employees and Directors; and
5. to review the Company's compliance with the Corporate Governance Code and its disclosures in the Corporate Governance Report.

No significant discrepancies exist between corporate governance and the laws, administrative regulations and the requirements of the CSRC on governance of listed companies.

## Section IV Corporate Governance

### II. SPECIFIC MEASURES TAKEN BY THE COMPANY'S CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER TO ENSURE THE INDEPENDENCE OF ASSETS, STAFF, FINANCE, INSTITUTIONS AND BUSINESS OF THE COMPANY, AND SOLUTIONS ADOPTED TO ENSURE THE COMPANY'S INDEPENDENCE, WORK PROGRESS AND FOLLOW-UP WORK PLANS

The Company has no controlling shareholder. As at the end of the Reporting Period, Shenergy Group, the largest shareholder of the Company, held 26.63% of its shares. The Company is completely independent from its shareholders in business, staff, assets, institutions, finance, etc. The Board, the Supervisory Committee and various functional departments of the Company all function independently with independent and complete business and self-standing operating capability.

#### (i) Business independence

Pursuant to the regulations under the Company Law and the Articles of Association, and under independent operations within the scope of business as approved by the CSRC, the Company has obtained relevant permits for operations of securities business, by which it shaped its independent and complete business system with the ability to conduct independent operations. Therefore, its business operation is not controlled or influenced by shareholders or related parties. Instead, the Company is able to participate in market competition independently. There is no activity of any shareholder or any related party in violation of the Company's operational procedures or in interference with the Company's internal management and operational decision-making.

#### (ii) Staff independence

The Company has set a special human resources management department, with an independent and complete labor, personnel and salary administration system. The Company appointed Directors, Supervisors and senior management through statutory procedures. None of its senior management holds any position other than positions of Director or Supervisor at any shareholders or any of its associates or subsidiaries, nor do they hold any positions in any enterprises that have the same or similar business as that of the Company. There is no occasion where the Company's shareholders act beyond their authority as delegated by the general meeting and the Board to appoint or dismiss Directors, Supervisors or senior management of the Company. Appointment of Directors, Supervisors and senior management strictly complies with the Company Law, the Securities Law and the Articles of Association, and is conducted in lawful procedures. The Company has established a complete labor employment, personnel administration, payroll management and social security system, and all employees have signed labor contracts with the Company according to the laws. The Company has the independent right to sign labor contracts without interference of any shareholders.

#### (iii) Assets independence

The Company operates independent and complete assets which are necessary to conduct securities business. There is no occasion where any shareholders or related parties occupy the Company's assets or infringe the lawful rights of the Company, other shareholders or clients of the Company. The Company operates and manages its assets independently according to the laws and has business licenses, properties, operating equipment and trademarks necessary to conduct business.

## Section IV Corporate Governance

### (iv) Institutional independence

The Company has established a solid corporate governance structure. It operates general meeting, the Board, the Supervisory Committee, management and relevant management departments in sound condition, with all divisions accountable for their own responsibilities. The Company has an independent and complete securities operation and management system to independently conduct business operation, and its structure and operation of organizations comply with the relevant requirements of the CSRC. The existing offices and premises are separate from its shareholders, and there is no mix of corporate structure or direct interference against operation of the Company by any shareholders.

### (v) Financial independence

The Company has set up a dedicated financial department, with dedicated financial accounting system and financial management system. The Company makes financial decisions in accordance with decision-making procedures, and there is no occasion where any shareholders or related parties interfere with the Company's use of funds. The chief financial officer of the Company is appointed by the Board and works with dedicated financial officers to operate separate bank accounts. There is no occasion where any shareholders or related parties share any bank accounts with the Company. As an independent taxpayer, the Company pays various taxes according to requirements of the financial and taxation systems.

There is no occasion where the controlling shareholders, de facto controllers and other entities under their control are engaged in the same or similar business as those of the Company, and the Company is not impacted by any horizontal competition or significant changes in horizontal competition.

## III. BRIEF INTRODUCTIONS TO GENERAL MEETINGS

Session of the meeting	Date of convening	Reference of the website specified for resolutions disclosure	Disclosure date of resolutions	Resolutions of the meeting
2023 annual general meeting	May 10, 2024		May 10, 2024	All resolutions were passed
2024 first extraordinary general meeting	October 16, 2024	www.sse.com.cn www.hkexnews.hk www.dfzq.com.cn	October 16, 2024	The resolution was passed
2024 second extraordinary general meeting	November 22, 2024		November 22, 2024	All resolutions were passed

## Section IV Corporate Governance

### Explanations on general meetings

Shareholders are investors of the Company. The Company attaches importance to shareholders' rights. The Articles of Association specifies the rights of shareholders and the way to realize rights. The Company focuses on communication with shareholders in order to enhance shareholders' understanding of the Company and protect shareholders' information right. The Company also values reasonable investment returns and dividend policies for shareholders and protects shareholders' rights to return.

At the 2023 annual general meeting of the Company, two special resolutions were considered and approved: the "Proposal Regarding the General Mandate to Issue Offshore Debt Financing Instruments of the Company" and the "Proposal Regarding the Amendment of the Articles of Association and its Annexes", and 13 ordinary resolutions were considered and approved: the "Report of the Board of the Company for the Year 2023", the "Report of the Supervisory Committee of the Company for the Year 2023", the "Work Report of the Independent Directors of the Company for the Year 2023", the "Final Accounts Report of the Company for the Year 2023", the "Profit Distribution Proposal of the Company for the Year 2023", the "Proposal Regarding the Proprietary Business Scale of the Company in 2024", the "Annual Report of the Company for the Year 2023", the "Proposal Regarding the Projected Routine Related Party Transactions of the Company in 2024", the "Proposal Regarding the Expected Provision of Guarantees by the Company in 2024", the "Proposal Regarding the Engagement of Auditing Firms for the Year 2024", the "Proposal Regarding the Amendments to Independent Director Policy of the Company", the "Proposal Regarding the Amendments to the Management Measures of Proceeds from Fund-raising Activities of the Company", and the "Proposal Regarding the Amendments to the Management Measures of Related-party Transactions of the Company"; and debriefed three proposals: the "Report on the 2023 Annual Assessment and Remuneration of the Company's Directors", the "Report on the 2023 Annual Assessment and Remuneration of the Company's Supervisors", and the "Report on the 2023 Annual Assessment and Remuneration of the Company's Senior Management".

At the 2024 first extraordinary general meeting of the Company, an ordinary resolution was considered and approved: the "2024 Interim Profit Distribution Plan".

At the 2024 second extraordinary general meeting of the Company, a special resolution was considered and approved: the "Amendments to certain provisions of the Articles of Association"; and three ordinary resolutions were considered and approved: the "Resolution Regarding the Election of Directors (Excluding Independent Non-executive Directors) of the sixth session of the Board of Directors of the Company", the "Resolution Regarding the Election of Independent Non-executive Directors of the Sixth Session of the Board of Directors of the Company", and the "Resolution Regarding the Election of Shareholder Representative Supervisors of the Sixth Session of the Supervisory Committee of the Company".

## Section IV Corporate Governance

### IV. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

#### (i) Changes in shareholding and remunerations of current and resigned Directors, Supervisors and senior management during the Reporting Period

Unit: share(s)

Name	Position	Gender	Year of birth	Commencement date of the term of office	Expiry date of the term of office	Shares held at the beginning of the year	Shares held at the end of the year	Change in shareholding during the year	Reasons for changes	Total pre-tax remuneration received from the Company during the Reporting Period (RMB'0,000)	Whether received remuneration from any related party of the Company or not
Gong Dexiong	CPC Party Committee secretary	Male	1969	September 11, 2023	-	0	0	0	/	0.00	Yes
	Chairman			November 22, 2024	To the expiration of term of office						
	Executive Director			October 30, 2023	To the expiration of term of office						
Lu Weiming	Vice chairman	Male	1971	December 23, 2024	To the expiration of term of office	0	0	0	/	99.00	No
	Executive Director			June 30, 2022	To the expiration of term of office						
	President			March 30, 2022	December 23, 2024						
Lu Dayin	Deputy CPC Party Committee secretary	Male	1972	December 19, 2024	-	0	0	0	/	145.61	No
	Executive Director			November 22, 2024	To the expiration of term of office						
	Vice president (in charge of affairs)			December 23, 2024	To the expiration of term of office						
Xie Weiqing	Non-executive Director	Male	1979	November 22, 2024	To the expiration of term of office	0	0	0	/	0.00	Yes
Yang Bo	Non-executive Director	Male	1974	November 22, 2024	To the expiration of term of office	0	0	0	/	0.00	Yes

## Section IV Corporate Governance

Name	Position	Gender	Year of birth	Commencement date of the term of office	Expiry date of the term of office	Shares held at the beginning of the year	Shares held at the end of the year	Change in shareholding during the year	Reasons for changes	Total pre-tax remuneration received from the Company during the Reporting Period (RMB'0,000)	Whether received remuneration from any related party of the Company or not
Shi Lei	Non-executive Director	Male	1982	November 22, 2024	To the expiration of term of office	0	0	0	/	0.00	No
Li Yun	Non-executive Director	Female	1964	August 18, 2023	To the expiration of term of office	0	0	0	/	0.00	Yes
Xu Yongmiao	Non-executive Director	Male	1977	November 22, 2024	To the expiration of term of office	0	0	0	/	0.00	Yes
	Shareholder representative			October 30, 2023	November 22, 2024						
	Supervisor										
Ren Zhixiang	Non-executive Director	Male	1969	March 5, 2021	To the expiration of term of office	0	0	0	/	0.00	Yes
Wu Hong	Independent non-executive Director	Male	1956	December 8, 2020	To the expiration of term of office	0	0	0	/	19.00	No
Feng Xingdong	Independent non-executive Director	Male	1977	December 8, 2020	To the expiration of term of office	0	0	0	/	16.00	No
Luo Xinyu	Independent non-executive Director	Male	1974	May 13, 2021	To the expiration of term of office	0	0	0	/	16.00	No
Chan Hon	Independent non-executive Director	Male	1960	November 8, 2022	To the expiration of term of office	0	0	0	/	16.00	No
Zhu Kai	Independent non-executive Director	Male	1974	October 30, 2023	To the expiration of term of office	0	0	0	/	19.00	No
Sun Weidong	Employee Director	Male	1968	November 22, 2024	To the expiration of term of office	0	0	0	/	6.83	No
Liu Wei	Chairman of Supervisory Committee	Male	1973	November 22, 2024	To the expiration of term of office	0	0	0	/	0.00	Yes
	Shareholder representative			November 22, 2024	To the expiration of term of office						
	Supervisor										
Du Xinhong	Shareholder representative Supervisor	Female	1970	November 22, 2024	To the expiration of term of office	0	0	0	/	0.00	Yes

## Section IV Corporate Governance

Name	Position	Gender	Year of birth	Commencement date of the term of office	Expiry date of the term of office	Shares held at the beginning of the year	Shares held at the end of the year	Change in shareholding during the year	Reasons for changes	Total pre-tax remuneration received from the Company during the Reporting Period (RMB'0,000)	Whether received remuneration from any related party of the Company or not
Shen Guangjun	Shareholder representative Supervisor	Male	1979	March 5, 2021	To the expiration of term of office	0	0	0	/	0.00	Yes
Ling Yun	Shareholder representative Supervisor	Male	1975	October 30, 2023	To the expiration of term of office	0	0	0	/	0.00	Yes
Ruan Fei	Employee representative Supervisor	Female	1971	March 5, 2021	To the expiration of term of office	0	0	0	/	82.00	No
Ding Yan	Employee representative Supervisor	Female	1979	March 5, 2021	To the expiration of term of office	0	0	0	/	82.00	No
Zhang Yun	Employee representative Supervisor	Male	1982	November 22, 2024	To the expiration of term of office	0	0	0	/	6.83	No
Shu Hong	Vice president Chief financial officer	Male	1967	April 16, 2014 November 1, 2021	To the expiration of term of office	0	0	0	/	79.00	No
Zhang Jianhui	Vice president	Male	1968	July 24, 2015	To the expiration of term of office	0	0	0	/	79.00	No
Chen Gang	Vice president	Male	1976	December 23, 2024	To the expiration of term of office	0	0	0	/	128.00	No
Wu Zezhi	Vice president	Male	1978	December 23, 2024	To the expiration of term of office	0	0	0	/	150.00	No
Jiang Helei	Chief risk officer Chief compliance officer	Male	1974	September 23, 2022 October 11, 2022	To the expiration of term of office	0	0	0	/	120.00	No
Wang Rufu	Secretary to the Board	Male	1973	November 28, 2016	To the expiration of term of office	0	0	0	/	82.00	No

## Section IV Corporate Governance

Name	Position	Gender	Year of birth	Commencement date of the term of office	Expiry date of the term of office	Shares held at the beginning of the year	Shares held at the end of the year	Change in shareholding during the year	Reasons for changes	Total pre-tax remuneration received from the Company during the Reporting Period (RMB'0,000)	Whether received remuneration from any related party of the Company or not
Jin Wenzhong (resigned)	Chairman  Executive Director	Male	1964	March 5, 2021	November 22, 2024	0	0	0	/	90.75	No
Yu Xuechun (resigned)	Non-executive Director	Male	1964	March 5, 2021	November 22, 2024	0	0	0	/	0.00	Yes
Zhou Donghui (resigned)	Non-executive Director	Male	1969	May 15, 2020	November 22, 2024	0	0	0	/	0.00	No
Zhu Jing (resigned)	Employee Director	Female	1969	March 5, 2021	November 22, 2024	0	0	0	/	80.67	No
Du Weihua (resigned)	Vice chairman of Supervisory Committee  Employee representative Supervisor	Male	1964	February 19, 2020	November 22, 2024	0	0	0	/	72.42	No
Wu Junhao (resigned)	Shareholder representative Supervisor	Male	1965	March 5, 2021	November 22, 2024	0	0	0	/	0.00	Yes
Xia Lijun (resigned)	Independent Supervisor	Male	1976	March 5, 2021	November 22, 2024	0	0	0	/	9.17	No
Xu Haining (resigned)	Vice president	Female	1970	March 5, 2021	November 20, 2024	0	0	0	/	72.42	No
Total	/	/	/	/	/				/	1,471.70	/



## Section IV Corporate Governance

*Note:*

1. In November 2024, after consideration and approval by the Company's 2024 second extraordinary general meeting, the sixth plenary meeting of the fourth employee congress and the first meeting of the sixth session of the Board of Directors, Gong Dexiong, Lu Weiming and Lu Dayin were elected as the executive Directors of the sixth session of the Board of Directors, and Gong Dexiong was elected as the chairman of the sixth session of the Board of Directors; Xie Weiqing, Yang Bo, Shi Lei, Li Yun, Xu Yongmiao and Ren Zhixiang were elected as the non-executive Directors of the sixth session of the Board of Directors; Wu Hong, Feng Xingdong, Luo Xinyu, Chan Hon and Zhu Kai were elected as independent non-executive Directors of the sixth session of the Board of Directors; Sun Weidong was elected as the employee Director of the sixth session of the Board of Directors.
2. In November 2024, after consideration and approval by the Company's 2024 second extraordinary general meeting, the sixth plenary meeting of the fourth employee congress and the first meeting of the sixth session of the Supervisory Committee, Liu Wei, Du Xinhong, Shen Guangjun and Ling Yun were elected as the shareholder representative Supervisors of the sixth session of the Supervisory Committee, and Liu Wei was elected as the chairman of the sixth session of the Supervisory Committee; Ruan Fei, Ding Yan and Zhang Yun were elected as the employee representative Supervisors of the sixth session of the Supervisory Committee.
3. In December 2024, after consideration and approval at the second meeting of the sixth session of the Board of Directors of the Company, Lu Weiming was elected as the vice chairman of the Company; Lu Dayin was appointed as the vice president (in charge of affairs) of the Company, Shu Hong, Zhang Jianhui, Chen Gang and Wu Zezhi were appointed as the vice presidents of the Company, Shu Hong was appointed as the chief financial officer of the Company, Jiang Helei was appointed as the chief risk officer and chief compliance officer of the Company, and Wang Rufu was appointed as the secretary to the Board of Directors of the Company.
4. The final remunerations of Directors, Supervisors and senior management who received remunerations from the Company during the Reporting Period are still in the process of being confirmed, and the remaining portion will be disclosed after confirmation.
5. During the Reporting Period, the Company's Directors, Supervisors and senior management did not directly hold the Company's shares or options (for details of H Shares indirectly held through asset management schemes, please refer to "Section IV, XI, The Company's Share Incentive Scheme, Employee Stock Ownership Plan or Other Employee Incentives Plans and Their Impacts" in this report), and the Company did not implement any share incentive scheme.

## Section IV Corporate Governance

Name	Primary working experience
<b>Executive Directors</b>	
Gong Dexiong	<p>Mr. Gong Dexiong, born in 1969, a member of the CPC, is a holder of an executive master's degree in business administration and an economist, and currently serves as the vice president of Shenergy (Group) Company Limited, the secretary of the CPC Party Committee, chairman and an executive Director of the Company, the executive director and general manager of Shenergy Investment Management Co., Ltd., and the chairman of Shenergy Property &amp; Casualty Insurance Co., Ltd. Mr. GONG served as the deputy director of the Pudong business outlet of the securities department, head of the investment research section of the securities department, and deputy manager of the securities department of Shanghai International Trust &amp; Investment Corporation; the deputy secretary of the CPC Party Committee, secretary of the discipline inspection commission, deputy general manager of Shanghai Securities Company Limited and the chairman of Hicend Futures Company Limited; the general manager of the finance management department of Shanghai International Group Co., Ltd.; the general manager, secretary of the CPC Party Committee and vice chairman and chairman of Shanghai Securities Company Limited; the chairman and chief executive officer of Shanghai Guotai Junan Securities Asset Management Co., Ltd.; the vice president and member of the CPC Party Committee of Guotai Junan Securities Co., Ltd., and has concurrently served as the president of the asset management business committee, the chairman of Guotai Junan Capital Management Co., Ltd., the chairman, general manager, chairman of the executive committee and president of the wealth management business committee of Guotai Junan Innovation Investment Co., Ltd. and other positions. He has been serving as the vice president of Shenergy (Group) Company Limited since April 2023, the secretary of the CPC Party Committee of the Company since September 2023, an executive Director of the Company since October 2023 and the chairman of the Company since November 2024.</p>
Lu Weiming	<p>Mr. Lu Weiming, born in 1971, a member of the CPC, is a holder of a master's degree in economics and an economist. Currently, he is a vice chairman and executive Director of the Company, a director of Orient Finance Holdings (Hong Kong) Limited and the secretary of the CPC Party Committee of China Universal Asset Management Co., Ltd. He served as the salesman and the project manager of business office of the transaction department of Guotai Securities Co., Ltd. from July 1994 to March 1998, the deputy general manager of the securities investment department under the transaction business department of the Company, the assistant to the general manager, deputy general manager, deputy general manager (in charge of affairs) and general manager of the fixed income business department of the Company, an assistant to the president of the Company, and a vice president of the Company and other positions from March 1998 to March 2022, the president of the Company from March 2022 to December 2024, an executive Director of the Company since June 2022 and a vice chairman of the Company since December 2024.</p>

## Section IV Corporate Governance

Name	Primary working experience
Lu Dayin	<p>Mr. Lu Dayin, born in 1972, a member of the CPC, is a holder of doctorate degree in management and a senior economist. Currently, he is the deputy secretary of the CPC Party Committee, an executive Director and vice president (in charge of affairs) of the Company, the secretary of the CPC Party Committee and chairman of Orient Securities Futures Co., Ltd., and the chairman of Orient Futures International (Singapore) Pte Ltd. Mr. Lu served as an assistant to manager and deputy manager of the business outlet of Shenyin &amp; Wanguo Securities Co., Ltd. from July 1994 to June 2001, an assistant to general manager and deputy general manager of the information technology center of the Company, the deputy general manager (in charge of affairs) of e-commerce business department of the Company, the deputy general manager of brokerage business department of the Company, the deputy general manager and general manager of Orient Securities Futures Co., Ltd. and other positions from June 2001 to January 2021, the chief information officer of the Company from November 2021 to January 2025, and has been serving as the secretary of the CPC Party Committee of Orient Securities Futures Co., Ltd. since November 2020, the chairman of Orient Securities Futures Co., Ltd. since December 2020, an executive Director of the Company since November 2024, and a vice president of the Company (in charge of affairs) since December 2024.</p>

### Non-executive Directors

Xie Weiqing	<p>Mr. Xie Weiqing, born in 1979, a member of the CPC, is a holder of a bachelor's degree and a master's degree in finance, a non-practicing certified public accountant and a professor level senior accountant. Currently, he is a non-executive Director of the Company, general manager of the finance department of Shenergy (Group) Company Limited, executive director of Shenergy Group Business Service Co., Ltd. (申能集團商務服務有限公司), director of Shenergy Company Limited, supervisor of Haitong Securities Co., Ltd., director of China Pacific Insurance (Group) Co., Ltd., and director of China Pacific Life Insurance Co., Ltd. Mr. Xie served as the financial accountant of Shanghai Shentong Group Co., Ltd. from July 2001 to October 2001, the financial officer of Shanghai Maglev Transportation Development Co., Ltd. from October 2001 to May 2007, deputy director and director of the Finance Department of Shenergy (Group) Company Limited, deputy general manager of Shenergy Group Finance Co., Ltd., and deputy general manager of Finance Department of Shenergy (Group) Company Limited from May 2007 to May 2020, general manager of Shenergy Group Business Service Co., Ltd. (申能集團商務服務有限公司) from May 2020 to December 2024, executive director of Shenergy Group Business Service Co., Ltd. (申能集團商務服務有限公司) since May 2020, and general manager of Finance Department of Shenergy (Group) Company Limited since April 2024.</p>
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## Section IV Corporate Governance

Name	Primary working experience
Yang Bo	<p>Mr. Yang Bo, born in 1974, a member of the CPC, is a holder of a master's degree in business administration. Currently, he is a non-executive Director of the Company, vice president and secretary of the board of directors of Shenergy Company Limited, executive director of Chengdu Chengyi Venture Capital Management Co., Ltd., vice chairman of Huaneng Shanghai Shi Dongkou Power Generation Co., Ltd., vice chairman of Huaneng Shanghai Combined Cycle Power Co., Ltd., and chairman of the supervisory committee of Shanghai Heavy Duty Gas Turbine Test Power Station Co., Ltd. Mr. Yang served as senior director of Shanghai Branch of ING Bank, head of the business department of Xiashang Investment Consulting Company (夏商投資諮詢公司), senior manager of Shanghai Representative Office of ABN AMRO Investment Management Asia Limited (荷銀投資管理亞洲有限公司), senior manager of corporate finance department of DBS Bank Shanghai Branch, senior client manager of corporate finance department, member of asset liability risk management committee and member of branch management committee of Fortis Bank Shanghai Branch from July 1997 to August 2007, deputy general manager of Shenergy Group Finance Co., Ltd., Party Branch secretary and general manager of Shanghai ICY Capital Co., Ltd. (上海誠毅投資管理有限公司), general manager of Shanghai Shenergy ICY Equity Investment Co., Ltd. (上海申能誠毅股權投資有限公司), General Party Branch Secretary and general manager of Shenergy Group Finance Co., Ltd. and other positions from August 2007 to December 2023, vice president of Shenergy Company Limited since December 2023 and secretary of the board of directors of Shenergy Company Limited since January 2024.</p>
Shi Lei	<p>Mr. Shi Lei, born in 1982, a member of the CPC, is a holder of a bachelor's degree and a senior accountant. Currently, he is a non-executive Director of the Company, director of finance division of Shanghai Tobacco Group Co., Ltd., director of Haitong Securities Co., Ltd., director of Shanghai Tobacco Group Beijing Cigarette Factory Co., Ltd., director of Taicang Haiyan Tobacco Flakes Co., Ltd., Shanghai Tobacco Group, director of Shanghai Tobacco Trading Center Co., Ltd., director of Shanghai Haiyan Tobacco Sugar and Wine Co., Ltd., director of Shanghai Haiyan Investment Management Co., Ltd., supervisor of Shanghai Tobacco Group Songjiang Tobacco Sugar and Wine Co., Ltd., supervisor of Shanghai Tobacco Group Huangpu Tobacco Sugar and Wine Co., Ltd., supervisor of Shanghai Tobacco Group Putuo Tobacco Sugar and Wine Co., Ltd., and supervisor of Shanghai Tobacco Group Qingpu Tobacco Sugar and Wine Co., Ltd. Mr. Shi served as auditor, assistant section chief, deputy section chief (in charge of affairs) and assistant director of the audit department of Shanghai Tobacco Group Co., Ltd. from July 2004 to April 2017, deputy general manager of Shanghai Tobacco Group Jing'an Tobacco Sugar and Wine Co., Ltd., and deputy general manager of Shanghai Tobacco Group Huangpu Tobacco Sugar and Wine Co., Ltd. from April 2017 to October 2019, deputy director of the Finance Department of Shanghai Tobacco Group Co., Ltd. from October 2019 to August 2022, and Director of the Finance Department of Shanghai Tobacco Group Co., Ltd. since August 2022.</p>

## Section IV Corporate Governance

Name	Primary working experience
Li Yun	<p>Ms. Li Yun, born in 1964, a member of the CPC, is a holder of a master's degree in economics, and a senior editor. She currently serves as a non-executive Director of the Company, the secretary of the CPC Party Committee and the president of Shanghai United Media Group, the chairman of Shanghai Zhongyuan Capital Management Co., Ltd.* (上海眾源資本管理有限公司), a director of China Universal Asset Management Company Limited, the chairman of Real Power Capital, and the chairman of Shanghai Ruiyi Investment Management Company Limited* (上海瑞壹投資管理有限公司). Ms. Li served as the secretary of the CPC youth league committee and a teacher of Shanghai Fourth Teacher Training College* (上海第四師範學校), deputy director, director and deputy secretary of the school department of the Luwan District Committee of the Communist Youth League, deputy director of the Luwan District Women's Federation, deputy director of the Luwan District Committee Office, and secretary of the Party Working Committee of Wuliqiao Street in Luwan District and other positions from January 1984 to May 2001, a standing committee member and the director of publicity department of Luwan District Party Committee and a standing committee member and the director of publicity department of Minhang District Party Committee from May 2001 to July 2008, the deputy secretary of the CPC Party Committee and the secretary of the Discipline Inspection Commission of Jiefang Press Group* (解放日報報業集團), the secretary of the CPC Party Committee of Jiefang Daily (解放日報), the deputy secretary of the CPC Party Committee of Shanghai United Media Group (上海報業集團), the secretary of the CPC Party Committee and the president of Jiefang Daily from July 2008 to November 2021, and the secretary of the CPC Party Committee and the president of Shanghai United Media Group since November 2021.</p>

## Section IV Corporate Governance

Name	Primary working experience
Xu Yongmiao	<p>Mr. Xu Yongmiao, born in 1977, a member of the CPC, is a holder of a master's degree in business administration. He currently serves as a non-executive Director of the Company, the deputy general manager and a member of the CPC Party Committee of Shanghai Branch of China Post Group Corporation Limited, a director of Beijing Yingge Barcode Technology Development Co., Ltd. (北京英格條碼技術發展有限公司), and an executive director and general manager of Shanghai Post Science Research Institute. From July 1999 to May 2014, he served as assistant general manager and director of Operation Service Department of Guangzhou Express Company (廣州速遞公司), deputy director of Marketing Department and director of Express Delivery Business Department of Guangdong Province Postal Logistics Bureau and the Express Delivery Bureau (廣東省郵政物流局、速遞局), deputy manager and general manager of Express Delivery Business Department of Guangdong Postal Express &amp; Logistics Co., Ltd. (廣東省郵政速遞物流有限公司), and general manager of Maoming Branch of Guangdong Postal Express &amp; Logistics Co., Ltd. (廣東省郵政速遞物流有限公司) and other positions. From May 2014 to January 2022, he served as deputy general manager and general manager of Marketing Department and general manager of market management department of China Postal Express &amp; Logistics Company Limited, and the general manager of the marketing department of the post office and the general manager of the delivery department of China Post Group Corporation. He has served as the deputy general manager and a member of the CPC Party Committee of Shanghai Branch of China Post Group Corporation since January 2022.</p>
Ren Zhixiang	<p>Mr. Ren Zhixiang, born in 1969, a member of the CPC, is a holder of a doctorate degree in economics. He currently serves as a non-executive Director of the Company, the deputy secretary of the CPC Party Committee and director and general manager of Zheneng Capital Holdings Co., Ltd., a director of Zhejiang Fuzhe Investment Co., Ltd., the vice chairman of Zheshang Property and Casualty Insurance Co., Ltd. and a director of China Zheshang Bank Co., Ltd.. He served as an office clerk, engineer and secretary of the CPC youth league committee of Zhejiang Water Conservancy and Hydropower Engineering Bureau from August 1995 to August 2001, a senior researcher and deputy general manager of investment banking division of Zhejiang International Trust &amp; Investment Company Ltd. from June 2004 to February 2007, a senior director of asset management department, the chief economist, deputy director and director of strategy management and legal department of Zhejiang Provincial Energy Group Co., Ltd. from February 2007 to October 2019, the deputy secretary of the CPC Party Committee and general manager of Zheneng Capital Holdings Co., Ltd. since October 2019, and a director of Zheneng Capital Holdings Co., Ltd. since June 2020.</p>

## Section IV Corporate Governance

Name	Primary working experience
Sun Weidong	<p>Mr. Sun Weidong, born in 1968, a member of the CPC, is a holder of a master's degree in business administration. He currently serves as an employee representative Director and the director of trade union office of the Company. He served as a programmer of Shanghai Daji Data Solutions Co., Ltd. (上海大計數據處理公司), the computer supervisor of Shanghai branch of Dalian Liantong Securities Company (大連連通證券公司), the department manager of product sales department of Shanghai Dewei Economic Technology Company Limited (上海德威經濟技術有限公司) and the department manager of Shanghai headquarter of Three Gorges Securities (三峽證券) from August 1991 to December 1998, the assistant to general manager of the information technology center of the Company, deputy general manager of the operational management headquarters of the Company, deputy general manager (in charge of affairs) of the internet financial headquarters of the Company and other positions from December 1998 to May 2024. He has served as the director of trade union office of the Company since May 2024 and an employee representative Director of the Company since November 2024.</p>
<b>Independent Non-executive Directors</b>	
Wu Hong	<p>Mr. Wu Hong, born in 1956, a member of the CPC, is a holder of a bachelor's degree in laws. He currently serves as an independent non-executive Director of the Company, a professor and a doctoral supervisor of East China University of Political Science and Law, an independent director of Shanghai Pudong Development Bank Co., Ltd., the chairman of supervisory committee of Keboda Technology Co., Ltd., and a lawyer of Shanghai SG &amp; CO Lawyers. He has been working in East China University of Political Science and Law since July 1984, and used to serve as the dean of School of Economic Laws of East China University of Political Science and Law and other positions.</p>
Feng Xingdong	<p>Mr. Feng Xingdong, born in 1977, a member of the CPC, is a holder of a doctorate degree in statistics. He currently serves as an independent non-executive Director of the Company, the dean, a professor of statistics and doctoral supervisor of School of Statistics and Management of Shanghai University of Finance and Economics. He served as an assistant professor of statistics and an associate professor of statistics of School of Statistics and Management of Shanghai University of Finance and Economics from June 2011 to June 2015, a professor and doctoral supervisor of School of Statistics and Management of Shanghai University of Finance and Economics since July 2015, and the dean of School of Statistics and Data Science of Shanghai University of Finance and Economics since November 2019.</p>



## Section IV Corporate Governance

Name	Primary working experience
Luo Xinyu	<p>Mr. Luo Xinyu, born in 1974, a member of the CPC, is a holder of a bachelor's degree and a master's degree in business administration. He is currently an independent non-executive Director of the Company, the general manager (president) of Shanghai State-owned Capital Operation Research Institute Co., Ltd., chairman of Shanghai State-owned Capital Training Center Co., Ltd., a director of Shanghai Pudong Technology Investment Co., Ltd., a director of Hangzhou Industrial Investment Group Co., Ltd., a director of Ningbo Development Investment Group Co., Ltd., a director of Dalian State-owned Assets Management Co., Ltd., an independent director of Huatai Securities (Shanghai) Asset Management Co., Ltd., a director of Shanghai Yangpu State-owned Assets Management Co., Ltd., a director of Luoyang Guohong Investment Holdings Group Co., Ltd., a supervisor of Shanghai Guosheng Guxian Venture Capital Investment Management Co., Ltd., an executive director of Shanghai Shengzhizi Corporate Management Co., Ltd., and an executive director of Shanghai Guoyan Corporate Management Co., Ltd., and a director of Luoyang Industrial Holding Group Co., Ltd. From July 1998 to July 2004, he served as a reporter from China Youth Daily, and a reporter from Xinhua News Agency Shanghai Branch. From July 2004 to July 2009, he served as the general manager of the membership department of Shanghai United Assets and Equity Exchange. From July 2009 to April 2020, he successively served as the deputy director of the board office and the strategy and investment decision committee of Shanghai Guosheng (Group) Co., Ltd. and served as the general manager (president) of Shanghai State-owned Capital Operation Research Institute Co., Ltd. since June 2018.</p>
Chan Hon	<p>Mr. Chan Hon, born in 1960, is a holder of a bachelor's degree. He is currently an independent non-executive Director of the Company and a consultant of Nixon Peabody CWL. From January 1993 to May 1997, he served as a lawyer at Allen &amp; Overy LLP from June 1997 to November 2016, he served as a legal counsel of investment banking at Credit Suisse, a legal counsel at ING Bank in Hong Kong, and the head of the Compliance and Legal Department for Deutsche Bank's China operations. He has served as a consultant of Nixon Peabody CWL since January 2017.</p>
Zhu Kai	<p>Mr. Zhu Kai, born in 1974, a member of the CPC, is a holder of a doctorate degree in accounting. He currently serves as an independent non-executive Director of the Company, the vice dean, professor and doctoral supervisor of the Graduate School of Shanghai University of Finance and Economics, assistant to the president of Dongbei University of Finance and Economics (on secondment). He served as a lecturer in the Accounting Department of the Business School of Nanjing University from July 1999 to January 2001, and as a vice dean of the School of Accounting of Shanghai University of Finance and Economics from February 2016 to September 2023. He has served as a lecturer, associate professor and professor in the School of Accounting of Shanghai University of Finance and Economics since April 2004 and a vice dean of the Graduate School of Shanghai University of Finance and Economics since December 2023.</p>



## Section IV Corporate Governance

Name	Primary working experience
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### Supervisors

Liu Wei	<p>Mr. Lu Wei, born in 1973, a member of the CPC, is a holder of a master's degree in law, a senior economist and a political engineer. He is currently the chairman of the Supervisory Committee of the Company, the chief auditor and general counsel of Shenergy (Group) Company Limited, the director of Shenergy Co., Ltd., and the director of Shanghai Shenergy ICY Capital Co., Ltd. (上海申能誠毅股權投資有限公司). He served as an assistant judge of Huangpu District People's Court of Shanghai from July 1996 to December 2001, an assistant judge, deputy chief of the General Section of the Office, director of the Office of the President, judge and deputy director of the Office of the Shanghai High People's Court from December 2001 to May 2013, a deputy director of the organization department office, deputy director of the comprehensive cadre department and researcher of Shanghai Municipal Committee from May 2013 to September 2017, general manager of human resources department and minister of organization department of CPC Party Committee of Shenergy (Group) Company Limited and other positions from September 2017 to April 2021, the secretary of the CPC Party Committee of Shenergy Co., Ltd. from April 2021 to November 2024. He has served as a director of Shenergy Co., Ltd. since May 2023, General Counsel of Shenergy (Group) Company Limited since August 2024, chief auditor of Shenergy (Group) Company Limited since September 2024, and chairman of the Supervisory Committee of the Company since November 2024.</p>
Du Xinhong	<p>Ms. Du Xinhong, born in 1970, a member of the CPC, is a holder of a master's degree in economics, a professor level senior economist and an accountant. She is currently the shareholder representative supervisor of the Company, general manager of the financial management department of Shenergy (Group) Company Limited, chairman of Shenergy Group Finance Co., Ltd., and chairman of Shanghai Shenergy Financial Leasing Co., Ltd. (上海申能融資租賃有限公司). She served as a Deputy Director of the Business Department and manager of the International Business Department of the Shanghai Pudong Branch of the Agricultural Bank of China from July 1992 to November 2000, deputy director of fund management of the Financial Department of Shenergy (Group) Company Limited, Assistant general manager, deputy general manager, secretary of General Party Branch and general manager of Shenergy Group Finance Co., Ltd., deputy Party Secretary, Party Secretary and general manager of Shenergy Financial Business Division from November 2000 to December 2023. She has served as the general manager of the Financial Management Department of Shenergy (Group) Company Limited since December 2023.</p>

## Section IV Corporate Governance

Name	Primary working experience
Shen Guangjun	<p>Mr. Shen Guangjun, born in 1979, a member of the CPC, is a holder of a master's degree in accountancy. Currently, he is a shareholder representative Supervisor of the Company, the deputy chief accountant of Shanghai Construction Group Co., Ltd., a supervisor of Shanghai Construction Environmental Technology Co., Ltd., a director of Shanghai Pudong BOC Fullerton Community Bank Co., Ltd., a director of Shanghai Tower Construction &amp; Development Co., Ltd., a director of SCG America (上海建工(美國)有限公司), a director of Shanghai Construction Engineering Real Estate Co., Ltd. (上海建工房產有限公司), a chairman of Shanghai Construction Overseas (Holdings) Limited, and a chairman of Windex Investments Limited. He served as the general manager, deputy chief accountant, assistant to the president (assistant to the dean) and deputy chief accountant (in charge of affairs) of asset and finance department of Shanghai Municipal Engineering Design General Institute (Group) Co., Ltd. from April 2004 to June 2019; the chief accountant of the overseas business department of Shanghai Construction Group Co., Ltd. from June 2019 to March 2021, and the deputy chief accountant of Shanghai Construction Group Co., Ltd. since March 2021.</p>
Ling Yun	<p>Mr. Ling Yun, born in 1975, a member of the CPC, is a holder of a bachelor's degree in business administration. He currently serves as a shareholder representative Supervisor of the Company, the deputy general manager of the planning and finance department of Shanghai Jinqiao Export Processing Zone Development Co., Ltd., and serves as the chief financial officer of Shanghai Zongshun Construction and Development Co., Ltd., the chief financial officer of Shanghai Zong'ao Construction and Development Co., Ltd., and the chief financial officer of Shanghai Zongnuo Construction and Development Co., Ltd. Previously, he served as the accounting supervisor of the planning and finance department and assistant to the general manager of Shanghai Jinqiao Export Processing Zone Development Co., Ltd. from June 2007 to January 2018 and the deputy general manager of the planning and finance department of Shanghai Jinqiao Export Processing Zone Development Co., Ltd. since January 2018.</p>
Ruan Fei	<p>Ms. Ruan Fei, born in 1971, a member of the CPC, is a holder of a master's degree in finance, and is a senior accountant and senior economist. Currently, she is the deputy secretary of the discipline inspection commission of the Company, an employee representative Supervisor, the secretary to the Supervisory Committee, office director of the Supervisory Committee and director of the discipline inspection office of the Company. She served as a researcher of the development research department of China Worldbest Group Co., Ltd. from January 1997 to June 1998, a researcher of the securities research institute, the assistant to office director and deputy office director of the Company and other positions from June 1998 to March 2012, the secretary to the Supervisory Committee and office director of the Supervisory Committee of the Company since March 2012, the director of the discipline inspection office of the Company since December 2012, the employee representative Supervisor of the Company since March 2021 and the deputy secretary of the discipline inspection commission of the Company since January 2024.</p>

## Section IV Corporate Governance

Name	Primary working experience
Ding Yan	<p>Ms. Ding Yan, born in 1979, a member of the CPC, is a holder of a master's degree in economic laws and a master's degree in science, and an economist. Currently, she is an employee representative Supervisor of the Company, the general manager of the audit department of the Company, a director of Shanghai Orient Securities Capital Investment Co., Ltd., and a supervisor of Great Wall Fund Management Co., Ltd. She served as a clerk and deputy chief clerk of the banking management department and the office of People's Bank of China, Shanghai branch, the deputy chief clerk, chief clerk and section chief of the secretariat of general management department and the anti-money laundering division of financial services department II of People's Bank of China, Shanghai headquarter from August 2001 to January 2017, the assistant to general manager, deputy general manager and deputy general manager (in charge of affairs) of the audit center of the Company from January 2017 to September 2022, an employee representative Supervisor of the Company since March 2021 and the general manager of the audit center of the Company since October 2022.</p>
Zhang Yun	<p>Mr. Zhang Yun, born in 1982, a member of the CPC, is a holder of a master's degree in management science and engineering. He is currently an employee representative Supervisor, and general manager of risk management department of the Company. He served as senior consultant of Risk System and Data for Business Development Department of Shanghai Amarsoft Information &amp; Technology Co., Ltd. (上海安碩信息技術股份有限公司) from June 2009 to November 2011, risk management officer, deputy general manager and general manager of the Risk Management Department of Sinolink Securities Co., Ltd. (國金證券股份有限公司) from December 2011 to March 2023. He has served as the general manager of risk management department since March 2023 and the employee representative Supervisor of the Company since November 2024.</p>

## Section IV Corporate Governance

Name	Primary working experience
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### Senior Management

Shu Hong	<p>Mr. Shu Hong, born in 1967, a member of CPC, is a holder of a master's degree in business administration and an engineer. Currently, he is a vice president, chief financial officer, party secretary of wealth management committee and president of the Company. Mr. Shu Hong served as the manager for the computer network center system development department of Shenyin &amp; Wanguo Securities Co., Ltd. from January 1993 to October 1998, and the head and general manager of the information technology center of Orient Securities Limited Liability Company (東方證券有限責任公司) from October 1998 to March 2004. He also served as the assistant to president and general manager of the information technology center, the assistant to president and general manager of the brokerage business department, the director of IT technology and assistant to president, operating controller and assistant to president, and operating controller of the Company from December 2001 to April 2014 and the chief information officer of the Company from June 2019 to November 2021. Mr. Shu has been serving as vice president of the Company since April 2014, as the chief financial officer of the Company since November 2021 and as the party secretary of wealth management committee and president of the Company since November 2024.</p>
Zhang Jianhui	<p>Mr. Zhang Jianhui, born in 1968, a member of the CPC, is a holder of a master's degree in economics and business administration, an economist and an accountant. Currently, he is a vice president of the Company, chairman of Orient Finance Holdings (Hong Kong) Limited, chairman and general manager of Orient Securities International Financial Group Co., Ltd., a non-employee representative director of China Securities Credit Investment Co., Ltd. and a supervisor of Shanghai ICY New Energy Venture Capital Investment Co., Ltd. Mr. Zhang served as a clerk of Shanghai Pudong Development Bank from March 1994 to March 1998, the assistant to the general manager of the fund and financial management department of Orient Securities Limited Liability Company from March 1998 to July 2003, the deputy general manager and general manager for Liaoning administrative department, the deputy general manager (in charge of affairs) and general manager of the fund and financial management department of the Company from July 2003 to June 2015, the chief financial officer of the Company from May 2014 to November 2021, and concurrently served as the general manager of the planned financial management department of the Company from June 2015 to August 2019 and the general manager of the fund management department from August 2020 to November 2021. Mr. Zhang has been serving as the vice president of the Company since July 2015.</p>

## Section IV Corporate Governance

Name	Primary working experience
Chen Gang	<p>Mr. Chen Gang, born in 1976, a member of the CPC, is a holder of a doctorate degree in management science and engineering. He is currently Vice President, director of Securities Research Institute, and general manager of Institutional Client Headquarters of the Company, director of Orient Finance Holdings (Hong Kong) Limited and director of Orient Securities International Financial Group Co., Ltd.. He served as a researcher of Central China Securities from October 2003 to January 2004, a staff member of Shanghai Yuji Industrial Co., Ltd.* (上海裕基實業有限公司) from January 2004 to April 2004, a researcher of Shanghai Richen Asset Management Co., Ltd. (上海融昌資產管理有限公司) from April 2004 to November 2004, an investment manager of Shanghai Yuji Industrial Co., Ltd. from November 2004 to September 2005, an industry researcher, an assistant to the director and an executive director of the Company's securities research institute from September 2005 to May 2012, the general manager of the securities research institute of Everbright Securities from May 2012 to February 2014, the proposed director of the Company's securities research institute from February 2014 to March 2014, the director of the Company's securities research institute since March 2014, the chief research officer of the Company from July 2023 to December 2024, and the vice president and general manager of Institutional Client Headquarters of the Company since December 2024.</p>
Wu Zezhi	<p>Mr. Wu Zezhi, born in 1978, a member of the CPC, is a holder of a doctorate degree in statistics. Currently, he is the Vice President, and the general manager of the fixed-income business department of the Company, a director of Orient Finance Holdings (Hong Kong) Limited and a director of Orient Securities International Financial Group Co., Ltd. He served as the business manager and senior investment manager of the fixed-income business department of the Company from April 2005 to October 2010, the assistant to the general manager of the fixed-income business department of the Company from October 2010 to January 2013, the deputy general manager of the fixed-income business department of the Company from January 2013 to April 2020, the joint general manager of the fixed-income business department of the Company from April 2020 to August 2021, the general manager of the financial derivatives business department of the Company from March 2021 to December 2023, the general manager of the securities investment business department of the Company from July 2023 to January 2025, the general manager of the fixed-income business department of the Company since August 2021, and the chief investment officer of the Company from July 2023 to December 2024, and the Vice President of the Company since December 2024.</p>

## Section IV Corporate Governance

Name	Primary working experience
Jiang Helei	<p>Mr. Jiang Helei, born in 1974, is a holder of a master's degree in economics. Currently, he is the chief compliance officer and chief risk officer of the Company, a director of Shanghai Orient Securities Asset Management Co., Ltd., a director of Orient Securities Futures Co., Ltd. and a director of Shanghai Orient Securities Innovation Investment Co., Ltd.. He served as the clerk of the planning and finance department of Shanghai Baoshan Steel Group Co. Ltd. (上海寶山鋼鐵集團有限公司) from July 1996 to September 1998, a project manager at research and development department and the M&amp;A &amp; reorganization department of the Shanghai Yashang Enterprise Consulting Co., Ltd. (上海亞商企業諮詢股份有限公司) from September 1998 to November 2000, a staff at the inspection office of Shanghai Securities Regulatory Bureau of the CSRC (中國證監會上海證管辦稽查處) from November 2000 to November 2001, a deputy senior staff at the No. 2 investigation office of Shanghai Securities Regulatory Bureau of the CSRC from November 2001 to March 2004, a senior staff of the No. 1 investigation office of Shanghai Securities Regulatory Bureau of the CSRC from March 2004 to October 2004, a senior staff, deputy researcher and deputy director at the No. 2 regulatory office of Shanghai Securities Regulatory Bureau of the CSRC from October 2004 to April 2013, a researcher at the No. 1 regulatory office of Shanghai Securities Regulatory Bureau of the CSRC from April 2013 to January 2016, a researcher at the No.2 inspection office of Shanghai Securities Regulatory Bureau of the CSRC from January 2016 to October 2016 (concurrently serving as the vice president and chief secretary of Shanghai Securities Association (上海市證券同業公會) from March 2014 to June 2016), the deputy general manager of Shanghai Boweiycheng Investment (Group) Co., Ltd. (上海博威益誠投資(集團)有限公司) from November 2016 to October 2020, the deputy general manager of Oriental Huayu Capital Management Co., Ltd. (東方華宇資本管理有限公司) from November 2020 to March 2021, and the vice president and chief compliance officer of Shanghai Jiyu Fund Sales Co., Ltd. (上海基煜基金銷售有限公司) from April 2021 to July 2022. Mr. Jiang has served as the chief risk officer of the Company since September 2022 and as the chief compliance officer of the Company since October 2022, and the general manager of the compliance and legal management headquarters of the Company from December 2023 to May 2024.</p>

## Section IV Corporate Governance

Name	Primary working experience
Wang Rufu	Mr. Wang Rufu, born in 1973, a member of the CPC, is a holder of a master's degree in engineering and a certified public accountant. Currently, he is the secretary to the Board, the joint company secretary and the director of board office of the Company, a supervisor of China Universal Asset Management Company Limited and a director of Shanghai ICY New Energy Venture Capital Investment Co., Ltd. He served as the comprehensive planning specialist of the planning and coordination department and the strategic management specialist of the development and coordination office of Shenyin & Wanguo Securities from August 2002 to April 2004, the assistant to the general manager of the planning and development department and the deputy director (in charge of affairs) of the secretariat of Kinghing Securities from May 2004 to October 2005, the senior researcher of the securities market strategy of the research institute of the Company from October 2005 to March 2008, the senior director, assistant to the director and deputy director (securities affairs representative) of the Board office from March 2008 to October 2014, the director of the Board office of the Company since October 2014, the secretary to the Board of the Company since November 2016, and the joint company secretary since November 2019.

### (ii) Employment of current Directors, Supervisors and senior management during the Reporting Period

#### 1. Employment at the shareholder entities

Name of employee	Name of the shareholder entities	Position at the shareholder entities	Commencement date of the term of office	Expiry date of the term of office
Gong Dexiong	Shenergy (Group) Company Limited	Vice president	April 2023	Up to now
Xie Weiqing	Shenergy (Group) Company Limited	General manager of finance department	April 2024	Up to now
Shi Lei	Shanghai Haiyan Investment Management Company Limited	Director	November 2022	Up to now
Li Yun	Shanghai United Media Group	Secretary of the CPC Party Committee and president	November 2021	Up to now

## Section IV Corporate Governance

Name of employee	Name of the shareholder entities	Position at the shareholder entities	Commencement date of the term of office	Expiry date of the term of office
Xu Yongmiao	China Post Group Corporation Limited	Deputy general manager and member of the CPC Party Committee of Shanghai Branch	January 2022	Up to now
Ren Zhixiang	Zheneng Capital Holdings Limited	Deputy secretary of the CPC Party Committee and general manager	October 2019	Up to now
Liu Wei	Shenergy (Group) Company Limited	Director General counsel	June 2020 August 2024	Up to now Up to now
Du Xinhong	Shenergy (Group) Company Limited	Chief auditor General manager of financial management department	September 2024 December 2023	Up to now Up to now
Shen Guangjun	Shanghai Construction Group Co., Ltd.	Deputy chief accountant	March 2021	Up to now
Ling Yun	Shanghai Jinqiao Export Processing Zone Development Co., Ltd.	Deputy general manager of the planning and finance department	January 2018	Up to now
Employment at the shareholder entities	Nil			

### 2. Employment at other entities

Name of employee	Name of other entities	Position at other entities	Commencement date of the term of office	Expiry date of the term of office
Gong Dexiong	Shenergy Investment Management Co., Ltd.	Executive director and general manager	September 2023	Up to now
	Shenergy Property & Casualty Insurance Co., Ltd.	Chairman	January 2024	Up to now



## Section IV Corporate Governance

Name of employee	Name of other entities	Position at other entities	Commencement date of the term of office	Expiry date of the term of office
Lu Weiming	Orient Finance Holdings (Hong Kong) Limited	Director	November 2022	Up to now
	China Universal Asset Management Company Limited	CPC Party Committee secretary	January 2025	Up to now
Lu Dayin	Orient Securities Futures Co., Ltd.	CPC Party Committee secretary	November 2020	Up to now
	Orient Futures International (Singapore) Pte. Ltd.	Chairman	December 2020	Up to now
		Chairman	December 2018	Up to now
Xie Weiqing	Shenergy Group Business Services Company Limited	Executive director	May 2020	Up to now
	Shenergy Company Limited	General manager	May 2020	December 2024
		Director	June 2024	Up to now
	Haitong Securities Co., Ltd.	Supervisor	July 2024	Up to now
	China Pacific Insurance (Group) Co., Ltd.	Director	September 2024	Up to now
	China Pacific Life Insurance Co., Ltd.	Director	September 2024	Up to now
Yang Bo	Shenergy Company Limited	Vice president	December 2023	Up to now
	Shenergy Company Limited	Secretary to the board	January 2024	Up to now
	Chengdu Chengyi Venture Capital Management Co., Ltd.	Executive director	March 2016	Up to now
	Huaneng Shanghai Shidongkou Power Generation Co., Ltd.	Vice chairman	February 2024	Up to now
	Huaneng Shanghai Combustion Engine Power Co., Ltd.	Vice chairman	February 2024	Up to now
	Shanghai Heavy Duty Gas Turbine Test Power Station Co., Ltd.	Chairman of supervisory committee	February 2024	Up to now

## Section IV Corporate Governance

Name of employee	Name of other entities	Position at other entities	Commencement date of the term of office	Expiry date of the term of office
Shi Lei	Shanghai Tobacco (Group) Co., Ltd.	Director of finance division	August 2022	Up to now
	Haitong Securities Co., Ltd.	Director	October 2023	Up to now
	Shanghai Tobacco Group Beijing Cigarette Factory Co., Ltd.	Director	November 2022	Up to now
	Shanghai Tobacco Group Taicang Haiyan Tobacco Sheet Co., Ltd.	Director	November 2022	Up to now
	Shanghai Tobacco Trading Center Co., Ltd.	Director	November 2022	Up to now
	Shanghai Haiyan Tobacco, Sugar and Wine Co., Ltd.	Director	February 2020	Up to now
	Shanghai Tobacco Group Songjiang Tobacco Sugar & Wine Co., Ltd.	Supervisor	November 2022	Up to now
	Shanghai Tobacco Group Huangpu Tobacco Sugar & Wine Co., Ltd.	Supervisor	November 2022	Up to now
	Shanghai Tobacco Group Putuo Tobacco Sugar & Wine Co., Ltd.	Supervisor	November 2022	Up to now
	Shanghai Tobacco Group Qingpu Tobacco Sugar & Wine Co., Ltd.	Supervisor	November 2022	Up to now
Li Yun	Shanghai Zhongyuan Capital Management Co., Ltd.	Chairman	July 2022	Up to now
	China Universal Asset Management Company Limited	Director	August 2023	Up to now
	Shanghai Real Power Capital Co., Ltd.	Chairman	August 2023	Up to now
	Shanghai Ruiyi Investment Management Co., Ltd.	Chairman	September 2023	Up to now

## Section IV Corporate Governance

Name of employee	Name of other entities	Position at other entities	Commencement date of the term of office	Expiry date of the term of office
Xu Yongmiao	Beijing Yingge Barcode Technology Development Co., Ltd.	Director	February 2021	Up to now
	Shanghai Post Science Research Institute Co., Ltd.	Executive director and general manager	June 2024	Up to now
Ren Zhixiang	Zhejiang Fuzhe Investment Co., Ltd.	Director	November 2019	Up to now
	Zheshang Property and Casualty Insurance Co., Ltd.	Vice chairman	January 2021	Up to now
Wu Hong	China Zheshang Bank Co., Ltd.	Director	December 2020	Up to now
	Shanghai Pudong Development Bank Co., Ltd.	Independent director	December 2020	Up to now
	Keboda Technology Co., Ltd.	Chairman of supervisory committee	May 2023	Up to now
Feng Xingdong	Shanghai SG & CO Lawyers	Lawyer	November 2024	Up to now
	School of Statistics and Data Science of Shanghai University of Finance and Economics	Dean	November 2019	Up to now
Luo Xinyu	Shanghai State-owned Capital Operation Research Institute Co., Ltd.	General manager (president)	June 2018	Up to now
	Shanghai State-owned Capital Training Center Co., Ltd.	Chairman	July 2020	Up to now
	Shanghai Pudong Technology Investment Co., Ltd.	Director	September 2017	Up to now
	Kunshan Culture Business Tourism Group Co., Ltd.	Director	May 2019	December 2024
	Shanghai Guosheng Guxian Venture Capital Investment Management Co., Ltd.	Supervisor	December 2012	Up to now
	Shanghai Shengzhizi Corporate Management Co., Ltd.	Executive director	May 2020	Up to now

## Section IV Corporate Governance

Name of employee	Name of other entities	Position at other entities	Commencement date of the term of office	Expiry date of the term of office
	Shanghai Yangpu State-owned Assets Management Co., Ltd.	Director	July 2022	Up to now
	Shanghai Guoyan Corporate Management Co., Ltd.	Executive director	August 2022	Up to now
	Luoyang Guohong Investment Holdings Group Co., Ltd.	Director	September 2022	Up to now
	Dalian State-owned Assets Management Co., Ltd.	Director	November 2022	Up to now
	Hangzhou Industrial Investment Group Co., Ltd.	Director	December 2022	Up to now
	Huatai Securities (Shanghai) Asset Management Co., Ltd.	Independent director	December 2022	Up to now
	Ningbo Development Investment Group Co., Ltd.	Director	January 2023	Up to now
	Luoyang Industrial Holding Group Co., Ltd.	Director	June 2024	Up to now
Chan Hon	Nixon Peabody CWL	Consultant	January 2017	Up to now
Zhu Kai	Graduate School of Shanghai University of Finance and Economics	Vice dean	December 2023	Up to now
	Dongbei University of Finance and Economics	assistant to the president (on secondment)	March 2025	Up to now
	Shanghai Xinze Venture Capital Management Co., Ltd.	Director	August 2015	January 2024
Liu Wei	Shanghai Shenergy ICY Equity Investment Co., Ltd.	Director	November 2020	Up to now
	Shenergy Company Limited	Director	May 2023	Up to now
Du Xinhong	Shenergy Group Finance Limited	Chairman	April 2020	Up to now
	Shanghai Shenergy Financial Leasing Co., Ltd.	Chairman	September 2020	Up to now

## Section IV Corporate Governance

Name of employee	Name of other entities	Position at other entities	Commencement date of the term of office	Expiry date of the term of office	
Shen Guangjun	Shanghai Construction Group (Hainan) Investment Co., Ltd.	Executive deputy general manager	July 2021	July 2024	
	Shanghai Construction Environmental Technology Co., Ltd.	Supervisor	October 2021	Up to now	
	Shanghai Construction No. 2 (Group) Co., Ltd.	Director	November 2022	December 2024	
	Shanghai Gardens (Group) Co., Ltd.	Director	November 2022	December 2024	
	Shanghai Foreign Trade Group Holdings Co., Ltd.	Director	March 2023	December 2024	
	China Shanghai Foreign Trade (Group) Co., Ltd.	Director	March 2023	January 2025	
	SCG Yiyun Technology Co., Ltd.	Chairman	March 2023	August 2024	
	Shanghai Tower Construction and Development Co., Ltd.	Director	August 2024	Up to now	
	SCG America	Director	March 2024	Up to now	
	SCG Overseas (Holding) Co., Ltd.	Chairman	December 2024	Up to now	
	Yongda Investment Co., Ltd.	Chairman	December 2024	Up to now	
	SCG Real Estate Co., Ltd.	Director	December 2024	Up to now	
	Shanghai Pudong BOC Fullerton Community Bank Co., Ltd.	Director	June 2021	Up to now	
	Ling Yun	Shanghai Zongshun Construction and Development Co., Ltd.	Chief financial officer	October 2022	Up to now
		Shanghai Zong'ao Construction and Development Co., Ltd.	Chief financial officer	October 2022	Up to now
Shanghai Zongnuo Construction and Development Co., Ltd.		Chief financial officer	October 2022	Up to now	

## Section IV Corporate Governance

Name of employee	Name of other entities	Position at other entities	Commencement date of the term of office	Expiry date of the term of office
Ding Yan	Great Wall Fund Management Co., Ltd.	Supervisor	September 2022	Up to now
	Shanghai Orient Securities Capital Investment Co., Ltd.	Director	November 2022	Up to now
Zhang Jianhui	Orient Finance Holdings (Hong Kong) Limited	Chairman	February 2021	Up to now
	Orient Securities International Financial Group Co., Ltd.	General manager	November 2024	March 2025
		Chairman	August 2018	Up to now
	China Securities Credit Investment Co., Ltd.	General manager	July 2023	Up to now
Chen Gang	China Securities Credit Investment Co., Ltd.	Non-employee representative director	May 2022	Up to now
	Shanghai ICY New Energy Venture Capital Investment Co., Ltd.	Supervisor	October 2010	Up to now
	Orient Finance Holdings (Hong Kong) Limited	Director	November 2022	Up to now
	Orient Securities International Financial Group Co., Ltd.	Director	November 2024	Up to now
Wu Zezhi	Orient Finance Holdings (Hong Kong) Limited	Director	November 2022	Up to now
	Orient Securities International Financial Group Co., Ltd.	Director	November 2022	Up to now
Jiang Helei	Shanghai Orient Securities Asset Management Co., Ltd.	Director	November 2022	Up to now
	Orient Securities Futures Co., Ltd.	Director	November 2022	Up to now
	Shanghai Orient Securities Innovation Investment Co., Ltd.	Director	November 2022	Up to now

## Section IV Corporate Governance

<b>Name of employee</b>	<b>Name of other entities</b>	<b>Position at other entities</b>	<b>Commencement date of the term of office</b>	<b>Expiry date of the term of office</b>
Wang Rufu	China Universal Asset Management Company Limited	Supervisor	September 2015	Up to now
	Shanghai ICY New Energy Venture Capital Investment Co., Ltd.	Director	March 2015	Up to now
Employment at other entities	Nil			

## Section IV Corporate Governance

### (iii) Remunerations of Directors, Supervisors and senior management

Decision-making procedures for remunerations of the Directors, Supervisors and senior management	The allowances of the Company's independent non-executive Directors are determined by the Board and proposed to the general meeting for consideration and approval. The remuneration of the Company's leadership team members at the level of vice president and above consists of annual fixed salary and performance bonus. The annual fixed salary is determined based on the position, and the performance bonus is linked to the Company's operating results, the annual performance appraisal and the term performance appraisal of the senior management members. The remuneration of senior management members shall be implemented upon approval by the Remuneration and Nomination Committee of the Board. The remuneration performance management of other senior management personnel shall be implemented in accordance with the relevant rules of the Company. Remuneration of independent Supervisors shall be determined by the Supervisory Committee and approved at the general meeting.
Whether the Directors have abstained themselves from the Board's discussion of their remuneration	Yes
Details of proposals for the remuneration of Directors, Supervisors and senior management made by the Remuneration and Appraisal Committee or special meeting of Independent Directors	In accordance with the requirements of the "Assessment and Remuneration Management System for Directors and Supervisors of the Company" and the "Assessment, Incentive and Restraint Mechanism Plan for Senior Management of DFZQ", the sixth session of Remuneration and Nomination Committee of the Board of the Company organised and implemented the performance appraisal of Directors and senior management of the Company on March 28, 2025, and the relevant appraisal and remuneration were submitted to the Board for consideration and submitted to the general meeting. The remuneration and performance management of other senior management shall be implemented in accordance with the relevant regulations of the Company. Please refer to "Section IV Corporate Governance – IV. (i) Changes in shareholding and remunerations of current and resigned Directors, Supervisors and senior management during the Reporting Period" for the remuneration of Directors, Supervisors and senior management of the Company.



## Section IV Corporate Governance

Basis for determining the remunerations of the Directors, Supervisors and senior management	Remunerations of the Company's independent non-executive Directors and remuneration of independent Supervisors are determined with reference to that of the listed peers in the same industry; remunerations of the Company's executive Directors, employee representative Directors, employee representative Supervisors and senior management who receive remuneration from the Company are based on the remuneration and assessment system of the Company. In particular, the remuneration structure and standard of members of the leadership team at the level of vice president and above are determined in accordance with the Assessment, Incentive and Restraint Mechanism Plan for Senior Management.
Actual payments of remunerations of the Directors, Supervisors and senior management	Please refer to "IV. (i) Changes in shareholding and remunerations of current and resigned Directors, Supervisors and senior management during the Reporting Period" in this section for details.
Remunerations received in aggregate by all the Directors, Supervisors and senior management at the end of the Reporting Period	RMB14.7170 million

## Section IV Corporate Governance

### (iv) Changes of Directors, Supervisors and senior management

Name	Position	Particulars of changes	Reasons for change
Gong Dexiong	Chairman	Election	Elected by the Board of Directors
Lu Weiming	Vice chairman	Election	Elected by the Board of Directors
Lu Dayin	Executive Director	Election	Elected by the general meeting
Xie Weiqing	Non-executive Director	Election	Elected by the general meeting
Yang Bo	Non-executive Director	Election	Elected by the general meeting
Shi Lei	Non-executive Director	Election	Elected by the general meeting
Xu Yongmiao	Non-executive Director	Election	Elected by the general meeting
Liu Wei	Shareholder representative Supervisor and Chairman of Supervisory Committee	Election	Elected by the general meeting and the Supervisory Committee
Du Xinhong	Shareholder representative Supervisor	Election	Elected by the general meeting
Sun Weidong	Employee Director	Election	Elected by the employee representative meeting
Zhang Yun	Employee representative Supervisor	Election	Elected by the employee representative meeting
Lu Dayin	Vice president (in charge of affairs)	Appointment	Appointed by the Board
Chen Gang	Vice president	Appointment	Appointed by the Board
Wu Zezhi	Vice president	Appointment	Appointed by the Board
Jin Wenzhong	Chairman and executive Director	Resignation	Resigned upon the expiry of the term of office
Yu Xuechun	Non-executive Director	Resignation	Resigned upon the expiry of the term of office
Zhou Donghui	Non-executive Director	Resignation	Resigned upon the expiry of the term of office
Zhu Jing	Employee Director	Resignation	Resigned upon the expiry of the term of office
Du Weihua	Vice chairman of the Supervisory Committee and employee representative Supervisor	Resignation	Resigned upon the expiry of the term of office
Wu Junhao	Shareholder representative Supervisor	Resignation	Resigned upon the expiry of the term of office

## Section IV Corporate Governance

Name	Position	Particulars of changes	Reasons for change
Xu Yongmiao	Shareholder representative Supervisor	Resignation	Resigned upon the expiry of the term of office
Xia Lijun	Independent Supervisor	Resignation	Resigned upon the expiry of the term of office
Lu Weiming	President	Resignation	Resigned upon the expiry of the term of office
Xu Haining	Vice president	Resignation	Resignation

The newly appointed Directors for the new session of the Board elected in November 2024, including executive Director Lu Dayin and non-executive Directors Xie Weiqing, Yang Bo, Shi Lei, Xu Yongmiao and Sun Weidong, have all obtained the legal advice as referred to in Rule 3.09D of the Hong Kong Listing Rules on November 22, 2024 and understand their obligations as directors.

### (v) Penalties imposed by securities regulatory authorities in the past three years

No existing and retiring Directors, Supervisors and senior management of the Company during the Reporting Period were subject to any penalties imposed by relevant securities regulatory authorities due to matters of the Company in the past three years.

## V. BOARD MEETINGS CONVENED DURING THE REPORTING PERIOD

Meeting	Date	Resolutions
32nd meeting of the fifth session of the Board	January 27, 2024	3 resolutions, being the “Company’s 2023 Annual Operational Work Report”, the “Proposal on the Company’s Allocation of Assets and Liabilities, Business Scale and Risk Control Plan in 2024” and the “Verification Report on the Implementation of the Company’s Remuneration System” were considered and approved.

## Section IV Corporate Governance

Meeting	Date	Resolutions
33rd meeting of the fifth session of the Board	March 27, 2024	<p>The “2023 Report of the Board of the Company”, the “2023 Final Accounts Report of the Company”, the “2023 Profit Distribution Proposal of the Company”, the “Proposal Regarding the Proprietary Business Scale of the Company in 2024”, the “Proposal Regarding the General Mandate to Issue Offshore Debt Financing Instruments of the Company”, the “Special Report of the Company on the Deposit and Actual Use of Proceeds for the Year of 2023”, the “Company’s 2023 Annual Compliance Report”, the “Company’s 2023 Annual Risk Management Work Report”, the “Company’s 2023 Annual Internal Control Assessment Report”, the “2023 Compliance Management Effectiveness Assessment Report of the Company”, the “Company’s 2023 Comprehensive Risk Management Assessment Report”, the “2023 Anti-Money Laundering Report of the Company”, the “2023 Annual Report of the Company”, the “Company’s 2023 Special Report on Information Technology Management”, the “Company’s 2023 Sustainability/ESG Report”, the “Proposal Regarding the Audit of the Related Transactions of the Company in 2023”, the “Proposal Regarding the Projected Routine Related Party Transactions of the Company in 2024”, the “Resolution on the Signing of the 2024–2026 Connected Transaction Framework Agreement with Shenergy (Group) Company Limited”, the “Proposal Regarding the Expected Provision of Guarantees by the Company in 2024”, the “Proposal Regarding the Engagement of Auditing Firms for the Year 2024”, the “Proposal Regarding the Amendment of the Articles of Association and its Annexes”, the “Proposal Regarding the Amendment of the Independent Director System of the Company”, the “Proposal Regarding the Amendment of Management Measures for Raised Funds of the Company”, the “Proposal Regarding the Amendment of Management Measures for Related Party Transactions of the Company”, the “Proposal Regarding the Amendment of Work Rules of Special Committees of the Board of the Company”, the “Proposal Regarding the Amendment of the Company’s Reputation Risk Management Measures”, the “Proposal Regarding the Amendment of the Management Measures for the Company’s Integrity Practices”, the “Report on the Appraisal and Remuneration of the Directors of the Company for 2023”, the “Report on the Appraisal and Remuneration of the Senior Management of the Company for 2023”, the “Proposal Regarding the Formulation of the Implementation Plan for the Reform of the Company’s Wage Determination Mechanism for 2023–2026”, the “Proposal Regarding the Adjustment of the Organizational Structure of the Company’s Wealth Management Line”, the “Report of Independent Directors in 2023” and the “Proposal on Convening the 2023 Annual General Meeting of the Company” were considered and approved. The “Report on Execution of Risk Control Indicators by the Company in 2023” “Work Report of the Audit Committee of the Board of the Company in 2023”, and the “Resolution Regarding the 2023 Evaluation Report on the Performance of the Accounting Firm and the Report on the Audit Committee’s Fulfillment of Supervisory Responsibilities” submitted by the Audit Committee were presented at the meeting.</p>

## Section IV Corporate Governance

Meeting	Date	Resolutions
34th meeting of the fifth session of the Board	April 16, 2024	The “Proposal on the Adjustment of Some of the Company’s Headquarters Settings” was considered and approved.
35th meeting of the fifth session of the Board	April 29, 2024	The “First Quarterly Report of the Company for the Year 2024” and the “Company’s 2024 Action Program’ Quality Improvement, Efficiency Enhancement, and Focus on Shareholder Returns” were considered and approved.
36th meeting of the fifth session of the Board	August 7, 2024	The “Proposal on Amending the Regulations Governing the Write-off of Bad Debts of the Company” was considered and approved.
37th meeting of the fifth session of the Board	August 29, 2024	The “2024 Interim Report of the Company”, the “Company’s 2024 Interim Compliance Report”, the “Company’s 2024 Interim Risk Management Work Report”, the “Company’s 2024 Interim Profit Distribution Proposal”, the “Proposal on the Adjustment of the Organizational Structure of the Company’s Investment Banking Business Line”, the “Proposal on the Amendment of the Management Measures for Shareholdings and Changes in Shareholdings of the Company by Directors, Supervisors and Senior Management of the Company” and the “Proposal on 2024 First Extraordinary General Meeting of the Company” were considered and approved. The “2024 Interim Operational Work Report of the Company”, “2024 Report on Execution of Risk Control Indicators of Net Capital of the Company” and Assessment Opinion Issued by the Audit Committee on the Results of The Special Audit of The Company’s Standardized Operations (For the First Half of 2024) were presented at the meeting.
38th meeting of the fifth session of the Board	September 27, 2024	The “Proposal on the Amendment of the Strategic Management System of DFZQ” and the “Proposal on the Performance Appraisal and Distribution of the Company’s Senior Management in 2023” were considered and approved.
39th meeting of the fifth session of the Board	October 30, 2024	The “Third Quarterly Report of the Company for the Year 2024”, the “Proposal on Amending Some Provisions of the Articles of Association of the Company”, the “Proposal on the Election of Directors (Non-independent Directors) of the Sixth Session of the Board of Directors of the Company”, the “Proposal on the Election of Independent Directors of the Sixth Session of the Board of Directors of the Company” and the “Proposal on Convening the Second extraordinary General Meeting of the Company in 2024” were considered and approved.
1st meeting of the sixth session of the Board	November 22, 2024	The “Proposal on the Election of the Chairman of the Sixth Session of the Board of Directors of the Company”, the “Proposal on the Election of Members and Chairmen of the Special Committees of the Sixth Session of the Board of Directors of the Company”, the “Proposal on the Appointment of Authorized Representatives of the Hong Kong Stock Exchange”, the “Proposal on the Appointment of the Joint Company Secretaries”, and the “Proposal on the Appointment of the Company’s Securities Affairs Representative” were considered and approved.

## Section IV Corporate Governance

Meeting	Date	Resolutions
2nd meeting of the sixth session of the Board	December 23, 2024	The “Proposal on the Election of the Vice Chairman of the Sixth Session of the Board of Directors of the Company”, the “Proposal on the Appointment of Senior Management of the Company”, the “Proposal on the Setting Up of and Adjustments to the Organizational Structure of the Company” and the “Proposal on the Write-off of Bad Debts for the Year 2024” were considered and approved.

During the Reporting Period, the Board held a total of 10 meetings and all Directors voted in favour of the proposals considered by the Board, with no abstentions or objections.

### VI. PERFORMANCE OF DUTIES BY DIRECTORS

The Board exercises its powers and duties as specified in the Articles of Association. Under the principle of acting in the best interest of the Company and its shareholders, the Board reports its work at the general meetings, implements the resolutions passed thereon and is accountable to the general meetings.

As at the end of the Reporting Period, the sixth session of the Board had 15 existing Directors. The biographical details of the Directors as at the date of this report are set out in “IV. Directors, Supervisors and Senior Management” in this section. None of the Directors or the senior management has any relations with one another (including financial, business, kinship or other material or connected relations). The Board is scientifically structured, and each Director has extensive knowledge, experience and expertise relating to the business operation and development of the Group. All Directors are fully aware of their responsibilities to the shareholders jointly and severally.

The Board of Directors of the Company comprises five independent non-executive Directors, which is in continuous compliance with the regulatory requirements in the PRC and provisions under Rules 3.10(1) and (2), and 3.10(A) of the Hong Kong Listing Rules. The Company has received from each of the independent non-executive Directors an annual confirmation of their respective independence and a statement of self-inspection of independence pursuant to the Measures for the Administration of Independent Directors of Listed Companies of CSRC, the Guidelines of Self-regulation of Companies Listed on the Shanghai Stock Exchange No. 1 – Regulation of Operations, and Rule 3.13 of the Hong Kong Listing Rules. After assessment, the Company is of the view that each of the independent non-executive Directors is independent as required by the CSRC, the SSE and the Hong Kong Listing Rules.

## Section IV Corporate Governance

### (i) Attendances of Directors at Board meetings and general meetings

Name of Director	Independent Director or not	Number of Board meetings requiring attendance during the year	Attendance at the Board meetings				Attendance at general meetings	
			Attendance in person	Attendance via correspondence	Attendance by proxy	Absence	Absent from two consecutive meetings (in person)	Number of attendance at general meetings
Gong Dexiong	No	10	10	7	0	0	No	3
Lu Weiming	No	10	10	7	0	0	No	3
Lu Dayin	No	2	1	1	1	0	No	1
Xie Weiqing	No	2	2	1	0	0	No	1
Yang Bo	No	2	2	1	0	0	No	1
Shi Lei	No	2	2	1	0	0	No	1
Li Yun	No	10	10	9	0	0	No	3
Xu Yongmiao	No	2	2	1	0	0	No	3
Ren Zhixiang	No	10	10	7	0	0	No	3
Wu Hong	Yes	10	10	7	0	0	No	3
Feng Xingdong	Yes	10	10	8	0	0	No	3
Luo Xinyu	Yes	10	10	7	0	0	No	3
Chan Hon	Yes	10	10	7	0	0	No	3
Zhu Kai	Yes	10	10	8	0	0	No	3
Sun Weidong	No	2	2	1	0	0	No	1
Jin Wenzhong (resigned)	No	8	8	6	0	0	No	3
Yu Xuechun (resigned)	No	8	8	7	0	0	No	3
Zhou Donghui (resigned)	No	8	8	7	0	0	No	3
Zhu Jing (resigned)	No	8	8	7	0	0	No	3

## Section IV Corporate Governance

Number of Board meetings convened during the year	10
Including: Number of meetings held on-site	1
Number of meetings via correspondence	7
Number of meetings held both on-site and via correspondence	2

**(ii) No Directors have raised objections to relevant matters of the Company during the Reporting Period.**

**(iii) Others**

***Board and management***

The powers and duties of the Board and the management have been clearly specified in the Articles of Association, which aims to provide an adequate check and balance mechanism for good corporate governance and internal control.

The Board has established mechanisms to ensure that the Board obtains independent views and opinions. The Company has formulated a Board diversity policy to ensure a balanced Board composition of executive and non-executive Directors (including independent non-executive Directors), while taking into account Board diversity in various aspects, including but not limited to gender, age, cultural and educational background and professional experience of the Directors. The Articles of Association also provide that the Board shall consist of 15 Directors and at least one-third of the Directors shall be independent non-executive Directors. The Company will also appoint independent non-executive Directors to the Board and its committees as required by the Hong Kong Listing Rules and where practicable to ensure that independent views and opinions are obtained. The Company has established internal policies (including but not limited to the Articles of Association, the Rules of Procedure for the Board of Directors of the Company, the Independent Director System of the Company) to ensure that the Board has access to independent views and opinions. These policies cover the Company's selection procedures and criteria of Directors (including independent non-executive Directors), the recusal mechanism for Directors who have related relationships to vote on relevant resolutions, the independent Director's special rights to engage external intermediary institutions, etc. During the Reporting Period, the Board has reviewed the implementation of the aforesaid mechanisms and considers that the aforesaid mechanisms are able to ensure that the Board is provided with independent views and opinions. The Remuneration and Nomination Committee strictly adheres to the assessment standards for the nomination and appointment of Directors as set out in the Hong Kong Listing Rules and selects candidates for Directors based on objective criteria, including certain diverse factors, to ensure that they are able to make independent judgments on an ongoing basis. Directors (including independent non-executive Directors) who have a material interest in a contract or arrangement shall not vote or be counted in the quorum on a resolution of the Directors to approve such contract or arrangement.

The Board is responsible for deciding on the Company's business plans and investment plans and the establishment of the Company's internal management structure, formulating the Company's basic administration system, resolving other material businesses and administrative matters of the Company and supervising the management.



## Section IV Corporate Governance

The management of the Company shall be appointed by the Board, and be accountable to the Board. They are responsible for implementing various resolutions made by the Board and administering the Company's daily operation and management.

### 1. *Chairman and president*

According to code provision C.2.1 of the Corporate Governance Code, positions of the chairman and president (i.e. chief executive officer under Hong Kong Listing Rules) of the Company are served by different individuals to secure independence of their duties, accountabilities and balanced distribution of rights and authorizations. Mr. Gong Dexiong serves as the chairman of the Board and Mr. Lu Dayin serves as the vice president (in charge of affairs) of the Company. Chairman is responsible for leading the Board to determine the overall development strategy of the Company and ensuring the Board operates effectively, performing its statutory duties and responsively discussing all important and appropriate issues in a timely manner; and ensuring that the Company formulates sound corporate governance practices and procedures and the Board acts in the best interest of the Company and all its shareholders. President is mainly responsible for daily operation and management of the Company, including organizing and implementing the resolutions of the Board and daily decision-making.

### 2. *Directors' appointment and re-election*

In accordance with the Articles of Association, Directors who are not employee representatives shall be elected or replaced by the general meeting for a term of three years and shall be eligible for re-election at the end of the term. The Company has implemented a set of effective procedures for appointment of new Directors, for details, please refer to "VII. Special Committees of the Board" in this section. A list of candidates for Directors may be proposed by the Board as per the number of the Directors to be elected as specified in the Articles of Association. Candidates for Directors may also be nominated by shareholders severally or jointly holding more than 3% of the Company's shares and shall be elected at the general meetings. The term of office of the fifth session of the Board of the Company was originally scheduled to expire in March 2024. Given that the re-election is in preparation, the re-election of the fifth session of the Board of the Company was postponed. In November 2024, 15 Directors of the Company's sixth session of the Board of Directors were elected by the Company's 2024 second extraordinary general meeting and the sixth plenary meeting of the fourth session of the employee congress.

### 3. *Terms of office of non-executive Directors*

The Company currently has 12 non-executive Directors, including 5 independent non-executive Directors and 1 employee Director. Non-executive Directors are elected by the general meeting or the employees' representative congress for a term of three years and are eligible for re-election upon expiry of their terms of office.

## Section IV Corporate Governance

### 4. Directors' remunerations

Please refer to “IV. (i) Changes in shareholding and remunerations of current and resigned Directors, Supervisors and senior management during the Reporting Period” in this section for details.

### 5. Directors' trainings

The Company highly emphasizes on the continuous trainings for Directors to ensure that they have adequate knowledge of the Company's operations and businesses and their duties imposed by the CSRC, the SSE, the Hong Kong Stock Exchange, the Articles of Association and other relevant laws and regulations and regulatory requirements.

During the Reporting Period, Directors participated in the regular trainings organized by local regulatory authorities to complete continued trainings as required. The Board of Directors office of the Company also regularly compiles and delivers Board Brief, Comprehensive Report on Compliance and Risk Management, and Brief on Anti-Money Laundering to keep Directors timely informed of the latest policies, regulations and classic cases, builds multi-level information communication mechanisms and sets up an information exchange platform to strengthen information sharing and exchange among Directors and the management and improve Directors' duty performance capability. Apart from that, trainings for Directors are specified as follows:

Name of Directors	Date	Duration	Organizer	Content	Place of training
All Directors	May 15, 2024	One day	The Company	Reminder on Conducting Securities Trading in Compliance with the Law and Preventing Violations of Short-term Trading	Online
All Directors	June 19, 2024	One day	The Company	Highlights of the Amendments to the New Company Law and Understanding their Application	The Company/ Online
Lu Dayin	October 29, 2024	One day	The Company, Clifford Chance	Memorandum on Directors' Liabilities under Hong Kong Laws and Regulations	Online
Xie Weiqing	October 29, 2024	One day	The Company, Clifford Chance	Memorandum on Directors' Liabilities under Hong Kong Laws and Regulations	Online
Yang Bo	October 29, 2024	One day	The Company, Clifford Chance	Memorandum on Directors' Liabilities under Hong Kong Laws and Regulations	Online
Shi Lei	October 29, 2024	One day	The Company, Clifford Chance	Memorandum on Directors' Liabilities under Hong Kong Laws and Regulations	Online
Xu Yongmiao	October 29, 2024	One day	The Company, Clifford Chance	Memorandum on Directors' Liabilities under Hong Kong Laws and Regulations	Online
Sun Weidong	October 29, 2024	One day	The Company, Clifford Chance	Memorandum on Directors' Liabilities under Hong Kong Laws and Regulations	Online

## Section IV Corporate Governance

Name of Directors	Date	Duration	Organizer	Content	Place of training
Wu Hong	December 11, 2024 – December 30, 2024	Twenty days	Shanghai Bureau of the CSRC, Shanghai Association of Listed Companies	2024 Second Session of Training for Directors, Supervisors and Senior Management of Listed Companies in Shanghai	Online
Luo Xinyu	December 11, 2024 – December 30, 2024	Twenty days	Shanghai Bureau of the CSRC, Shanghai Association of Listed Companies	2024 Second Session of Training for Directors, Supervisors and Senior Management of Listed Companies in Shanghai	Online
Chan Hon	December 11, 2024 – December 30, 2024	Twenty days	Shanghai Bureau of the CSRC, Shanghai Association of Listed Companies	2024 Second Session of Training for Directors, Supervisors and Senior Management of Listed Companies in Shanghai	Online
Zhu Kai	December 11, 2024 – December 30, 2024	Twenty days	Shanghai Bureau of the CSRC, Shanghai Association of Listed Companies	2024 Second Session of Training for Directors, Supervisors and Senior Management of Listed Companies in Shanghai	Online
Sun Weidong	December 11, 2024 – December 30, 2024	Twenty days	Shanghai Bureau of the CSRC, Shanghai Association of Listed Companies	2024 Second Session of Training for Directors, Supervisors and Senior Management of Listed Companies in Shanghai	Online
All Directors	December 26, 2024	One day	The Company	Cases and Regulations on illegal Trading of Shares by Directors, Supervisors, Senior Management and Their Relatives of Listed Securities Companies	Online
All Directors	December 27, 2024	One day	The Company	DFZQ Integrity Training	Online

## Section IV Corporate Governance

### VII. SPECIAL COMMITTEES OF THE BOARD

#### (i) Members of the special committees of the Board

Special committee	Name of member
Strategic Development Committee	Gong Dexiong (chairman), Lu Dayin, Li Yun, Yang Bo, Ren Zhixiang
Compliance and Risk Management Committee	Lu Weiming (chairman), Xu Yongmiao, Wu Hong, Luo Xinyu, Chan Hon
Audit Committee	Zhu Kai (chairman), Xie Weiqing, Shi Lei, Feng Xingdong, Chan Hon
Remuneration and Nomination Committee	Wu Hong (chairman), Gong Dexiong, Lu Weiming, Feng Xingdong, Luo Xinyu

#### (ii) During the Reporting Period, the Strategic Development Committee convened two meetings

Date	Meeting	Content	Key opinion and recommendation	Performance of other duties
March 26, 2024	At the 2024 first meeting of the Strategic Development Committee of the fifth session of the Board	The "Report on the Analysis of the Implementation of the Company's 2023 Strategy" was presented at the meeting.	The meeting required the Company to develop new quality productivity, accelerate business transformation, build a new business system and realize high-quality development.	–
September 27, 2024	At the 2024 second meeting of the Strategic Development Committee of the fifth session of the Board	The "Proposal on Amending the Strategic Management System of DFZQ" was considered and approved.	–	–

## Section IV Corporate Governance

The main duties of the Strategic Development Committee include: studying and advising on long-term strategic development plans of the Company; studying and advising on material investment financing proposals that are subject to the Board's approval; studying and advising on material capital operations and asset management projects that are subject to the Board's approval; studying and advising on any other significant events that affect the development of the Company; inspection and evaluation of the implementation of the above matters, and proposing adjustments when appropriate; and other duties as authorized by the Board as well as other duties as required by the listing rules or regulatory rules in the place where the shares of the Company are listed.

Attendance of the members of the Strategic Development Committee during the Reporting Period:

<b>Name</b>	<b>Number of actual attendances/number of attendances as required</b>
Gong Dexiong (chairman)	2/2
Lu Dayin	0/0
Li Yun	2/2
Yang Bo	0/0
Ren Zhixiang	0/0
Chan Hon	2/2
Jin Wenzhong (resigned)	2/2
Zhu Jing (resigned)	2/2

## Section IV Corporate Governance

### (iii) During the Reporting Period, the Compliance and Risk Management Committee convened four meetings

Date	Meeting	Content	Key opinion and recommendation	Performance of other duties
January 27, 2024	The 2024 first meeting of the Compliance and Risk Management Committee of the fifth session of the Board	The “Proposal on the Company’s Allocation of Assets and Liabilities, Business Scale and Risk Control Plan in 2024” was considered and approved.	–	–
March 26, 2024	The 2024 second meeting of the Compliance and Risk Management Committee of the fifth session of the Board	The “Report on Execution of Risk Control Indicators by the Company in 2023”, the “Proposal Regarding the Proprietary Business Scale of the Company in 2024”, the “Company’s 2023 Annual Compliance Report”, the “Company’s 2023 Annual Risk Management Work Report”, the “2023 Anti-Money Laundering Report of the Company”, the “2023 Compliance Management Effectiveness Assessment Report of the Company” and the “2023 Comprehensive Risk Management Assessment Report of the Company” were reviewed and approved, and the 2023 annual performance appraisal on the Chief Compliance Officer was conducted.	The meeting required the Company to implement comprehensive and through compliance management, covering not only subsidiaries but also all business risk points.	–

## Section IV Corporate Governance

Date	Meeting	Content	Key opinion and recommendation	Performance of other duties
August 28, 2024	The 2024 third meeting of the Compliance and Risk Management Committee of the fifth session of the Board	The “Report on Execution of Risk Control Indicators of Net Capital by the Company for the First Half of 2024”, the “Company’s 2024 Interim Compliance Report” and the “Company’s 2024 Interim Risk Management Work Report” were considered and approved.	The meeting required that the Company should shift its focus of compliance and risk control to key business, and enhance its capability to identify, analyze and make early warnings in advance. In terms of compliance and risk control efforts, the key point is to assist in the implementation of strategic planning to transform the Company’s business.	–
December 24, 2024	The 2024 first meeting of the Compliance and Risk Management Committee of the sixth session of the Board	The 2024 Compliance Management Effectiveness Assessment Work Plan of the Company was considered and approved.	–	–

The main duties of the Compliance and Risk Management Committee include: reviewing and advising on the overall targets and basic policies of compliance management and risk management; reviewing and advising on establishment of the system and institutions for compliance management and risk management as well as their duties; overseeing and evaluating the compliance management and risk management work of the Company, and reviewing and monitoring the Company’s policies and practices in compliance with laws and regulatory requirements; evaluating and advising on the risks and risk management solutions relating to the significant matters that are subject to approval by the Board; reviewing risk tolerance and scale of the Company as a whole and for each business, and evaluating the asset allocation mechanism matching with risk tolerance; reviewing and evaluating the risks associated with the Company’s operating activities and the effectiveness of the corresponding measures, and discussing the risk management system with the management to ensure that the management has fulfilled its responsibilities in establishing an effective risk management system; considering major investigation findings on risk management matters and management’s response to the findings on its own initiative or as delegated by the Board; reviewing and advising on the compliance report and risk assessment report that are subject to consideration by the Board; formulating and reviewing the Company’s policies and practices on corporate governance and making recommendations to the Board; reviewing and monitoring the training and continuous professional development of Directors and senior management; developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to staff and Directors; reviewing the Company’s compliance with the “Corporate Governance Code” set out in Appendix C1 to the Hong Kong Listing Rules and its disclosures in the Corporate Governance Report; and other duties as determined by the Board and as required by the listing rules or regulatory rules of the place where the Company’s shares are listed.

## Section IV Corporate Governance

Attendance of the members of the Compliance and Risk Management Committee during the Reporting Period:

<b>Name</b>	<b>Number of actual attendances/number of attendances as required</b>
Lu Weiming (chairman)	4/4
Xu Yongmiao	1/1
Wu Hong	4/4
Luo Xinyu	1/1
Chan Hon	1/1
Ren Zhixiang	3/3
Jin Wenzhong (resigned)	3/3



## Section IV Corporate Governance

### (iv) During the Reporting Period, the Remuneration and Nomination Committee convened five meetings

Date	Meeting	Content	Key opinion and recommendation	Performance of other duties
January 27, 2024	The 2024 first meeting of the Remuneration and Nomination Committee of the fifth session of the Board	The “Verification Report on the Implementation of the Remuneration Policy of the Company” was considered and approved.	–	–
March 26, 2024	The 2024 second meeting of the Remuneration and Nomination Committee of the fifth session of the Board	The “Proposal on Commencing the 2023 Annual Appraisal for the Company’s Directors”, the “Proposal on the Annual Performance Evaluation of the President and the Members of the Vice President-level Leadership Team of the Company for the Year 2023”, the “Proposal on 2024 Operating Results Appraisal Target for the Company and Senior Management Members”, the “Proposal on the Formulation of the Implementation Plan for the Reform of the Company’s Salary Determination Mechanism for the Period from 2023 to 2026”, the “Report on the 2023 Annual Appraisals and Salary of the Company’s Directors” and the “Report on the 2023 Annual Appraisals and Salary of the Company’s Senior Management” were considered and approved.	–	–

## Section IV Corporate Governance

Date	Meeting	Content	Key opinion and recommendation	Performance of other duties
September 27, 2024	The 2024 third meeting of the Remuneration and Nomination Committee of the fifth session of the Board	The “Proposal on the Performance Assessment and Allocation of the Company’s Leadership Team Members for the Year 2023”, the “Proposal on the Allocation of the Performance Bonus to the Company’s Leadership Team Members for the Year 2023”, and the “Proposal on the Assessment and Evaluation of the Business Performance of the President and the Members of the Vice President-level Leadership Team of the Company for the Term of 2021-2023” were considered and approved.	-	-
October 30, 2024	The 2024 fourth meeting of the Remuneration and Nomination Committee of the fifth session of the Board	The “Proposal on the Election of Directors (Non-independent Directors) for the sixth session of the Board of the Company” and the “Proposal on the Election of Independent Directors for the sixth session of the Board of the Company” were considered and approved.	-	-
December 23, 2024	The 2024 first meeting of the Remuneration and Nomination Committee of the sixth session of the Board	The “Proposal on Appointment of Senior Management of the Company” was considered and approved.	-	-

The main duties of the Remuneration and Nomination Committee include: evaluating the structure, size and composition (including skills, knowledge and experience) of the Board at least once a year and making recommendations regarding any proposed changes to the Board to complement the corporate strategy.

## Section IV Corporate Governance

### *Board diversity policy*

The Remuneration and Nomination Committee is responsible for making and reviewing the Board diversity policy, and the expected goals will be discussed and determined annually to implement the diversity of the Board and recommend the goals to the Board for adoption. The Company has formulated the “Board Diversity Policy of DFZQ”, which has been published on the Company’s official website. When the Remuneration and Nomination Committee is considering the composition of the Board, it ensures the balance between executive Directors and non-executive Directors (including independent non-executive Directors) while considering the diversity of the Board members from multiple aspects, including but not limited to the gender, age, cultural and educational background, professional experience of the Directors, as well as the business characteristics and future development needs of the Company. As at the date of this report, the composition of the Board at the diversity level is summarised as follows: (1) Gender: Among the existing 15 Directors, 14 are male and 1 is female; (2) Education background: Among the existing 15 Directors, 4 have a doctoral degree, 8 have a master’s degree and 3 have a bachelor’s degree; and (3) Position: Among the existing 15 Directors, 3 are executive Directors, 6 are non-executive Directors, 5 are independent non-executive Directors and 1 is employee Director. The Board has achieved diversity. During the Reporting Period, the Remuneration and Nomination Committee has considered the Board diversity policy and believes that the current composition of the Board meets the above requirements for diversity. All appointments of members of the Board will continue to focus on the efficiency and performance of the Board while fully reflecting the benefits of Board diversity.

### *Nomination policy for directors*

According to the requirements in Article 145 of the Articles of Association, the Board or shareholders individually or jointly holding more than 3% of the shares of the Company are entitled to nominate candidates for non-independent Directors at the general meeting; the Board, the Supervisory Committee, or shareholders individually or jointly holding more than 1% of the issued shares of the Company are entitled to nominate candidates for independent Directors to the general meeting. The written notice of intention to nominate a candidate for Director and the candidate’s agreement to be nominated must be given to the Company seven days prior to the convening of the general meeting (the commencement date of the 7-day notice period shall be not earlier than the second day after the issue of the notice of the meeting at which the election shall be conducted and end no later than seven days prior to the general meeting). The term of the nomination and the acceptance of the nomination shall be no less than seven days.

## Section IV Corporate Governance

When the Remuneration and Nomination Committee considers the selection of Directors, president and other senior management, it shall actively communicate with the relevant departments of the Company to analyze the requirements of the Company and produce written reports; the Remuneration and Nomination Committee may search extensively for candidates within the Company, its holding (associate) enterprises and the human resources market; collect the information of preliminary candidates about the occupation, academic qualifications, titles, detailed working experience and all part-time work experience, to produce written reports; obtain consent from the nominees regarding the nomination, otherwise they shall not be considered as candidates; convene a committee meeting to review the qualification of preliminary candidate(s); submit to the Board its proposal(s) and relevant information on the candidates one to two months prior to the election of new Director(s) and the appointment of new president and senior management; carry out follow-up work according to the decision and feedback of the Board.

The Remuneration and Nomination Committee reviews and advises on the selection criteria and procedures for Directors and senior management, including but not limited to the gender, age, cultural and educational background, and professional experience of the Directors; identifies qualified candidates for Directors and senior management, and reviews their qualifications and making recommendations; makes recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors (in particular, the chairman and the president); assesses the independence of independent Directors; analyzes and reviews the performance appraisal and remuneration management system for the Directors and senior management based on the main scope, duties and importance of positions of senior management of the Company and the remuneration level of similar positions in other enterprises.

## Section IV Corporate Governance

### *Appraisal and remuneration management system*

The appraisal and remuneration management system includes but is not limited to performance appraisal criteria, procedures, and the main appraisal system, as well as the principal plans and systems regarding incentives and penalties. Making recommendations to the Board in terms of the overall appraisal and remuneration management system and structure for the Company's Directors and senior management, and the establishment of proper and transparent formulation procedures of the remuneration policy; reviewing and approving the management's proposal on remuneration based on the corporate goals and objectives set by the Board; making recommendations to the Board on the remuneration of executive Directors and senior management. The above-mentioned remuneration includes non-monetary benefits, retirement allowance and compensation (including compensation for any loss or termination of office or appointment); making recommendations to the Board on the remuneration for each non-executive Director; considering the remuneration package, time commitment and duties of similar companies and other employment terms of other positions within the Group; reviewing and approving the compensation to executive Directors and senior management for any loss or termination of office or appointment, so as to ensure that such compensation is consistent with the contractual terms; if such compensation is not consistent with the contractual terms, ensuring that it is fair, reasonable and not excessive; reviewing and approving compensation arrangements relating to the dismissal or removal of Directors for their misconduct, so as to ensure that such arrangements are consistent with the contractual terms; if such compensation is not consistent with the contractual terms, ensuring that it is reasonable and appropriate; ensuring that no Director or his/her associate (as defined in the "Hong Kong Listing Rules") is involved in the determination of his/her own remuneration; evaluating and making recommendations on the performance of duties by the Directors, Supervisors (non-employee representative Supervisors), president and other senior management; reviewing the execution of the remuneration and appraisal system of the president and other member of the senior management; and other duties as determined by the Board and as required by the listing rules or regulatory rules of the place where the Company's shares are listed.

Attendance of the members of the Remuneration and Nomination Committee during the Reporting Period:

<b>Name</b>	<b>Number of actual attendances/number of attendances as required</b>
Wu Hong (chairman)	5/5
Gong Dexiong	1/1
Lu Weiming	1/1
Feng Xingdong	5/5
Luo Xinyu	1/1
Zhu Kai	4/4
Yu Xuechun (resigned)	4/4
Zhou Donghui (resigned)	4/4

## Section IV Corporate Governance

### (v) During the Reporting Period, the Audit Committee convened eight meetings

Date	Meeting	Content	Key opinion and recommendation	Performance of other duties
March 26, 2024	The 2024 first meeting of the Audit Committee of the fifth session of the Board	The “Report on the Company’s 2023 Annual Audit and Audit Results”, the “Internal Control Evaluation Report in 2023”, the “Annual Report of the Company for the Year 2023”, the “Proposal Regarding the Audit of the Related Transactions of the Company in 2023”, the “Proposal Regarding the Projected Routine Related Party Transactions of the Company in 2024”, the “Proposal on the Signing of the Framework Agreement on Related Party Transactions for 2024–2026” with Shenergy (Group) Company Limited”, the “Proposal on Confirmation of the Company’s List of Related Parties for the Year 2023”, the “Proposal on the Report on the Evaluation of the Performance of Accounting Firms and the Report of the Audit Committee on the Performance of its Supervisory Duties for the Year 2023”, and the “Proposal Regarding the Engagement of Auditing Firms for the Year 2024” were considered and approved.	Views were exchanged and analysis were conducted at the meeting in terms of the status of disposal of equity projects, valuation models for OTC options business, consolidation of structured entities and selection of accounting firm for 2024.	–
April 29, 2024	The 2024 second meeting of the Audit Committee of the fifth session of the Board	The “First Quarterly Report of the Company for the Year 2024” was considered and approved.	–	–

## Section IV Corporate Governance

Date	Meeting	Content	Key opinion and recommendation	Performance of other duties
May 31, 2024	The 2024 third meeting of the Audit Committee of the fifth session of the Board	The "Proposal on Issuing an Evaluation Opinion on the Results of the Special Audit on the Regulated Operation of the Company" was considered and approved, and the "Audit Report of the Company for the First Quarter of 2024" was reviewed.	–	–
August 7, 2024	The 2024 fourth meeting of the Audit Committee of the fifth session of the Board	The "Proposal on Amending the 'Regulations Governing the Write-off of Bad Debts' of the Company" was considered and approved.	–	–
August 28, 2024	The 2024 fifth meeting of the Audit Committee of the fifth session of the Board	The "2024 Interim Report of the Company", the "Proposal on Confirmation of the Company's List of Related Parties in the First Half of 2024", and the "Proposal on Issuing an Evaluation Opinion on the Results of the Special Audit on the Regulated Operation of the Company (First Half of 2024)" were considered and approved, and the "Company's Audit Report for the Second Quarter of 2024" was reviewed.	Views were exchanged and discussions were conducted at the meeting in terms of the changes in the Company's asset structure and the composition of its income, the impact of the policy of reducing fees and commissions on income, the provision for impairment, the high dividend strategy and the investment in sustainable bonds, the valuation of financial assets, and the intensive measures to reduce costs.	–
October 30, 2024	The 2024 sixth meeting of the Audit Committee of the fifth session of the Board	The "Third Quarterly Report of the Company for the Year 2024" was considered and approved, and the "Company's Audit Report for the Third Quarter of 2024" was reviewed.	–	–

## Section IV Corporate Governance

Date	Meeting	Content	Key opinion and recommendation	Performance of other duties
December 16, 2024	The 2024 first meeting of the Audit Committee of the sixth session of the Board	The "A + H Share Audit Plan of the Company for 2024", the "Proposal on Confirmation of 'Company's List of Related Parties as of November 22, 2024'", and the "2024 Internal Control Evaluation Work Plan of the Company" was considered and approved.	Views were exchanged and discussions were conducted at the meeting in terms of the risks of the Company on internal and external environment and countermeasures, and difference and correlation between the internal control audit and the internal control evaluation of the Company.	–
December 23, 2024	The 2024 second meeting of the Audit Committee of the sixth session of the Board	The "Proposal on Engagement of the Chief Financial Officer of the Company" and the "Proposal on the Bad Debt Write-off Projects for the Year 2024" were considered and approved.	–	–

The main duties of the Audit Committee include: making recommendations to the Board on the appointment, re-appointment, or replacement of the external auditor (i.e., the accounting firm responsible for the Company's audit), approving the remuneration and engagement terms of the external auditor, and handling any matters related to the resignation or dismissal of the external auditor; supervising the practice of external auditor, urging the external auditor to be honest, trustworthy and diligent, to strictly comply with business rules and industry self-regulation, to strictly implement the internal control system, to verify and validate the Company's financial and accounting reports, to fulfill their obligations of special attention and to prudently express professional opinions; discussing the nature and scope of the audit and related reporting responsibilities with the external auditor prior to the start of the audit; formulating and implementing policies on engaging an external auditor to provide non-audit services. For this purpose, an external auditor shall include any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee shall report to the Board, identifying and making recommendations on any matters where action or improvement is needed; and acting as the representative body between the Company and its external auditor to oversee their relationship; supervising annual auditing work and making judgment on the authenticity, accuracy and completeness of the information set out in the audited financial report and submitting the same to the Board for consideration; monitoring the completeness of the Company's financial statements and annual reports and accounts, interim reports and quarterly reports, and reviewing the material opinions on financial reporting contained in the statements and reports, expressing opinions on the truth, accuracy and completeness of the financial reports, focusing on the major accounting and auditing issues in the Company's financial reports with particular attention to the possibility of fraud, malpractice and



## Section IV Corporate Governance

material misstatement in relation to the financial reports, and supervising the rectification of issues identified in the financial reports; examining and evaluating the financial supervision and internal control systems of the Company, monitoring and assessing the internal control of the Company and being responsible for the disclosure regarding the internal control evaluation report; supervising and evaluating the Company's internal audit system, accounting policies and the implementation; discussing the internal control system with the management to ensure that the management has performed its duty to have an effective internal control system in place. The discussion shall include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function; considering the major investigation findings on internal control matters and the management's response to these findings on its own initiative or as delegated by the Board; being responsible for the communication between the internal and external auditor, so as to ensure co-ordination between the internal and external auditor; ensuring that the internal auditor is adequately resourced and has appropriate standing within the Company; reviewing and monitoring its effectiveness; reviewing the Group's financial and accounting policies and their implementation; reviewing the "Audit Results Letter" presented by the external auditor to the management as well as any material queries raised by the external auditor to the management in respect of accounting records, financial accounts or monitoring system and the management's response; ensuring that the Board responds to the matters raised in the "Audit Results Letter" presented by external auditor to the management in a timely manner; reviewing the following arrangements made by the Company: staff of the Company can raise concerns in confidence about possible improprieties in financial reporting, internal control or other matters; ensuring that proper arrangements are in place for fair and independent investigation of such matters and for taking appropriate action; being responsible for the control and daily management of the related party transactions of the Company; reporting to the Board on the above-mentioned matters; considering the appointment or dismissal of the Company's financial officer; other duties as determined by the Board and other duties as required by the listing rules or regulatory rules of the place where the Company's shares are listed. The Company's Audit Committee, in accordance with the requirements of the "Terms of Reference of the Audit Committee of the Company", fully plays its role in the preparation of annual report and financial report work, and actively fulfills its duties in the preparation, review, and disclosure of the annual report and financial report, to improve the quality and transparency of the disclosure of the annual reports and financial reports. During the Reporting Period, the Audit Committee considered the Company's regular financial reports, audit work reports, and related party/connected transaction proposals, to ensure the truthfulness, accuracy, and completeness of financial reporting and disclosure. In addition, it comprehensively understood the Company's financial position, supervised the conduct of audit work, supervised the implementation of related party/connected transactions, and reviewed the effectiveness of the Company's internal control.

## Section IV Corporate Governance

Attendance of the members of the Audit Committee during the Reporting Period:

<b>Name</b>	<b>Number of actual attendances/number of attendances as required</b>
Zhu Kai (chairman)	8/8
Xie Weiqing	2/2
Shi Lei	2/2
Feng Xingdong	8/8
Chan Hon	2/2
Luo Xinyu	6/6
Yu Xuechun (resigned)	6/6
Zhou Donghui (resigned)	6/6

**(vi) During the Reporting Period, the special committees of the Board did not have any objections.**

## Section IV Corporate Governance

### VIII. EXPLANATIONS ON DISCOVERY OF THE COMPANY'S RISKS BY THE SUPERVISORY COMMITTEE

The Supervisory Committee had no objection to the supervision matters during the Reporting Period.

#### (i) Attendances of Supervisors at the meetings of the Supervisory Committee

Name of Supervisors	Position	Attendances of meetings of the Supervisory Committee				
		Required attendance	Attendance in person	Attendance via correspondence	Attendance by proxy	Absence
Liu Wei	Chairman of the Supervisory Committee and shareholder representative Supervisor	1	1	0	0	0
Du Xinhong	Shareholder representative Supervisor	1	1	0	0	0
Shen Guangjun	Shareholder representative Supervisor	5	5	2	0	0
Ling Yun	Shareholder representative Supervisor	5	5	2	0	0
Ruan Fei	Employee representative Supervisor	5	5	2	0	0
Ding Yan	Employee representative Supervisor	5	5	2	0	0
Zhang Yun	Employee representative Supervisor	1	1	0	0	0
Du Weihua (Resigned)	Vice chairman of Supervisory Committee and employee representative Supervisor	4	4	2	0	0
Wu Haojun (Resigned)	Shareholder representative Supervisor	4	4	3	0	0
Xu Yongmiao (Resigned)	Shareholder representative Supervisor	4	4	3	0	0
Xia Lijun (Resigned)	Independent Supervisor	4	4	2	0	0
Number of meetings of Supervisory Committee convened during the year						5
Including: Meetings convened on-site						3
Number of meetings via correspondence						2

## Section IV Corporate Governance

### (ii) Meetings of the Supervisory Committee

On March 27, 2024, the 19th meeting of the fifth session of the Supervisory Committee was convened by way of on-site meeting, at which the “Work Report of Supervisory Committee of the Company for the Year 2023”, the “Company’s 2023 Annual Financial Report”, the “2023 Profit Distribution Proposal of the Company”, the “Company’s 2023 Annual Compliance Report”, the “Company’s 2023 Anti-Money Laundering Report”, the “Company’s 2023 Annual Risk Management Work Report”, the “2023 Comprehensive Risk Management Assessment Report of the Company”, the “Report on Internal Control Evaluation of the Company for the Year 2023”, the “2023 Compliance Management Effectiveness Assessment Report of the Company”, the “Proposal on the Audit of the Company’s Related Party Transactions for the Year 2023”, the “Proposal on the Estimation of the Company’s Daily Related Party Transactions for the Year 2024”, the “Proposal on the Signing of the ‘Framework Agreement on Related Party Transactions for the Years 2024–2026’ with Shenergy (Group) Company Limited”, the “Proposal Regarding the Expected Provision of External Guarantees by the Company in 2024”, the “Special Report on the Deposit and Actual Use of Proceeds of the Company for the Year 2023”, the “Proposal on Appointing Accounting Firms for the Year 2024”, the “2023 Annual Sustainable Development/ ESG Report of the Company”, the “2023 Annual Report of the Company”, the “Evaluation Report on Performance of Duties by Directors of the Company for the Year 2023”, the “Evaluation Report on Performance of Duties by Supervisors of the Company for the Year 2023”, the “Evaluation Report on Performance of Duties by Senior Management of the Company for the Year 2023”, and the “Report on Appraisal and Remuneration of Supervisors of the Company for the Year 2023” were considered and approved, and the “Company’s 2023 Annual Audit Report” was presented.

On April 29, 2024, the 20th meeting of the fifth session of the Supervisory Committee was convened via correspondence, at which the “First Quarterly Report of the Company for the Year of 2024” was considered and approved.

On August 29, 2024, the 21st meeting of the fifth session of the Supervisory Committee was convened by way of on-site meeting, at which the “Company’s 2024 Interim Financial Work Report”, the “Company’s 2024 Interim Profit Distribution Report”, the “Company’s 2024 Interim Compliance Report”, the “Company’s 2024 Interim Risk Management Work Report”, the “Proposal on Revising the ‘Management Measures for Shareholdings and Changes in Shareholdings of the Company by Directors, Supervisors and Senior Management of the Company’”, and the “2024 Interim Report of 東方證券股份有限公司” (A Shares and H Shares) were considered and approved, and the “Company’s 2024 Interim Work Report of the Supervisory Committee” was presented.

On October 30, 2024, the 22th meeting of the fifth session of the Supervisory Committee was convened via correspondence, at which the “Proposal on the Election of Shareholder Representative Supervisors for the Sixth Session of the Supervisory Committee” and the “Third Quarterly Report of the Company for the Year 2024” were considered and approved.

On November 22, 2024, the 1st meeting of the sixth session of the Supervisory Committee was convened by way of on-site meeting, at which the “Proposal on Election of the Chairman of the Sixth Session of the Supervisory Committee of the Company” and the “Proposal on Appointment of the Secretary of the Sixth Session of the Supervisory Committee of the Company” were considered and approved.

## Section IV Corporate Governance

### IX. INFORMATION ON THE STAFF OF THE PARENT COMPANY AND MAJOR SUBSIDIARIES AS AT THE END OF THE REPORTING PERIOD

#### (i) Staff

As at the end of 2024, the Company had a total of 8,766 staff. This included 6,727 staff in the Parent Company following the absorption of and merger with Orient Investment Banking. The Company realises the diversity of employees (including senior management) in terms of gender, age, cultural and educational background, professional experience, skills and knowledge.

Number of staff employed by the Parent Company	6,727
Number of staff employed by the major subsidiaries	2,039
Total number of staff employed	8,766
Number of retired workers the Parent Company and its major subsidiaries should bear costs for	–

#### Professional composition

Type	Number (person)
Business staff (including brokers)	6,777
Finance staff	268
IT staff	796
Other staff	925
Total	8,766

#### Education

Type	Number (person)
Doctor	102
Master	3,526
Bachelor	4,566
Junior college graduate and below	572
Total	8,766

#### Gender composition

Type	Number (person)
Male	4,644
Female	4,122
Total	8,766

## Section IV Corporate Governance

### (ii) Remuneration policies

The Company implements a market-oriented and performance-based remuneration system to ensure that remuneration reflects the value of positions, performance contributions and market rates. The Company always adheres to the concept of stable operation and closely integrates remuneration management with risk management, and formulated an incentive and restraint mechanism that matches risk levels, characteristics and duration to ensure the effective implementation of comprehensive risk management, ensure the effective coordination between the remuneration restraint mechanism and compliance management, and prevent compliance risks arising from excessive and short-term incentives. The Company incorporates professional conduct, honest practice, effectiveness of compliance risk control, performance of social responsibility, quality of customer services and long-term interests of shareholders into its remuneration management, and establishes and improves remuneration management based on business characteristics to improve the ability to serve the real economy and national strategies. The Company practices the industry culture of “compliance, honesty, professionalism and stability”, and integrates it into its remuneration management. We rely on high-quality talents with both integrity and ability to create value for the Company and the society, and promote the sustainable development of the Company and the industry. The Company continued to deepen the two-way linkage between remuneration, economic benefits and labor efficiency levels, continuously optimized and standardized the order of income distribution, deepened the performance concept of value contribution and performance output, and continued to improve the performance incentive mechanism.

The Company has strictly implemented the requirements related to the management of total wages, and continued to deepen the two-way linkage between labor cost, economic benefits and per capita efficiency ensuring healthy and robust labour cost management and steady improvement in per capita efficiency. The total labor costs of the Company in 2024 reached approximately RMB5.03 billion, representing an increase of 10.2% compared with the previous year; the labor cost per employee amounted to approximately RMB584 thousand, representing an increase of 8% over the previous year, which was mainly due to the rapid performance growth achieved by the Company in 2024, in which the net profit attributable to the Company increased by 21.7% over the last year and net profit attributed to the Parent company per capita increased by 19% over the last year; in addition, the cost of social security, provident fund and other benefits increased rigidly with the adjustment of the social security base. The Company will constantly normalize the labor cost management at all levels, reasonably regulate the salary level, and efficiently complete the internal salary distribution in accordance with the relevant laws and regulations, in order to continuously improve the efficiency per employee and the management for input and output of the labor cost, actively enhance the organisational effectiveness.

Pursuant to the applicable laws and regulations, the Company enters into a labor contract with each of its employees to establish an employment relationship. The labor contract contains the provisions relating to a contract term, working hours, rest and vacation, labor remuneration and insurance benefits, labor protection and conditions, as well as modification and termination of the contract.

## Section IV Corporate Governance

Under the applicable laws and regulations, the Company purchased various social insurance policies (pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance) and established a housing provident fund for its employees. It made contributions to the above social insurance and housing provident fund on time and in full. Meanwhile, the Company, in accordance with the applicable PRC regulations, also established a corporate annuity system and supplementary medical insurance system, which provided supplementary pension and medical protection to employees.

### (iii) Training plans

During the Reporting Period, the Company's training work was deployed according to the operation plan at the beginning of the year, centering on the medium- and long-term mission of "focusing on capacity building and systematically creating a strong engine for talent development". From the perspective of the talent supply chain, the Company launched diversified training programs in an orderly manner and created a series of brand training projects to help enhance the comprehensive quality of cadres and talents and further strengthen the value and benefits of employees. In combination with the internal and external training, the Company organized various training activities, including over 400 internal training activities with over 270 thousand employee attendances, and nearly 300 external training activities with more than 1,500 attendances.

In 2025, the Company will take capability development as the core in the training, optimize and upgrade the talent training system, and conduct management-related and specialized training with the features of the orient at different levels, so as to gradually refine the cadre talent standard system. Firstly, the Company will focus on middle-level cadres and high-potential reserve talents to carry out systematic political training and special training programs and establish a regular training mechanism. Secondly, the Company will closely follow its strategy and business development, flexibly carry out specialized professional training programs for various types of special talents, to strengthen cross-departmental exchanges and synergies. Thirdly, the Company will constantly carry out the training of outstanding young employees and focus on tracking and cultivating them. Fourthly, the Company will continue to build its internal instructor team and add various high-quality online courses to further improve its e-learning platform.

### (iv) Labor outsourcing

Some functional departments, branches and subsidiaries of the Company use labor outsourcing to engage in some affairs and auxiliary work according to their own needs. In accordance with the requirements of the Civil Code and other national laws and regulations, the Company enters into service agreements with labor outsourcing companies and regulates the management of service quality.

## Section IV Corporate Governance

### (v) Client solicitation and client services by the brokers entrusted by the Company

The Company adopts a custodian agency management mode for the management of brokers. As at the end of the Reporting Period, there were 419 brokers in service.

1. By integrating the resources, the Company has established a securities brokers' management platform and built a securities brokers team under the brokers' management system. At the same time, by cultivating the brokers' abilities of marketing services and improving the service to the investors, the Company has achieved effective risk control, which in turn will promote a sound and steady development for the Company's brokerage business.
2. The brokers who engage in the activities such as customer solicitations and customer service authorized by the Company shall enter into an agency contract with the Company, for the natural person (other than a corporation), the term of the agency contract is one year.
3. Securities brokers are subject to the management of the Company. Based on compliance management, the securities brokers' management will fully respect the reasonable career development demands and legal interests of the securities brokers.
4. In the course of engaging customer solicitation and customer service, the securities brokers should not only process within the Company's authority, but also should strictly abide by the laws, administrative regulations, the regulations of regulatory agencies and administrative departments, self-discipline rules and professional ethics, and comply with the relevant rules and regulations of the Company.
5. The training for securities brokers: The securities brokers of the Company should carry out the training and study work in accordance with the requirements of the Securities Industry Association. Before carrying out business practice, the brokers should attend training for not less than 60 hours, of which compliance training not less than 20 hours. Furthermore, the brokers should complete the annual follow-up practice training and study work conscientiously, and pass the annual inspection of the association. After completing the learning and examinations of corporate compliance, anti-money laundering and employee practice and information security, the brokers should summarize and file the relevant training records and evaluation results and then report as required. Moreover, the Company should carry out related online function training courses irregularly, involving professional qualifications, marketing management knowledge, product categories and risk control, etc.



## Section IV Corporate Governance

### X. PROPOSAL ON PROFIT DISTRIBUTION OR ON TRANSFER OF CAPITAL RESERVE FUND INTO SHARE CAPITAL

#### (i) Formulation, implementation or adjustment of cash dividends policy

In strict compliance with Article 257 of the Articles of Association, and adhering to the principle of “the same shares entitled to the same rights and dividends”, the Company allocates its profit as per the shareholders’ proportions of shareholding in the Company. The Company implements a sustainable and stable profit distribution policy, and places a great emphasis on the reasonable investment returns of its investors as well as the long-term development of the Company.

The Company formulated a clear profit distribution policy as stated in the Articles of Association: “The Company shall distribute its dividends in cash or in shares, and adopts cash dividends as its priority dividends distribution policy, which enables the shareholders to share the growth and development results of the Company and receive reasonable investment returns, by considering factors such as its development stage and capital requirements. Subject to the compliance with the profit distribution principle and cash dividends conditions, the Company may also distribute interim cash dividends. The profit distributed by the Company shall not exceed its accumulated distributable profits. Profit distributed in cash in a single year shall be no less than 30% of the distributable profit of that year.”

The profit distribution plan proposed by the Board of Directors shall be passed by a majority of the Directors before it is submitted to the general meeting for consideration and approval. If the independent Directors consider that the specific plan of cash dividend distribution may damage the interests of the listed company or minority shareholders, they shall have the right to express independent opinions. If the Board has not adopted or has not fully adopted the opinions of the independent Directors, it shall record the opinions of the independent Directors and the specific reasons for not adopting them in the resolution of the Board and disclose them. If profit distribution plan for the current year can be decided in compliance with the existing cash dividends policy or as per the minimum proportion of cash dividends, the profit distribution plan shall be passed by more than a half of the voting rights held by shareholders (including their proxies) present at the general meeting. The Supervisory Committee shall monitor the execution of cash dividends policy and the shareholders’ return plan carried out by the Board of Directors, as well as the implementation of appropriate decision-making procedures and the information disclosures.

## Section IV Corporate Governance

Where the Company needs to adjust its profit distribution policy in light of industrial regulatory policies, business operations, investment plans and long-term development of the Company, or due to significant changes in the external operating environment or business operations of the Company, the adjusted profit distribution policy shall not violate relevant laws and regulations and relevant requirements of the CSRC and the stock exchanges. The proposal on the adjustment to the profit distribution policy shall be formulated by the Board of Directors based on the operating condition of the Company and relevant regulations and policies and approved by more than a half of all Directors, and it shall be submitted to the general meeting for consideration. The Supervisory Committee shall monitor the adjustment to profit distribution policy by the Board of Directors. The proposal on the adjustment to the profit distribution policy shall be approved by more than two thirds of the voting rights represented by the shareholders (including their proxies) present at the general meeting, and the Company shall provide an online voting system to facilitate the shareholders to vote on the relevant proposal.

The 2023 profit distribution plan of the Company was implemented on June 28, 2024 by way of cash dividend. Based on the total share capital of the Company as at the end of 2023, after deducting shares in the special account for repurchase, a cash dividend of RMB1.5 (inclusive of tax) for every 10 shares was distributed to A Shareholders and H Shareholders who are registered on the record date of dividend distribution, with a total cash dividend of RMB1.269 billion.

The 2024 interim profit distribution plan of the Company was implemented on December 13, 2024 by way of cash dividend. Based on the total share capital of the Company as at the end of June 2024, after deducting shares in the special account for repurchase, a cash dividend of RMB0.75 (inclusive of tax) for every 10 shares was distributed to A Shareholders and H Shareholders who are registered on the record date of dividend distribution, with a total cash dividend of RMB635 million.

The profit distribution plan of the Company was submitted to the general meeting of the Company for consideration and approval after being considered and approved by the Board of the Company. When the above proposal was considered at the general meeting, separate votes were counted for minority shareholders.

The profit distribution policy implemented by the Company is in compliance with laws and regulations, the Articles of Association and the provisions of the “Shareholders’ Returns Plan for the Next Three Years (2023–2025) of 東方證券股份有限公司”, the criteria and ratio of dividend distribution are clear and well-defined, and the relevant decision-making procedures and mechanisms are complete; the independent non-executive Directors have performed their duties and responsibilities in the decision-making on profit distribution, and the legitimate rights and interests of minority shareholders have been fully safeguarded.

## Section IV Corporate Governance

### (ii) Specific explanation on cash dividends policy

Was it in compliance with the requirements of the Articles of Association and the resolution of the general meeting	✓Yes <input type="checkbox"/> No
Was the dividend distribution criteria and proportion well-defined and clear	✓Yes <input type="checkbox"/> No
Was the related decision-making process and mechanism in place	✓Yes <input type="checkbox"/> No
Did independent Directors fulfill their duties and play their roles	✓Yes <input type="checkbox"/> No
Were the minority shareholders given opportunities to sufficiently voice their opinions and make requests and were their legal interests fully protected	✓Yes <input type="checkbox"/> No

### (iii) During the Reporting Period, there was no instance where the Company records profits and the Parent Company records positive retained profits for distribution to shareholders of ordinary shares but there is no proposal for profit distribution in cash.

### (iv) Proposal on profit distribution and transfer of capital reserve fund into share capital during the Reporting Period

Unit: 100 million Currency: RMB

Dividend for every 10 shares (RMB) (tax inclusive)	1.00
Amount of cash dividend (tax inclusive)	8.46
Net profits attributable to holders of ordinary shares of the Company in the consolidated financial statements	33.50
Percentage of cash dividend to the net profits attributable to holders of ordinary shares of the Company in the consolidated financial statements (%)	25.26
Amount of interim dividend (tax inclusive)	6.35
Amount of share repurchase by cash included in cash dividends	0.00
Total amount of dividend (tax inclusive)	14.81
Percentage of the total amount of dividend to the net profits attributable to holders of ordinary shares of the Company in the consolidated financial statements (%)	44.20

## Section IV Corporate Governance

### (v) Cash dividends for the last three fiscal years

Unit: 100 million Currency: RMB

Total cumulative amount of cash dividend (tax inclusive) for the last three fiscal years (1)	40.25
Total cumulative amount of shares repurchased and canceled for the last three fiscal years (2)	0.00
Total cumulative amount of cash dividend and shares repurchased and canceled for the last three fiscal years (3)=(1)+(2)	40.25
Amount of annual average net profit for the last fiscal years (4)	30.38
Percentage of cash dividends for the last three fiscal years (%) (5)=(3)/(4)	132.49
Net profits attributable to holders of ordinary shares of the Company in the consolidated financial statements for the last one fiscal year	33.50
Undistributed profit as at the year end in the financial statements of the Parent Company for the last one fiscal year	61.69

## XI. THE COMPANY'S SHARE INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVES AND THEIR IMPACTS

### H Share Employee Stock Ownership Plan of the Company

#### 1. Overview of the H Share Employee Stock Ownership Plan

In order to establish and improve the benefit co-sharing mechanism between employees and the Company, improve the cohesion among employees and the competitiveness of the Company, attract and retain quality talents, promote the long-term, sustainable and healthy development of the Company, and maximize the interests of the Company, shareholders and employees, the Company implemented the H Share Employee Stock Ownership Plan in 2020.

At the 20th meeting of the 4th session of the Board, the 15th meeting of the 4th session of the Supervisory Committee and the 2020 first extraordinary general meeting, the Proposal in relation to the Employee Stock Ownership Plan (Draft) and Abstracts of 東方證券股份有限公司 and the Proposal in relation to the Authorization to the Board to Fully Handle Matters Related to the Employee Stock Ownership Plan were considered and approved. On July 7, 2020, the 4th plenary meeting of the third session of the employee congress of the Company was convened, at which the Proposal in relation to the Employee Stock Ownership Plan (Draft) and Abstracts of 東方證券股份有限公司 was considered and approved. The Employee Stock Ownership Plan of the Company has 3,588 participants, and the total amount of funds raised is RMB316,657,000, of which the subscription amount of Directors, Supervisors and senior management personnel of the Company accounts for 8.27% of the total amount of the Employee Stock Ownership Plan. The funds of the Employee Stock Ownership Plan shall be paid by the employees with their lawful remunerations, self-raised funds and other sources as permitted under the laws and regulations. China Universal was entrusted to manage the Employee Stock Ownership Plan as the asset management agency.

## Section IV Corporate Governance

On July 23, 2020, the first meeting of the holders of the Company's Employee Stock Ownership Plan was convened through online voting, at which the Proposal on Election of Members of the Employee Stock Ownership Plan Management Committee of 東方證券股份有限公司 and the Proposal on Authorizing the Employee Stock Ownership Plan Management Committee of 東方證券股份有限公司 to Handle Matters Related to the Employee Stock Ownership Plan were considered and approved.

The H Share Employee Stock Ownership Plan of the Company has completed the acquisition of all subject shares and relevant transfer and registration on December 24, 2020. In particular, "DFZQ ESOP Single Asset Management Scheme No. 1" and "DFZQ ESOP Single Asset Management Scheme No. 2" acquired a total of 65,906,800 H shares of the Company in the secondary market, accounting for 0.942% of the total share capital of the Company and 6.417% of the H share capital of the Company, at total consideration of RMB0.30 billion, and the remaining fund will be used for liquidity management.

According to the Employee Stock Ownership Plan of 東方證券股份有限公司, the lock-up period of the subject shares purchased under the H Share Employee Stock Ownership Plan of the Company shall be 12 months, which was expired on December 24, 2021. The Company's H Share Employee Stock Ownership Plan shall have a term of 5 years commencing from the date of consideration and approval of this Employee Stock Ownership Plan at the general meeting of the Company (July 13, 2020). The term of the Employee Stock Ownership Plan may be extended upon consideration at a meeting of the holders of the Employee Stock Ownership Plan and submission to the Board of the Company for approval. If the term of the Employee Stock Ownership Plan is not validly extended upon expiry, the Employee Stock Ownership Plan shall be terminated automatically.

### **2. Total number of shares held under the Employee Stock Ownership Plan during the Reporting Period and as a percentage of the total share capital of the Company**

The lock-up period of the subject shares acquired under the H Share Employee Stock Ownership Plan of the Company expired on December 24, 2021, and certain holders withdrew from the Employee Stock Ownership Plan at their own discretion, resulting in changes in the number of holders, the number of shares held and the percentage of shares held under the Employee Share Ownership Plan. The scope of the Employee Stock Ownership Plan covers the Company and its holding subsidiaries. As at the end of the Reporting Period, the Employee Stock Ownership Plan had a total of 1,185 holders holding a total of 17,450,400 shares, representing 0.21% of the total share capital of the Company.

## Section IV Corporate Governance

As at the end of the Reporting Period, details of the number of shares held by the Company's Directors, Supervisors and the five highest paid individuals during the Reporting Period calculated based on their respective units under the Employee Stock Ownership Plan are as follows:

<b>Name/category of holder</b>	<b>Number of shares held (shares)</b>
Lu Weiming	197,339
Lu Dayin	197,339
Sun Weidong	19,530
Ruan Fei	197,339
Ding Yan	78,936
Five highest paid individuals during the Reporting Period	181,419
Other employees in aggregate	16,578,498

The Company will continue to pay attention to the implementation progress of the Employee Stock Ownership Plan and perform its information disclosure obligations in a timely manner in accordance with the requirements of relevant laws and regulations.

### **3. Sources of funds for implementation of the plan during the Reporting Period**

The funds of the Employee Stock Ownership Plan shall be paid by the employees with their lawful remunerations, self-raised funds and other sources as permitted under the laws and regulations.

### **4. Change of asset management agency during the Reporting Period**

During the Reporting Period, there was no change of asset management agency of the Company's Employee Stock Ownership Plan.

### **5. Disposal of shares held by the holders of the Employee Stock Ownership Plan when they resign, retire, decease, or are no longer suitable for participating in the Employee Stock Ownership Plan or other disposal other than those mentioned above**

During the Reporting Period, the Company acted strictly in accordance with the provisions of the Employee Stock Ownership Plan in the event that the holders become unsuitable to participate in the Employee Stock Ownership Plan during the validity period of the plan.

## Section IV Corporate Governance

### 6. *Changes in the composition of the management committee of the Employee Stock Ownership Plan*

During the Reporting Period, there was no change in the composition of the management committee of the Employee Stock Ownership Plan of the Company.

The Company will strictly adhere to the market trading rules, continuously monitor the implementation and progress of the Employee Stock Ownership Plan of the Company, and perform its obligation of information disclosure under relevant regulations in a timely manner.

The Company had no other incentive measures during the Reporting Period.

(1) *There were no equity incentives granted to Directors or senior management during the Reporting Period.*

(2) *Establishment and implementation of performance appraisal and incentive mechanisms for senior management during the Reporting Period*

During the Reporting Period, the Company set performance targets for senior management according to the division of responsibilities of senior management and conducted performance appraisal. The Company formulated the annual remuneration distribution plan in accordance with the Evaluation, Incentive and Restriction Mechanism Plan for the Senior Management Members of DFZQ, which was implemented after review by the Remuneration and Nomination Committee.

## XII. ESTABLISHMENT AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

### (i) **Board's representation**

The Board of the Company is responsible for establishing, improving and effectively implementing internal controls, assessing their effectiveness and disclosing the assessment report on internal control in a truthful manner in accordance with the requirements under the Enterprise Internal Control Standard System. The Supervisory Committee supervises the establishment and implementation of internal control by the Board. The management is responsible for organizing and leading daily operations of corporate internal control. The Company's Board, Supervisory Committee and its Directors, Supervisors and senior management warrant that the contents in this report do not contain any false representations, misleading statements or material omissions, and severally and jointly take legal responsibility for the truthfulness, accuracy and completeness of the contents contained herein.

## Section IV Corporate Governance

The objectives of the Company's internal control are to reasonably guarantee the compliance of its operations and management with the laws, assets security, and the truthfulness and completeness of financial reports and relevant information so as to enhance its operational efficiency and results as well as facilitate in realizing its development strategies. Due to the inherent limitations in internal control, only reasonable guarantees can be provided for achieving the above mentioned objectives. In addition, projections on effectiveness of internal control in the future based on internal control appraisal results are subject to the certain risk that internal control may become inadequate due to changes in conditions, or that the degree of compliance with the control policies and procedures may deteriorate.

### (ii) Establishment of risk management and internal control institutions

The Company has established a scientific and efficient internal control structural system. The institution consists of the Board, Supervisory Committee, management, functional management departments and business operations departments, each with its definite scope of work and duties.

The Board of the Company shall be responsible for the effectiveness of internal control of the Company. Besides, it has set up special committees, including the Compliance and Risk Management Committee and the Audit Committee, to comprehensively supervise the effective implementation and self-evaluation of internal control. The Chief Compliance Officer is responsible for enforcing the strategies and policies of the compliance management and submitting compliance reports to the Board. The Supervisory Committee of the Company is responsible for supervising the establishment and implementation of internal control by the Board. The Company's management is responsible for organizing and leading the daily operations of its internal control.

The functional departments for internal control and management mainly include the compliance and legal management department, risk management department, audit center, strategic development department, office of discipline inspection, system research and development department, system operation department and human resources management department, which are responsible for the specific implementation of internal control works and assessment on the soundness and effectiveness of each internal control system. Each of the Company's functional departments, branches and subsidiaries serves as the implementation unit for internal control. The Company designates a special person to oversee the improvement and evaluation on the internal control system for his own unit.

### (iii) Establishment and improvement of risk management and internal control system

During the Reporting Period, the Company commenced a thorough review and improvement, formulating and revising internal regulations and systems relating to corporate governance, principal businesses and compliance risk management based on the work of last year together with the assessment on internal control of the Company with a view to further refining the internal control system, regulating the business procedures and ensuring that internal control covers the Company's various business links and the whole process of management decision-making, execution and supervision.



## Section IV Corporate Governance

During the Reporting Period, according to the new regulations issued by regulatory authorities at different levels and based on the requirements related to corporate governance, the Company updated and improved the internal control systems, mainly including the Articles of Association of Orient Securities Company Limited (Revised in 2024), the Independent Director System of Orient Securities Company Limited (Revised in 2024), the Measures for Administration of Related Transactions of Orient Securities Company Limited (Revised in 2024), the Measures for Administration of Fund Raising of Orient Securities Company Limited (Revised in 2024), the Measures for the Administration of Reputational Risk of Orient Securities Company Limited (Revised in 2024), the Measures for Management of Subsidiaries of Orient Securities Company Limited (Revised in 2024), the Measures for Operational Risk Management of Orient Securities Company Limited (Revised in 2024), and the Measures for Authorization Management of Orient Securities Company Limited (for trial).

### (iv) Basis of building internal control over financial reports

The Company has established and improved a sound internal control system over financial reports based on the Basic Norms for Enterprise Internal Control and Corresponding Guidelines for Enterprise Internal Control issued jointly by the Ministry of Finance of the PRC, CSRC, National Audit Office of the PRC, China Banking Regulatory Commission and China Insurance Regulatory Commission, the Guidelines for Internal Control of Securities Companies issued by the CSRC, and Guidelines of SSE for the Internal Control of Listed Companies issued by the SSE.

During the Reporting Period, considering industrial features and actual conditions of the Company, the Company sorted out and improved its financial accounting management system in strict accordance with the Company Law, Accounting Law, Accounting Standards for Business Enterprises, Standardization of Basic Work of Accounting, Financial Rules for Financial Enterprises, Basic Norms for Enterprise Internal Control and other relevant laws and regulations in the PRC. The financial reports prepared by the Company comply with accounting standards, and give a true, accurate and complete view of its financial positions, operating results, cash flow and other relevant information. According to the Articles of Association and relevant provisions, the Company's Supervisory Committee and external auditor effectively inspected and supervised the Company's financial positions and issued professional audit opinions on its financial reports.

During the Reporting Period, the sound system of internal control over financial reports of the Company ran well and could ensure the quality of financial reports and high reliability of financial information.

## Section IV Corporate Governance

### (v) Operations of risk management and internal control system

As at the end of the Reporting Period, the Company has established an internal control system which fully covered its departments, branches and subsidiaries. In accordance with the requirements of the Basic Norms for Enterprise Internal Control (《企業內部控制基本規範》), the Guidelines for the Evaluation of Enterprise Internal Control (《企業內部控制評價指引》), the Guidelines for Internal Control of Securities Companies (《證券公司內部控制指引》), Internal Control Guidelines for Bond Investment and Trading Business of Securities Fund Operating Institutions (《證券基金運營機構債券投資交易業務內部控制指引》) and Guidelines on Internal Control of Investment Banking Business of Securities Companies (《證券公司投資銀行類業務內部控制指引》) and other relevant laws and regulations, the Company sorted out the business procedures of its departments, branches and subsidiaries, updated regularly in accordance with external laws and regulations, company systems and business updates. During the Reporting Period, the overall operation of the Company's internal control system was good, and an internal control system appropriate to the nature, scale and complexity of the business has been established, which can reasonably ensure the legality and compliance of the Company's operation and management, asset safety and the truthfulness and completeness of financial reports and related information, and improve operating efficiency and effectiveness.

### (vi) Conclusion of risk management and internal control evaluation

Pursuant to the requirements of the Basic Norms for Enterprise Internal Control, the Guidelines for the Evaluation of Enterprise Internal Control, the Guidelines for Internal Control of Securities Companies and the Guidelines of SSE for the Internal Control of Listed Companies and other relevant laws and regulations, the Company evaluated the effectiveness of the design and implementation of its internal control as at December 31, 2024 and issued the 2024 Evaluation Report on Internal Control. The Compliance and Risk Management Committee of the Board makes analysis and independent assessment on the adequacy and effectiveness of the Group's risk management and internal control system. During the Reporting Period, the internal control system of the Company operated effectively and functioned as a better management and control in all key aspects of the Company's operation and management, which was able to provide guarantee for the healthy operation of the Company's businesses and the control of operational risks, and reasonably ensured the reliability of financial reports, the legitimacy of business operations, and the efficiency and effectiveness of operations.

According to the identification of significant defects in internal control over its financial reports and non-financial reports, the Company did not discover any significant defects in internal control as at the base date of internal control evaluation report.

From the base date of internal control evaluation report to the date of issue of such internal control evaluation report, there were no significant changes in internal control that may have a substantive effect on the conclusion of evaluation.

## Section IV Corporate Governance

### (vii) Work plan on internal control for 2025 by the Board

In order to ensure that the Company's internal control is appropriate to the business scale, business scope, competition status and risk level of the Company, the Company will, in 2025, based on its own development needs and in accordance with the requirements of the Basic Norms for Enterprise Internal Control and its supporting guidelines, further improve its internal control systems, continue to strengthen the construction and implementation of relevant systems, and deepen the authorized list-based management measures, thereby ensuring effective implementation of internal control measures and providing a long-term institutional mechanism to safeguard the Company's high-quality development.

There were no material deficiencies in the Company's internal controls during the Reporting Period.

## XIII. ESTABLISHMENT OF THE COMPLIANCE MANAGEMENT SYSTEM OF THE COMPANY

The Company has established a comprehensive and robust compliance management system, strictly enforcing various compliance management systems, with horizontal coverage across all business and operational activities and vertical compliance management duties and primary accountability clearly defined throughout all levels of the organization, including the Board of Directors (including its Compliance and Risk Management Committee), the Supervisory Committee, Management, the Chief Compliance Officer and the Compliance and Legal Management Department, all subordinate divisions (including the departments, branches, and subsidiaries) as well as dedicated compliance personnel within each subordinate divisions and all employees.

During the Reporting Period, the Company further consolidated and deepened the construction of its compliance management system. In alignment with the Company's strategic initiatives, the system was enhanced to incorporate the newly established wealth management committee and investment banking management committee. A strong compliance culture emphasizing "adhering to the bottom line and maintaining a sense of awe" was fostered through diverse and multi-faceted compliance education and awareness programs. The Company further strengthened its regulatory framework by conducting a comprehensive review and revision of its internal rules and regulations, including updating the Company's rules and management measures. Leveraging compliance inspections to proactively identify and mitigate compliance risks, the Company conducted over 20 routine and special inspections covering all business lines and key areas. Identified issues and potential risks were addressed with rigorous follow-up and incorporated into performance evaluations. The Company also advanced its digital compliance capabilities by upgrading key compliance management platforms, including those for employee conduct and investment activities, unusual transaction monitoring, information barriers, and anti-money laundering. Furthermore, accountability mechanisms were strengthened, aligning with the broader corporate oversight framework through revisions to the Company's compliance accountability implementation measures. The Company continued to enhance fundamental compliance activities such as training, consulting, review, monitoring, inspection, remediation, assessment, and accountability, laying a solid foundation for high-quality business development. During the Reporting Period, the Company's compliance management system operated effectively, and no major legal or regulatory violations occurred.

## Section IV Corporate Governance

### XIV. MANAGEMENT AND CONTROL OF SUBSIDIARIES DURING THE REPORTING PERIOD

The Company governed its subsidiaries based on the principles of legality, marketization, and intensive management. It diligently fulfilled its responsibilities as a major shareholder, empowering subsidiaries to leverage their innovative capacity and operational potential as market entities. The Company emphasized the collaboration of resources such as customers, talents and brands, while implementing centralized and penetrating compliance and risk management oversight, which strongly facilitated standard internal governance and enhanced the operational efficiency of the subsidiaries. Mainly by formulating and implementing the Measures for Management of Subsidiaries, the “One Subsidiary, One Policy” Management Checklist, the Measures for Compliance Management of Subsidiaries, the Measures for Risk Management of Subsidiaries and other system processes, the Company has standardized the management for party building, corporate governance, major events decision making, strategies, personnel, finance, compliance risk and audit of its subsidiaries. The Company has further strengthened its internal control standards with reference to regulatory requirements and has integrated the compliance, internal control and risk management of its subsidiaries at all levels into a unified management system, with vertical management of the compliance and risk management of its subsidiaries.

During the Reporting Period, the strategic objectives and development directions of the subsidiaries were in line with the Company’s general development strategies and overall objectives, and the Company’s management procedures and control measures over the subsidiaries were appropriate and effective and in line with the requirements of internal and external regulations.

### XV. AUDIT BY THE AUDIT DEPARTMENT OF THE COMPANY

The audit centre closely focused on the decisions and deployments of the Party Committee and the strategic planning of the Company. Based on its supervision position, it focused on its main responsibilities and core businesses, optimized the institutional mechanisms of audit work, strengthened professional capabilities and team building, deepened the seamless integration and coordination of supervision, effectively utilizes the results of audit rectification, and continuously improves the quality and effectiveness of audit supervision.

During the Reporting Period, the audit centre completed a total of 135 audit projects, including 46 headquarters-level and subsidiary-level projects and 89 operating branch-level projects, fully covering various fields such as wealth management business, asset management business, private equity investment business, financial derivatives business, institutional sales and trading, overseas business, as well as procurement management, compliance management, risk management, operational management, information technology management, connected transactions, and anti-money laundering. In addition, the audit centre led in organizing and completing the Company’s annual internal control evaluation and compliance management effectiveness assessment, effectively fulfilling the supervisory and guarantee role of internal audit, and providing substantial support for the Company’s high-quality development.

## Section IV Corporate Governance

### XVI. EXPLANATIONS ON THE AUDIT REPORT ON INTERNAL CONTROL

KPMG Huazhen LLP was engaged by the Company to conduct an audit on the Company's internal control and issued an unqualified audit report on its internal control.

For details of the Company's audit report on internal control, please refer to the Audit Report on Internal Control of Orient Securities Company Limited disclosed on the website of the SSE ([www.sse.com.cn](http://www.sse.com.cn)) on March 28, 2025.

Was the audit report on internal control disclosed: Yes  
Opinion on the audit report on internal control: Standard unqualified opinion

### XVII. RECTIFICATION OF SELF-INSPECTED PROBLEMS IN SPECIAL ACTIONS ON CORPORATE GOVERNANCE OF LISTED COMPANIES

During the Reporting Period, the Company was not subject to any self-inspection or rectification related to the special actions on corporate governance of listed companies. The Company continuously enhanced its corporate governance practices in strict accordance with applicable domestic and international laws and regulations, and promoted its high-quality development.

### XVIII. OTHERS

#### (i) Company secretaries

As at the end of the Reporting Period, Mr. Wang Rufu and Mr. Ngai Wai Fung are the Company's joint company secretaries. Mr. Ngai Wai Fung is currently the chief executive officer of SWCS Corporate Services Group (Hong Kong) Limited. The Company's main contact person with Mr. Ngai Wai Fung is Mr. Wang Rufu, the joint company secretary of the Company. During the Reporting Period, Mr. Wang Rufu and Mr. Ngai Wai Fung both received no less than fifteen hours of relevant professional trainings as required by Rule 3.29 of the Hong Kong Listing Rules. Mr. Wang Ru Fu was granted the 5A rating in the 2024 Board Secretary Performance Evaluation by the China Association for Public Companies, the 20th Golden Board Secretary by New Fortune and other awards.

#### (ii) Compliance with code for securities transactions

The Company has adopted the Model Code as the code for all Directors and Supervisors to conduct the Company's securities transactions. Upon specific enquiry, all Directors and Supervisors confirmed that they had strictly observed standards as specified in the Model Code during the Reporting Period. The Company has also set guidelines, at least as strict as the Model Code, on the Company's securities transactions for relevant employees (as defined under the Hong Kong Listing Rules). The Company has not found any relevant employees violating the said guidelines.

The Board will, from time to time, examine the corporate governance and operation of the Company to comply with the relevant provisions of the Hong Kong Listing Rules and protect the interests of shareholders.

## Section IV Corporate Governance

### (iii) Directors' and auditor's responsibilities for accounts

The Board has acknowledged its responsibility for preparing the annual report of the Group for the year ended December 31, 2024.

The Board is responsible for presenting a clear and definite assessment in respect of annual reports and interim reports, price-sensitive information and other disclosures as required by the Hong Kong Listing Rules and other regulatory requirements. The management has provided the Board with relevant necessary explanations and information so that the Board could make an informed assessment of the financial information and positions of the Group and submitted to the Board for consideration and approval.

There are no material uncertainties or situations that may cause material doubt as to the Company's capability of sustainable operation. In addition, the Company has arranged appropriate insurance coverage for potential legal actions and liabilities against the Directors, Supervisors and senior management.

### (iv) Communications with shareholders

The general meeting is the supreme authority of the Company, and all shareholders exercise their powers through such meeting. The Company convened and held the general meetings in strict compliance with relevant requirements, and ensured that all shareholders, especially minority shareholders, enjoy equal status and fully exercise their rights. In accordance with the Articles of Association, the Company carried out the operations in an orderly manner and maintained healthy and stable development, thus effectively protecting the interests of the Company and its shareholders.

The Company attaches great importance to the opinions and suggestions from its shareholders, carries out a variety of investor relation events in a positive, active and standardized manner to maintain communications with shareholders and promptly meet their reasonable demands. Meanwhile, the Company releases its announcements, financial data and other relevant data on its website ([www.dfzq.com.cn](http://www.dfzq.com.cn)), which serves as a channel facilitating effective communication with the shareholders. The shareholders may make enquiries through emails, hotlines and directly sending their letters to the Company's office address. The Company will handle such enquiries in a timely and proper manner. The Board has examined and reviewed the Shareholders' Communication Policy during the Reporting Period and after considering the various communication and engagement channels available, it is of the view that the Shareholders' Communication Policy has been properly implemented and is effective.

The Board welcomes suggestions from the shareholders and encourages them to attend the general meetings to directly express any concerns to the Board or the management. Usually, the chairman of the Board and the management would attend annual general meetings and other general meetings to answer questions put forward by shareholders.

Shareholders may convene a general meeting and make proposals at the general meeting in accordance with the procedures provided in the Articles of Association, which has been published on the websites of the SSE ([www.sse.com.cn](http://www.sse.com.cn)), the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.dfzq.com.cn](http://www.dfzq.com.cn)).

## Section IV Corporate Governance

The Board will be arranged to attend the Company's 2024 annual general meeting to answer shareholders' enquiries.

Detailed procedures relating to voting and the resolutions to be voted by way of poll will be published on the websites of the SSE (for A Shares) or contained in the circular to be dispatched to shareholders (for H Shares).

Shareholders may convene an extraordinary general meeting and make interim proposals at the general meeting in accordance with the procedures provided in the Articles of Association.

### (v) Investor relations activities

The Company attaches great importance to investor relations management and regards the maintenance and management of investor relations as one of the most important deployments of the Company's capital strategy. By upholding the work philosophy of "Sincerity, Professionalism and Compliance", the Company has formed an investor relations team led by the secretary to the Board and actively engaged in various investor relations activities to enhance investor understanding and recognition of the Company's investment value. The Company has established a comprehensive set of rules and regulations, including the Market Value Management System and the Investor Relations Management Measures, to create a multi-dimensional investor communication platform that integrates on-site meetings, telephone calls, and online interactions. On one hand, the Company utilizes various communication methods such as general meetings, results presentations, investor meetings, investor site visits, and roadshows, as well as communication platforms including the "Investor Relations" section of the Company website, E-interactive platform launched by the SSE, investor hotline, email, and investor relations social media accounts to ensure sufficient interaction with various investors, promptly address their concerns, and effectively protect their interests. On the other hand, the Company diligently listens to market feedback, regularly relays investor suggestions to the management, and works collaboratively with investors to promote high-quality development.

In 2024, the Company successfully held its 2023 annual, 2024 first quarter, and 2024 interim results presentation, and participated in the group results briefing of the third quarterly report of listed companies in Shanghai. The 2023 annual and 2024 interim results presentations were conducted through a combination of video and online interactive formats, utilizing video presentations to explain performance and written responses to address investor questions. These diverse methods comprehensively showcased the Company's business direction and competitive advantages while professionally and sincerely addressing investor inquiries. Furthermore, the Company participated in 43 roadshow events, including brokerage strategy conferences and online and offline investor site visits, reaching over 300 industry analysts and investors, responded to 58 questions on the E-interactive platform launched by the SSE and answered hundreds of calls on the investor hotline. During the Reporting Period, the Company won various awards including the "Best IR Hong Kong Listed Company (A + H Shares)" by New Fortune, "Best Practice in Listed Company Investor Relations Management" by the China Association for Public Companies, and "Investor Relations Management Tianma Award" by the Securities Times, which effectively enhanced the Company's market reputation and influence.

## Section IV Corporate Governance

During the Reporting Period, the Company held results presentations and was invited to participate in securities dealers' strategy meetings and other exchange activities as follows:

Date of event	Venue of event	Communication methods	Communication targets	Communication content
January 4, 2024	Shanghai	On-site communication	Investors invited to the 2024 annual strategy meeting of Dongwu Securities	The Company's operation, business characteristics and highlights, long-term development strategy, etc.
February 27, 2024	Shanghai	On-site communication	Investors invited to the 2024 spring listed company exchange meeting of Shenwan Hongyuan	
February 28, 2024	Beijing	On-site communication	Investors invited to the 2024 spring closed-door industry chain conference of Founder Securities	
February 29, 2024	Shanghai	On-site communication	Investors invited to the spring listed companies conference of Kaiyuan Securities	
March 8, 2024	Guangzhou	On-site communication	Investors invited to the 2024 spring capital forum of GF Securities	
March 28, 2024	Online	Video and online interaction	2023 Annual results presentation of the Company	
May 13, 2024	Online	Teleconference	Results presentation of the first quarter of 2024	
June 4, 2024	Shanghai	On-site communication	Investors invited to the 2024 interim investment summit of Huatai Securities	
June 5, 2024	Shanghai	On-site communication	Investors invited to the 2024 interim listed company exchange meeting of Everbright Securities	
June 5, 2024	Shanghai	On-site communication	Investors invited to the 2024 capital market forum of CITIC Securities	
June 12, 2024	Online	Teleconference	Investors invited to the 2024 interim strategy meeting of Sinolink Securities	
June 19, 2024	Shanghai	On-site communication	Investors invited to the 2024 summer strategy meeting of Shenwan Hongyuan	
July 19, 2024	Shanghai	On-site communication	Investors invited to the 2024 interim investment strategy meeting of Guolian Securities	



## Section IV Corporate Governance

Date of event	Venue of event	Communication methods	Communication targets	Communication content
August 30, 2024	Shanghai	On-site communication	Investors invited to the 2024 autumn capital forum and closed-door listed companies exchange meeting of GF Securities	
August 30, 2024	Online	Video and online interaction	2024 Interim results presentation of the Company	
September 3, 2024	Shenzhen	On-site communication	Investors invited to the eleventh China symposium of HSBC	
November 6, 2024	Shanghai	On-site communication	Investors invited to the 2024 listed company exchange meeting of Founder Securities	
November 7, 2024	Shanghai	On-site communication	Investors invited to the institutional bulk-holding stock exchange meeting of Zheshang Securities in the fourth quarter of 2024	
November 13, 2024	Shenzhen	On-site communication	Investors invited to the 2025 capital market annual meeting of CITIC Securities	
November 13, 2024	Online	Text interaction	2024 Group Results Briefing on the Third Quarterly Report of Listed Companies in Shanghai	
November 14, 2024	Shanghai	On-site communication	Investors invited to the 2025 strategy meeting of Kaiyuan Securities	
November 20, 2024	Shanghai	On-site communication	Investors invited to the 2025 strategy meeting of Huachuang Securities	
November 28, 2024	Shanghai	On-site communication	Investors invited to the 2025 capital market investment summit of CSC Financial	
December 12, 2024	Shanghai	On-site communication	Investors invited to the annual strategy meeting and listed companies exchange meeting of Sinolink Securities	
December 12, 2024	Shanghai	On-site communication	Investors invited to the 2025 annual strategy meeting of Dongwu Securities	
December 19, 2024	Shanghai	On-site communication	Investors invited to the closed-door listed companies exchange meeting of GF Securities	
December 20, 2024	Shenzhen	On-site communication	Investors invited to the 2025 annual meeting of capital market investment of Shenwan Hongyuan	

## Section IV Corporate Governance

During the Reporting Period, the Company maintained communication with securities dealer analysts, institutional investors and individual investors as follows:

<b>Date of event</b>	<b>Communication methods</b>	<b>Communication targets</b>	<b>Communication content</b>
2024	Telephone communication, text Interaction, on-site communication, etc.	CITIC Securities, Guotai Junan, CICC, CSC Financial, Huatai Securities, GF Securities, Shenwan Hongyuan, Everbright Securities, Founder Securities, Sinolink Securities, Dongwu Securities, Huachuang Securities, Kaiyuan Securities, Guolian Securities, Zheshang Securities, Cinda Securities, HSBC Securities, E Fund Management, China Southern Asset Management, Fidelity Investments, HuaAn Fund Management, and Wideview Asset, etc. as well as small and medium-sized investors who communicated with the Company through channels such as the investment relations hotline and the investment relations e-mail.	The Company's operation, business characteristics and highlights, long-term development strategy, etc.

### (vi) Amendment to the Articles of Association

The Company held the 2023 annual general meeting on May 10, 2024, to consider and approve the Proposal Regarding Amendment to the Articles of Association and its Annexes, and the amendment to the Articles of Association became effective on May 10, 2024. For the specific amendments, please refer to the circular of the Company dated April 9, 2024.

The Company held the 2024 second extraordinary general meeting on November 22, 2024, to consider and approve the Resolution in Relation to Amendments to Certain Provisions of the Articles of Association, and the amendments to the Articles of Association became effective on November 22, 2024. For the specific amendments, please refer to the circular of the Company dated October 30, 2024.

# Section V Environmental and Social Responsibilities

## I. INFORMATION ON ENVIRONMENTAL PROTECTION

Whether an environmental protection mechanism is in place	Yes
Investment in environmental protection during the Reporting Period (Unit: RMB'0000)	405.79

The Company operates in financial securities industry and is a non-key emission company. The Company strictly complies with the Environmental Protection Law of the People's Republic of China and other laws and regulations, sets targets for energy conservation and environmental protection, always advocates and carries out the concept of "green office, low carbon life", explores energy-saving, environmental protection and efficient management mode, and integrates the concept of low carbon and environmental protection into the Company's operation process, so that the energy consumption and greenhouse gas emissions from the Company's daily office operations have a relatively small negative impact on the environment. During the Reporting Period, the Company did not identify any significant violations related to environmental protection.

### (i) Information on activities that are conducive to protecting the ecosystem, preventing and controlling pollution, and performing environmental responsibility

The Company has actively responded to the national "Carbon Peak and Carbon Neutrality Strategy" by releasing the Board of Directors ESG Management Statement and establishing a "Green Development" action framework. Centered on three key areas including own operations, financial business, and environmental protection and public welfare, the Company has driven Stakeholders to embrace and implement green development principles from the inside out.

In terms of daily operations, the Company has effectively implemented various energy-saving and environmental protection measures. The Company has promoted the digitization of corporate reports, advanced the digitalization of archives, and encouraged paperless office practices. It has also ensured proper wastewater treatment, guaranteeing that wastewater generated during office operations and services is directed into municipal sewage networks. Employees were encouraged to recycle and reuse office supplies, daily office waste and other non-hazardous waste generated in office operations, and those that cannot be recycled were collected and treated by the property management company. The Company engaged qualified third-party companies to recycle and properly dispose of hazardous waste. In addition, the Company has established a "Sustainable Development" section on its official website, highlighting its initiatives and accomplishments in energy conservation, emission reduction and response to climate change.

## Section V Environmental and Social Responsibilities

In terms of green finance, leveraging its financial expertise, the Company supported the development of green industries and green projects through various investment and financing methods with multiple channels and varieties. In terms of green financing, in 2024, the Company underwrote five tranches of green corporate bonds with an underwriting amount of RMB1.201 billion, and 14 tranches of green financial bonds with an underwriting amount of RMB7.827 billion, supporting three equity financing projects with an underwriting amount of RMB1.240 billion for green and low-carbon equity financing. In terms of green investment, the Company and its subsidiaries adhered to the concept of value investment and responsible investment, implemented responsible investment strategies such as positive selection, negative exclusion, integration of ESG factors and Active Ownership, and incorporated ESG factors into investment business. As at the end of 2024, the Company invested a total of RMB5.798 billion in green bonds. In terms of carbon finance, since obtaining the approval for the application for carbon emission rights self-operating qualification from the CSRC, the Company has relied on the industrial service advantages of Shenergy Group, and has effectively reached out to the participating entities of various carbon markets through its business network covering all parts of the country, and has successfully launched carbon quota buyback trading business in the Hubei Carbon Market, and has launched its first carbon quota buyback transaction based on a joint project among the three markets, namely, “Electricity-Carbon-Finance”.

In terms of environmental public welfare, the Company promoted the concept of “green office and low-carbon lifestyle” through the “Plastic Reduction Plan”, public promotion activities and other influential projects, and encouraged employees, customers, the public and other Stakeholders to practice green lifestyles.

## Section V Environmental and Social Responsibilities

### (ii) Measures taken to reduce its carbon emissions during the Reporting Period and their effects

Whether carbon reduction measures are adopted	Yes
Reduction in emissions of carbon dioxide equivalent (in tonnes)	273.50
Types of carbon reduction measures (e.g. use of clean energy to generate electricity, use of carbon reduction technologies in production processes, development and production of new products that contribute to carbon reduction, etc.)	<p>1) The Company promoted green operations through energy-saving and low-carbon building operations and promotion of carbon reduction among employees, including:</p> <ul style="list-style-type: none"> <li>On non-working days, the Company halted the operation of certain elevators and turned off water dispensers on all floors.</li> <li>To optimize energy use, the Company has installed time-delay relays for air conditioning controls, allowing adjustments to the operating hours of air conditioning systems based on seasonal variations. Additionally, the real-time monitoring mechanism for the temperature of air conditioning circulating water has been improved.</li> <li>Furthermore, the Company has upgraded the hallway lighting in the Orient Securities Building, replacing 18-watt LED ceiling lights with 12-watt LED motion-sensor ceiling lights.</li> </ul> <p>2) The Company has initiated energy-saving renovations for its data centers, driving forward its low-carbon transformation.</p>

#### **Detailed description**

The Company has been making unremitting efforts to promote high-quality development and sustainable development, supporting China's "carbon peaking and carbon neutrality" goal, and promoting carbon neutrality in its own business and at the operational level. In 2024, in order to implement its Carbon Neutrality Target and Action Plan, the Company accelerated the low-carbon transformation of its data centers, and adopted energy-saving and emission reduction technologies to improve energy and resource efficiency and reduce greenhouse gas emissions.

## Section V Environmental and Social Responsibilities

### II. WORK ON SOCIAL RESPONSIBILITIES

#### (i) Whether to disclose social responsibility report, sustainability report or ESG report separately

The Company is committed to providing high-quality comprehensive financial services under the concept of “Enjoying Beautiful Life” to create long-term value, make responsible investment, adopt a people-oriented approach and contribute to building a harmonious community, thereby creating sustainable and comprehensive value for stakeholders including shareholders, customers, employees, government and regulatory authorities, partners and environmental communities.

For details of the Company’s performance of social responsibility, please refer to the “2024 Sustainable Development Report of DFZQ” disclosed on the website of the SSE ([www.sse.com.cn](http://www.sse.com.cn)) and the “2024 Environmental, Social and Governance Report of DFZQ” disclosed on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on March 28, 2025.

#### (ii) Details of work on social responsibilities

##### External donations and public welfare items

	Amount/content	Description
Total investment (RMB’0000)	2,395.02	
Including: Funding (RMB’0000)	2,395.02	The Company and its subsidiaries donated RMB9.83 million to DFZQ Xindeyizhang Public Welfare Foundation for carrying out projects related to the preservation of Oriental cultural heritage and children’s public welfare projects such as Xindeyizhang Art Classroom.
Supplies (monetary value) (RMB’0000)		
Number of beneficiaries (persons)	4,000	

## Section V Environmental and Social Responsibilities

### III. INFORMATION ON CONSOLIDATING AND EXPANDING THE RESULTS OF POVERTY ALLEVIATION AND RURAL REVITALIZATION

#### Poverty alleviation and rural revitalization items

	Amount/content	Description
Total investment (RMB'0000)	2,400.78	
Including: Funding (RMB'0000)	2,400.78	
Supplies (monetary value) (RMB'0000)		
Number of beneficiaries (persons)	8,900	
Form of support (e.g. poverty alleviation through industry support, employment support and education support)		Industry assistance, financial assistance, public welfare assistance, knowledge assistance, ecological assistance, consumption assistance, cultural assistance, organizational assistance

#### Detailed description

The Company has actively implemented the rural revitalization strategy and the “one company, one county” call for assistance. As at the end of 2024, the Company and its subsidiaries had signed twinning assistance agreements with 49 areas, including Morin Banner in Inner Mongolia, Wufeng County in Hubei Province, Funing County in Yunnan Province and Qiongzong County in Hainan Province, to continue to help rural revitalization. In 2024, the Company and its subsidiaries carried out 92 projects to consolidate poverty alleviation results and promote rural revitalization, including 18 industry assistance projects, 10 financial assistance projects, 14 consumption assistance projects, one public welfare assistance project, three ecological assistance projects, 21 knowledge assistance projects, and 25 organization assistance projects, with total investment of RMB24.0078 million, thereby contributing to the sustainable development of the twinning assistance areas.

#### 1. “Self-sustaining” assistance to boost industrial development

The Company adheres to the philosophy of transforming “blood transfusion-style” assistance into “self-sustaining” assistance. For eight consecutive years, it has carried out the “Orient Guniang” industry assistance projects in Morin Banner in Inner Mongolia, and for seven consecutive years, the “Dong Fang Hong Yi Black Tea” industry assistance project in Wufeng County in Hubei Province. In addition, it launched the “Orient Coffee” industry assistance project in Qiongzong County in Hainan Province, leveraging professional expertise and strong integration capabilities to support rural revitalization. Through brand building and innovative communication, the Company has helped local specialty industries achieve sustainable development, with a total investment of over RMB7 million in industry assistance in 2024.

## Section V Environmental and Social Responsibilities

In 2024, DFZQ introduced the “Orient Coffee” project in Qiongzhong County, Hainan Province, tailored to local conditions. The Company focused on upgrading brand packaging, improving product processing, and expanding market reach. It not only purchased coffee beans to secure income for local farmers but also enhanced the quality of local coffee cherries through modern advanced techniques. Additionally, it upgraded product packaging by integrating local cultural tourism and forest wellness industries, showcasing the charm of Qiongzhong in a comprehensive and multi-dimensional manner. In 2024, the Company invested approximately RMB1.74 million in the “Orient Coffee” industry assistance project, which was recognized as an outstanding case in rural revitalization by China.org.cn. in 2024.

### 2. *“Revitalization-style” assistance to drive rural transformation*

To further advance the “Hundred Enterprises Assisting Hundred Villages” rural revitalization initiative, the Company renewed its assistance agreement with Funing County in Yunnan Province, helping the local people to create a new phase of comprehensive rural revitalization. The Company actively secured funds to support the installation of sewage pipelines, streetlights, and bulletin boards, as well as the construction of footpaths and greening projects. These efforts have beautified the living environment, enhanced the rural landscape, and transformed the appearance of Pingmeng Village in Gula Township, Funing County, adding a vibrant touch of ecological livability to the assisted areas.

### 3. *“Enlightenment-style” assistance to empower cultural heritage*

Through the Shanghai DFZQ Xindeyizhang Public Welfare Foundation, the Company focuses on children’s art education. In 2024, it launched six characteristic courses and multiple activities under the Xindeyizhang Art Classroom initiative and completed the renovation of the art space at Dukezong Primary School in Shangri-La, Yunnan, increasing the total number of Xindeyizhang Art Classroom to 16. Additionally, the Xindeyizhang Public Welfare Foundation is dedicated to the protection and promotion of cultural heritage, promoting intangible cultural heritage, and addressing the mental health of adolescents. By organizing themed activities, it actively engages adolescents in the education and continuation of intangible cultural heritage.

### 4. *“Professional-style” assistance to safeguard agricultural development*

Orient Futures, our subsidiary, actively fulfilled its mission of serving the real economy by leveraging its financial expertise to deeply understand the risk management needs of farmers. It focused on “insurance + futures” and paired assistance to support rural revitalization. In 2024, it invested a total of RMB15.8619 million, including RMB10.1263 million in “insurance + futures” professional assistance and RMB5.7356 million in other paired assistance projects, contributing to agricultural and rural development and continuously enhancing the effectiveness of its rural revitalization efforts.



## Section VI Significant Events

### I. PERFORMANCE OF UNDERTAKINGS

#### (i) Undertakings by the Company's de facto controller, shareholders, related parties, acquirers, the Company and other parties during the Reporting Period or subsisting to the Reporting Period

Background of undertaking	Type of undertaking	Covenantor	Content of undertaking	Date of undertaking	Subject to expiry	Validity period of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in the next step
Undertakings in relation to initial public offering	To solve the problem of horizontal competition	Shenergy Group	Shenergy Group has issued the Commitment Letter of Avoiding Horizontal Competition to the Company and undertook that it and the companies and enterprises under its direct or indirect control would not participate in any form of business or operation that compete or might compete with the Company and its subsidiaries.	February 8, 2014	Yes	After the public offering and listing of A Shares of the Company	Yes	/	/
Undertakings in relation to initial public offering	To solve the problem of connected transactions	Shenergy Group	Shenergy Group and the companies and enterprises under its direct or indirect control will take every effort to avoid and regulate related party transactions with DFZQ and its subsidiaries; for those related party transactions that cannot be avoided or are necessary, the price of the related party transactions will be determined in accordance with the principles of fairness, openness and equity to ensure the fairness of the related party transactions. If Shenergy Group breaches the above undertaking to regulate related party transactions with the issuer, Shenergy Group shall cease to receive shareholders' dividends from the issuer from the date of the breach of the relevant undertaking and shall not transfer its shares in the issuer until the corresponding measures have been taken and implemented in accordance with the above undertaking; if the issuer or other investors suffer loss as a result of the failure to comply with the undertaking to regulate the related party transactions, compensation shall be made to the issuer or other investors in accordance with relevant laws.	February 8, 2014	Yes	After the public offering and listing of A Shares of the Company	Yes	/	/

## Section VI Significant Events

Background of undertaking	Type of undertaking	Covenantor	Content of undertaking	Date of undertaking	Subject to expiry	Validity period of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in the next step
Undertakings in relation to refinancing	Other	Shenergy Group	The undertaking regarding the effective implementation of the immediate return remedial measures for the Company's the Rights Issue. Shenergy Group has undertaken not to interfere with the Company's operation and management activities beyond its authority and not to embezzle the interests of the Company.	March 24, 2021	Yes	During the period when Shenergy Group remains as the largest shareholder	Yes	/	/

(ii) **There were no profit predictions for the Company's assets or projects during the Reporting Period.**

(iii) **During the Reporting Period, the Company did not make undertakings on its results.**

**II. NO APPROPRIATION OF FUNDS ON A NON-OPERATING BASIS BY THE COMPANY'S CONTROLLING SHAREHOLDER OR OTHER RELATED PARTIES HAS OCCURRED DURING THE REPORTING PERIOD.**

**III. DURING THE REPORTING PERIOD, THE COMPANY DID NOT PROVIDE ANY NON-COMPLIANCE GUARANTEE.**

**IV. DURING THE REPORTING PERIOD, THERE WERE NO EXPLANATIONS OF THE BOARD OF THE COMPANY ON "NON-STANDARD AUDIT REPORT" OF ACCOUNTING FIRM OF THE COMPANY.**

**V. DURING THE REPORTING PERIOD, THERE WERE NO CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OR CORRECTION OF MATERIAL ACCOUNTING ERRORS.**

## Section VI Significant Events

### VI. APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS

Unit: '0000 Currency: RMB

	Previously engaged	Currently engaged
Name of the domestic accounting firm	Deloitte Touche Tohmatsu Certified Public Accountants LLP	KPMG Huazhen LLP
Remuneration of the domestic accounting firm	119	107.5
Term of the audit services provided by the domestic accounting firm (year)	7	1
Names of certified public accountants of the domestic accounting firm	/	Zhang Nan, Ni Yi
Accumulated term of audit services by certified public accountants of the domestic accounting firm	/	1
Name of the overseas accounting firm	Deloitte Touche Tohmatsu	KPMG
Remuneration of the overseas accounting firm	119	82.5
Term of the audit services provided by the overseas accounting firm (year)	8	1

	Name	Remuneration
Accounting firm engaged for internal control audit	KPMG Huazhen LLP	45

#### Explanations on appointment and dismissal of accounting firms

During the Reporting Period, as approved upon consideration at the Company's 2023 annual general meeting, the Company appointed KPMG Huazhen LLP as its domestic auditor for 2024, who was responsible for provision of relevant domestic audit services in relation to financial statements prepared in accordance with CASBE for a term of one year, with 2024 annual auditing fees for finance and special supervision report of RMB1.075 million. The Company also appointed KPMG Huazhen LLP as its internal control auditor for 2024, with internal control auditing fees of RMB0.45 million. The Company appointed KPMG as the Company's overseas auditor for 2024 for a term of one year, who was responsible for provision of relevant audit and review services in relation to financial statements prepared in accordance with IFRS, with 2024 annual auditing fees of RMB0.825 million and interim reviewing fees of RMB0.70 million. KPMG Huazhen LLP and KPMG provide auditing services to subsidiaries of the Group, and the auditing fees in total amounted to RMB2.9272 million.

## Section VI Significant Events

During the Reporting Period, the Company did not change its accounting firm during the audit period, nor did the Board disagree with the opinion of the Audit Committee on the selection and appointment of external auditors.

**Accounting firm  
appointed by the  
Company in the  
past three years**

	2023	2022	2021
Name of the domestic accounting firm	Deloitte Touche Tohmatsu Certified Public Accountants LLP	Deloitte Touche Tohmatsu Certified Public Accountants LLP	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Name of the overseas accounting firm	Deloitte Touche Tohmatsu	Deloitte Touche Tohmatsu	Deloitte Touche Tohmatsu

**VII. DURING THE REPORTING PERIOD, THE COMPANY WAS NOT EXPOSED TO THE RISK OF DELISTING.**

**VIII. DURING THE REPORTING PERIOD, THE COMPANY EXPERIENCED NO BANKRUPTCY OR RESTRUCTURING RELATED MATTERS.**

## Section VI Significant Events

### IX. MATERIAL LITIGATIONS AND ARBITRATIONS

During the Reporting Period, the Company was not involved in any material litigation or arbitration that involves claims of over RMB10 million and accounting for more than 10% of the absolute value of the Company's net assets as audited in the latest financial statements, which shall be disclosed in accordance with the requirements under the SSE Listing Rules. The Company did not have matters commonly questioned by media during the Reporting Period.

As at the end of the Reporting Period, the existing major litigations in which the Company is involved are set out in the table below.

Plaintiff	Defendant	Category of the litigation and arbitration	Reason	Amount involved	Progress
DFZQ	Qingdao Yaxing Industry Co., Ltd. (青島亞星實業有限公司)	Litigation	Qingdao Yaxing Industry Co., Ltd. conducted the share collateralized repurchase transaction with the Company by the shares of "R Capstone 1 ("R大通1") (formerly known as "Shenzhen Capstone (深大通)") held by it since March 2016. The above-mentioned transaction has been in default.	Principal of RMB653 million and interest, default penalty, and other expenses for the realization of creditors' rights are payable but unpaid.	According to the enforcement certificates issued by the notary public's office to Qingdao Yaxing, an enforcement case was filed in the Shenzhen Intermediate Court in August 2022. In October 2022, the Shenzhen Intermediate Court issued a disposal ruling. In November 2022, Qingdao Yaxing filed an objection to the enforcement, after which the court agreed the Company to continue to enforcement on the guarantee provided by the Company on its own credit. In January 2023, the pledged shares were listed for auction. In February and June 2023, both the first and the second auctions of the pledged shares failed. In July 2023, the Shenzhen Intermediate Court ruled to terminate the enforcement procedure, and subsequently the application for resumption of enforcement will be made upon the completion of the board transfer.
DFZQ	Zhu Lanying	Litigation	Zhu Lanying conducted the share collateralized repurchase transaction with the Company by the shares of "R Capstone 1 ("R大通1") (formerly known as "Shenzhen Capstone (深大通)") held by it since March 2016. The above-mentioned transaction has been in default.	Principal of RMB346 million and interest, default penalty, and other expenses for the realization of creditors' rights are payable but unpaid.	According to the enforcement certificates issued by the notary public's office to Zhu Lanying, an enforcement case was filed in the Shenzhen Intermediate Court in September 2022. On June 2023, the pledged shares delisted. In November 2023, the Court ruled to terminate the enforcement procedure as the pledged shares were still at the evaluation stage and could not be disposed of and there were no property clues available for enforcement. Subsequently, the application for resumption of execution will be made upon the completion of the board transfer.

## Section VI Significant Events

Plaintiff	Defendant	Category of the litigation and arbitration		Amount involved	Progress
		Reason			
DFZQ	Jiang Jian	Litigation	Jiang Jian conducted the share collateralized repurchase transaction with the Company by the shares of "R Capstone 1 ("R大通1") (formerly known as "Shenzhen Capstone (深大通)") held by it since June 2016. The above-mentioned transaction has been in default.	Principal of RMB261 million and interest, default penalty, and other expenses for the realization of creditors' rights are payable but unpaid.	According to the enforcement certificates issued by the notary public's office to Jiang Jian, an enforcement case was filed in the Shenzhen Intermediate Court in September 2022. In February 2023, the Company received the auction ruling. In June 2023, the pledged shares delisted. In December 2023, the Court ruled to terminate the enforcement procedure as the pledged shares were still at the evaluation stage and could not be disposed of and there were no property clues available for enforcement. Subsequently, the application for resumption of execution will be made upon the completion of the board transfer.
DFZQ	Zuhai Zhongzhu Group Co., Ltd. (珠海中珠集團股份有限公司) and Zuhai S.E.Z. Dezheng Group Co., Ltd. (珠海經濟特區德正集團有限公司), the guarantor	Litigation	Zuhai Zhongzhu Group Co., Ltd. conducted the share collateralized repurchase transaction with the Company by the shares of "ST Zhongzhu (ST中珠)" (formerly known as "Zhongzhu Medical (中珠醫療)") held by it since November 2017, which was guaranteed by Zuhai S.E.Z. Dezheng Group Co., Ltd. with its immovable assets. The above-mentioned transaction has been in default.	Principal of RMB461 million and interest, default penalty, and other expenses for the realization of creditors' rights are payable but unpaid.	In April 2021, the lawsuit was filed in the Shanghai Financial Court. In February 2022, the Company received a favorable first instance judgment. In March 2022, the defendant applied for an appeal. In September 2022, the Shanghai High Court delivered the second instance judgment, which upheld the original judgment. In November 2022, the enforcement case was accepted by the Shanghai Financial Court. In April 2023, the disposal of all the pledged shares on the new bulk trading platform was completed, and in June 2023, the Company received the enforcement payment. The collateral auction was launched in August 2023, and several rounds of auctions were all failed. The Company received the final ruling at the end of February 2024. In May 2024, it applied to the Shanghai Financial Court for resumption of execution.

## Section VI Significant Events

Plaintiff	Defendant	Category of the litigation and arbitration	Reason	Amount involved	Progress
DFZQ	Xinjiang Maiquer Group Co., Ltd. (新疆麥趣爾集團有限責任公司) and Xinjiang Hengjia Property Co., Ltd. (新疆恒佳房地產開發有限公司), the guarantor	Litigation	Xinjiang Maiquer Group Co., Ltd. conducted the share collateralized repurchase transaction with the Company by the shares of "Maiquer (麥趣爾)" held by it since March 2015, which was guaranteed by Xinjiang Hengjia Property Co., Ltd. (新疆恒佳房地產開發有限公司) with its immovable assets. The above-mentioned transaction has been in default.	Principal of RMB303 million and interest, default penalty, and other expenses for the realization of creditors' rights are payable but unpaid.	The lawsuit was filed in the Shanghai Financial Court in August 2022. In July 2023, the court ruled in favour of the Company in the first instance judgment. The defendant appealed in August 2023. In September 2023, a second instance judgment was filed in Shanghai High Court. In November 2023, the Company received a second instance judgment: the appeal was dismissed, upholding the original judgment. In December 2023, the case was filed with enforcement procedure. In May 2024, the Company received a ruling on the auction of the shares involved in the case. From July to September 2024, the pledged shares were successfully auctioned. As the mortgaged immovable assets under Maiquer's name were collectively disposed of by the Changji Intermediate Court, in October 2024, the Company submitted an application for participation in the distribution to both the Changji Intermediate Court and the Shanghai Financial Court. In November 2024, the enforcement payments from the auction transactions of the pledged shares were received. In December 2024, a final ruling was received. The Company proposed to apply for the resumption of execution to advance the disposal of the mortgaged immovable assets under Hengjia's name and to follow up on the valuation and distribution of the mortgaged immovable assets under Maiquer's name.
DFZQ	Shanghai Yutai Dengshuo Investment Center (Limited Partnership) (上海郁泰登碩投資中心(有限合夥)) and the guarantors, being Shanghai Fuxing Industrial Group Co., Ltd. (上海阜興實業集團有限公司) and Shanghai Yutai Investment Management Co., Ltd. (上海郁泰投資管理有限公司)	Litigation	Shanghai Yutai Dengshuo Investment Center (Limited Partnership) conducted the share collateralized repurchase transaction with the Company by the shares of "Blivex (保力新)" (formerly known as "Jianrui Woneng (堅瑞沃能)") held by it since September 2016 and Shanghai Fuxing Industrial Group Co., Ltd. and Shanghai Yutai Investment Management Co., Ltd. provided the joint guarantee. The above-mentioned transaction has been in default.	Principal of RMB170 million and interest, default penalty, and other expenses for the realization of creditors' rights are payable but unpaid.	According to the enforcement certificates issued by the notary public's office to Yutai Dengshuo and Fuxing Industrial, the case was filed with enforcement procedure in Shanghai No.2 Intermediate People's Court in August 2018. By early 2020, partial repayment was enforced through the courts. In March 2020, the Company filed a lawsuit against Shanghai Yutai Investment Management Co., Ltd. (上海郁泰投資管理有限公司), the guarantor, in the Shanghai Financial Court in respect of the disposal of the underpaid part of the pledged shares. Due to the involvement of the principal debtors, Yutai Dengshuo and Fuxing Industrial, in other cases, the Shanghai Financial Court has adjourned the hearing of the Yutai Investment guarantee contract litigation. In June 2023, the guarantee contract litigation was assigned to the Jing'an District Court. In May 2024, the Company sent a petition to the court for an enforcement objection.

## Section VI Significant Events

Plaintiff	Defendant	Category of the litigation and arbitration	Reason	Amount involved	Progress
DFZQ	Zeng Zhuo	Litigation	Zeng Zhuo conducted the share collateralized repurchase transaction with the Company by the shares of "Xinning Logistics (新寧物流)" held by him since July 2016. The above-mentioned transaction has been in default.	Principal of RMB166 million and interest, default penalty, and other expenses for the realization of creditors' rights are payable but unpaid.	<p>In respect of the notarized transactions, according to the enforcement certificates issued by the notary public's office to Zeng Zhuo, the case was filed with enforcement procedure in Suzhou Kunshan District Court in November 2021. In November 2022, the Kunshan Court ruled to sell the pledged shares by auction. In December 2022, the auction was completed. From June 2023 to January 2024, the court successively granted a portion of enforcement payment to the Company.</p> <p>In respect of the unnotarized transactions, in November 2021, the Company filed an application with the Shenzhen Futian District Court to realise the security interest. In January 2022, the court ruled that the pledged shares be sold by auction and the Company has priority in repayment with the auction proceeds. In May 2022, the application for enforcement against Zeng Zhuo for realisation of security interest was filed with the Kunshan Court, and shall be handled together with the above case of enforcing the notarized debt instruments.</p>



## Section VI Significant Events

Plaintiff	Defendant	Category of the litigation and arbitration	Reason	Amount involved	Progress
DFZQ	Xu Leilei	Litigation	Xu Leilei conducted the share collateralized repurchase transaction with the Company by the restricted shares of "Roral Group" held by her since November 2016. The above-mentioned transaction has been in default.	Principal of RMB119 million and accrued interest, delayed interest, default penalty, liquidated damages, and other expenses for the realization of creditors' rights are payable but unpaid.	According to the enforcement certificates issued by the notary public's office to Xu Leilei, an enforcement case was filed in Beijing No. 3 Intermediate People's Court in October 2019. In December, an enforcement settlement agreement was reached between the Company and the party subject to enforcement. However, because of his/her failure to repay according to the agreement, the Company applied for resumption of execution in January 2020, and the Nanning Intermediate People's Court (the first sealing court for the pledged shares) temporarily did not transfer the right of disposal on the grounds that the first case had not been concluded. The case of first sealing involving the performance compensation dispute between Royal Group and Xu Leilei entered a retrial procedure in September 2020. The Company participated as a third-party defendant. In February 2021, the Nanning Intermediate People's Court ruled that the Company held a valid pledge right over the disputed shares, and Royal Group was entitled to claim cash compensation from Xu Leilei for the portion of shares it could not repurchase. Royal Group appealed the decision. In November 2021, the Guangxi High Court issued a second-instance judgment, stating that the Company's pledge right could not prevent Royal Group's request to repurchase the shares at RMB1. In December 2021, the Company applied for a retrial with the Supreme Court and filed an enforcement objection with the Nanning Intermediate People's Court regarding the refusal to transfer the execution. In July 2022, the Supreme Court issued a retrial ruling. Although the retrial application was dismissed on procedural grounds, the Supreme Court explicitly affirmed that the Company's pledge right took precedence over the creditor's right. In September 2022, the Company received a ruling from the Nanning Intermediate People's Court on the execution objection: the court, based on the Supreme Court's ruling, supported the Company and revoked the execution ruling in the case. In November 2022, Royal Group filed a petition for reconsideration of the execution objection ruling. In April 2023, the Guangxi High Court issued a reconsideration ruling on the execution objection, overturning the Nanning Intermediate People's Court's ruling in favor of the Company. In June 2023, the Company submitted materials for execution supervision to the Supreme Court regarding the reconsideration ruling. In April 2024, the Company received a Notice of Enforcement Supervision from the Supreme Court, indicating that the case had been assigned to the Enforcement Bureau of Guangxi High Court for further review, pending feedback on the results.

## Section VI Significant Events

Plaintiff	Defendant	Category of the litigation and arbitration	Reason	Amount involved	Progress
DFZQ	Nantong Hongxiang Equity Investment Partnership (Limited Partnership) (南通泓翔股權投資合夥企業(有限合夥))	Litigation	Nantong Hongxiang Equity Investment Partnership (Limited Partnership) conducted the stock-pledged repurchase transaction with the Company with the shares of "R Global 1 (R環球1)" (formerly known as "Shangying Global (商贏環球)") held by it since October 2016. The above-mentioned transaction has been in default.	Principal of RMB117 million and interest, default penalty, and other expenses for the realization of creditors' rights are payable but unpaid.	According to the enforcement certificates issued by the notary public's office to Nantong Hongxiang, an enforcement case was filed in the Shanghai Financial Court in December 2023. In March 2024, the Company received the enforcement ruling on the shares which have been disposed of. In June 2024, the auction of the pledged shares failed. In August 2024, the pledged shares were registered and transferred to the Company's name. In September 2024, the Company received a final ruling. In December 2024, the Company applied to the Shanghai Financial Court to add Nantong Hongxiang's general partner as the person subject to enforcement, holding them jointly and severally liable for the unpaid debts under this case. The application for enforcement objection was accepted and filed.
Guangdong Daily Media Co., Ltd. (廣東廣州日報傳媒股份有限公司)	DFZQ	Litigation	Orient Investment Banking served as the independent financial advisor for Guangdong Guangzhou Daily Media Co., Ltd.'s acquisition of 100% equity in Shanghai Champs Advertising Media Co., Ltd. (上海香榭麗廣告傳媒股份有限公司) in 2014. Guangdong Daily Media filed a lawsuit on the grounds of service contract disputes.	It demands the return of financial advisory fees, compensation for losses, and legal costs totaling RMB328 million, along with related litigation expenses.	In November 2024, the Company received the litigation documents from the Shanghai Financial Court. As of now, the case is still under the first instance trial of Shanghai Financial Court.
Orient Finance Holdings	China Vered Asset Management (Hong Kong) Limited (中微資產管理(香港)有限公司)	Litigation	In 2016, Orient Finance Holdings invested in the SVF (Shareholder Value Fund) of China Prosperity (中民股東價值基金). In 2020, the fund's management underwent a change in shareholders, with China Prosperity Financial (中民金融) being renamed China Vered Financial (中微金融), and the management entity changing from China Prosperity Asset Management (CPAM)(中民資管) to China Vered Asset Management (CVAM)(中微資管). In May 2021, Orient Finance Holdings submitted a full redemption request to the fund manager, which CVAM failed to process. In June 2022, Orient Finance Holdings filed a lawsuit against CVAM for breaching the fund management contract by not fulfilling the full redemption request.	Principal of USD17 million	In June 2022, Orient Finance Holdings formally filed a lawsuit against CVAM and the fund. Following a preliminary hearing in September 2023, the court ruled in favor of Orient Finance Holdings's request, ordering CVAM to submit an internal investigation report. CVAM has since appealed this court order. In March 2024, the appeal from CVAM was dismissed, and Orient Finance Holdings received the investigation report.

## Section VI Significant Events

Details of major litigation cases concluded during the Reporting Period are set out in the table below.

Plaintiff	Defendant	Category of the litigation and arbitration		Amount involved	Progress
		Reason			
DFZQ	Xu Wei and Teng Yingqi, the guarantor	Litigation	Xu Wei conducted the share collateralized repurchase transaction with the Company by the shares of "R Tensyn (R騰信1)" (formerly known as "Tensyn (騰信股份)") held by him since September 2017 and Teng Yingqi provided the joint guarantee for the transaction. The above-mentioned transaction has been in default.	Principal of RMB483 million and interest, default penalty, and other expenses for the realization of creditors' rights are payable but unpaid.	In May 2021, the lawsuit was filed in the Shanghai Financial Court. In June 2022, a favorable first instance judgment was received. In September 2022, the enforcement case was accepted by the Shanghai Financial Court. Due to the delisting of the shares, further progress will be made after the completion of the board transfer. In July 2023, the court ruled to terminate the enforcement procedure. In September 2023, the board transfer of shares of "R Tensyn 1 (R騰信1)" completed the board transfer and were listed for trading, and the Company submitted application for resumption of enforcement to the Shanghai Financial Court. In October 2023, the enforcement of this case was resumed. In December 2023, the Company received the enforcement ruling on the pledged shares which have been disposed of. In June and July 2024, both the first and the second auctions of the pledged shares failed. In August 2024, a ruling on debt repayment with shares was received, and the pledged shares were registered and transferred to the Company's name. In November 2024, the Company received a final ruling. The case was closed.
DFZQ	Jiangsu Caihao Investment Co., Ltd. (江蘇彩浩投資有限公司)	Litigation	Jiangsu Caihao Investment Co., Ltd. conducted the stock-pledged repurchase transaction with the Company with the shares of "R Global 1 (R環球1)" (formerly known as "Shangying Global (商贏環球)") held by it since October 2016. The above-mentioned transaction has been in default.	Principal of RMB267 million and interest, default penalty, and other expenses for the realization of creditors' rights are payable but unpaid.	According to the enforcement certificates issued by the notary public's office to Jiangsu Caihao, an enforcement case was filed in the Shanghai Financial Court in December 2023. In March 2024, the Company received the enforcement ruling on the shares which have been disposed of. In June 2024, the auction of the pledged shares failed. In July 2024, a ruling on debt repayment with shares was received. In August 2024, the pledged shares were registered and transferred to the Company's name. In September 2024, the Company received a final ruling. The case was closed.

## Section VI Significant Events

Plaintiff	Defendant	Category of the litigation and arbitration		Amount involved	Progress
		Reason			
DFZQ	Nantong Qiyi Investment Co., Ltd. (南通琦藝投資有限公司)	Litigation	Nantong Qiyi Investment Co., Ltd. conducted the stock-pledged repurchase transaction with the Company with the shares of "R Global 1 (R環球1)" (formerly known as "Shangying Global (商贏環球)") held by it since October 2016. The above-mentioned transaction has been in default.	Principal of RMB256 million and interest, default penalty, and other expenses for the realization of creditors' rights are payable but unpaid.	According to the enforcement certificates issued by the notary public's office to Nantong Qiyi, an enforcement case was filed in the Shanghai Financial Court in December 2023. In March 2024, the Company received the enforcement ruling on the shares which have been disposed of. In June 2024, the auction of the pledged shares failed. In July 2024, a ruling on debt repayment with shares was received. In August 2024, the pledged shares were registered and transferred to the Company's name. In September 2024, the Company received a final ruling. The case was closed.
DFZQ	Shanxi Shengnong Investment Co., Ltd. (山西盛農投資有限公司) and Ren Yongqing, the guarantor	Litigation	Shanxi Shengnong Investment Co., Ltd. conducted the share collateralized repurchase transaction with the Company by the shares of "Goody Sci-Tech (顧地科技)" held by it since September 2016 and Ren Yongqing provided the joint guarantee for the transaction. The above-mentioned transaction has been in default.	Principal of RMB215 million and interest, default penalty, and other expenses for the realization of creditors' rights are payable but unpaid.	The lawsuit was filed in the Shanghai Financial Court in November 2022. In May 2023, the judgment of the first instance in favour of the Company was received. In January 2024, the case was filed. In July 2024, the pledged shares were successfully auctioned. In September 2024, the enforcement payments from the auction transactions of the shares were received. In November 2024, the Company received a final ruling. The case was closed.
DFZQ	Li Zongsong	Litigation (against the guarantor)	Xinyi Bikang New Pharmaceutical Industry Complex Investment Co., Ltd., the debtor, conducted the share collateralized repurchase transaction with the Company by the shares of "Bikang 3 (必康3)" (formerly known as "Bikang Share (必康股份)") held by it since March 2016 and Li Zongsong provided the joint guarantee for the transaction. The above-mentioned transaction has been in default.	Principal of RMB199 million and interest, default penalty, and other expenses for the realization of creditors' rights are payable but unpaid.	In June 2023, the lawsuit was filed in the Xi'an Intermediate Court. In February 2024, the Company received a favorable first instance judgment. In June 2024, the case was filed. The court imposed restrictions on high-consumption activities against Li Zongsong. In October 2024, the Company received a final ruling. The case was closed.

## Section VI Significant Events

Plaintiff	Defendant	Category of the litigation and arbitration		Amount involved	Progress
		Reason			
DFZQ	Li Zongsong	Litigation (against the guarantor)	Shaanxi Beidu New Material Technology Co., Ltd., the debtor, conducted the share collateralized repurchase transaction with the Company by the shares of "Bikang 3 (必康3)" (formerly known as "Bikang Share (必康股份)") held by it since April 2016 and Li Zongsong provided the joint guarantee for the transaction. The above-mentioned transaction has been in default.	Principal of RMB86 million and interest, default penalty, and other expenses for the realization of creditors' rights are payable but unpaid.	The lawsuit was filed in the Shanghai Financial Court in June 2023. In December 2023, the court ruled in favour of the Company in the first instance judgment. In February 2024, the case was filed. In July 2024, the court imposed restrictions on high-consumption activities against Li Zongsong, and the exit restriction measures applied by other subjects to Li Zongsong remain in effect. In October 2024, the Company received a final ruling. The case was closed.

### X. VIOLATION OF LAWS AND REGULATIONS BY, PUNISHMENT ON AND RECTIFICATION OF THE LISTED COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER

The Company has no controlling shareholders or de facto controllers. During the Reporting Period, the Company and its Directors, Supervisors and senior management were not investigated by competent authorities, taken compulsory measures by judicial organs or discipline inspection departments, transferred to judicial authorities or investigated for criminal responsibilities, filed for investigation or administrative punishment by CSRC, banned from the market, recognized as inappropriate candidates, given major administrative punishment by other administrative departments such as environmental protection, safety supervision and taxation departments, or publicly condemned by stock exchanges.

## Section VI Significant Events

During the Reporting Period, the Company was subject to administrative and regulatory measures taken by the CSRC as follows:

1. In February 2024, the Shanghai Bureau of the CSRC issued a warning letter to the Company, noting that the Company failed to establish a comprehensive risk indicator system covering overseas subsidiaries and failed to urge overseas subsidiaries to effectively implement risk management requirements. The Company failed to conduct collective discussions on relevant proposals of overseas subsidiaries, and failed to carry out exit audits for certain senior management of overseas subsidiaries. The Shanghai Bureau of the CSRC also determined that the vice president of the Company, who concurrently served as the chairman of Orient Securities International, a wholly-owned subsidiary of the Company, was responsible for the aforementioned violations of the Company, and had implemented an administrative supervision measure by issuing a warning letter to him personally. In response to the issues raised in the above-mentioned correspondence, the Company attached great importance to and actively responded to them, carefully formulated rectification measures, and continuously tracked, promoted and implemented such issues. The Company conducted rectification in the following aspects: Firstly, promptly incorporate the risk limits of each subsidiary into the group-level risk control indicator management system, improve the risk limit system of overseas subsidiaries, and closely monitor the loss limits; Secondly, strengthen the effectiveness of risk management of overseas subsidiaries, enhance the capabilities of risk identification and disposal, and improve the inspection mechanism; Thirdly, effectively improve and solidify the collective discussion procedures for proposals on major matters of overseas subsidiaries; Fourthly, further clarify the standardized requirements for the audit procedures of the departure of senior management of overseas subsidiaries. Going forward, the Company will continuously improve its comprehensive risk management system for overseas subsidiaries, enhance the level of refined risk management, and ensure that the development of all its businesses complies with regulatory requirements.
2. In May 2024, the CSRC took administrative regulatory measures of ordering rectification against Orient Investment Banking, the Company's former wholly-owned subsidiary. It pointed out that the Company had issues such as the cross-over and confusion of quality control and internal review personnel in some projects, the inadequate on-site quality control inspections and internal review checks in some projects, and the non-standard information disclosure regarding the engagement of third parties in some projects. The Company attached great importance, earnestly identified and rectified the problems, further established, improved and strictly implemented the investment banking business internal control system, working process and operational specifications in accordance with the requirements of the letter, whilst strictly conducting internal accountability and responsibility work in accordance with the provisions and procedures of the compliance accountability and risk accountability regime, determining the responsibilities of relevant responsible personnel and taking corresponding accountability measures, and submitting a written accountability report to the Shanghai Bureau of the CSRC as required.

## Section VI Significant Events

3. In June 2024, the Jiangsu Bureau of the CSRC issued a warning letter to Orient Investment Banking, the Company's former wholly-owned subsidiary, noting that Orient Investment Banking failed to diligently perform its related duties and submitted materials that were inconsistent with the actual situation during the advisory work for the JiBOT Intelligent Project. The Company has taken the following measures regarding the issues mentioned in the regulatory letter: 1) The Company organized relevant business departments and project teams, as well as the internal control department, to identify problems and analyze the causes of the penalized issues and risks. Based on the causes, corresponding measures were studied, including refining relevant business details, clarifying practice requirements, and improving related internal control measures. By learning from these issues, the Company aims to avoid similar risks and improve the quality of investment banking projects. 2) The Company has initiated compliance accountability and risk accountability procedures, conducting accountability investigations on all personnel involved in the violation matters throughout the whole process, ensuring clear responsibility management and leveraging the warning effect of the accountability mechanism.
4. In July 2024, the Shanghai Bureau of the CSRC issued a warning letter to the Company, noting that the Company had failed to properly preserve the important business logs of information systems, which was not in line with the requirements for failure analysis and investigation, and evidence collection. Regarding the issues mentioned in the above letter, the Company's IT department conducted comprehensive inspection and held a special meeting to actively take rectification measures: 1) The Company has formulated and implemented a long-term management mechanism to address the underlying roots of the problems identified in log recording and management. 2) The Company has organized and held special training to strengthen the compliance promotion and education for personnel in the key positions. 3) In accordance with the Company's compliance and accountability system, the relevant responsible persons have been held internally accountable, and rectification reports have been submitted to the Shanghai Bureau of the CSRC as required.
5. In September 2024, the Shandong Bureau of the CSRC issued a warning letter to Orient Investment Banking, the Company's former wholly-owned subsidiary, stating that Orient Investment Banking, as the sponsor of the refinancing project of Gettop Acoustic, had failed to diligently and conscientiously carry out a full verification of the shareholding structure of Wuxi Will Semiconductor CO., Ltd. (無錫韋感半導體有限公司), the subscription object of the issuance, and had failed to discover issues in a timely manner such as the nominee holding of the partnership shares of Wuxi Ruihao (無錫銳昊), a shareholder of Wuxi Will. In response to the issues discovered during the implementation of the refinancing project of Gettop Acoustic, the Company carried out a comprehensive self-inspection and rectification. The Company implemented rectification measures in aspects such as strengthening the management of due diligence procedures, enhancing the awareness of project risk prevention, strengthening the internal review mechanism, strengthening communication and coordination with regulatory authorities, and further improving the full-process supervision mechanism for projects. Meanwhile, in strict accordance with the regulations and procedures of compliance accountability and risk accountability regime, the Company carried out internal accountability and responsibility work. Responsibilities of the personnel in the entire project chain were determined and corresponding accountability measures were taken. In addition, a rectification report on the above-mentioned rectification measures was submitted to the Shandong Bureau of the CSRC.

## Section VI Significant Events

6. In October 2024, the Jiangsu Bureau of the CSRC issued a warning letter to the Company's Jiangyin Renmin East Road Securities Branch. It pointed out that the business department had the following non-compliance: its employees privately accepted clients' entrustments to trade stock options, the registration of employees' mobile phone numbers was incomplete, and the management of investor suitability was inadequate. In response to the issue of accepting clients' entrustments to trade stock options as mentioned in the aforesaid letter, the Company has organized relevant departments to conduct a special verification in February 2024, and based on the verification, a decision of compliance accountability and punishment was imposed on the person-in-charge of the Securities Branch by removing the person-in-charge from office in May. The Company attached great importance to the remaining issues, earnestly identified and rectified the issues, further improved the management of practice conduct of staff, strengthened the construction of internal control mechanism in branches, and enhanced the awareness of compliance operation of branch staff.
7. In November 2024, the Guangdong Bureau of the CSRC issued a warning letter to the Company's Shantou Changping Road Securities Branch, noting that the branch had the following issues. Firstly, marketing tasks were assigned to employees in non-marketing departments such as risk control and compliance department, information technology department, transaction management department, and account management department. Secondly, special assessment incentives were set for the sales of fund products during the subscription period. Thirdly, the use of business entertainment expenses was not standardized. The Guangdong Bureau of the CSRC decided to impose administrative supervision measures by issuing a warning letter to the branch in relation to the above issues. The Company attaches great importance to these issues. In accordance with the requirements in the warning letter, it has taken effective measures to earnestly carry out rectification. The Company has strengthened internal control and compliance management, enhanced awareness of compliance operations of its staff, carried out customer solicitation activities in a standardized manner, and strengthened the supervision of practice conduct of its staff. Meanwhile, it has strictly implemented internal accountability. A warning penalty was imposed as a compliance accountability punishment decision on both the former and current person-in-charge of the branch.

### **XI. EXPLANATIONS ON CREDIT WORTHINESS OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD**

The Company's largest shareholder is Shenergy Group. During the Reporting Period, the Company maintained excellent creditworthiness and there were no cases such as non-performance of an effective court judgment or any large obligation remaining unpaid passed their maturity date.

### **XII. MATERIAL RELATED PARTY TRANSACTIONS**

#### **(i) Related party transactions related to daily operation**

During the Reporting Period, the Group had no significant related party transactions and there were no non-operating related credits and debts.



## Section VI Significant Events

The related party transactions set out in note 60 to the consolidated financial statements in this report do not constitute non-exempt connected transactions under Chapter 14A of the Hong Kong Listing Rules, except that the transactions entered into by the Company with Shenergy Group and its associates constitute continuing connected transactions under Chapter 14A of the Hong Kong Listed Rules and the Company has complied with the requirements of Chapter 14A of the Hong Kong Listing Rules. Apart from the continuing connected transactions above, the Company did not have any other connected transactions that are required to be disclosed under Chapter 14A of the Hong Kong Listing Rules during the Reporting Period. The Company has complied with the requirements of Chapter 14A of the Hong Kong Listing Rules.

### 1.1 Continuing related party/connected transactions under the connected transaction framework agreement

Reference is made to the announcement of the Company dated March 27, 2024 in relation to the continuing connected transactions. The Company entered into the continuing connected transaction framework agreement with Shenergy Group on March 27, 2024 in relation to the Company and its subsidiaries and Shenergy Group and its associates for a term commencing on January 1, 2024 and ending on December 31, 2026. As at the date of this report, Shenergy Group holds approximately 26.63% of the issued share capital of the Company. According to Rule 14A.07(1) of the Hong Kong Listing Rules, Shenergy Group and its related companies are connected persons of the Company. During the Reporting Period, the Company carried out related/connected transactions in strict compliance with the “Proposal Regarding the Projected Routine Related Party Transactions of the Company in 2024” considered and approved at the 2023 annual general meeting and the “Resolution on the Signing of the 2024–2026 Connected Transaction Framework Agreement with Shenergy (Group) Company Limited” considered and approved at the 33rd meeting of the fifth session of the Board, and relevant terms are fair and reasonable and in the interest of the listed issuer and its shareholders as a whole. The relevant implementation is set out in the following table:

Unit: '0000 Currency: RMB

Type of transaction	Items of transaction	Brief description of related business or matters	Projected amount	Actual amount
Securities and financial services	Total income received by the Company for providing securities and financial services	Revenues from fees and commissions received by the Company for providing agency services for buying and selling of securities, futures, underwriting of securities, and financial consulting, and other services.	10,000.00	945.70
	Total expenses paid by the Company for securities and financial services accepted from them or provided to them	Interest paid by the Company for services provided as an agent for the purchase and sale of securities, futures, repurchases, and certificates of income, as well as fees paid for insurance services received from them.	8,000.00	1,719.02

## Section VI Significant Events

Type of transaction	Items of transaction	Brief description of related business or matters	Projected amount	Actual amount
Securities and financial products transactions	Total capital inflow arising from securities and financial products transactions between the Company and them	The Company enters into carbon repurchase, quote repurchase and spot transactions with them, as well as their subscription to income certificates issued by the Company.	30,000.00	15,051.37
Purchase of commodities and receipt of labor services	Total expenses paid by the Company for purchasing commodities and receiving labor services from them	The Company receives services such as property and gas supply from them.	5,000.00	2,130.59

*Note:* In 2024, the continuing related party/connected transactions and its related companies accounted for a small proportion of the Company's similar transactions.

Pursuant to Rule 14A.71 of the Hong Kong Listing Rules, details of other transactions under the connected transaction framework agreement, including the content of the transactions, pricing policies, internal controls, etc., are set out in 1.3 Transaction categories and pricing policies for related-party/connected transactions and 1.4 Internal controls measures for related-party/connected transactions (including continued connected transactions) in this section.

### 1.2 Other related-party/connected transactions

During the Reporting Period, the Company carried out related transactions in strict compliance with the annual transaction amount caps stipulated in the "Proposal Regarding the Projected Routine Related Party Transactions of the Company in 2024" considered and approved at the 2023 annual general meeting. The relevant implementation is set out in the following table:

Unit: '0000 Currency: RMB

Items of transaction	Related Party	Brief description of related business or matters	Projected amount	Actual amount
Fee and commission income	China Universal Asset Management Company Limited	The Company charges fees and commissions for providing securities and futures brokerage, financial advisory, securities underwriting and other services to related parties.	Subject to the actual amount due to unpredictable transaction volume.	1,305.20
	Great Wall Fund Management Co., Ltd.			61.25
	China Zheshang Bank Co., Ltd.			33.96
	Haitong Securities Co., Ltd.			27.97
	Chengtay Financial Leasing (Shanghai) Co., Ltd.			20.67
	Related/connected natural person			3.89

## Section VI Significant Events

Items of transaction	Related Party	Brief description of related business or matters	Projected amount	Actual amount
Interest income	China Zheshang Bank Co., Ltd.	The Company earns interest income for the corresponding period by holding bonds issued by related parties.	Subject to the actual amount due to unpredictability of size and term of bonds.	685.23
	Chengtay Financial Leasing (Shanghai) Co., Ltd.			602.69
	Haitong Securities Co., Ltd.			308.64
	China Securities Credit Investment Co., Ltd.			113.91
	China Pacific Life Insurance Co., Ltd.			33.02
	Hangzhou Industrial Investment Group Co., Ltd.			1.03
	Shanghai Construction Engineering Real Estate Co., Ltd.			0.81
	Kunshan CBT Group Co., Ltd.			0.16
	Luoyang Guohong Investment Holdings Group Co., Ltd.			0.07
Investment income	Great Wall Fund Management Co., Ltd.	The Company earns income for purchasing of securities, funds, insurance and other products issued by related parties.	Subject to the actual amount due to unpredictability of size and yields of securities and other products.	1,562.82
	China Securities Credit Investment Co., Ltd.			1,270.63
	China Zheshang Bank Co., Ltd.			1,106.08
	China Universal Asset Management Company Limited			1,066.08
	China Pacific Life Insurance Co., Ltd.			132.00
	Haitong Securities Co., Ltd.			83.67
	Ningbo Development Investment Group Co., Ltd.			0.30
	Chengtay Financial Leasing (Shanghai) Co., Ltd.			(0.02)
	China Pacific Property Insurance Co., Ltd.			(0.04)
	Luoyang Guohong Investment Holdings Group Co., Ltd.			(0.04)
	Shanghai Construction Engineering Real Estate Co., Ltd.			(0.05)
	Kunshan CBT Group Co., Ltd.			(0.05)
Hangzhou Industrial Investment Group Co., Ltd.	(0.33)			
Other operating income	Shenergy Hongkong Holding Limited	The Company received revenue from the provision of office services to related parties.	Subject to the actual amount due to the uncertainty of the conduct of business	182.62

## Section VI Significant Events

Items of transaction	Related Party	Brief description of related business or matters	Projected amount	Actual amount
Fee and commission expenses	Haitong Securities Co., Ltd.	the Company pays fees and commissions expenses for accepting services such as product distribution provided by related parties.	Subject to the actual amount due to unpredictable transaction volume.	33.15
	China Zheshang Bank Co., Ltd.			32.28
Interest expense	China Universal Asset Management Company Limited	the Company pays interest on deposits from clients for providing securities and futures brokerage and other services to related parties, or pays interest for fund lending, etc.	Subject to the actual amount due to unpredictability of size of borrowings and deposits from clients.	0.37
	Zhejiang Energy Capital Holdings Co., Ltd.			0.09
	Related/connected natural person			1.35
Business and Management Expenses	China Pacific Life Insurance Co., Ltd.	The Company pays costs for purchasing insurance and information from related parties.	Subject to the actual amount due to unpredictable transaction volume.	604.46
	China Pacific Property Insurance Co., Ltd.			71.45
	Haitong Securities Co., Ltd.			6.60
Securities transactions	China Zheshang Bank Co., Ltd.	The Company's investment cost of holding financial assets such as stocks, bonds, funds and products issued by the related parties at the end of the period.	Subject to the actual amount due to unpredictability of transaction and the volume.	20,268.95
	China Securities Credit Investment Co., Ltd.			20,000.00
	Chengtay Financial Leasing (Shanghai) Co., Ltd.			15,999.76
	Great Wall Fund Management Co., Ltd.			3,456.86
	China Pacific Insurance (Group) Co., Ltd.			2,595.98
	China Pacific Life Insurance Co., Ltd.			1,001.20
Haitong Securities Co., Ltd.	53.59			

### Notes:

- (1) The inter-group transactions and the transactions with their parent companies of the subsidiaries who have a control relationship and are incorporated in the Company's consolidated financial statements were offset.
- (2) In 2024, the other related transactions of the Company accounted for a small proportion of the Company's similar transactions.
- (3) The related/connected natural persons include: natural persons who directly or indirectly hold more than 5% of the shares of the listed company; Directors, Supervisors and senior management of the Company; close family members of the above-mentioned persons. All the applicable percentage ratios for aforesaid transactions calculated fall below the de minimis threshold as stipulated under Rule 14A.76(1) of the Hong Kong Listing Rules, these transactions therefore will be fully exempted from all of the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

## Section VI Significant Events

### 1.3 Transaction categories and pricing policies for related-party/connected transactions

The Group expects to conduct transactions with securities and financial products and intermediary services with related/connected parties, and specific transaction categories and pricing policies are as follows:

#### 1.3.1 Securities and financial services

Securities and financial products services include but not limited to, the following services: securities, futures brokerage; sales of securities and financial products; underwriting and sponsoring; financial consultation; entrusted asset management; foreign exchange settlement and sales services; securities financing business; asset custody; insurance; and securities and financial advisory and consulting; etc.

The pricing policies for securities and financial products services are determined by the parties based on the relevant service fees and in accordance with the relevant applicable laws and regulations with reference to the prevailing market rates. In particular:

- Securities and futures brokerage services – As the commission rate for brokerage services is generally transparent and standardized in the market, such rate shall be determined after arm's length negotiations between the parties with reference to the requirements of relevant laws and regulations, the commission rate applicable to independent third parties and the estimated size of brokerage transaction;
- Securities and financial products sales services – Service fees will be determined based on factors including market prices, industry practice and the total sales amount of financial products, with reference to the rates charged by the Group for providing sales services in respect of products of a similar type and nature;
- Underwriting and sponsoring services – The underwriting and sponsoring services market is highly competitive and the service rates and related fees are highly transparent and standardized. The service fees shall be determined after arm's length negotiations between the parties with reference to the requirements of relevant laws and regulations, taking into account various factors, including prevailing market conditions, the size of the proposed issue, general market rates for recent issues of similar nature and size, and the fees applicable to independent third parties for similar services;

## Section VI Significant Events

- Financial consultation services – The fees for financial consultation services are highly transparent and standardized in the market, and shall be determined after arm's length negotiations between the parties with reference to the requirements of relevant laws and regulations, taking into account factors such as prevailing market conditions, the nature and scale of the transaction and the fees applicable to independent third parties for similar services;
- Entrusted asset management services – The rates for asset management services are highly transparent and standardized in the market, and the service fees will be determined after arm's length negotiations between the parties with reference to the requirements of relevant laws and regulations, taking into account factors such as the size of the entrusted assets, the complexity of providing specific services and the fees applicable to independent third parties for similar services;
- Foreign exchange settlement and sale services – The transaction exchange rate for the settlement and sale of foreign exchange services shall be determined after arm's length negotiations between the parties, taking into account factors such as the prevailing exchange rates in the interbank foreign exchange market, the scale of the transaction and the exchange rate standards applicable to independent third parties for similar services;
- Securities financing services – The fees for securities financing business services shall be determined after arm's length negotiations between the parties with reference to the fees applicable to independent third parties;
- Asset custody services – The fees for asset custody services shall be determined by fair negotiations with reference to the prevailing market rates for transactions of similar type and scale;
- Insurance services – The fees for insurance services are highly transparent and standardized in the market. Taking into account the prevailing market rates of comparable insurance schemes, the Company performs different procurement and bidding processes based on different target prices to determine the reasonableness of the prices, which are determined after arm's length negotiations between the parties with reference to the market rates; and
- Securities and financial advisory and consultation and other securities and financial services – The fees for such services shall be determined after arm's length negotiations between the parties in accordance with relevant applicable laws and regulations, with reference to the prevailing market price, the nature of the transaction, the costs of services to each party and the fees applicable to independent third parties for similar services.

## Section VI Significant Events

### 1.3.2 Securities and financial products transactions

Securities and financial products transactions include, but are not limited to, the following transactions: 1. transactions related to equity products, non-equity products and their derivatives: including, but not limited to, stocks, bonds, funds, trusts, wealth management products, asset management plans, asset securitization products, swaps, futures, options, forwards and other financial products; 2. transactions related to financing: the financing activities between financial institutions, including, but not limited to, interbank lending; repurchase; cross holding of debt instruments such as income certificates, short-term financing bills, subordinated bonds and corporate bonds; and 3. other securities and financial products transactions as permitted by the regulatory authorities.

The pricing policies for securities and financial products transactions shall be determined by mutual agreement in accordance with the requirements of relevant applicable laws and regulations and with reference to the prevailing market rates. In particular:

1. Securities and financial products transactions are mainly conducted through the interbank bond market and exchanges (including exchange-traded bond markets and futures exchanges). The pricing of such transactions is subject to relevant laws and regulations and under strict supervision and shall be conducted at prevailing market prices.

The subscription of securities and financial products is conducted in accordance with the subscription price and conditions of the products; on-market transactions of securities and financial products shall be conducted at the then applicable market prices or market rates of that type of securities and financial products; the over-the-counter (“OTC”) and other transactions of securities and financial products shall be conducted by mutual negotiation based on the then applicable market price or market rates for that type of securities and financial products; if there is no prevailing market price or market rate applicable for that type of securities and financial products, the price or rate for that transaction shall be the price or rate negotiated by both parties in accordance with the arm’s length principle.

2. For borrowing and lending among financial institutions, transactions shall be conducted with reference to the Shanghai Interbank Offered Rate at the prevailing rates quoted in the interbank money market, and pricing shall comply with relevant laws and regulations and be subject to strict supervision.

The financing-related transactions of the Group are negotiated and determined by both parties based on the then applicable market rates and prices of independent transaction parties of that type.

## Section VI Significant Events

### *1.3.3 Purchase of goods and acceptance of services*

The purchase of goods and acceptance of services include, but are not limited to, the following services: receiving goods and services such as electricity, town gas, natural gas, gas stoves, gas appliances and gas kitchen equipment; and receiving property management, gas transmission and distribution, gas project planning, design and construction, labor services, research and consultancy, training, lease of property and other services.

The pricing basis for the purchase of goods and acceptance of services is determined after arm's length negotiations in accordance with the requirements of relevant applicable laws and regulations with reference to the prevailing market prices and on normal commercial terms. The Group has reached an agreement in principle with Shenergy Group and its associates on relevant pricing mechanism and the prices will be determined as follows: 1. Should there be a government pricing directive, the government directive price shall prevail; or 2. In the absence of any government pricing directive currently applicable, the government directive price previously promulgated by the competent government authority shall be adopted as the basic price and adjusted with reference to the procurement or service costs of Shenergy Group and its associate; the price as adjusted by item 2 above shall be fair and reasonable.

### **1.4 Internal control measures for related/connected transactions (including continuing connected transactions)**

The Group has formulated internal guidelines and policies on related/connected transactions which provided detailed regulations on key aspects such as identification, initiation, pricing, decision-making and disclosure of related/connected transactions and set out the approval procedures for related/connected transactions.

The terms of transactions (including pricing terms) of the proposed securities and financial services, securities and financial products transactions and purchase of goods and services shall be similar to those provided by/available to independent third parties for similar services and shall be subject to the same internal selection, approval and monitoring procedures and pricing policies as those applicable to independent third parties.

The departments or subsidiaries of the Company that conducted the related/connected transactions shall review the necessity, reasonableness, and fairness of the pricing of the related/connected transactions, and are responsible for monitoring whether the actual transaction amount exceeds the annual cap, and properly maintaining and storing any documents and records related to related/connected transactions; the compliance department of the Company reviews the compliance of the proposed related/connected transactions; the Board office, the planned financial management department and other relevant departments of the Company regularly compile the data to ensure that the actual amount does not exceed the annual cap and remind relevant departments to manage and control the related/connected transactions; the audit department of the Company conducts annual audit on the actual related/connected transactions.



## Section VI Significant Events

The independent non-executive Directors and auditors of the Company will review the continuing related/connected transactions of the Company on an annual basis, and the Board (including the independent non-executive Directors) and Supervisory Committee shall confirm that the terms of the transactions are fair and reasonable and on normal commercial terms or better terms in the ordinary course of business of the Group and in the interests of the Company and the shareholders as a whole. The Company's auditors shall confirm that the continuing connected transactions (1) have been approved by the Board of Directors of the listed issuer; (2) have been conducted in accordance with the pricing policy of the listed issuer group in all material respects; (3) have been conducted in accordance with the agreements of relevant transactions in all material respects; and (4) have not exceeded the caps.

- (ii) **During the Reporting Period, the Company had no related/connected transactions incurred as a result of acquisition or disposal of assets or equity interests.**
- (iii) **During the Reporting Period, the Company had no material related/connected transactions in relation to joint external investment.**
- (iv) **During the Reporting Period, the Company had no credits and debts with related/connected parties.**
- (v) **During the Reporting Period, there was no financial business between the Company and related/connected financial companies, the Company's controlling financial companies and related/connected parties.**

## XIII. MATERIAL CONTRACTS AND PERFORMANCE

- (i) **During the Reporting Period, the Company had no material custody, contracting or leasing matters.**

- (ii) **Guarantees**

Unit: 100 million Currency: RMB

### **External guarantees of the Company (excluding guarantees to its subsidiaries)**

Total amount of guarantees provided during the Reporting Period (excluding guarantees for subsidiaries)	0
Total balance of guarantees provided at the end of the Reporting Period (A) (excluding guarantees for subsidiaries)	0

## Section VI Significant Events

### Guarantees provided by the Company and its subsidiaries for subsidiaries

Total amount of guarantees provided for subsidiaries during the Reporting Period	6.83
Total balance of guarantees provided for subsidiaries at the end of the Reporting Period (B)	127.32

### Total amount of guarantees provided by the Company (including those provided for subsidiaries)

Total amount of guarantees (A + B)	127.32
Percentage of total guarantees over net assets of the Company (%)	15.64
Including:	
Amount of guarantees provided for shareholders, de facto controllers and their related parties (C)	0
Amount of debt guarantees directly or indirectly provided for parties with gearing ratio exceeding 70% (D)	127.32
Amount of total guarantees exceeding 50% of net assets (E)	0
Total amount of above three types of guarantees (C + D + E)	127.32
Explanations on outstanding guarantees subject to joint liabilities	N/A

## Section VI Significant Events

Explanations on guarantees As at the end of the Reporting Period, the Company and its wholly-owned subsidiaries provided guarantees for its wholly-owned subsidiaries of RMB12.732 billion. Details of the guarantees are as follows:

1. Orient Finance Holdings, a wholly-owned subsidiary of the Company, provided guarantee for the credit facility of USD30 million entered into between Orient Securities International, a wholly-owned subsidiary of Orient Finance Holdings, and Ping An Bank.
2. The Company provided guarantee for the credit facility of USD65 million entered into between Orient Finance Holdings, a wholly-owned subsidiary of the Company, and Nanyang Commercial Bank Ltd.
3. The Company provided full guarantee for the principal and interest of USD300 million bonds issued by Orient Zhisheng Limited, a wholly-owned subsidiary of Orient Finance Holdings, a wholly-owned subsidiary of the Company.
4. Orient Finance Holdings, a wholly-owned subsidiary of the Company, provided a guarantee of up to USD180 million for the transactions conducted by Orient Securities International, its wholly-owned subsidiary, under the Global Master Repurchase Agreement (GMRA)/International Swaps and Derivatives Association (ISDA) Agreement.
5. Orient Finance Holdings, a wholly-owned subsidiary of the Company, provided a guarantee of up to USD150 million for the transactions conducted by Orient International Investment Products Limited, its wholly-owned subsidiary, under the Global Master Repurchase Agreement (GMRA)/International Swaps and Derivatives Association (ISDA) Agreement.
6. Orient Finance Holdings, a wholly-owned subsidiary of the Company, provided a guarantee of up to USD1 billion for Orient International Investment Products Limited, its wholly-owned subsidiary, to issue structured notes.

*Note:* The amount of guarantees denominated in USD was converted at the spot exchange rate of USD1 to RMB7.1884 as at the end of December 2024.

**(iii) During the Reporting Period, the Company had no other material contract that should be disclosed but not disclosed.**

**XIV. DURING THE REPORTING PERIOD, THE COMPANY HAD NO OTHER SIGNIFICANT EVENTS THAT HAVE A SIGNIFICANT IMPACT ON THE VALUE JUDGMENTS AND INVESTMENT DECISIONS MADE BY INVESTORS.**

## Section VII Changes in Shares and Information on Shareholders

### I. CHANGES IN SHARE CAPITAL

#### (i) Changes in shares

##### 1. Changes in shares

Unit: share(s)

	Before the change		Issue of new shares	Changes (+, -)				After the change	
	Number of shares	Percentage (%)		Bonus issue	Share conversion from capital reserve fund	Others	Sub-total	Number of shares	Percentage (%)
I. Restricted shares	33,486,424	0.39				+1,356,900	+1,356,900	34,843,324	0.41
1. State-owned shares									
2. State-owned legal person shares									
3. Other domestic owned shares									
Of which: domestic non-state-owned legal persons shares									
domestic natural persons shares									
4. Foreign shareholding									
Of which: off-shore legal person shares									
off-shore natural person shares									
5. Special account for share repurchase	33,486,424	0.39				+1,356,900	+1,356,900	34,843,324	0.41
II. Circulating non-restricted shares	8,463,158,868	99.61				-1,356,900	-1,356,900	8,461,801,968	99.59
1. RMB denominated ordinary shares	7,435,996,440	87.52				-1,356,900	-1,356,900	7,434,639,540	87.50
2. Foreign shares listed in the PRC									
3. Foreign shares listed overseas	1,027,162,428	12.09						1,027,162,428	12.09
4. Others									
III. Total number of shares	8,496,645,292	100.00						8,496,645,292	100.00

## Section VII Changes in Shares and Information on Shareholders

### 2. Explanations on changes in shares

To safeguard the value of the Company and shareholders' equity, the Repurchase Plan of A Shares of the Company through Centralised Price Bidding was considered and approved at the 31st meeting of the fifth session of the Board of the Company on October 30, 2023. On January 30, 2024, a total of 34,843,324 A Shares of the Company were repurchased by the Company by means of centralized bidding transaction via the trading system of the Shanghai Stock Exchange, accounting for 0.4101% of the total share capital of the Company. The total amount of funds paid was RMB310,877,125.32 (excluding transaction fees), with the lowest trading price of RMB7.99 per share and the highest trading price of RMB9.14 per share. The monthly reports of the Company during the repurchase period are as follows:

Unit: Yuan Currency: RMB

Month of repurchase	Number of repurchase (share)	Lowest trading price per Share	Highest trading price per Share	Total funds (excluding transaction fees)
November 2023	30,844,124	8.81	9.14	277,040,688.32
December 2023	2,642,300	8.18	8.75	22,720,555.00
January 2024	1,356,900	7.99	8.33	11,115,882.00

As at the end of the Reporting Period, the Company had cumulatively repurchased 34,843,324 A Shares of treasury stock that had not yet been canceled, which were used to safeguard the Company's value and shareholders' rights and interests. If the Company fails to complete the sale of the shares repurchased within 3 years after the completion of the repurchase, such portion of shares repurchased shall be deregistered after performing relevant procedures, and the Company's total share capital and circulating non-restricted shares will be reduced accordingly.

Save as disclosed above, neither the Company nor any of its subsidiaries repurchase, sale or redeem listed securities (including the sale of treasury shares) of the Company and its subsidiaries as of December 31, 2024.

### 3. During the Reporting Period, changes in shares had no significant impact on financial indicators such as earnings per share and net assets per share for the most recent year and most recent period.

## Section VII Changes in Shares and Information on Shareholders

### (ii) Changes in restricted shares

Unit: share

Name of shareholder	Number of restricted shares at the beginning of the year	Number of restricted shares released during the year	Increase in restricted shares during the year	Number of restricted shares at the end of the year	Reason for restriction	Expiry date of restriction
Repurchase account of the Company	33,486,424	0	1,356,900	34,843,324	Repurchase of A Shares by the Company	2025-02-01
Total	33,486,424	0	1,356,900	34,843,324	/	/

## II. ISSUANCE AND LISTING OF SECURITIES

### (i) Issuance of securities as at the end of the Reporting Period

Unit: 100 million shares Currency: RMB

Type of shares and their derivative securities	Issuing date	Issuing price (or interest rate)	Number of shares (or amount) issued	Date of listing	Number of shares (or amount) permitted to be listed for trading	Date of termination of the trading
Bonds (including enterprise bonds, corporate bonds and debt financing instruments of non-financial enterprises)						
Corporate bonds	2024-01-25	2.73%	18	2024-01-30	18	2027-01-25
Subordinated bonds	2024-06-26	2.33%	20	2024-07-01	20	2029-06-26
Subordinated bonds	2024-07-08	2.31%	25	2024-07-11	25	2029-07-08
Corporate bonds	2024-08-08	2.05%	10	2024-08-13	10	2029-08-08
Corporate bonds	2024-08-08	2.30%	20	2024-08-13	20	2034-08-08
Corporate bonds	2024-08-23	2.18%	30	2024-08-28	30	2029-08-23
Corporate bonds	2024-10-17	2.28%	30	2024-10-22	30	2029-10-17
Short-term corporate bonds	2024-10-29	1.99%	30	2024-11-01	30	2025-04-27
Corporate bonds	2024-11-21	2.15%	20	2024-11-26	20	2027-11-21

## Section VII Changes in Shares and Information on Shareholders

Explanations on the issuance of securities during the Reporting Period (particulars of bonds with different interest rates during duration shall be provided separately):

### 1. Corporate bonds

In September 2023, the Company obtained the Approval Regarding the Registration of Corporate Bonds Publicly Issued by 東方證券股份有限公司 to Professional Investors (CSRC Approval [2023] No. 2089) (《關於同意東方證券股份有限公司向專業投資者公開發行公司債券註冊的批覆》(證監許可[2023]2089號)), which approved the Company to publicly issue corporate bonds with an aggregate nominal value of no more than RMB20 billion to professional investors.

On January 25, 2024, the Company completed the public issuance of corporate bonds (for professional investors) (first tranche) of DFZQ in 2024, with an issue size of RMB1.8 billion, a term of 3 years and a coupon rate of 2.73%.

On August 8, 2024, the Company completed the public issuance of corporate bonds (for professional investors) (second tranche) of DFZQ in 2024, type 1 has a term of 5 years, an issue size of RMB1.0 billion, and a coupon rate of 2.05%; and type 2 has a term of 10 years, an issue size of RMB2.0 billion, and a coupon rate of 2.30%.

On August 23, 2024, the Company completed the public issuance of corporate bonds (for professional investors) (third tranche) of DFZQ in 2024, with an issue size of RMB3.0 billion, a term of 5 years and a coupon rate of 2.18%.

On October 17, 2024, the Company completed the public issuance of corporate bonds (for professional investors) (fourth tranche) of DFZQ in 2024, with an issue size of RMB3.0 billion, a term of 5 years and a coupon rate of 2.28%.

On November 21, 2024, the Company completed the public issuance of corporate bonds (for professional investors) (fifth tranche) (sustainable linked) of DFZQ in 2024, with an issue size of RMB2.0 billion, a term of 3 years and a coupon rate of 2.15%.

### 2. Subordinated bonds

In February 2024, the Company obtained the Approval Regarding the Registration of Subordinated Bonds Publicly Issued by 東方證券股份有限公司 to Professional Investors (CSRC Approval [2024] No. 330) (《關於同意東方證券股份有限公司向專業投資者公開發行次級公司債券註冊的批覆》(證監許可[2024]330號)), which approved the Company to publicly issue subordinated bonds with an aggregate nominal value of no more than RMB20 billion to professional investors.

On June 26, 2024, the Company completed the public issuance of subordinated bonds (for professional investors) (first tranche) of DFZQ in 2024, with an issue size of RMB2.0 billion, a term of 5 years and a coupon rate of 2.33%.

## Section VII Changes in Shares and Information on Shareholders

On July 8, 2024, the Company completed the public issuance of subordinated bonds (for professional investors) (second tranche) of DFZQ in 2024, with an issue size of RMB2.5 billion, a term of 5 years and a coupon rate of 2.31%.

### 3. Short-term corporate bonds

In December 2022, the Company obtained the Approval Regarding the Registration of Short-term Corporate Bonds Publicly Issued by 東方證券股份有限公司 to Professional Investors (CSRC Approval [2022] No. 3159) (《關於同意東方證券股份有限公司向專業投資者公開發行短期公司債券註冊的批覆》(證監許可[2022]3159號)), which approved the Company to publicly issue short-term corporate bonds with a nominal value balance of no more than RMB20 billion to professional investors.

On October 29, 2024, the Company completed the public issuance of short-term corporate bonds (for professional investors) (first tranche) of DFZQ in 2024, with an issue size of RMB3.0 billion, a term of 180 days and a coupon rate of 1.99%.

### (ii) Changes in total number of shares and shareholding structure of the Company and the Company's assets and liabilities structure

Details of the total number of shares and changes in the shareholding structure of the Company are set out in the section of changes in shares in this report, and for details of changes in the Company's assets and liabilities structure, please refer to "Section III, VI, (i), 3. Analysis on principal components of consolidated statement of financial position".

## III. INFORMATION ON SHAREHOLDERS AND DE FACTO CONTROLLER

### (i) Total number of shareholders

Total number of holders of ordinary shares as at the end of the Reporting Period (accounts)	199,485
Total number of holders of ordinary shares as at the end of the month preceding the month when the annual report was disclosed (accounts)	193,402



## Section VII Changes in Shares and Information on Shareholders

### (ii) Shareholdings of the top ten shareholders, the top ten shareholders of circulating shares (or shareholders not subject to restriction on sales) as at the end of the Reporting Period

Unit: share

Name of shareholder (Full name)	Shareholding of the top ten shareholders (excluding shares lent under the margin financing)			Number of restricted shares held	Pledged, flagged or frozen		Nature of shareholders
	Changes in number of shares during the Reporting Period	Number of shares held as at the end of the Reporting Period	Percentage (%)		Status of shares	Number of shares	
Shenergy (Group) Company Limited	0	2,262,428,700	26.63	0	Nil	-	State-owned legal person
HKSCC Nominees Limited	1,600	1,027,024,744	12.09	0	Unknown	-	Off-shore legal person
Shanghai Haiyan Investment Management Company Limited	0	423,186,126	4.98	0	Nil	-	State-owned legal person
Shanghai United Media Group	0	309,561,060	3.64	0	Nil	-	State-owned legal person
Hong Kong Securities Clearing Company Limited	147,229,018	263,483,738	3.10	0	Nil	-	Off-shore legal person
China Post Group Corporation Limited	70,000	228,791,342	2.69	0	Nil	-	State-owned legal person
China Securities Finance Corporation Limited	0	227,872,800	2.68	0	Nil	-	Unknown
Zhejiang Energy Capital Holdings Limited (浙能資本控股有限公司)	0	177,625,600	2.09	0	Nil	-	State-owned legal person
Shanghai Jinqiao Export Processing Zone Development Co., Ltd. (上海金橋出口加工區開發股份有限公司)	0	124,328,872	1.46	0	Nil	-	State-owned legal person
Industrial and Commercial Bank of China Limited - Huatai-PineBridge CSI 300 Exchange-traded Open-ended Index Securities Investment Fund (中國工商銀行股份有限公司-華泰柏瑞滬深300交易型開放式指數證券投資基金)	51,491,079	90,300,631	1.06	0	Nil	-	Other

## Section VII Changes in Shares and Information on Shareholders

### Shareholdings of the top ten shareholders of non-restricted shares (excluding the shares lent under the margin financing)

Name of shareholder	Number of circulating non-restricted shares held	Type and number of shares	
		Type	Number
Shenergy (Group) Company Limited	2,262,428,700	RMB ordinary shares	2,262,428,700
HKSCC Nominees Limited	1,027,024,744	Overseas listed foreign shares	1,027,024,744
Shanghai Haiyan Investment Management Company Limited	423,186,126	RMB ordinary shares	423,186,126
Shanghai United Media Group	309,561,060	RMB ordinary shares	309,561,060
Hong Kong Securities Clearing Company Limited	263,483,738	RMB ordinary shares	263,483,738
China Post Group Corporation Limited	228,791,342	RMB ordinary shares	228,791,342
China Securities Finance Corporation Limited	227,872,800	RMB ordinary shares	227,872,800
Zhejiang Energy Capital Holdings Limited (浙能資本控股有限公司)	177,625,600	RMB ordinary shares	177,625,600
Shanghai Jinqiao Export Processing Zone Development Co., Ltd. (上海金橋出口加工區開發股份有限公司)	124,328,872	RMB ordinary shares	124,328,872
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-traded Open-ended Index Securities Investment Fund (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	90,300,631	RMB ordinary shares	90,300,631
Special repurchase account of the top ten shareholders	N/A		
Voting by proxy, as proxy or abstention of voting rights by the above shareholders	N/A		
Related party relationship or parties acting in concert among above shareholders	N/A		

## Section VII Changes in Shares and Information on Shareholders

Shareholders with a shareholding of more than 5%, the top ten shareholders, and the top ten shareholders of circulating shares not subject to restriction on sales involved in the shares lent under the margin financing business

Unit: share

Shareholders with a shareholding of more than 5%, the top ten shareholders, and the top ten shareholders of circulating shares not subject to restriction on sales involved in the shares lent under the margin financing business

Name of shareholder (Full name)	Shareholding of ordinary and credit accounts at the beginning of the period		The shares lent under the margin financing at the beginning of the period have not been returned		Shareholding of ordinary and credit accounts at the end of the period		The shares lent under the margin financing at the end of the period have not been returned	
	Total	Percentage (%)	Total	Percentage (%)	Total	Percentage (%)	Total	Percentage (%)
	China Post Group Corporation Limited	228,721,342	2.69	70,000	0.00	228,791,342	2.69	0
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-traded Open-ended Index Securities Investment Fund (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	38,809,552	0.46	61,400	0.00	90,300,631	1.06	0	0.00

(iii) During the Reporting Period, no strategic investors or general legal persons became top ten shareholders of the Company due to the placement of new shares.

### IV. CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

As at the end of the Reporting Period, Shenergy Group, the Company's largest shareholder, had a shareholding of 26.63%. The H Shares held by HKSCC Nominees Limited were H Shares owned by non-registered shareholders.

## Section VII Changes in Shares and Information on Shareholders

### V. SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at December 31, 2024, to the best knowledge of the Company and its Directors, having made all reasonable enquiries, the following substantial shareholders and other parties (excluding the Directors, Supervisors and chief executive of the Company) had an interest or short position in the shares or underlying shares of the Company, which is required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and has been entered in the register kept by the Company according to Section 336 of the SFO:

Name of shareholders	Type of shares	Nature of interests	Number of shares <sup>(Note 1)</sup>	Approximate percentage of total share capital of relevant class in issue of the Company (%) <sup>(Note 2)</sup>	Approximate percentage of total share capital in issue of the Company (%) <sup>(Note 2)</sup>
Shenergy (Group) Company Limited	A Share	Beneficial owner	2,262,428,700 (L)	30.29	26.63
China National Tobacco Corporation <sup>(Note 3)</sup>	A Share	Interests in controlled corporation	423,186,126 (L)	5.67	4.98
Shanghai Tobacco (Group) Co., Ltd. <sup>(Note 3)</sup>	A Share	Interests in controlled corporation	423,186,126 (L)	5.67	4.98
Shanghai Haiyan Investment Management Company Limited <sup>(Note 3)</sup>	A Share	Beneficial owner	423,186,126 (L)	5.67	4.98
Shanghai Wealspring Asset Management Co., Ltd. (上海寧泉資產管理有限公司) <sup>(Note 4)</sup>	H Share	Investment manager	121,658,000 (L)	11.84	1.43
Zhu Lijia <sup>(Note 4)</sup>	H Share	Interests in controlled corporation	94,940,800 (L)	9.24	1.12
Sun Hongyan <sup>(Note 4)</sup>	H Share	Interests in controlled corporation	94,940,800 (L)	9.24	1.12
Hung Jia Finance Limited <sup>(Note 4)</sup>	H Share	Interests in controlled corporation	94,940,800 (L)	9.24	1.12
Kaiser Century Investments Limited <sup>(Note 4)</sup>	H Share	Beneficial owner	94,940,800 (L)	9.24	1.12
Bank of Communications Co., Ltd. <sup>(Note 5)</sup>	H Share	Interests in controlled corporation	93,991,600 (L)	9.15	1.11
Bank of Communications (Nominee) Company Limited <sup>(Note 5)</sup>	H Share	Interests in controlled corporation	93,991,600 (L)	9.15	1.11
BOCOM International Asset Management Limited <sup>(Note 5)</sup>	H Share	Interests in controlled corporation	93,991,600 (L)	9.15	1.11
BOCOM International Holdings Company Limited <sup>(Note 5)</sup>	H Share	Interests in controlled corporation	93,991,600 (L)	9.15	1.11
BOCOM International Global Investment Limited <sup>(Note 5)</sup>	H Share	Beneficial owner	93,991,600 (L)	9.15	1.11

## Section VII Changes in Shares and Information on Shareholders

Notes:

1. (L) represents the long position.
2. As at December 31, 2024, the Company has issued 8,496,645,292 shares in total, including 7,469,482,864 A Shares and 1,027,162,428 H Shares.
3. Shanghai Haiyan Investment Management Company Limited is wholly owned by Shanghai Tobacco (Group) Co., Ltd., which in turn is wholly owned by China National Tobacco Corporation. Therefore, each of China National Tobacco Corporation and Shanghai Tobacco (Group) Co., Ltd. is deemed to be interested in the shares of the Company held by Shanghai Haiyan Investment Management Company Limited under the SFO.
4. Kaiser Century Investments Limited is owned as to 100% by Hung Jia Finance Limited. Hung Jia Finance Limited is owned as to 50% by each of Mr. Zhu Lijia and his spouse Ms. Sun Hongyan. Therefore, each of Mr. Zhu Lijia, Ms. Sun Hongyan and Hung Jia Finance Limited is deemed to be interested in the shares of the Company held by Kaiser Century Investments Limited under the SFO.
5. BOCOM International Global Investment Limited is wholly owned by BOCOM International Asset Management Limited. BOCOM International Asset Management Limited is wholly owned by BOCOM International Holdings Company Limited, which in turn is wholly owned by Bank of Communications (Nominee) Company Limited. Bank of Communications (Nominee) Company Limited is wholly owned by Bank of Communications Co., Ltd. Therefore, each of Bank of Communications Co., Ltd., Bank of Communications (Nominee) Company Limited, BOCOM International Holdings Company Limited and BOCOM International Asset Management Limited is deemed to be interested in the shares of the Company held by BOCOM International Global Investment Limited under the SFO.

Save as disclosed above, as at December 31, 2024, none of the other substantial shareholders or other parties has any interests or short positions in the shares or underlying shares of the Company which are required to be recorded in the register required to be kept pursuant to Section 336 of the SFO.

### VI. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at December 31, 2024, according to the information available to the Company and so far as the Directors are aware, none of the Directors, Supervisors or chief executive of the Company had interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (as defined under the Part XV of the SFO), which are required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which are taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or would be required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

## Section VII Changes in Shares and Information on Shareholders

**VII. AS AT THE END OF THE REPORTING PERIOD, NO CONTROLLING SHAREHOLDER OR THE LARGEST SHAREHOLDER AND PARTIES ACTING IN CONCERT WITH IT HAD PLEDGED AN AGGREGATE NUMBER OF SHARES REPRESENTING MORE THAN 80% OF THE NUMBER OF SHARES HELD BY THEM IN THE COMPANY.**

**VIII. OTHER LEGAL-PERSON SHAREHOLDERS WITH A SHAREHOLDING OF MORE THAN 10%**

Unit: 100 million Currency: RMB

Name of legal-person shareholders	Person-in-charge of the unit or legal representative	Date of incorporation	Organization code	Registered capital	Principal businesses or management activities
Shenergy Group	Huang Dinan	November 18, 1996	913100001322718147	280	General projects: investment, development, operation and management in electricity power and energy-based industries, investment in and development of natural gas resources, investment in urban gas networks, investment and management in hi-tech industries, industrial investment, assets operation, and domestic trade (excluding specially regulated ones). (Except for projects subject to approval according to law, conducting business activities independently according to law with business license)

Explanations

- As at the end of the Reporting Period, Shenergy Group held 26.63% of shares of the Company.
- The shares held by HKSCC Nominees Limited were owned by non-registered holders of H Shares.

**IX. DURING THE REPORTING PERIOD, THE COMPANY HAD NO RESTRICTION ON SHAREHOLDING REDUCTION**

## Section VII Changes in Shares and Information on Shareholders

### X. SPECIFIC IMPLEMENTATION OF SHARE REPURCHASE DURING THE REPORTING PERIOD

Unit: Yuan Currency: RMB

Name of share repurchase plan	Repurchase of A Shares of the Company through centralized price bidding
Date of share repurchase plan disclosed	October 30, 2023
Amount to be repurchased	The range from RMB250 million (inclusive) at the lower end to RMB500 million (inclusive) at the higher end
Period to be repurchased	Not more than three months from the date of consideration and approval by the Board of the plan of repurchase of A Shares
Purpose of repurchase	Safeguard the value of the Company and the interests of shareholders
Number of shares repurchased (share)	34,843,324
Progress in the Company's reduction of the repurchased shares by way of centralized price bidding	The Company did not reduce any repurchased shares
Progress of shares repurchased	

On November 2, 2023, the Company implemented its initial repurchase of A Shares by way of centralized price bidding through the trading system of the Shanghai Stock Exchange, and disclosed the information of the initial repurchase of shares on the same day. As at December 31, 2023, the Company has repurchased a total of 33,486,424 A Shares of the Company.

On January 30, 2024, the Company issued the Announcement in Relation to the Implementation Results of Repurchase of A Shares and Changes in Shares after the expiry of the repurchase term. The Company actually repurchased 34,843,324 A Shares by itself, representing 0.4101% of the total share capital of the Company, with a maximum repurchase price of RMB9.14 per share, a lowest repurchase price of RMB7.99 per share and an average repurchase price of RMB8.92 per share, in which the total amount of funds utilized was RMB310,877,125.32 (excluding trading fees). The actual implementation of the repurchase plan of A Shares did not deviate from the share repurchase plan originally disclosed, and the Company has implemented the repurchase in accordance with the disclosed plan. All the A Shares repurchased by the Company shall be deposited in the designated securities account for repurchase of the Company. The Company will handle and arrange for the repurchased shares in accordance with the plan for repurchase of A Shares of the Company as considered and approved by the Board.

## Section VIII Information on Preference Shares

During the Reporting Period, the Company did not have any matters relating to preference shares.



## Section IX Information on Bonds

### I. CORPORATE BONDS (INCLUDING ENTERPRISE BONDS) AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES

#### (i) Basic information of corporate bonds

Unit: 100 million Currency: RMB

Name of bonds	Abbreviation	Code	Date of issuance	Date of initial interest accrued	Latest resale date after April 30, 2025	Maturity date	Bond balance	Interest rate (%)	Repayment of principal and interest	Trading venue	Lead underwriter	Trustee	Investor suitability arrangements (if any)	Trading mechanism	Risk of termination of listing and trading
2022 Subordinated Bonds publicly issued by DFZQ (for professional investors) (first tranche)	22 Orient Securities C1	185233.SH	January 11, 2022	January 13, 2022	-	January 13, 2025	25	3.16	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	Orient Investment Banking	Dongguan Securities	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No
2023 Corporate Bonds publicly issued by DFZQ (for professional investors) (first tranche) (Type 1)	23 Orient Securities 01	138917.SH	February 17, 2023	February 21, 2023	-	February 21, 2025	15	2.92	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	Orient Investment Banking and China Galaxy	China Galaxy	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No
2024 Short-term Corporate Bonds publicly issued by DFZQ (for professional investors) (first tranche)	24 Orient Securities S1	241856.SH	October 25, 2024	October 29, 2024	-	April 27, 2025	30	1.99	Principal and interest to be repaid upon maturity in one lump sum	SSE	GF Securities and Western Securities	GF Securities	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No
2022 Corporate Bonds publicly issued by DFZQ (for professional investors) (first tranche) (Type 1)	22 Orient Securities 01	137547.SH	July 19, 2022	July 21, 2022	-	July 21, 2025	20	2.79	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	Orient Investment Banking and China Galaxy	China Galaxy	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No

## Section IX Information on Bonds

Name of bonds	Abbreviation	Code	Date of issuance	Date of initial interest accrued	Latest resale date after April 30, 2025	Maturity date	Bond balance	Interest rate (%)	Repayment of principal and interest	Trading venue	Lead underwriter	Trustee	Investor suitability arrangements (if any)	Trading mechanism	Risk of termination of listing and trading
2020 Perpetual Subordinated Bonds publicly issued by DFZQ (first tranche)	20 Orient Securities Y1	175032.SH	August 24, 2020	August 26, 2020	-	— <sup>Note</sup>	50	4.75	Interest to be paid annually if the option of deferring payment of interest is not exercised	SSE	Orient Investment Banking	Dongguan Securities	For institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
2022 Corporate Bonds publicly issued by DFZQ (for professional investors) (third tranche)	22 Orient Securities 04	138727.SH	December 12, 2022	December 14, 2022	-	December 14, 2025	35	3.4	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	Orient Investment Banking and China Galaxy	China Galaxy	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No
2023 Corporate Bonds publicly issued by DFZQ (for professional investors) (first tranche) (Type 2)	23 Orient Securities 02	138918.SH	February 17, 2023	February 21, 2023	-	February 21, 2026	25	3.13	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	Orient Investment Banking and China Galaxy	China Galaxy	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No
2021 Subordinated Bonds publicly issued by DFZQ (second tranche) (Type 2)	21 Orient Securities C3	175994.SH	April 14, 2021	April 16, 2021	-	April 16, 2026	15	4.2	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	Orient Investment Banking	Dongguan Securities	For institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
2023 Subordinated Bonds publicly issued by DFZQ (for professional investors) (first tranche)	23 Orient Securities C1	115292.SH	April 20, 2023	April 24, 2023	-	April 24, 2026	30	3.3	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	Orient Investment Banking, GF Securities and Western Securities	GF Securities	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No

## Section IX Information on Bonds

Name of bonds	Abbreviation	Code	Date of issuance	Date of initial interest accrued	Latest resale date after April 30, 2025	Maturity date	Bond balance	Interest rate (%)	Repayment of principal and interest	Trading venue	Lead underwriter	Trustee	Investor suitability arrangements (if any)	Trading mechanism	Risk of termination of listing and trading
2023 Corporate Bonds publicly issued by DFZQ (for professional investors) (third tranche)	23 Orient Securities 04	115403.SH	May 22, 2023	May 24, 2023	-	May 24, 2026	30	2.9	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	Orient Investment Banking and China Galaxy	China Galaxy	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No
2023 Subordinated Bonds publicly issued by DFZQ (for professional investors) (second tranche)	23 Orient Securities C2	115763.SH	August 8, 2023	August 10, 2023	-	August 10, 2026	30	3.08	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	Orient Investment Banking, GF Securities and Western Securities	GF Securities	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No
2023 Subordinated Bonds publicly issued by DFZQ (for professional investors) (third tranche) (Type 1)	23 Orient Securities C3	240151.SH	October 26, 2023	October 30, 2023	-	October 30, 2026	28	3.3	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	GF Securities and Western Securities	GF Securities	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No
2023 Subordinated Bonds publicly issued by DFZQ (for professional investors) (fourth tranche)	23 Orient Securities C5	240318.SH	November 21, 2023	November 23, 2023	-	November 23, 2026	20	3.18	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	GF Securities and Western Securities	GF Securities	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No
2024 Corporate Bonds publicly issued by DFZQ (for professional investors) (first tranche)	24 Orient Securities 01	240544.SH	January 23, 2024	January 25, 2024	-	January 25, 2027	18	2.73	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	GF Securities and Western Securities	GF Securities	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No

## Section IX Information on Bonds

Name of bonds	Abbreviation	Code	Date of issuance	Date of initial interest accrued	Latest resale date after April 30, 2025	Maturity date	Bond balance	Interest rate (%)	Repayment of principal and interest	Trading venue	Lead underwriter	Trustee	Investor suitability arrangements (if any)	Trading mechanism	Risk of termination of listing and trading
2022 Corporate Bonds publicly issued by DFZQ (for professional investors) (first tranche) (Type 2)	22 Orient Securities 02	137548.SH	July 19, 2022	July 21, 2022	-	July 21, 2027	15	3.18	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	Orient Investment Banking and China Galaxy	China Galaxy	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No
2017 Corporate Bonds publicly issued by DFZQ	17 Orient Bonds	143233.SH	August 2, 2017	August 3, 2017	-	August 3, 2027	40	4.98	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	Orient Investment Banking	Dongguan Securities	For qualified investors	Matching, click-to-trade, quote request, auction and negotiation	No
2022 Corporate Bonds publicly issued by DFZQ (for professional investors) (second tranche)	22 Orient Securities 03	137725.SH	August 23, 2022	August 25, 2022	-	August 25, 2027	20	3	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	Orient Investment Banking and China Galaxy	China Galaxy	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No
2024 Corporate Bonds publicly issued by DFZQ (for professional investors) (fifth tranche) (sustainability-linked)	24 Orient Securities 08	241955.SH	November 19, 2024	November 21, 2024	-	November 21, 2027	20	2.15	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	GF Securities and Western Securities	GF Securities	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No

## Section IX Information on Bonds

Name of bonds	Abbreviation	Code	Date of issuance	Date of initial interest accrued	Latest resale date after April 30, 2025	Maturity date	Bond balance	Interest rate (%)	Repayment of principal and interest	Trading venue	Lead underwriter	Trustee	Investor suitability arrangements (if any)	Trading mechanism	Risk of termination of listing and trading
2023 Corporate Bonds publicly issued by DFZQ (for professional investors) (second tranche)	23 Orient Securities 03	115092.SH	March 17, 2023	March 21, 2023	-	March 21, 2028	16	3.32	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	Orient Investment Banking and China Galaxy	China Galaxy	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No
2023 Subordinated Bonds publicly issued by DFZQ (for professional investors) (third tranche) (Type 2)	23 Orient Securities C4	240152.SH	October 26, 2023	October 30, 2023	-	October 30, 2028	7	3.5	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	GF Securities and Western Securities	GF Securities	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No
2024 Subordinated Bonds publicly issued by DFZQ (for professional investors) (first tranche)	24 Orient Securities C1	241168.SH	June 24, 2024	June 26, 2024	-	June 26, 2029	20	2.33	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	GF Securities, Western Securities and Everbright Securities	GF Securities	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No
2024 Subordinated Bonds publicly issued by DFZQ (for professional investors) (second tranche)	24 Orient Securities C2	241210.SH	July 4, 2024	July 8, 2024	-	July 8, 2029	25	2.31	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	GF Securities, Western Securities and Everbright Securities	GF Securities	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No
2024 Corporate Bonds publicly issued by DFZQ (for professional investors) (second tranche) (Type 1)	24 Orient Securities 02	241377.SH	August 6, 2024	August 8, 2024	-	August 8, 2029	10	2.05	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	GF Securities and Western Securities	GF Securities	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No

## Section IX Information on Bonds

Name of bonds	Abbreviation	Code	Date of issuance	Date of initial interest accrued	Latest resale date after April 30, 2025	Maturity date	Bond balance	Interest rate (%)	Repayment of principal and interest	Trading venue	Lead underwriter	Trustee	Investor suitability arrangements (if any)	Trading mechanism	Risk of termination of listing and trading
2024 Corporate Bonds publicly issued by DFZQ (for professional investors) (third tranche) (Type 1)	24 Orient Securities 04	241508.SH	August 21, 2024	August 23, 2024	-	August 23, 2029	30	2.18	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	GF Securities and Western Securities	GF Securities	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No
2024 Corporate Bonds publicly issued by DFZQ (for professional investors) (fourth tranche) (Type 1)	24 Orient Securities 06	241712.SH	October 15, 2024	October 17, 2024	-	October 17, 2029	30	2.28	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	GF Securities and Western Securities	GF Securities	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No
2024 Corporate Bonds publicly issued by DFZQ (for professional investors) (second tranche) (Type 2)	24 Orient Securities 03	241380.SH	August 6, 2024	August 8, 2024	-	August 8, 2034	20	2.3	Interest to be paid annually, principal to be repaid upon maturity in one lump sum	SSE	GF Securities and Western Securities	GF Securities	For professional investors	Matching, click-to-trade, quote request, auction and negotiation	No

*Note:* Every five interest-accruing years constitutes a repricing period of the bonds. At the end of each repricing period, the Company is entitled to extend such tranche of bonds by one repricing period (i.e. for another period of 5 years) or redeem such tranche of bonds in full.

## Section IX Information on Bonds

### *Payment of interests of bonds during the Reporting Period*

<b>Name of bonds</b>	<b>Explanation on payment of interests</b>
2022 Subordinated Bonds publicly issued by DFZQ (for professional investors) (first tranche)	Interest paid in full on time
2021 Corporate Bonds publicly issued by DFZQ (for professional investors) (first tranche)	Paid in full on time
2023 Corporate Bonds publicly issued by DFZQ (for professional investors) (first tranche) (Type 1)	Interest paid in full on time
2023 Corporate Bonds publicly issued by DFZQ (for professional investors) (first tranche) (Type 2)	Interest paid in full on time
2023 Corporate Bonds publicly issued by DFZQ (for professional investors) (second tranche)	Interest paid in full on time
2021 Subordinated Bonds publicly issued by DFZQ (first tranche)	Paid in full on time
2021 Subordinated Bonds publicly issued by DFZQ (second tranche) (Type 1)	Paid in full on time
2021 Subordinated Bonds publicly issued by DFZQ (second tranche) (Type 2)	Interest paid in full on time
2023 Subordinated Bonds publicly issued by DFZQ (for professional investors) (first tranche)	Interest paid in full on time
2023 Corporate Bonds publicly issued by DFZQ (for professional investors) (third tranche)	Interest paid in full on time
2022 Corporate Bonds publicly issued by DFZQ (for professional investors) (first tranche) (Type 1)	Interest paid in full on time
2022 Corporate Bonds publicly issued by DFZQ (for professional investors) (first tranche) (Type 2)	Interest paid in full on time
2022 Corporate Bonds publicly issued by DFZQ (for professional investors) (second tranche)	Interest paid in full on time
2023 Subordinated Bonds publicly issued by DFZQ (for professional investors) (second tranche)	Interest paid in full on time
2020 Perpetual Subordinated Bonds publicly issued by DFZQ (first tranche)	Interest paid in full on time
2017 Corporate Bonds publicly issued by DFZQ	Interest paid in full on time
2023 Short-term Corporate Bonds publicly issued by DFZQ (for professional investors) (first tranche)	Paid in full on time
2022 Subordinated Bonds publicly issued by DFZQ (for professional investors) (second tranche)	Paid in full on time

## Section IX Information on Bonds

Name of bonds	Explanation on payment of interests
2023 Subordinated Bonds publicly issued by DFZQ (for professional investors) (third tranche) (Type 1)	Interest paid in full on time
2023 Subordinated Bonds publicly issued by DFZQ (for professional investors) (third tranche) (Type 2)	Interest paid in full on time
2021 Corporate Bonds publicly issued by DFZQ (for professional investors) (second tranche)	Paid in full on time
2023 Subordinated Bonds publicly issued by DFZQ (for professional investors) (fourth tranche)	Interest paid in full on time
2022 Corporate Bonds publicly issued by DFZQ (for professional investors) (third tranche)	Interest paid in full on time

### 1. *The Company or investor option clauses or investor protection clauses triggered or enforced*

The Company's "20 Orient Securities Y1" is issued with an issuer option of renewal and without an investor option of resale. As at the date of disclosure of this report, the issuer option of renewal has not yet become exercisable. For the issuer right of deferral of interest payment, as the "Profit Distribution Proposal of the Company for the year 2023" was considered and approved at the 2023 annual general meeting of the Company held in May 2024, which was a mandatory interest payment event as stipulated in the prospectus of "20 Orient Securities Y1", the Company has made full and timely payment of the current interest on the bonds. The issuer option of redemption upon satisfaction of certain conditions has not been triggered as at the date of disclosure of this report.

### 2. *Intermediaries providing services for issuance and subsistence of bonds*

Name of intermediary	Office address	Name of signing accountant	Contact	Tel
GF Securities Co., Ltd.	39/F, Taikang Insurance Building, No. 429 North Nanquan Road, Pudong New Area, Shanghai	Not applicable	Zhang Kaifan	021-38003800
China Galaxy Securities Co., Ltd.	11/F, Qinghai Finance Building, No. 8 Xiyong Street, Fengtai District, Beijing	Not applicable	Chen Qu	010-80927231
Everbright Securities Company Limited	51/F, Tower 1, Henglong Plaza, No. 1266 West Nanjing Road, Jing'an District, Shanghai	Not applicable	Gu Yijun	021-52523176



## Section IX Information on Bonds

Name of intermediary	Office address	Name of signing accountant	Contact	Tel
Western Securities Co., Ltd.	Room 10000, Block 8, No. 319 Dongxin Street, Xincheng District, Xi'an, Shaanxi Province	Not applicable	Ma Lefei	021-50207692
Dongguan Securities Co., Ltd.	25/F, Pudong Kerry City Office Building, No. 1155 Fangdian Road, Shanghai	Not applicable	Hong Yihang	021-50155106
China Chengxin International Credit Rating Co., Ltd.	Room 60101, Block 1, No.2 Nanzhugan Hutong, Dongcheng District, Beijing	Not applicable	Zheng Yaozong, Li Chenfei, Jia Tianwei	010-66428877
Deloitte Touche Tohmatsu Certified Public Accountants LLP	30/F, Bund Center, No. 222 East Yan'an Road, Huangpu District, Shanghai	Shi Man, Ding Yiqing	Ding Yiqing	021-61418888
Shanghai Alshine Law Firm	Room 908, Building B, Greenland Group Plaza, No.600 Middle Longhua Road, Xuhui District, Shanghai	Not applicable	Yang Chen	021-33632298
Grandall Law Firm (Shanghai)	25-28/F, Suhewan Center, 99 North Shanxi Road, Jing'an District, Shanghai	Not applicable	Lin Yana	021-52341668
China Credit Green Gold Technology (Beijing) Co., Ltd.	Galaxy SOHO-D, Nanzhugan Hutong, Dongcheng District, Beijing	Not applicable	Ma Jun	010-88426677

3. ***There were no adjustments to the credit rating results of the bonds of the Company during the Reporting Period.***
4. ***There were no implementation or changes in guarantees, repayment plans and other repayment guarantees in respect of the bonds of the Company during the Reporting Period.***

## Section IX Information on Bonds

### (ii) Proceeds from bonds of the Company

#### 1. Basic information

Unit: 100 million Currency: RMB

Bond code	Bond abbreviation	Whether it is a special category bond	Types of special category bond	Total proceeds	Balance of proceeds at the end of the Reporting Period	Balance of special account for proceeds at the end of the Reporting Period
240544.SH	24 Orient Securities 01	No	–	18.00	0.00	0.00
241168.SH	24 Orient Securities C1	No	–	20.00	0.00	0.00
241210.SH	24 Orient Securities C2	No	–	25.00	0.00	0.00
241377.SH	24 Orient Securities 02	No	–	10.00	0.00	0.00
241380.SH	24 Orient Securities 03	No	–	20.00	0.00	0.00
241508.SH	24 Orient Securities 04	No	–	30.00	0.00	0.00
241712.SH	24 Orient Securities 06	No	–	30.00	0.00	0.00
241856.SH	24 Orient Securities S1	Yes	Short-term corporate bonds	30.00	0.00	0.00
241955.SH	24 Orient Securities 08	Yes	Sustainability-linked bonds	20.00	9.00	0.00

## Section IX Information on Bonds

### 2. Use of proceeds

(1) The actual use of proceeds (excluding temporary replenishment of liquidity)

Unit: 100 million Currency: RMB

Bond code	Bond abbreviation	Actual amount of proceeds utilized during the Reporting Period	Repayment of interest-bearing debts (excluding bonds of the Company) and the amounts involved	Repayment of bonds of the Company and the amounts involved	Replenishment of liquidity and the amounts involved	Fixed asset project investment and the amounts involved	Other uses and the amounts involved
240544.SH	24 Orient Securities 01	18.00	0.00	18.00	0.00	0.00	0.00
241168.SH	24 Orient Securities C1	20.00	0.00	20.00	0.00	0.00	0.00
241210.SH	24 Orient Securities C2	25.00	0.00	25.00	0.00	0.00	0.00
241377.SH	24 Orient Securities 02	10.00	0.00	10.00	0.00	0.00	0.00
241380.SH	24 Orient Securities 03	20.00	0.00	20.00	0.00	0.00	0.00
241508.SH	24 Orient Securities 04	30.00	0.00	30.00	0.00	0.00	0.00
241712.SH	24 Orient Securities 06	30.00	0.00	10.00	20.00	0.00	0.00
241856.SH	24 Orient Securities S1	30.00	0.00	0.00	30.00	0.00	0.00
241955.SH	24 Orient Securities 08	11.00	0.00	6.00	5.00	0.00	0.00

## Section IX Information on Bonds

### (2) Temporary replenishment of liquidity

Unit: 100 million Currency: RMB

Bond code	Bond abbreviation	Amount for temporary replenishment of liquidity during the Reporting Period	Specific circumstances of the temporary replenishment of liquidity, including but not limited to the purpose of temporary replenishment of liquidity, the starting time of temporary replenishment of liquidity, the repayment time, and the procedures performed
241210.SH	24 Orient Securities C2	15.00	After the Company's internal approval, RMB1.5 billion was transferred to the Company's basic account on July 9, 2024 to replenish the Company's liquidity, and RMB1.5 billion was transferred from the Company's basic account on September 4, 2024 to the Special Account for Proceeds of the 23 Orient Securities S1 for the repayment of bonds upon maturity.
241380.SH	24 Orient Securities 03	20.00	After the Company's internal approval, RMB2 billion was transferred to the Company's basic account on August 9, 2024 to replenish the Company's liquidity, RMB100 million was transferred from the Company's basic account on September 4, 2024 to the Special Account for Proceeds of the 23 Orient Securities S1 for the repayment of bonds upon maturity, and RMB1.9 billion was transferred from the Company's basic account on October 17, 2024 to the Special Account for Proceeds of the 22 Orient Securities C2 for the repayment of bonds upon maturity.
241377.SH	24 Orient Securities 02	10.00	After the Company's internal approval, RMB1 billion was transferred to the Company's basic account on August 9, 2024 to replenish the Company's liquidity, and RMB1 billion was transferred from the Company's basic account on October 17, 2024 to the Special Account for Proceeds of the 22 Orient Securities C2 for the repayment of bonds upon maturity.

## Section IX Information on Bonds

Bond code	Bond abbreviation	Amount for temporary replenishment of liquidity during the Reporting Period	Specific circumstances of the temporary replenishment of liquidity, including but not limited to the purpose of temporary replenishment of liquidity, the starting time of temporary replenishment of liquidity, the repayment time, and the procedures performed
241508.SH	24 Orient Securities 04	30.00	After the Company's internal approval, RMB3 billion was transferred to the Company's basic account on August 26, 2024 to replenish the Company's liquidity, RMB600 million was transferred from the Company's basic account on October 17, 2024 to the Special Account for Proceeds of the 22 Orient Securities C2 for the repayment of bonds upon maturity, and RMB2.4 billion was transferred from the Company's basic account on November 21, 2024 to the Special Account for Proceeds of the 21 Orient Bonds 02 for the repayment of bonds upon maturity.
241712.SH	24 Orient Securities 06	10.00	After the Company's internal approval, RMB1 billion was transferred to the Company's basic account on October 18, 2024 to replenish the Company's liquidity, and RMB1 billion was transferred from the Company's basic account on November 21, 2024 to the Special Account for Proceeds of the 21 Orient Bonds 02 for the repayment of bonds upon maturity.
241955.SH	24 Orient Securities 08	9.00	After the Company's internal approval, RMB900 million was transferred to the Company's basic account on November 22, 2024 to replenish the Company's liquidity, and RMB900 million was transferred from the Company's basic account on January 9, 2025 to the Special Account for Proceeds of the 22 Orient Securities C1 for the repayment of bonds upon maturity.

## Section IX Information on Bonds

### 3. Compliance of use of proceeds

Bond code	Bond abbreviation	Actual use of proceeds (including actual use and temporary replenishment of liquidity) as at the end of the Reporting Period	Whether the actual use is consistent with the agreed use (including the uses agreed in the prospectus and those after compliant changes)	Compliance of the use of proceeds and management of the special account for proceeds during the Reporting Period	Whether the use of proceeds complies with local government debt management regulations
240544.SH	24 Orient Securities 01	Repayment of the principal of matured bonds of the Company	Yes	Yes	Not involved
241168.SH	24 Orient Securities C1	Repayment of the principal of matured bonds of the Company	Yes	Yes	Not involved
241210.SH	24 Orient Securities C2	Repayment of the principal of matured bonds of the Company	Yes	Yes	Not involved
241380.SH	24 Orient Securities 03	Repayment of the principal of matured bonds of the Company	Yes	Yes	Not involved
241377.SH	24 Orient Securities 02	Repayment of the principal of matured bonds of the Company	Yes	Yes	Not involved

## Section IX Information on Bonds

Bond code	Bond abbreviation	Actual use of proceeds (including actual use and temporary replenishment of liquidity) as at the end of the Reporting Period	Whether the actual use is consistent with the agreed use (including the uses agreed in the prospectus and those after compliant changes)	Compliance of the use of proceeds and management of the special account for proceeds during the Reporting Period	Whether the use of proceeds complies with local government debt management regulations
241508.SH	24 Orient Securities 04	Repayment of the principal of matured bonds of the Company	Yes	Yes	Not involved
241712.SH	24 Orient Securities 06	Repayment of the principal of matured bonds of the Company and supplement to working capital	Yes	Yes	Not involved
241856.SH	24 Orient Securities S1	Supplement to working capital	Yes	Yes	Not involved
241955.SH	24 Orient Securities 08	Repayment of the principal of matured bonds of the Company and supplement to working capital	Yes	Yes	Not involved

## Section IX Information on Bonds

### (iii) Other matters on special category bonds

#### 1. *The Company as the issuer of perpetual corporate bonds*

Unit: 100 million Currency: RMB

Bond code	175032
Bond abbreviation	20 Orient Securities Y1
Bond balance	50.00
Information on renewal	–
Information on interest rate spike	There was no interest rate spike during the Reporting Period.
Information on interest deferral	There were no interest deferrals during the Reporting Period.
Information on mandatory interest payment	As the Profit Distribution Proposal of the Company for the Year 2023 was considered and approved at the 2023 annual general meeting of the Company held in May 2024, it constituted a mandatory interest payment event as agreed in the prospectus of the current bonds, the Company has paid the current interest on the bonds on time and in full.
Whether it is still included in equity and the related accounting treatment	Included in equity instruments



## Section IX Information on Bonds

### 2. Other matters on specialized corporate bonds

Unit: 100 million Currency: RMB

Bond code	241955.SH
Bond abbreviation	24 Orient Securities 08
Bond balance	20
Sustainability Key Performance Indicators (KPI)	For the key performance indicator (KPI) of the current bonds, the position of the ESG-related bonds invested with the issuer's own funds was selected. As at the end of 2024, the Company's position in ESG-related bonds invested with its own funds amounted to RMB3,426 million.
Sustainability performance target (SPT)	The sustainability performance target (SPT) for the current bonds is an annualized compound growth rate of not less than 15% (inclusive) in the position of the ESG-related bonds invested with its own funds at the end of 2025 compared to the end of 2023, i.e. not less than RMB3,345 million. As at the end of 2024, the Company's position in ESG-related bonds invested with its own funds amounted to RMB3,426 million, representing a compound annualized growth rate of 35.47% from the end of 2023.
Achievement of sustainability performance target (SPT)	The time for validation has not been reached and there is currently no impact on the structure of the bonds.
Issuance of evaluation opinion or certification report and major content of assessment or certification	The Company will, in accordance with the Prospectus for the Bonds, conduct an assessment on the progress of the sustainability performance targets for the previous year at least once a year by April 30 during the term of the Bonds, with the contents of the assessment including, but not limited to, the performance results of the linked targets for the previous year, the achievement of sustainability benefits, and the impact of the performance results of the linked targets on the structure of the Bonds.

## Section IX Information on Bonds

### (iv) Significant events relating to bonds of the Company during the Reporting Period

1. *During the Reporting Period, the Company had no occupation of funds related to non-operating activities and borrowings.*

#### 2. Liabilities

(1) *Interest-bearing debt and its changes*

##### 1.1 Debt structure of the Company

As at the beginning and the end of the Reporting Period, the balance of interest-bearing debts of the Company (on a non-consolidated basis) was RMB172.098 billion and RMB200.667 billion, respectively, representing a year-on-year increase of 16.60% in the balance of interest-bearing debts during the Reporting Period.

Unit: 100 million Currency: RMB

Category of interest-bearing debts	Overdue	Maturity period		Total amount	Proportion of amount in interest bearing debts (%)
		Within 1 year (inclusive)	Over 1 year (exclusive)		
Corporate credit bonds	–	155.82	454.48	610.30	30.41
Loans from banks	–	–	–	–	–
Loans from non-bank financial institutions	–	–	–	–	–
Other interest-bearing debts	–	1,389.23	7.14	1,396.37	69.59
<b>Total</b>	–	<b>1,545.05</b>	<b>461.62</b>	<b>2,006.67</b>	<b>100.00</b>

As at the end of the Reporting Period, among the existing Corporate credit bonds of the Company, the balance of corporate bonds was RMB61.030 billion, the balance of enterprise bonds was nil, and the balance of debt financing instruments of non-financial enterprises was nil. A total of RMB8.459 billion of corporate credit bonds will mature or be put-back for repayment between May and December 2025.

## Section IX Information on Bonds

### 1.2 Structure of consolidated interest-bearing debts of the Company

As at the beginning and the end of the Reporting Period, the balance of interest-bearing debts of the Company (on a consolidated basis) was RMB178.921 billion and RMB208.536 billion, respectively, representing a year-on-year increase of 16.55% in the balance of interest-bearing debts during the Reporting Period.

Unit: 100 million Currency: RMB

Category of interest-bearing debts	Maturity period			Total amount	Proportion of amount in interest bearing debts (%)
	Overdue	Within 1 year (inclusive)	Over 1 year (exclusive)		
Corporate credit bonds	–	177.55	454.48	632.03	30.31
Loans from banks	–	10.81	4.68	15.49	0.74
Loans from non-bank financial institutions	–	–	–	–	–
Other interest-bearing debts	–	1,428.25	9.59	1,437.84	68.95
<b>Total</b>	–	1,616.61	468.75	2,085.36	100.00

As at the end of the Reporting Period, among the existing Corporate credit bonds of the Company, the balance of corporate bonds was RMB63.203 billion, the balance of enterprise bonds was nil, and the balance of debt financing instruments of non-financial enterprises was nil. A total of RMB10.632 billion of corporate credit bonds will mature or be put-back for repayment between May and December 2025.

### 1.3 Overseas bonds

As at the end of the Reporting Period, on a consolidated basis, the balance of overseas bonds issued was RMB5.103 billion, and the balance of overseas bonds maturing between May and December 2025 was RMB5.103 billion.

#### (2) Major debts and their movements

Please refer to “Section III, VI, (i), 3, Analysis on principal components of consolidated statement of financial position” for details.

## Section IX Information on Bonds

(v) Accounting data and financial indicators of the Company for the recent two years as at the end of the Reporting Period

Unit: Yuan Currency: RMB

Major indicators	2024	2023	Changes compared with the corresponding period of last year (%)	Reasons for change
Net profit attributable to shareholders of the listed company, net of non-recurring profit/loss	<b>3,242,306</b>	2,628,281	23.36	Increase in total profit
Current ratio	<b>0.83</b>	1.19	(30.25)	Decrease in current assets and increase in current liabilities
Quick ratio	<b>0.83</b>	1.19	(30.25)	Decrease in quick assets and increase in current liabilities
Gearing ratio (%) <sup>Note</sup>	<b>73.20</b>	71.04	Increased by 2.16 percentage points	Increase in liabilities
EBITDA to total debts ratio	<b>0.04</b>	0.04	0.00	
Interest coverage ratio	<b>1.88</b>	1.70	10.59	Increase in total profit
Cash interest coverage ratio	<b>2.26</b>	10.21	(77.86)	Decrease in operating cash inflows
EBITDA interest coverage ratio	<b>2.07</b>	1.89	9.52	Increase in earnings before interest, taxes, depreciation, and amortization
Loan repayment rate (%)	<b>100.00</b>	100.00	–	
Interest payment ratio (%)	<b>100.00</b>	100.00	–	

Note: Gearing ratio = (Total liabilities – Account payables to brokerage clients – Funds payable to securities issuers)/(Total assets – Account payables to brokerage clients – Funds payable to securities issuers)

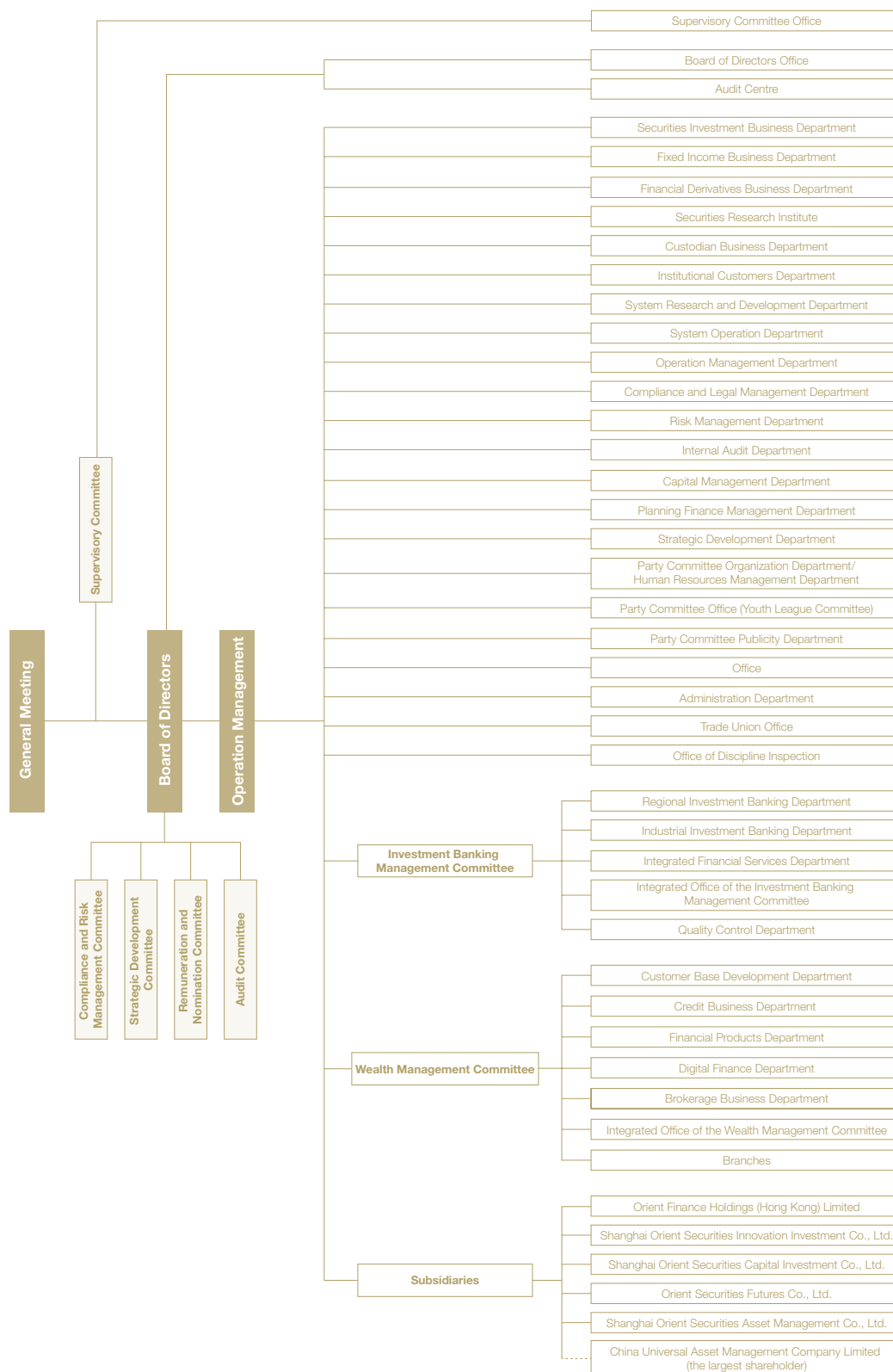
## II. DURING THE REPORTING PERIOD, THE COMPANY HAD NO CONVERTIBLE CORPORATE BONDS.

## Section X Information Disclosures of Securities Company

### I. RELEVANT INFORMATION ON MATERIAL ADMINISTRATIVE LICENSES OF THE COMPANY

No.	Issued by	Title of document	Number of document	Issuing date
1	CSRC	Reply on Matters Relating to Participation in Swap Facilities by 東方證券股份有限公司	Ji Gou Si Han [2024] No. 1878	October 17, 2024

# Appendix I Organizational Structure of the Company



## Appendix II Information on Securities Branches of the Company

As at the end of the Reporting Period, the Company had 179 securities branches.

Name of securities branches	Registered address (PRC)	Date of establishment
Shanghai Yangpu District Yangshupu Road Securities Branch of 東方證券股份有限公司	2/F, No. 318 Yangshupu Road, Yangpu District, Shanghai	December 9, 1993
Shanghai Jing'an District Urumqi North Road Securities Branch of 東方證券股份有限公司	2/F, No. 480 Urumqi North Road, Jing'an District, Shanghai	October 28, 1994
Shanghai Pudong New Area Beimen Street Securities Branch of 東方證券股份有限公司	1/F and 5/F, No. 86 Beimen Street, Pudong New Area, Shanghai	February 20, 1995
Shenzhen Jintian Road Securities Branch of 東方證券股份有限公司	Units 01 and 02, 17/F, Dinghe Tower, No. 100 Fuhua 3rd Road, Futian District, Shenzhen, Guangdong Province	July 6, 1995
Shanghai Huangpu District Zhonghua Road Securities Branch of 東方證券股份有限公司	Rooms 301-304 & 803, 804, West Side, No. 1600 Zhonghua Road, Huangpu District, Shanghai	June 23, 1998
Shanghai Huangpu District Beijing East Road Securities Branch of 東方證券股份有限公司	Main Building, 5/F, No. 270 Beijing East Road, Huangpu District, Shanghai	June 23, 1998
Shanghai Pudong New Area Mudan Road Securities Branch of 東方證券股份有限公司	6/F, No. 60 Mudan Road, Pudong New Area, Shanghai	June 23, 1998
Shanghai Huangpu District Fengyang Road Securities Branch of 東方證券股份有限公司	2/F, No. 310 Fengyang Road, Huangpu District, Shanghai	June 23, 1998
Shanghai Jiading District Cao'an Highway Securities Branch of 東方證券股份有限公司	Rooms 106, 107, 1/F and Room A204, 2/F, No. 1685 Cao'an Highway, Jiading District, Shanghai	June 23, 1998
Shanghai Putuo District Yunling East Road Securities Branch of 東方證券股份有限公司	Room 202, 2/F, No. 235 & 245, Yunling East Road, Putuo District, Shanghai	June 23, 1998
Shanghai Pudong New Area Yuanshen Road Securities Branch of 東方證券股份有限公司	Units 01-06, 3/F, No. 1088 Yuanshen Road, China (Shanghai) Pilot Free Trade Zone	June 23, 1998
Shanghai Xuhui District Yunjin Road Securities Branch of 東方證券股份有限公司	Units 05-08, 9/F, No.700 Yunjin Road, Xuhui District, Shanghai	June 23, 1998
Shanghai Baoshan District Changjiang West Road Securities Branch of 東方證券股份有限公司	Rooms A-B, 1/F and East Side of 2/F, Block 5, No. 1788 Changjiang West Road, Baoshan District, Shanghai	June 23, 1998

## Appendix II Information on Securities Branches of the Company

Name of securities branches	Registered address (PRC)	Date of establishment
Shanghai Xuhui District Yishan Road Securities Branch of 東方證券股份有限公司	Unit 107, 1/F and Unit 201, 2/F, Building 85, No.700 Yishan Road, Xuhui District, Shanghai	June 23, 1998
Shanghai Jing'an District Wanrong Road Securities Branch of 東方證券股份有限公司	No. 102-1, 1/F and No. 703-2, 703-3, 7/F, No. 1 Building, Lane 777 Wanrong Road, Jing'an District, Shanghai	June 23, 1998
Shanghai Xuhui District Guangyuan West Road Securities Branch of 東方證券股份有限公司	Rooms B & C, 6/F, Block 2, No. 315 Guangyuan West Road, Xuhui District, Shanghai	June 23, 1998
Shanghai Putuo District Guangxin Road Securities Branch of 東方證券股份有限公司	Rooms 401-403, Rooms 405-406 & Rooms 2201-2203, No. 88 Guangxin Road, Putuo District, Shanghai	June 23, 1998
Shanghai Changning District Zunyi South Road Securities Branch of 東方證券股份有限公司	Room 101, No. 88 Zunyi South Road, Changning District, Shanghai	June 23, 1998
Shanghai Changning District Changning Road Securities Branch of 東方證券股份有限公司	Unit 1303, Block 1, No. 546 Changning Road, Changning District, Shanghai	June 23, 1998
Shanghai Minhang District Heqing Road Securities Branch of 東方證券股份有限公司	Ground floor, No. 330-338 Heqing Road, Minhang District, Shanghai	June 23, 1998
Shanghai Pudong New Area Xinchuan Road Securities Branch of 東方證券股份有限公司	No. 611 Xinchuan Road, Pudong New Area, Shanghai	June 23, 1998
Shanghai Hongkou District Quyang Road Securities Branch of 東方證券股份有限公司	(1-2/F), Block A, No. 259 & 267 Quyang Road, Hongkou District, Shanghai	June 23, 1998
Shanghai Minhang District Dushi Road Securities Branch of 東方證券股份有限公司	1/F, No. 27 and Units 301A, 301B, 301C, and 301D, 3/F, No. 13, Lane 2635 Dushi Road, Minhang District, Shanghai	June 23, 1998
Shanghai Pudong New Area Pingdu Road Securities Branch of 東方證券股份有限公司	Room 247, Block 3, No. 258 Pingdu Road, Pudong New Area, Shanghai	June 23, 1998
Shanghai Hongkou District Haining Road Securities Branch of 東方證券股份有限公司	Room C, 1/F, 12/F, No. 307 Haining Road, Hongkou District, Shanghai	June 23, 1998
Shanghai Yangpu District Anbo Road Securities Branch of 東方證券股份有限公司	No. 521 Anbo Road, Yangpu District, Shanghai	June 23, 1998



## Appendix II Information on Securities Branches of the Company

Name of securities branches	Registered address (PRC)	Date of establishment
Shanghai Pudong New Area Yaohua Road Securities Branch of 東方證券股份有限公司	Room 107 and 16/F, No.488 Yaohua Road, China (Shanghai) Pilot Free Trade Zone	June 23, 1998
Shanghai Pudong New Area Zhoudong Road Securities Branch of 東方證券股份有限公司	No. 716 & 718 Zhoudong Road; 1/F & 2/F, No. 4128 Chuanzhou Road, Pudong New Area, Shanghai	June 23, 1998
Fushun Yumin Road Securities Branch of 東方證券股份有限公司	No. 15, Yumin Road, Xinfu District, Fushun, Liaoning Province	August 18, 1998
Fushun Liaozhong Street Securities Branch of 東方證券股份有限公司	3–6/F, No.25–2 Liaozhong Street, Wanghua District, Fushun, Liaoning Province	August 18, 1998
Beijing Anli Road Securities Branch of 東方證券股份有限公司	No.202 and No.203, 2/F and No.301, 3/F, Building 27, No.8 Beichen East Road, Chaoyang District, Beijing	April 4, 2001
Chengdu Jianshe Road Securities Branch of 東方證券股份有限公司	Suite 2102 & 2103, 21/F, Block 1, No. 9 and 1/F, No.2 Jianshe Road, Chenghua District, Chengdu, Sichuan Province	April 11, 2001
Fushun Xinhua Street Securities Branch of 東方證券股份有限公司	Outlet No. 7, Building 20, Xinhua Street, Shuncheng District, Fushun, Liaoning Province	March 28, 2002
Guangzhou Baogang Avenue Securities Branch of 東方證券股份有限公司	5/F, No. 283 Baogang Avenue, Haizhu District, Guangzhou, Guangdong Province	April 21, 2002
Changsha Laodong West Road Securities Branch of 東方證券股份有限公司	Shop at Southeast Corner, 1/F of Podium and Zone A, 7/F, Zhongtian Power Building, No. 471 Laodong West Road, Yuhua District, Changsha, Hunan Province	June 7, 2002
Hangzhou Xinye Road Securities Branch of 東方證券股份有限公司	Rooms 1302 and 1303, Tower B, Hualian Times Building, Shangcheng District, Hangzhou, Zhejiang Province	August 7, 2002
Suzhou Nanhuan East Road Securities Branch of 東方證券股份有限公司	Rooms 109–115, 1/F, Building 1, No.858 Nanhuan East Road, Gushu District, Suzhou, Jiangsu Province	August 12, 2005
Guilin Zhongshan Middle Road Securities Branch of 東方證券股份有限公司	North Zone, 4/F, Jintai Building, No. 16 Zhongshan Middle Road, Xiangshan District, Guilin, Guangxi Zhuang Autonomous Region	May 10, 2006
Tianjin Xikang Road Securities Branch of 東方證券股份有限公司	2/F, No. 42 Xikang Road, Xinxing Street, Heping District, Tianjin	May 10, 2006
Nanjing Beijing East Road Securities Branch of 東方證券股份有限公司	Art & Crafts Building, No. 31 Beijing East Road, Xuanwu District, Nanjing, Jiangsu Province	May 10, 2006
Wuhan Sanyang Road Securities Branch of 東方證券股份有限公司	Room 1, 5/F, Block A, Jinyang New City, No. 118 Sanyang Road, Siwei Subdistrict, Jiang'an District, Wuhan, Hubei Province	May 11, 2006

## Appendix II Information on Securities Branches of the Company

Name of securities branches	Registered address (PRC)	Date of establishment
Beihai Beihai Avenue Securities Branch of 東方證券股份有限公司	No. 0301, 3/F, Fengsheng Building, No. 187 Beihai Avenue, Beihai, Guangxi Zhuang Autonomous Region	May 12, 2006
Shantou Changping Road Securities Branch of 東方證券股份有限公司	1/F & 9/F–11/F, Yiyuan Building, No. 161 Changping Road, Shantou, Guangdong Province	May 12, 2006
Shanghai Yangpu District Kongjiang Road Securities Branch of 東方證券股份有限公司	Room A101, Rooms A2505, A2507–A2512, No. 1555 Kongjiang Road, Yangpu District, Shanghai	May 15, 2006
Shenyang Nanba Middle Road Securities Branch of 東方證券股份有限公司	1–4/F, No. 25 Nanba Middle Road, Tiexi District, Shenyang, Liaoning Province	May 15, 2006
Shenyang Changbai Third Street Securities Branch of 東方證券股份有限公司	1–3/F, No. 211 Changbai Third Street, Heping District, Shenyang, Liaoning Province	May 15, 2006
Nanning Jinhua Road Securities Branch of 東方證券股份有限公司	Shop No. 10, 1/F and No. 2A4 and 2A5, 2/F, Oriental International Business Port, No. 26–1, Jinhua Road, Qingxiu District, Nanning, Jiangsu Province	May 15, 2006
Shenyang Dabeiguan Street Securities Branch of 東方證券股份有限公司	3–4/F, No. 79 Dabeiguan Street, Dadong District, Shenyang, Liaoning Province	May 16, 2006
Shanghai Pudong New Area Zhangyang Road Securities Branch of 東方證券股份有限公司	2/F, Zone A, No. 638 Zhangyang Road, China (Shanghai) Pilot Free Trade Zone	May 17, 2006
Shenzhen Shennan Avenue Securities Branch of 東方證券股份有限公司	2201A, Block A, Phase I, East Pacific International Center, No. 7888 Shennan Avenue, Donghai Community, Xiangmihu Subdistrict, Futian District, Shenzhen, Guangdong Province	May 18, 2006
Shenyang Shifu Road Securities Branch of 東方證券股份有限公司	Gates 2 and 3, No.423 Shifu Road, Shenhe District, Shenyang, Liaoning Province	June 14, 2006
Beijing Xueyuan Road Securities Branch of 東方證券股份有限公司	Rooms 01–08 and 15, 12/F, Block B, Techart Plaza, No. 30 Xueyuan Road, Haidian District, Beijing	July 18, 2006
Changchun Tongzhi Street Securities Branch of 東方證券股份有限公司	Rooms 705, 707–712, 7/F, Torch Building, 2400 Tongzhi Street, Chaoyang District, Changchun, Jilin Province	July 31, 2006
Hangzhou Longjing Road Securities Branch of 東方證券股份有限公司	No. 53 Longjing Road, Hangzhou, Zhejiang Province	August 1, 2006
Guangzhou Pingyue Road Securities Branch of 東方證券股份有限公司	No. 161 Pingyue Road, Guangzhou, Guangdong Province	August 29, 2006
Jinan Huaxin Road Securities Branch of 東方證券股份有限公司	Room 108, Rooms 1302–1307 and Room 1309, Block 7, Xinyuanxin Center, No.3 Huaxin Road, Licheng District, Jinan, Shandong Province	April 9, 2007

## Appendix II Information on Securities Branches of the Company

Name of securities branches	Registered address (PRC)	Date of establishment
Fuzhou Qunzhong East Road Securities Branch of 東方證券股份有限公司	1/F and 5/F, Sanmu Building, No.93, Qunzhong East Road, Xingang Street, Taijiang District, Fuzhou, Fujian Province	August 24, 2007
Shanghai Songjiang District Huting North Road Securities Branch of 東方證券股份有限公司	Rooms 901-8, 901-9, 901-10 and 901-11 of No. 1 and Room 127 of No. 5, Lane 199 Huting North Road, Songjiang District, Shanghai	June 29, 2010
Shanghai Songjiang District New Songjiang Road Securities Branch of 東方證券股份有限公司	No. 251 New Songjiang Road, Songjiang District, Shanghai	July 5, 2010
Shanghai Jinshan District Weiqing West Road Securities Branch of 東方證券股份有限公司	Rooms 301-311, No. 17, Lane 128 & No. 132, 134, Weiqing West Road, Jinshan District, Shanghai	June 30, 2011
Shanghai Qingpu District Wushebang Road Securities Branch of 東方證券股份有限公司	No. 291 Wushebang Road (street-facing shop at 1/F of Block 3) and No. 289 Wushebang Road (Room 103 at 1/F of Block 4), Qingpu District, Shanghai	July 1, 2011
Hefei Wangjiang West Road Securities Branch of 東方證券股份有限公司	Office 801, 802 & 803, City Plaza, No. 99 Wangjiang West Road, Shushan District, Hefei, Anhui Province	January 31, 2012
Linyi Tongda Road Securities Branch of 東方證券股份有限公司	Shop 94-2 and Room 402 of Building 6, Xuyang City Landscape, Tongda Road, Yinqueshan Subdistrict, Lanshan District, Linyi, Shandong Province	February 14, 2012
Shanghai Jiading District Jinsha Road Securities Branch of 東方證券股份有限公司	1/F, No. 1 & 3, and Room 501, No. 77 Jinsha Road, Jiading District, Shanghai	February 17, 2012
Shanghai Fengxian District Nanting Highway Securities Branch of 東方證券股份有限公司	1-2/F, Block 1, No. 269 Nanting Highway, Nanqiao Town, Fengxian District, Shanghai	February 28, 2012
Shanghai Jiading District Huyi Highway Securities Branch of 東方證券股份有限公司	Room 103, 1/F, No. 1158 Huyi Highway, Jiading District, Shanghai	November 2, 2012
Shanghai Chongming District Nanmen Road Securities Branch of 東方證券股份有限公司	West Area, Lobby, 1/F, Block 1, No.178 Nanmen Road, Chongming District, Shanghai	November 19, 2012
Shanghai Pudong New Area Jinke Road Securities Branch of 東方證券股份有限公司	Rooms 310 and 313, Block 2, No. 2966 Jinke Road, China (Shanghai) Pilot Free Trade Zone	March 31, 2014
Taiyuan Pingyang Road Securities Branch of 東方證券股份有限公司	No. 1001, 1002 & 1003, 1-2/F, Block 171, No. 186 Pingyang Road, Taiyuan, Shanxi Province	April 17, 2014

## Appendix II Information on Securities Branches of the Company

Name of securities branches	Registered address (PRC)	Date of establishment
Huzhou Zhicheng Road Securities Branch of 東方證券股份有限公司	18-2-05, 18-2-06, 18-2-07, and 18-2-08, Building 18, Aishan Plaza, Zhicheng Road, Aishan Subdistrict, Wuxing District, Huzhou, Zhejiang Province	April 21, 2014
Xiangtan Huxiang North Road Securities Branch of 東方證券股份有限公司	0101002-0101003, Block D1-2, Lot D, Xiangyinxicheng, No.3 Huxiang North Road, Baota Subdistrict, Yuetang District, Xiangtan, Hunan Province	April 23, 2014
Nanchang Lvyin Road Securities Branch of 東方證券股份有限公司	Rooms 2902, 2903, 29/F, Office Building, Lianfa Plaza, No. 129 Lvyin Road, Nanchang, Jiangxi Province	April 23, 2014
Fushun Suihua Road Securities Branch of 東方證券股份有限公司	No. 45 West Section of Suihua Road, Dongzhou District, Fushun, Liaoning Province	April 25, 2014
Shaoxing Shangyu Liangzhu Avenue Securities Branch of 東方證券股份有限公司	1/F, Xintianlong Mansion, No. 2389 North Section of Liangzhu Avenue, Baiguan Subdistrict, Shangyu District, Shaoxing, Zhejiang Province	May 16, 2014
Yiwu Jiangbin Middle Road Securities Branch of 東方證券股份有限公司	No. 36 and No. 38 Jiangbin Middle Road and 1-2 Floor, No. 854 Qingyun Street, Choucheng Subdistrict, Yiwu, Zhejiang Province	May 26, 2014
Zhengzhou Jingsan Road Securities Branch of 東方證券股份有限公司	2/F, No.14 Jingsan Road, Jinshui District, Zhengzhou, Henan Province	May 27, 2014
Hohhot Wulanchabu East Street Securities Branch of 東方證券股份有限公司	No. 102, 1/F, Tianyi Building, Wulanchabu East Street, Saihan District, Hohhot City, Inner Mongolia Autonomous Region	May 28, 2014
Putian Shengli North Street Securities Branch of 東方證券股份有限公司	1-2/F, No.1102 and No.1106 Shengli North Street, Zhenhai Subdistrict, Licheng District, Putian, Fujian Province	May 29, 2014
Chongqing Jinzhou Avenue Securities Branch of 東方證券股份有限公司	Units 28-35 and 38-41, No. 36 Jinzhou Avenue, New North Zone, Chongqing	June 3, 2014
Chaoyang Chaoyang Street Securities Branch of 東方證券股份有限公司	No. 60, the Third Section of Chaoyang Street, Shuangta District, Chaoyang, Liaoning Province	June 4, 2014
Kunming Bailong Road Securities Branch of 東方證券股份有限公司	No. 1001 & 1008, 10/F, Diangao Commercial Building, No. 19 Bailong Road, Panlong District, Kunming, Yunnan Province	June 5, 2014
Fuzhou Wusi Road Securities Branch of 東方證券股份有限公司	Unit 01, 19/F, Rongdu International Building, No. 82 Wusi Road, Gulou District, Fuzhou, Fujian Province	June 10, 2014
Shanghai Baoshan District Songliang Road Securities Branch of 東方證券股份有限公司	Room 102, No. 10 Songliang Road, Baoshan District, Shanghai	June 12, 2014

## Appendix II Information on Securities Branches of the Company

Name of securities branches	Registered address (PRC)	Date of establishment
Shenzhen Haide Third Road Securities Branch of 東方證券股份有限公司	Rooms 902–904 and 911, Tiley Central Plaza, No. 199 Haide Third Road, Nanshan District, Shenzhen, Guangdong Province	June 17, 2014
Chengdu Tianfu 2nd Street Securities Branch of 東方證券股份有限公司	No. 203, 204, and 205, 2/F, Building 2, No. 138 Tianfu 2nd Street, Chengdu Hi-Tech Zone, China (Sichuan) Pilot Free Trade Zone	June 24, 2014
Shanghai Pudong New Area Dongyu Road Securities Branch of 東方證券股份有限公司	2/F, No. 10, Lane 255, Dongyu Road, Pudong New Area, Shanghai	June 26, 2014
Guilin Renmin Road Securities Branch of 東方證券股份有限公司	No. 1–2–1 & 1–2–3, Block 1, 2/F, Dashijie Main Building, Renmin Road, Lingui Town, Lingui County, Guilin, Guangxi Zhuang Autonomous Region	July 3, 2014
Lhasa Jinzhu West Road Securities Branch of 東方證券股份有限公司	No.123 Jinzhu West Road, Lhasa, Tibet Autonomous Region	July 10, 2014
Shanghai Huangpu District Zhongshan South Road First Securities Branch of 東方證券股份有限公司	Room 402, 4/F, No. 318 Zhongshan South Road, Huangpu District, Shanghai	July 14, 2014
Xi'an Tangyan Road Securities Branch of 東方證券股份有限公司	Room 0501, Unit 2, Block 1, Tangyan International Center, No. 3 Tangyan Road, Zhangba Subdistrict, Hi-Tech Zone, Xi'an, Shaanxi Province	July 14, 2014
Shanghai Minhang District Suhong Road Securities Branch of 東方證券股份有限公司	Room 206, No. 29 and 33 Suhong Road, Minhang District, Shanghai	July 15, 2014
Yantai Yingchun Street Securities Branch of 東方證券股份有限公司	Inner No.102, No. 171 Yingchun Street, Laishan District, Yantai, Shandong Province	July 22, 2014
Deyang Lushan South Road Securities Branch of 東方證券股份有限公司	No. 10–12, Section 1, Lushan South Road, Jingyang District, Deyang, Sichuan Province	August 15, 2014
Shanghai Pudong New Area Qifan Road Securities Branch of 東方證券股份有限公司	Shop 140, 1/F, No. 517 Qifan Road and Room 1517, Block B, South Building, No. 515 Qifan Road, Pudong New Area, Shanghai	September 2, 2014
Nanchong Hongguang Road Securities Branch of 東方證券股份有限公司	1/F and 3/F, No.83 Hongguang Road, Shunqing District, Nanchong, Sichuan Province	September 29, 2014
Shanghai Pudong New Area Tang'an Road Securities Branch of 東方證券股份有限公司	No. 782 Tang'an Road, Pudong New Area, Shanghai	October 10, 2014
Shanghai Pudong New Area Yincheng Middle Road Securities Branch of 東方證券股份有限公司	Rooms 2301 and 2304B, No. 488 Yincheng Middle Road, China (Shanghai) Pilot Free Trade Zone	May 8, 2015
Zhuzhou Jianshe South Road Securities Branch of 東方證券股份有限公司	No. 320 Jianshe South Road, Lusong District, Zhuzhou, Hunan Province	June 18, 2015

## Appendix II Information on Securities Branches of the Company

Name of securities branches	Registered address (PRC)	Date of establishment
Nantong Renmin Middle Road Securities Branch of 東方證券股份有限公司	No. 60–1 Renmin Middle Road, Chongchuan District, Nantong, Jiangsu Province	June 25, 2015
Jiangyin Renmin East Road Securities Branch of 東方證券股份有限公司	1/F, No. 112 & 2/F, No. 108, 110, 112, Renmin East Road, Jiangyin, Jiangsu Province	July 1, 2015
Xiamen Xianyue Road Securities Branch of 東方證券股份有限公司	Units 105–106 and Unit 108–1, No. 555 Xianyue Road, Siming District, Xiamen, Fujian Province	July 14, 2015
Liuzhou Wenchang Road Securities Branch of 東方證券股份有限公司	No. 2–1, 2, 3, Block 21, Dongjun, No. 26 Wenchang Road, Liuzhou, Guangxi Zhuang Autonomous Region	July 16, 2015
Xi'an Taoyuan South Road Securities Branch of 東方證券股份有限公司	No. 38 Taoyuan South Road, Lianhu District, Xi'an, Shaanxi Province	July 22, 2015
Harbin Ganshui Road Securities Branch of 東方證券股份有限公司	Shop 14, 1–3/F, Commercial Building, Wanda Commercial Center, No. 84 Ganshui Road, Nangang Jizhong District, Harbin Economic-technological Development Zone, Heilongjiang Province	July 23, 2015
Guiyang Huaguoyuan Securities Branch of 東方證券股份有限公司	Offices No. 6, 7, 8, 9, 10, 11 & 12, 40/F, Unit 1, Building 6, Zone F, Pengjiawan Huaguoyuan Project, Huaguoyuan, Guiyang, Guizhou Province	July 27, 2015
Haikou Jinlong Road Securities Branch of 東方證券股份有限公司	1/F & 2/F, East Coconut Grove International Building, No. 19 Jinlong Road, Longhua District, Haikou, Hainan Province	July 27, 2015
Yinchuan Minzu North Street Securities Branch of 東方證券股份有限公司	2/F, No. 12 Minzu North Street, Xingqing District, Yinchuan, Ningxia Hui Autonomous Region	July 27, 2015
Lanzhou Nanchang Road Securities Branch of 東方證券股份有限公司	1/F, Shengshi Kaixuan Building, No. 1918 Nanchang Road, Chengguan District, Lanzhou, Gansu Province	July 27, 2015
Beihai Chating Road Securities Branch of 東方證券股份有限公司	No. 1205–1207, Fuyu Building, No. 31 Chating Road, Beihai, Guangxi Zhuang Autonomous Region	July 28, 2015
Shijiazhuang Tiyu South Street Securities Branch of 東方證券股份有限公司	No. 233 Tiyu South Street, Yuhua District, Shijiazhuang, Hebei Province	July 28, 2015
Wuxi Xinsheng Road Securities Branch of 東方證券股份有限公司	No. 152 Xinsheng Road, Wuxi, Jiangsu Province	July 29, 2015
Wenzhou Xinhe Street Securities Branch of 東方證券股份有限公司	Room 601, Block A, Songtai Building, Xinhe Street, Lucheng District, Wenzhou, Zhejiang Province	July 29, 2015
Jiaxing Guangyi Road Securities Branch of 東方證券股份有限公司	No. 864, 866 and 868 Guangyi Road, Jiaxing Economic and Technological Development Zone, Jiaxing, Zhejiang Province	July 29, 2015
Quanzhou Jinhuai Street Securities Branch of 東方證券股份有限公司	Room 502, Block A, Gas Building, No. 25 Jinhuai Street, Fengze District, Quanzhou, Fujian Province	July 30, 2015



## Appendix II Information on Securities Branches of the Company

Name of securities branches	Registered address (PRC)	Date of establishment
Zhenjiang Dongwu Road Securities Branch of 東方證券股份有限公司	Room 110, 1/F, Building 1, No. 38 Dongwu Road, Zhenjiang, Jiangsu Province	July 30, 2015
Ningbo Zhongxing Road Securities Branch of 東方證券股份有限公司	(1-2) (2-2), No. 601 Zhongxing Road, Yinzhou District, Ningbo, Zhejiang Province	July 30, 2015
Taizhou South Plaza Road Securities Branch of 東方證券股份有限公司	No. 44, 46 and 48, South Plaza Road, Baiyun Street, Jiaojiang District, Taizhou, Zhejiang Province (self-declared)	July 30, 2015
Urumqi Nanhu Road Securities Branch of 東方證券股份有限公司	No. 4, 5, 6, 3/F, Building Construction Mansion, No. 133 Nanhu Road, Shuimogou District, Urumqi, Xinjiang	July 31, 2015
Xining Huanghe Road Securities Branch of 東方證券股份有限公司	Shop 15, Building 3, No. 21 Huanghe Road, Chengxi District, Xining, Qinghai Province	August 3, 2015
Taiyuan High-tech Street Securities Branch of 東方證券股份有限公司	15/F, No. 15 High-tech Street, Taiyuan Xuefu Park, Shanxi Transformation and Comprehensive Reform Demonstration Zone	November 23, 2016
Baotou Qingnian Road Securities Branch of 東方證券股份有限公司	1-A4, Hengyuan Ginza Commercial Building, No. 28 Qingnian Road, Qingshan District, Baotou, Inner Mongolia Autonomous Region	November 25, 2016
Jinhua Bayi North Street Securities Branch of 東方證券股份有限公司	No. 200 Bayi North Street, Wucheng District, Jinhua, Zhejiang Province	December 16, 2016
Zhangjiagang Donghuan Road Securities Branch of 東方證券股份有限公司	Chengnan Building, No. 68 Donghuan Road, Yangshe Town, Zhangjiagang, Jiangsu Province	December 19, 2016
Changshu Lizha Road Securities Branch of 東方證券股份有限公司	1/F & 2/F, 21, 22 & 23, No. 65 Lizha Road, Changshu, Jiangsu Province	December 21, 2016
Yangzhou Wenhui East Road Securities Branch of 東方證券股份有限公司	No. 231 Wenhui East Road, Economic Development Zone, Yangzhou, Jiangsu Province	December 26, 2016
Shaoxing Didanghu Road Securities Branch of 東方證券股份有限公司	705, 706, No. 68 Didanghu Road, Didang Subdistrict, Yuecheng District, Shaoxing, Zhejiang Province	February 15, 2017
Xi'an Weiyang Road Securities Branch of 東方證券股份有限公司	Shop 04, 1/F, Building 1, Datang Xinghe Garden, No. 109-1 Weiyang Road, Xi'an, Shaanxi Province	March 13, 2017
Shanghai Jing'an District Yanping Road Securities Branch of 東方證券股份有限公司	1-2/F, No. 167 Yanping Road, Jing'an District, Shanghai	April 5, 2017
Shenzhen Shennan East Road Securities Branch of 東方證券股份有限公司	Rooms 1902, 1903, and 1905, Main Building, Shun Hing Square, No. 5002 Shennan East Road, Hongcun Community, Guiyuan Street, Luohu District, Shenzhen, Guangdong Province	April 10, 2017

## Appendix II Information on Securities Branches of the Company

Name of securities branches	Registered address (PRC)	Date of establishment
Zhuhai Jida Road Securities Branch of 東方證券股份有限公司	No. 106, 1/F & No. 202, 2/F, Petroleum Building, No. 103 Jida Road, Xiangzhou District, Zhuhai, Guangdong Province	April 13, 2017
Hefei Meishan Road Securities Branch of 東方證券股份有限公司	Center area of 1/F and whole floor of 2/F, No.19 Meishan Road, Shushan District, Hefei, Anhui Province	April 20, 2017
Zibo Liuquan Road Securities Branch of 東方證券股份有限公司	Outlets 16 & 17, Huaxinyuan, No. 258 Liuquan Road, High-tech Zone, Zibo, Shandong Province	April 25, 2017
Tianjin Nanma Road Securities Branch of 東方證券股份有限公司	No. 1201 Nanma Road, Nankai District, Tianjin	June 16, 2017
Wuhu Beijing Middle Road Securities Branch of 東方證券股份有限公司	No. 104 & 501 Jinghu Star, No.1 Beijing Middle Road, Jinghu District, Wuhu, Anhui Province	June 16, 2017
Jiangmen Yingbin Middle Avenue Securities Branch of 東方證券股份有限公司	Suite 2208–2209, Block 1, No. 118 Middle Section of Yingbin Avenue, Pengjiang District, Jiangmen, Guangdong Province	June 19, 2017
Chengdu Wanxiang South Road Securities Branch of 東方證券股份有限公司	2/F, No. 231–201 Wanxiang South Road, High-tech Zone, Chengdu, Sichuan Province	June 21, 2017
Changzhou Longjin Road Securities Branch of 東方證券股份有限公司	Rooms 1103 & 1104, Building 3, Modern Media Centre, No. 1590 Longjin Road, Xinbei District, Changzhou, Jiangsu Province	June 21, 2017
Changchun Ziyou Road Securities Branch of 東方證券股份有限公司	Room 110, Block B, The First International Centre, No. 3999 Ziyou Road, Er'dao District, Changchun, Jilin Province	June 22, 2017
Yichang Xiling First Road Securities Branch of 東方證券股份有限公司	Shop 117, Jin'an Downtown, No. 15 Xiling First Road, Xiling District, Yichang, Hubei Province	June 22, 2017
Tangshan Beixin West Road Securities Branch of 東方證券股份有限公司	No. 36–13 Beixin West Road, Lijingqin Garden, Zhangdali, Lubei District, Tangshan, Hebei Province	June 22, 2017
Xuchang Xudu Road Securities Branch of 東方證券股份有限公司	1 & 2/F, Block A, Huitong Commercial Garden, South of Xudu Road & West of Zhihui Avenue, Dongcheng District, Xuchang, Henan Province	June 22, 2017
Qingdao Miaoling Road Securities Branch of 東方證券股份有限公司	101, No. 36–1, Miaoling Road, Laoshan District, Qingdao, Shandong Province	June 22, 2017
Dalian Taiyuan Street Securities Branch of 東方證券股份有限公司	No. 177–13 Taiyuan Street, Shahekou District, Dalian, Liaoning Province	June 23, 2017
Guangzhou Guangzhou Middle Avenue Securities Branch of 東方證券股份有限公司	301 Self-built Room 2, No. 129–133 Middle Section of Guangzhou Avenue, Yuexiu District, Guangzhou, Guangdong Province	June 23, 2017



## Appendix II Information on Securities Branches of the Company

Name of securities branches	Registered address (PRC)	Date of establishment
Yueyang Jin'e Middle Road Securities Branch of 東方證券股份有限公司	1/F, Shengxincheng Caizhi Mansion, No. 408 Jin'e Middle Road, Yueyanglou District, Yueyang, Hunan Province	June 23, 2017
Chongqing Honghu West Road Securities Branch of 東方證券股份有限公司	No. 41 & 43, Honghu West Road, Yubei District, Chongqing	June 26, 2017
Dongguan Hongfu Road Securities Branch of 東方證券股份有限公司	Room 701, Building 1, No. 106 Hongfu Road, Nancheng Subdistrict, Dongguan, Guangdong Province	June 26, 2017
Beijing Guomao Securities Branch of 東方證券股份有限公司	Room A111, 1/F & Room A212, 2/F, Block 17, No. 8 Guanghua Road, Chaoyang District, Beijing	June 26, 2017
Zhongshan Zhongshan Fifth Road Securities Branch of 東方證券股份有限公司	Unit 01, 12/F, Block 3, Zima Benteng Square, No. 2 Zhongshan Fifth Road, Eastern District, Zhongshan, Guangdong Province	June 27, 2017
Foshan Nanhai North Avenue Securities Branch of 東方證券股份有限公司	03-08, 17/F, Office Building E, Zone 1, Yunjin Plaza, Yuexiu Xinghui, No. 84 Nanhai North Avenue, Guicheng Subdistrict, Nanhai District, Foshan, Guangdong Province	June 27, 2017
Luoyang Nanchang Road Securities Branch of 東方證券股份有限公司	No. 107, Block 4, No. 14 Nanchang Road, Jianxi District, Luoyang, Henan Province	June 27, 2017
Xuzhou Heping Road Securities Branch of 東方證券股份有限公司	No. 101-1, 303, Wenyuan Building, Jiangsu Normal University Science & Technology Park, No. 59 Heping Road, Yunlong District, Xuzhou, Jiangsu Province	June 27, 2017
Zhengzhou Jinshui East Road Securities Branch of 東方證券股份有限公司	1909, 19/F, Unit 1, No. 51 Jinshui East Road, Zhengzhou Area (Zhengdong), Henan Pilot Free Trade Zone	January 2, 2019
Xi'an Cuihua Road Securities Branch of 東方證券股份有限公司	Rooms 10204 and 10206, 2/F, Unit 1, Block 1, Jiahe Commercial Building, No.500 Cuihua Road, Qujiang New District, Xi'an, Shaanxi Province	January 4, 2019
Changsha Furong South Road Securities Branch of 東方證券股份有限公司	Room 201A, Jiezu Mansion, No. 828 Furong South Road (Section 1), Tianxin District, Changsha, Hunan Province	January 8, 2019
Bengbu Shengli West Road Securities Branch of 東方證券股份有限公司	101#-104#, 122#-126#, 1/F, Building 1, Yinhe Center, No. 28 Shengli West Road, Yuhui District, Bengbu, Anhui Province	January 8, 2019
Hangzhou Jinji Road Securities Branch of 東方證券股份有限公司	No. 327 Jinji Road, Beigan Subdistrict, Xiaoshan District, Hangzhou, Zhejiang Province	January 8, 2019

## Appendix II Information on Securities Branches of the Company

Name of securities branches	Registered address (PRC)	Date of establishment
Ningbo Tiantong North Road Securities Branch of 東方證券股份有限公司	Rooms 1605 and 1607, Block C, Hebang Mansion, No. 899 Tiantong North Road, Zhonghe Subdistrict, Yinzhou District, Ningbo, Zhejiang Province	January 8, 2019
Shenzhen Xinhua Road Securities Branch of 東方證券股份有限公司	2608–2610, Block B, Phase III, North Area, Yifang Commercial Center, No. 99 Xinhua Road, Xin'an Subdistrict, Bao'an District, Shenzhen, Guangdong Province	January 9, 2019
Yixing Jiefang East Road Securities Branch of 東方證券股份有限公司	No. 239 and 251, Jiefang East Road, Yicheng Subdistrict, Yixing, Jiangsu Province	January 9, 2019
Weihai Shichang Avenue Securities Branch of 東方證券股份有限公司	Room-1, No. 99A, Shichang Avenue, Weihai, Shandong Province	January 9, 2019
Jiujiang Changjiang Avenue Securities Branch of 東方證券股份有限公司	Unit 108/109, Block 2, Xinhua Chaisang Spring Zone 2, No. 358 Changjiang Avenue, Jiujiang Economic and Technological Development Zone, Jiujiang, Jiangxi Province	January 10, 2019
Wuhan Qingnian Road Securities Branch of 東方證券股份有限公司	Unit 09–11, 16/F, China Overseas Center, No. 278 Qingnian Road, Jiangnan District, Wuhan, Hubei Province	January 14, 2019
Weifang Shengli East Street Securities Branch of 東方證券股份有限公司	Rooms 1628, 1629, 1630 and 1631, Weifang Fortune Center, No. 299 Shengli East Street, Jinma Community, Xincheng Subdistrict, High-tech Zone, Weifang, Shandong Province	January 15, 2019
Beijing Wangjing Securities Branch of 東方證券股份有限公司	No. 410C-1(1)5, 1/F, Building 410, Wangjingxiyuan C, Chaoyang District, Beijing	January 17, 2019
Jinzhong Dingyang Road Securities Branch of 東方證券股份有限公司	No. 500 Dingyang Road, Yuci District, Jinzhong, Shanxi Province	April 9, 2019
Nanjing Mochou Lake East Road Securities Branch of 東方證券股份有限公司	No. 8–3 Mochou East Road, Jianye District, Nanjing, Jiangsu Province	July 10, 2019
Dongying Fuqian Avenue Securities Branch of 東方證券股份有限公司	Rooms 2201, 2202 and 2203, 22/F, Block A, Huali International Financial Plaza, No.128 Fuqian Avenue, Dongying Development Zone, Shandong Province	May 19, 2020
Hangzhou Shixin North Road Securities Branch of 東方證券股份有限公司	Room 1001, Block 1, Dongfang Zhizun International Center, No. 2028, 2030 and 2032 Shixin North Road, Ningwei Subdistrict, Xiaoshan District, Hangzhou, Zhejiang Province	October 9, 2020
Baoding Ruixiang Avenue Securities Branch of 東方證券股份有限公司	Building No.9, Yunxi Jiucheng Commercial Center, No. 1988 Ruixiang Avenue, Lianchi District, Baoding, Hebei Province	December 7, 2020

## Appendix II Information on Securities Branches of the Company

Name of securities branches	Registered address (PRC)	Date of establishment
Jincheng Hongxing East Street Securities Branch of 東方證券股份有限公司	Shop 3, 1/F and 2/F, Block C, Taifu Xinju, Hongxing East Street, Cheng District, Jincheng, Shanxi Province	December 8, 2020
Yuncheng Hedong East Street Securities Branch of 東方證券股份有限公司	1/F, Huixin Building, No. 195 Hedong East Street, Yanhu District, Yuncheng, Shanxi Province	December 9, 2020
Datong Yuhe West Road Securities Branch of 東方證券股份有限公司	Shop 2384 of the Outlying Shops, Yujinyuan Phase II, Yuhe West Road, Pingcheng District, Datong, Shanxi Province	December 10, 2020
Langfang Art Avenue Securities Branch of 東方證券股份有限公司	No. 409 Art Avenue (No. 101, 1/F, Unit 1, Block 28, Peacock Huijingxuan), Guangyang District, Langfang, Hebei Province	December 11, 2020
Qingdao Yanji Road Securities Branch of 東方證券股份有限公司	No. 76-41, Building No. 6, No. 76 Yanji Road, Shibei District, Qingdao, Shandong Province	December 16, 2020
Wenzhou Tangjiaqiao Road Securities Branch of 東方證券股份有限公司	No. 439 Tangjiaqiao Road, Nanhui Subdistrict, Lucheng District, Wenzhou, Zhejiang Province	December 18, 2020
Kaifeng Zhengkai Avenue Securities Branch of 東方證券股份有限公司	Part of 1/F and 2/F, Comprehensive Commercial Block A, Dichen World Expo Plaza, No. 28 Zhengkai Avenue, Longting District, Kaifeng, Henan Province	October 18, 2022
Lvliang Binhe South Middle Road Securities Branch of 東方證券股份有限公司	Room 203, 2/F, Block 1, No. 238 Binhe South Middle Road (Upper level of the North Gate of Municipal Communist Party Committee), Binhe Subdistrict, Lishi District, Lvliang, Shanxi Province	October 24, 2022
Shanghai Pudong New Area Huanhu West Number One Road Securities Branch of 東方證券股份有限公司	Room 606, Units 859-863, Huanhu West Number One Road, Lin-gang Special Area, China (Shanghai) Pilot Free Trade Zone	December 15, 2023

## Appendix III Information on Futures Branches of the Company

As at the end of the Reporting Period, the Company had 11 futures branches and 37 futures outlets.

Name of futures branch offices	Registered address (PRC)	Date of establishment
Dalian Branch of Orient Securities Futures Co., Ltd.	Rooms 2412 and 3501, Dalian Futures Building, Block A, Dalian International Financial Center, No. 129 Huizhan Road, Shahekou District, Dalian, Liaoning Province	January 16, 2009
Changsha Outlet of Orient Securities Futures Co., Ltd.	2118, Kaibin Commercial Plaza, No. 419 Shaoshan Middle Road, Yuhua District, Changsha, Hunan Province	November 24, 2009
Shanghai Fushan Road Outlet of Orient Securities Futures Co., Ltd.	Room 1107, No. 458 Fushan Road, China (Shanghai) Pilot Free Trade Zone	May 19, 2009
Zhengzhou Outlet of Orient Securities Futures Co., Ltd.	Room 1301, Futures Building, No. 30, Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province	July 2, 2009
Beijing Branch of Orient Securities Futures Co., Ltd.	Room 2708, 23/F, Building 237, Chaoyang North Road, Chaoyang District, Beijing	December 28, 2009
Changzhou Outlet of Orient Securities Futures Co., Ltd.	Rooms 2201, 2205–2206, Building 1, No. 1590 Longjin Road, Xinbei District, Changzhou, Jiangsu Province	July 5, 2010
Taiyuan Outlet of Orient Securities Futures Co., Ltd.	1402–2, 14/F, Unit 1, Block 1, No. 1 Jifu Road, Jinyuan District, Taiyuan, Shanxi Province	November 29, 2010
Shanghai Branch of Orient Securities Futures Co., Ltd.	Rooms 3104 and 3105, Building 2, No. 318 Zhongshan South Road, Huangpu District, Shanghai	August 3, 2011
Guangzhou Outlet of Orient Securities Futures Co., Ltd.	Room 2304, No. 365–1, Tianhe North Road, Tianhe District, Guangzhou, Guangdong Province	October 17, 2012
Qingdao Outlet of Orient Securities Futures Co., Ltd.	Room 3006, Building D3, No. 6 Shandong Road, Shinan District, Qingdao, Shandong Province	May 16, 2013
Ningbo Outlet of Orient Securities Futures Co., Ltd.	13–7, No. 288 Jiahui Street, Yinzhou District, Ningbo, Zhejiang Province	February 24, 2014
Shenzhen Outlet of Orient Securities Futures Co., Ltd.	7A, Times Fortune Building, South Eastern Part, Central Area, Futian District, Shenzhen, Guangdong Province	May 16, 2014
Shanghai Pilot Free Trade Zone Outlet of Orient Securities Futures Co., Ltd.	Room 1303, 13/F, No. 5 Bibo Road, China (Shanghai) Pilot Free Trade Zone	May 29, 2014
Hangzhou Outlet of Orient Securities Futures Co., Ltd.	Room 907, Building 2, Qianjiang International Times Square, Jianggan District, Hangzhou, Zhejiang Province	June 18, 2014

## Appendix III Information on Futures Branches of the Company

Name of futures branch offices	Registered address (PRC)	Date of establishment
Sichuan Branch of Orient Securities Futures Co., Ltd.	No. 6002, -1/F, Building 6, No. 68 Huayang Haichang Road, Tianfu New District, China (Sichuan) Pilot Free Trade Zone	January 7, 2015
Xi'an Outlet of Orient Securities Futures Co., Ltd.	Room 904, 9/F, Block A, Building 2, National University Technology Park Science and Technology Incubate Base, No. 755 Yanxingmen West Road, Yanta District, Xi'an, Shaanxi Province	January 15, 2015
Xiamen Outlet of Orient Securities Futures Co., Ltd.	Room 908, Fortune Center, No. 100 Lujiang Road, Siming District, Xiamen, Fujian Province	January 23, 2015
Dongying Outlet of Orient Securities Futures Co., Ltd.	Room 903, Block 1, Guomao Building, No. 53 Fuqian Street, Dongying District, Dongying, Shandong Province	March 17, 2015
Tianjin Outlet of Orient Securities Futures Co., Ltd.	1-1-2406, Rongqiao Center, Building 1, Shanglanyuan, Intersection of Changjiang Avenue and Naikai Liuma Road, Nankai District, Tianjin	March 23, 2015
Beijing Chaoyangmen Outlet of Orient Securities Futures Co., Ltd.	Rooms 601A-602, 6/F, No. 22 Chaowai Street, Chaoyang District, Beijing	September 8, 2015
Chongqing Outlet of Orient Securities Futures Co., Ltd.	4-3, No. 2 Qingyun Road, Jiangbei District, Chongqing	May 19, 2016
Hangzhou Jiaogong Road Outlet of Orient Securities Futures Co., Ltd.	Room 1405, Block 1 (Area C), EAC World Trade Lijing Building, West Lake District, Hangzhou, Zhejiang Province	July 1, 2016
Suzhou Outlet of Orient Securities Futures Co., Ltd.	Room 3602-1, Block 2, Oriental Gate Building, No. 199 Xinggang Street, Suzhou Industrial Park, China (Jiangsu) Pilot Free Trade Zone Suzhou Area	October 11, 2018
Nantong Outlet of Orient Securities Futures Co., Ltd.	Room 1401, South Building, Yuanrong Plaza, No. 57 Gongnong Road, Chongchuan District, Nantong, Jiangsu Province	December 10, 2018
Zhejiang Branch of Orient Securities Futures Co., Ltd.	Rooms 3806 and 3809, Yintai International Commercial Center, No. 1600 Kejiguan Street, Changhe Subdistrict, Binjiang District, Hangzhou, Zhejiang Province	December 17, 2018
Shantou Outlet of Orient Securities Futures Co., Ltd.	Rooms 1105 & 1107, Hanjiang Building, Block 17, West 3rd District, Danyangzhuang, Longhu District, Shantou, Guangdong Province	July 5, 2018
Quanzhou Outlet of Orient Securities Futures Co., Ltd.	Unit 1203, Block A, Gas Building, No. 25 Jinhuai Street, Fengze District, Quanzhou, Fujian Province	July 13, 2018
Ningbo Tiantong South Road Outlet of Orient Securities Futures Co., Ltd.	Room 1305, Lane 577, Tiantong South Road, Yinzhou District, Ningbo, Zhejiang Province	July 18, 2018

## Appendix III Information on Futures Branches of the Company

Name of futures branch offices	Registered address (PRC)	Date of establishment
Shenyang Outlet of Orient Securities Futures Co., Ltd.	(2308) No. 49, Xinghua North Street, Tiexi District, Shenyang, Liaoning Province	August 7, 2018
Wuxi Outlet of Orient Securities Futures Co., Ltd.	Room 3007, Yunfu Building, No. 288-2801 Zhongshan Road, Liangxi District, Wuxi, Jiangsu Province	March 19, 2019
Shandong Branch of Orient Securities Futures Co., Ltd.	1-1801, Yinzuo Haowangjiao Plaza, No. 800 Minghu West Road, Tianqiao District, Jinan, Shandong Province	March 19, 2019
Zhengzhou Shangdu Road Outlet of Orient Securities Futures Co., Ltd.	No. 7 and 8, 2/F, Caixin Building, No. 27 Yongping Road Community, Shangdu Road, Zhengdong New Area, Zhengzhou, Henan Province	April 22, 2021
Jiangsu Branch of Orient Securities Futures Co., Ltd.	Rooms 805-806, 8/F, CMB Building, No. 199 Lushan Road, Jianye District, Nanjing, Jiangsu Province	July 28, 2021
Fujian Branch of Orient Securities Futures Co., Ltd.	Unit 01, 27/F, Xiamen Fortune Center, No. 100 Lujiang Avenue, Siming District, Xiamen City, Fujian Province	January 10, 2022
Fuzhou Outlet of Orient Securities Futures Co., Ltd.	Rooms 1005 and 1006, Building #1, New Qiaolian Plaza, No. 106 Wuyi North Road, Dongjie Subdistrict, Gulou District, Fuzhou, Fujian Province	September 13, 2022
Taizhou Outlet of Orient Securities Futures Co., Ltd.	No. 396 Yunxi Road, Jiazhi Subdistrict, Jiaojiang District, Taizhou, Zhejiang Province	October 17, 2022
Wuhan Outlet of Orient Securities Futures Co., Ltd.	Office 6, 14/F, Building T2, Block T2-P3, No. 17 Jingwu Road (Yuexiu International Finance Center), Jiangnan District, Wuhan, Hubei Province	October 25, 2022
Nanjing Hanzhong Road Outlet of Orient Securities Futures Co., Ltd.	Room E-1, 12/F, No. 1 Hanzhong Road, Qinhuai District, Nanjing, Jiangsu Province	October 27, 2022
Shenzhen Branch of Orient Securities Futures Co., Ltd.	4D, Nuode Financial Center, No.1006 Fuzhong Third Road, Fuzhong Community, Lianhua Subdistrict, Futian District, Shenzhen, Guangdong Province	January 18, 2023
Shenzhen Yitian Road Outlet of Orient Securities Futures Co., Ltd.	1006 B, New World Commercial Center, No. 6009 Yitian Road, Fuxin Community, Lianhua Subdistrict, Futian District, Shenzhen, Guangdong Province	February 23, 2023
Suzhou Industrial Park Outlet of Orient Securities Futures Co., Ltd.	Room 1801, Building No. 1, Nisheng Plaza, No. 205 Suzhou Avenue West, Suzhou Industrial Park of China (Jiangsu) Pilot Free Trade Zone (in Suzhou)	March 1, 2023
Beijing First Branch of Orient Securities Futures Co., Ltd.	Room 09-10A, 37/F, Building No.1, Jing Guang Centre, Hujialou, Chaoyang District, Beijing	April 27, 2023
Wuhan Jiefang Avenue Outlet of Orient Securities Futures Co., Ltd.	Room 1702, Tongxin Commercial Building, No. 586 Jiefang Avenue, Qiaokou District, Wuhan, Hubei Province	November 20, 2023

## Appendix III Information on Futures Branches of the Company

Name of futures branch offices	Registered address (PRC)	Date of establishment
Wuhan Branch of Orient Securities Futures Co., Ltd.	2609B-10, Building 1, No. 5 Wuhan Tiandi Enterprise Center, No.1628 Zhongshan Road, Jiang'an District, Wuhan, Hubei Province	December 20, 2023
Shanghai Century Avenue Outlet of Orient Securities Futures Co., Ltd.	Room 1002, 10/F, No. 1196 Century Avenue, China (Shanghai) Pilot Free Trade Zone	June 20, 2024
Changchun Outlet of Orient Securities Futures Co., Ltd.	No. 2001, Office Building 12, Phase II of Weifeng-Caiyu New City (Weifeng Information Center), Jingyue Development Zone, Changchun, Jilin Province	June 20, 2024
Jinan Outlet of Orient Securities Futures Co., Ltd.	606-607, 6/F, Luneng International Center, No. 2666 Erhuan South Road, Shiliulihe Subdistrict, Shizhong District, Jinan, Shandong Province	July 5, 2024
Shenzhen Futian Outlet of Orient Securities Futures Co., Ltd.	Unit 1506-2, 15/F, Life Insurance Building, No. 1001 Fuzhong First Road, Fuzhong Community, Lianhua Subdistrict, Futian District, Shenzhen, Guangdong Province	August 30, 2024

## Appendix IV Information Disclosure Index

1. During the Reporting Period, the information disclosed by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily and the website of the SSE (www.sse.com.cn) is set out below:

<b>Date of announcement</b>	<b>Subject</b>
January 4, 2024	Announcement on Progress of Repurchase of A Shares of the Company through Centralized Bidding, H Shares Announcement (Monthly Return of Equity Issuer on Movements in Securities for the month ended December 31, 2023)
January 19, 2024	H Shares Announcement (Next Day Disclosure Return)
January 20, 2024	H Shares Announcement (Next Day Disclosure Return)
January 27, 2024	Announcement on Preliminary Financial Data for the Year of 2023
January 29, 2024	Announcement on Resolution of the 32nd Meeting of the Fifth Session of the Board
February 1, 2024	Announcement in Relation to the Implementation Results of Repurchase of A Shares and Changes in Shares
February 2, 2024	H Shares Announcement (Monthly Return of Equity Issuer on Movements in Securities for the month ended January 31, 2024)
March 2, 2024	Indicative Announcement on the Postponed Election of the New Session of the Board and the Supervisory Committee, H Shares Announcement (Monthly Return of Equity Issuer on Movements in Securities for the month ended February 29, 2024)
March 14, 2024	H Shares Announcement (Date of Board Meeting)
March 20, 2024	Announcement on Approval from CSRC for the Registration of Subordinated Corporate Bonds Publicly Issued to Professional Investors
March 21, 2024	Announcement in Relation to the Briefing on the Annual Results of 2023



## Appendix IV Information Disclosure Index

Date of announcement	Subject
March 28, 2024	Summary of the 2023 Annual Report, 2023 Annual Report, DFZQ 2023 Sustainability Report, 2023 Internal Control Assessment Report, Financial Statements and Audit Report, Audit Report on Internal Control, Announcement on Resolution of the 33rd Meeting of the Fifth Session of the Board, Announcement on Resolution of the 19th Meeting of the Fifth Session of the Supervisory Committee, Announcement on 2023 Profit Distribution Proposal, Announcement on Projected Routine Related Party Transactions of the Company in 2024, Announcement on Expected Provision of External Guarantee by the Company in 2024, Announcement on Progress of Provision of Guarantee by Orient Finance Holdings (Hong Kong) Limited to its Wholly-owned Subsidiaries, Announcement on the Provision for Assets Impairment, Special Report on the Deposit and Actual Use of Proceeds Raised for 2023, Announcement on Amendments to Certain Provisions in the Articles of Association and Annexes thereto, Announcement on Engagement of Accounting Firm for the year 2024, Work Report of the Audit Committee of Board in 2023, Work Report of Independent Director in 2023 (Wu Hong), Work Report of Independent Director in 2023 (Feng Xingdong), Work Report of Independent Director in 2023 (Luo Xinyu), Work Report of Independent Director in 2023 (Chan Hon), Work Report of Independent Director in 2023 (Zhu Kai), Work Report of Independent Director in 2023 (Jin Qinglu), Special Opinion of the Board on the Independence of Independent Directors, Special Report on the Deposit and Actual Use of Proceeds Raised for 2023 and Audit Report, Evaluation Report on the Performance of the Accounting Firm for the Year 2023 and Report of the Audit Committee on the Fulfillment of its Supervisory Responsibilities, Special Audit Report on Summary of Non-Operational Funds Used and Other Related Funds Transactions of 東方證券股份有限公司 for the Year 2023, 2023 Annual Report on Continuously Performing Supervision on 東方證券股份有限公司 by China International Capital Corporation Limited and Orient Securities Investment Banking Co., Ltd., Special Inspection Opinions of China International Capital Corporation Limited and Orient Securities Investment Banking Co., Ltd. on the Deposit and Actual Use of Proceeds Raised by 東方證券股份有限公司 in 2023, Terms of Reference of the Strategic Development Committee, Terms of Reference of the Remuneration and Nomination Committee, Terms of Reference of the Compliance and Risk Management Committee, and Terms of Reference of the Audit Committee
April 3, 2024	H Shares Announcement (Monthly Return of Equity Issuer on Movements in Securities for the month ended March 31, 2024)
April 4, 2024	Sponsorship Summary Report of China International Capital Corporation Limited and Orient Securities Investment Banking Co., Ltd. for Public Issuance of Securities under Rights Issue of 東方證券股份有限公司 in 2022
April 10, 2024	Materials of 2023 Annual General Meeting, Notice of the 2023 Annual General Meeting
April 16, 2024	H Shares Announcement (Date of Board Meeting)
April 17, 2024	Announcement on Resolution of the 34th Meeting (Temporary Meeting) of the Fifth Session of the Board

## Appendix IV Information Disclosure Index

<b>Date of announcement</b>	<b>Subject</b>
April 30, 2024	Announcement on Resolution of the 35th Meeting of the Fifth Session of the Board, 2024 Action Plan for “Quality Improvement, Efficiency Enhancement, and Focus Shareholder Returns”, the First Quarterly Report for the Year 2024
May 7, 2024	H Shares Announcement (Monthly Return of Equity Issuer on Movements in Securities for the month ended April 30, 2024)
May 11, 2024	Announcement on Resolution of the 2023 Annual General Meeting, Legal Opinion of Grandall Law Firm (Shanghai) on the 2023 Annual General Meeting of 東方證券股份有限公司, Articles of Association (May 2024), Independent Director System of the Company (May 2024), Management Measures of Related-party Transactions of the Company (May 2024), Management Measures of Raised Funds of the Company (May 2024)
June 4, 2024	H Shares Announcement (Monthly Return of Equity Issuer on Movements in Securities for the month ended May 31, 2024)
June 21, 2024	Announcement on Implementation of the 2023 Annual Distribution of Equity Interests, Special Legal Opinion of Grandall Law Firm (Shanghai) on the 2023 Annual Differentiated Dividend Distribution of 東方證券股份有限公司
July 3, 2024	H Shares Announcement (Monthly Return of Equity Issuer on Movements in Securities for the month ended June 30, 2024)
July 27, 2024	Announcement on Preliminary Financial Data for the First Half of 2024
August 3, 2024	H Shares Announcement (Monthly Return of Equity Issuer on Movements in Securities for the month ended July 31, 2024)
August 8, 2024	Announcement on Resolution of the 36th Meeting (Temporary Meeting) of the Fifth Session of the Board
August 16, 2024	H Shares Announcement (Date of Board Meeting)
August 23, 2024	Announcement in Relation to the Briefing on the Interim Results of 2024
August 30, 2024	Summary of the 2024 Interim Report, 2024 Interim Report, Announcement on Resolution of the 37th Meeting of the Fifth Session of the Board, Announcement on Resolution of the 21st Meeting of the Fifth Session of the Supervisory Committee, Announcement on 2024 Interim Profit Distribution Plan, Announcement on the Provision for Assets Impairment, Management Measures for the Holdings of the Company’s Shares by Directors, Supervisors and Senior Management and Changes Thereof (August 2024)
September 2, 2024	Announcement on the Progress of the Company’s Absorption of and Merger with Its Wholly-owned Subsidiary
September 3, 2024	H Shares Announcement (Monthly Return of Equity Issuer on Movements in Securities for the month ended August 31, 2024)
September 6, 2024	Record of Investor Relations Activities of 東方證券股份有限公司 (Briefing on the Interim Results of 2024)
September 20, 2024	Materials for the First Extraordinary General Meeting for 2024
September 20, 2024	Notice of Convening the First Extraordinary General Meeting for 2024

## Appendix IV Information Disclosure Index

<b>Date of announcement</b>	<b>Subject</b>
September 28, 2024	Announcement on Resolution of the 38th Meeting (Temporary Meeting) of the Fifth Session of the Board
October 9, 2024	H Shares Announcement (Monthly Return of Equity Issuer on Movements in Securities for the month ended September 30, 2024)
October 17, 2024	Announcement on Resolution of the First Extraordinary General Meeting for 2024, Legal Opinion of Grandall Law Firm (Shanghai) on the First Extraordinary General Meeting for 2024 of 東方證券股份有限公司, H Shares Announcement (Overseas Regulatory Announcement), H Shares Announcement (Date of Board Meeting)
October 19, 2024	Announcement on Receiving a Letter of Response from the CSRC on Matters Relating to Participation in Swap Facilities
October 31, 2024	The Third Quarterly Report for the Year 2024, Announcement on Resolution of the 39th Meeting of the Fifth Session of the Board, Announcement on Resolution of the 22nd Meeting of the Fifth Session of the Supervisory Committee, Announcement on Amendments to Certain Provisions in the Articles of Association, Review Opinion of Independent Director Candidates by the Remuneration and Nomination Committee of the Board, Declaration and Undertaking of Independent Director Candidates, Declaration and Undertaking of Independent Director Nominees, Notice of the Second Extraordinary General Meeting for the Year 2024, Materials for the Second Extraordinary General Meeting for the Year 2024
November 2, 2024	H Shares Announcement (Monthly Return of Equity Issuer on Movements in Securities for the month ended October 31, 2024)
November 6, 2024	Announcement on the Participation in 2024 Group Results Briefing of the Third Quarterly Report of Listed Companies in Shanghai
November 21, 2024	Announcement on Resignation of Senior Management
November 23, 2024	Announcement on Resolution of the 1st Meeting of the Sixth Session of the Board, Announcement on Resolution of the 1st Meeting of the Sixth Session of the Supervisory Committee, Announcement on Resolution of the Second Extraordinary General Meeting of 2024, Legal Opinion for the Second Extraordinary General Meeting of 2024, Articles of Association (November 2024)
December 3, 2024	H Shares Announcement (Monthly Return of Equity Issuer on Movements in Securities for the month ended November 30, 2024)
December 6, 2024	Announcement on Implementation of the 2024 Interim Distribution of Equity Interests, Special Legal Opinion of Grandall Law Firm (Shanghai) on the 2024 Interim Differentiated Dividend Distribution of 東方證券股份有限公司
December 10, 2024	Announcement on the Provision of Guarantee for Obtaining Bank Loans for Wholly-owned Overseas Subsidiaries
December 24, 2024	Announcement on Resolution of the 2nd Meeting (Temporary Meeting) of the Sixth Session of the Board
December 31, 2024	Announcement on Provision of Guarantee by Orient Finance Holdings (Hong Kong) Limited to its Wholly-owned Subsidiaries to Obtain Bank Credit

## Appendix IV Information Disclosure Index

2. During the Reporting Period, the information disclosed by the Company on the website of Hong Kong Stock Exchange (www.hkexnews.hk) is as follows:

<b>Date of announcement</b>	<b>Subject</b>
January 3, 2024	Monthly Return of Equity Issuer on Movements in Securities for the month ended December 31, 2023, Overseas Regulatory Announcement – Announcement of 東方證券股份有限公司 on Progress of Repurchase of A Shares of the Company through Centralized Bidding
January 18, 2024	Next Day Disclosure Return
January 19, 2024	Next Day Disclosure Return
January 26, 2024	Announcement on Preliminary Financial Data for the Year of 2023
January 28, 2024	Overseas Regulatory Announcement – Announcement of 東方證券股份有限公司 on Resolution of the 32nd Meeting of the Fifth Session of the Board
January 31, 2024	Announcement in Relation to the Implementation Results of Repurchase of A Shares and Changes in Shares
February 1, 2024	Monthly Return of Equity Issuer on Movements in Securities for the month ended January 31, 2024
March 1, 2024	Indicative Announcement on the Postponed Election of the New Session of the Board and the Supervisory Committee, Monthly Return of Equity Issuer on Movements in Securities for the month ended February 29, 2024
March 13, 2024	Date of Board Meeting
March 18, 2024	Notification Letter and Reply Form to Registered Shareholders – Arrangement of Electronic Dissemination of Corporate Communications, Notification Letter and Reply Form to Non-Registered Shareholders – Arrangement of Electronic Dissemination of Corporate Communications
March 19, 2024	Overseas Regulatory Announcement – Announcement of 東方證券股份有限公司 on the Approval from CSRC for the Registration of Subordinated Corporate Bonds Publicly Issued to Professional Investors
March 20, 2024	Announcement in Relation to the Briefing on the Annual Results of 2023

## Appendix IV Information Disclosure Index

<b>Date of announcement</b>	<b>Subject</b>
March 27, 2024	Results Announcement for the Year Ended December 31, 2023, Announcement (1) Proposed General Mandate to Issue Offshore Debt Financing Instruments (2) Proposed Amendments to Certain Articles of the Articles of Association, the Rules of Procedure for the General Meetings and the Rules of Procedure for the Board Of Directors (3) Provision for Assets Impairment (4) Proposed Continuing Connected Transactions (5) Projected Intragroup Guarantees For the Year 2024 and (6) Proposed Change of Accounting Firm, Cash Dividend Announcement for Equity Issuer, DFZQ 2023 Environmental, Social and Governance Report, Terms of Reference of the Strategy Development Committee of the Board of Directors, Terms of Reference of the Compliance and Risk Management Committee of the Board of Directors, Terms of Reference of the Remuneration and Nomination of the Board of Directors, Terms of Reference of the Audit Committee of the Board of Directors, Overseas Regulatory Announcement – Audit Report on Internal Control of 東方證券股份有限公司, Evaluation Report on the Performance of the Accounting Firm for the Year 2023 and Report of the Audit Committee on the Fulfillment of its Supervisory Responsibilities of 東方證券股份有限公司, 2023 Internal Control Assessment Report of 東方證券股份有限公司, Work Report of the Audit Committee of Board in 2023 of 東方證券股份有限公司, Special Opinion of the Board of 東方證券股份有限公司 on the Independence of Independent Directors, Work Report of the Independent Director of 東方證券股份有限公司 in 2023 (Wu Hong), Work Report of the Independent Director of 東方證券股份有限公司 in 2023 (Feng Xingdong), Work Report of the Independent Director of 東方證券股份有限公司 in 2023 (Luo Xinyu), Work Report of the Independent Director of 東方證券股份有限公司 in 2023 (Chan Hon), Work Report of the Independent Director of 東方證券股份有限公司 in 2023 (Zhu Kai), Work Report of the Independent Director of 東方證券股份有限公司 in 2023 (Jin Qinglu), Announcement of 東方證券股份有限公司 on Progress of Provision of Guarantee by Orient Finance Holdings (Hong Kong) Limited to its Wholly-owned Subsidiaries, Announcement of 東方證券股份有限公司 on Projected Routine Related Party Transactions of the Company in 2024, Special Report of 東方證券股份有限公司 on the Deposit and Actual Use of Proceeds Raised for 2023, Announcement of 東方證券股份有限公司 on 2023 Profit Distribution Proposal, Announcement of 東方證券股份有限公司 on Resolution of the 19th Meeting of the Fifth Session of the Supervisory Committee, Announcement of 東方證券股份有限公司 on Resolution of the 33rd Meeting of the Fifth Session of the Board, Special Inspection Opinions of China International Capital Corporation Limited and Orient Securities Investment Banking Co., Ltd. on the Deposit and Actual Use of Proceeds Raised by 東方證券股份有限公司 in 2023, 2023 Annual Report on Continuously Performing Supervision on 東方證券股份有限公司 by China International Capital Corporation Limited and Orient Securities Investment Banking Co., Ltd., Special Report on the Deposit and Actual Use of Proceeds Raised by 東方證券股份有限公司 for 2023 and Audit Report, Special Audit Report on Summary of Non-Operational Funds Used and Other Related Funds Transactions of 東方證券股份有限公司 for the Year 2023
April 2, 2024	Monthly Return of Equity Issuer on Movements in Securities for the month ended March 31, 2024

## Appendix IV Information Disclosure Index

Date of announcement	Subject
April 3, 2024	Overseas Regulatory Announcement – Sponsorship Summary Report of China International Capital Corporation Limited and Orient Securities Investment Banking Co., Ltd. for Public Issuance of Securities under Rights Issue of 東方證券股份有限公司 in 2022
April 9, 2024	Notice of Annual General Meeting, Circular of 2023 Annual General Meeting, Final Dividend for the Year ended December 31, 2023 (Update), Form of Proxy of Holders of H Shares for Use at the Annual General Meeting to Be Held on May 10, 2024
April 15, 2024	Date of Board Meeting
April 16, 2024	Overseas Regulatory Announcement – Announcement of 東方證券股份有限公司 on Resolution of the 34th Meeting (a Temporary Meeting) of the Fifth Session of the Board
April 17, 2024	Annual Report 2023
April 29, 2024	The First Quarterly Report for the Year 2024, 2024 Action Plan for “Quality Improvement, Efficiency Enhancement, and Focus on Shareholder Returns”, Overseas Regulatory Announcement – Announcement of 東方證券股份有限公司 on Resolution of the 35th Meeting of the Fifth Session of the Board
May 6, 2024	Monthly Return of Equity Issuer on Movements in Securities for the month ended April 30, 2024
May 10, 2024	Poll Results of Annual General Meeting Held on May 10, 2024, Final Dividend for the Year ended December 31, 2023 (Update), Articles of Association, Overseas Regulatory Announcement – Management Measures of Related-party Transactions of 東方證券股份有限公司, Management Measures of Raised Funds of 東方證券股份有限公司, Independent Director System of 東方證券股份有限公司, Legal Opinion of Grandall Law Firm (Shanghai) on the 2023 Annual General Meeting of 東方證券股份有限公司
June 3, 2024	Monthly Return of Equity Issuer on Movements in Securities for the month ended May 31, 2024
June 20, 2024	Overseas Regulatory Announcement – Announcement of 東方證券股份有限公司 on Implementation of the 2023 Annual Distribution of Equity Interests, Special Legal Opinion of Grandall Law Firm (Shanghai) on the 2023 Annual Differentiated Dividend Distribution of 東方證券股份有限公司
July 2, 2024	Monthly Return of Equity Issuer on Movements in Securities for the month ended June 30, 2024
July 26, 2024	Announcement on Preliminary Financial Data for the First Half of 2024
August 2, 2024	Monthly Return of Equity Issuer on Movements in Securities for the month ended July 31, 2024
August 7, 2024	Overseas Regulatory Announcement – Announcement of 東方證券股份有限公司 on Resolution of the 36th Meeting (Temporary Meeting) of the Fifth Session of the Board
August 15, 2024	Date of Board Meeting
August 22, 2024	Announcement in Relation to the Briefing on the Interim Results of 2024

## Appendix IV Information Disclosure Index

Date of announcement	Subject
August 29, 2024	Interim Results Announcement for the Six Months Ended June 30, 2024, Interim Dividend for the Six Months Ended June 30, 2024, Announcement in Relation to the Provision for Assets Impairment, Overseas Regulatory Announcement – Announcement on 2024 Interim Profit Distribution Plan of 東方證券股份有限公司, Announcement of 東方證券股份有限公司 on Resolution of the 37th Meeting of the Fifth Session of the Board, Announcement of 東方證券股份有限公司 on Resolution of the 21st Meeting of the Fifth Session of the Supervisory Committee, Management Measures for the Holdings of the Company's Shares by Directors, Supervisors and Senior Management and Changes Thereof
September 1, 2024	Announcement on the Progress of the Company's Absorption of and Merger with Its Wholly-owned Subsidiary Orient Securities Investment Banking Co., Ltd.
September 2, 2024	Monthly Return of Equity Issuer on Movements in Securities for the month ended August 31, 2024
September 19, 2024	Notice of Extraordinary General Meeting, 2024 Interim Profit Distribution Plan and Notice of Extraordinary General Meeting, Form of Proxy of Holders of H Shares for Use at the EGM to be Held on October 16, 2024
September 23, 2024	Interim Dividend for the Six Months Ended June 30, 2024 (Update)
September 24, 2024	2024 Interim Report
September 27, 2024	Overseas Regulatory Announcement – Announcement on Resolution of the 38th Meeting (Temporary Meeting) of the Fifth Session of the Board of 東方證券股份有限公司
October 7, 2024	Monthly Return of Equity Issuer on Movements in Securities for the month ended September 30, 2024
October 16, 2024	Poll Results of Extraordinary General Meeting Held on October 16, 2024, Interim Dividend for the Six Months Ended June 30, 2024 (Update), Date of Board Meeting, Overseas Regulatory Announcement – Legal Opinion of Grandall Law Firm (Shanghai) on the First Extraordinary General Meeting for 2024 of 東方證券股份有限公司, Overseas Regulatory Announcement
October 18, 2024	Overseas Regulatory Announcement – Announcement of 東方證券股份有限公司 on Receiving a Letter of Response from the CSRC on Matters Relating to Participation in Swap Facilities



## Appendix IV Information Disclosure Index

Date of announcement	Subject
October 30, 2024	The Third Quarterly Report for the Year 2024, Notice of Extraordinary General Meeting, Form of Proxy of Holders of H Shares for Use at the EGM to Be Held on November 22, 2024, Election of Directors (Excluding Independent Non-executive Directors) of the Sixth Session of the Board of Directors, Election of Independent Non-executive Directors of the Sixth Session of the Board of Directors, Election of Shareholder Representative Supervisors of the Sixth Session of the Supervisory Committee, and Notice of Extraordinary General Meeting, Election of the New Session of the Board of Directors and the Supervisory Committee and Proposed Amendments to the Articles Of Association, Overseas Regulatory Announcement – Declaration and Undertaking of Independent Director Candidates of 東方證券股份有限公司, Declaration and Undertaking of Independent Director Nominees of 東方證券股份有限公司, Review Opinion of Independent Director Candidates by the Remuneration and Nomination Committee of the Board of 東方證券股份有限公司, Announcement of 東方證券股份有限公司 on Resolution of the 22nd Meeting of the Fifth Session of the Supervisory Committee, Announcement of 東方證券股份有限公司 on Resolution of the 39th Meeting of the Fifth Session of the Board
November 1, 2024	Monthly Return of Equity Issuer on Movements in Securities for the month ended October 31, 2024
November 5, 2024	Announcement on the Participation in 2024 Group Results Briefing of the Third Quarterly Report of Listed Companies in Shanghai
November 20, 2024	Overseas Regulatory Announcement – Announcement of 東方證券股份有限公司 on Resignation of Senior Management
November 22, 2024	Poll Results of the Extraordinary General Meeting Held on November 22, 2024 (Amendments to the Articles of Association, Appointment of Members of the Sixth Session of the Board, Appointment of Members of the Sixth Session of the Supervisory Committee, Roles of Members of the Sixth Session of the Board, Appointment of Joint Company Secretaries, Appointment of Authorized Representatives), List of Directors and Their Roles and Functions, Articles of Association, Overseas Regulatory Announcement – Legal Opinion of Grandall Law Firm (Shanghai) on the Second Extraordinary General Meeting for 2024 of 東方證券股份有限公司, Announcement of 東方證券股份有限公司 on Resolution of the 1st Meeting of the Sixth Session of the Board, Announcement of 東方證券股份有限公司 on Resolution of the 1st Meeting of the Sixth Session of the Supervisory Committee
December 2, 2024	Monthly Return of Equity Issuer on Movements in Securities for the month ended November 30, 2024



## Appendix IV Information Disclosure Index

<b>Date of announcement</b>	<b>Subject</b>
December 5, 2024	Overseas Regulatory Announcement – Announcement of 東方證券股份有限公司 on Implementation of the 2024 Interim Distribution of Equity Interests, Special Legal Opinion of Grandall Law Firm (Shanghai) on the 2024 Interim Differentiated Dividend Distribution of 東方證券股份有限公司
December 9, 2024	Overseas Regulatory Announcement – Announcement of 東方證券股份有限公司 on the Provision of Guarantee for Obtaining Bank Loans for Wholly-owned Overseas Subsidiaries
December 23, 2024	Announcement on the Change of President, Overseas Regulatory Announcement – Announcement of 東方證券股份有限公司 on Resolution of the 2nd Meeting (a Temporary Meeting) of the Sixth Session of the Board
December 30, 2024	Overseas Regulatory Announcement – Announcement on the Provision of Guarantee by Orient Finance Holdings (Hong Kong) Limited for Obtaining Bank Credit Facilities by Its Wholly-owned Subsidiaries

# Independent Auditor's Report

## **TO THE SHAREHOLDERS OF 東方證券股份有限公司**

*(Incorporated in the People's Republic of China with limited liability)*

### **OPINION**

We have audited the consolidated financial statements of 東方證券股份有限公司 (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 290 to 454, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People's Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# Independent Auditor's Report

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Expected credit losses for stock-pledged reverse repurchase agreements	
Refer to the material accounting policies in Note 3(3), 4(4) and Note 25 to the consolidated financial statements.	
Key audit matter	How our audit addressed the key audit matter
<p>The Group uses an expected credit loss (“ECL”) model to measure the loss allowance for stock-pledged reverse repurchase agreements in accordance with IFRS 9, Financial instruments.</p> <p>The determination of loss allowance for stock-pledged reverse repurchase agreements using the ECL model is subject to the application of a number of key parameters and assumptions, including the credit risk staging, probability of default, loss given default, exposures at default and discount rate. Extensive management judgement is involved in the selection of those parameters and the application of the assumptions.</p>	<p>Our audit procedures to assess ECLs for stock-pledged reverse repurchase agreements included the following:</p> <ul style="list-style-type: none"> <li>• understanding and evaluating the design, implementation and operating effectiveness of key financial reporting controls related to the measurement of ECLs for stock-pledged reverse repurchase agreements;</li> <li>• evaluating the appropriateness of the ECL model, the critical assumptions and key parameters used in the model;</li> <li>• evaluating the reasonableness of loss given default for selected samples of stock-pledged reverse repurchase agreements that are credit-impaired by checking the financial situation of the borrower and the recoverable amount of collateral. Evaluating management’s assessment of the value of collaterals based on the asset category, status, use of the collateral and market prices; evaluating the timing and means of realisation of collateral, the forecast cash flows and the viability of the Group’s recovery plans;</li> </ul>

# Independent Auditor's Report

## KEY AUDIT MATTERS *(Continued)*

<b>Expected credit loss of stock-pledged reverse repurchase agreements (continued)</b>	
Refer to the material accounting policies in Note 3(3), 4(4) and Note 25 to the consolidated financial statements.	
<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p>In particular, management exercises judgement in determining the quantum of loss given default based on a range of factors. These include the financial situation of the borrower, the recoverable amount of collateral. Management considers the impact of various factors including the market price, status and use when assessing the value of collaterals. The enforceability, timing and means of realisation of collateral can also have an impact on the recoverable amount of collateral.</p> <p>We identified the determination of ECLs for stock-pledged reverse repurchase agreements as a key audit matter due to the significance of these assets to the Group's consolidated financial statements and the significant management judgement and estimation required in the measurement.</p>	<ul style="list-style-type: none"> <li>• assessing the calculation accuracy of ECLs for stock-pledged reverse repurchase agreements on a sample basis;</li> <li>• assessing the reasonableness of the disclosures on ECLs for stock-pledged reverse repurchase agreements against applicable accounting standards.</li> </ul>

# Independent Auditor's Report

## KEY AUDIT MATTERS *(Continued)*

Fair value of financial instruments classified as level 3 in the fair value hierarchy	
Refer to the material accounting policies in Note 3(3), 4(2) and Note 64 to the consolidated financial statements.	
Key audit matter	How our audit addressed the key audit matter
<p>The valuation of the Group's financial instruments is based on a combination of market data and valuation models which often require a considerable number of inputs. Many of these inputs are obtained from readily available data for liquid markets. Where such observable data is not readily available, as in the case of certain level 3 financial instruments measured at fair value, estimates need to be developed which can involve significant management judgement.</p> <p>We identified fair value of financial instruments classified as level 3 as a key audit matter because of the degree of complexity involved in the valuation techniques and significant management judgement in determining the inputs used in the valuation models.</p>	<p>Our audit procedures to assess the fair value of financial instruments classified as level 3 included the following:</p> <ul style="list-style-type: none"> <li>• understanding and assessing the design, implementation and operating effectiveness of key internal controls over the valuation model and inputs selection approval process for financial instruments;</li> <li>• inspecting investment agreements entered into during the current year, on a sample basis, to understand the relevant investment terms and identify any conditions that were relevant to the valuation of financial instruments;</li> <li>• with assistance of KPMG valuation specialist, on a sample basis, evaluating the valuation models, inputs and assumptions used by the Group to value level 3 financial instruments and performing independent valuations of level 3 financial instruments and comparing these valuations with the Group's valuations; and</li> <li>• evaluating the reasonableness of the disclosures on fair values of financial instruments classified as level 3 with reference to the requirements of the prevailing accounting standards.</li> </ul>

# Independent Auditor's Report

## KEY AUDIT MATTERS *(Continued)*

<b>Consolidation of structured entities</b>	
Refer to the material accounting policies in Note 4(3) and Note 36 to the consolidated financial statements.	
<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p>Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. The Group may acquire or retain an ownership interest in, or act as a sponsor of, a structured entity through issuing or acquiring a mutual fund, an asset management scheme, a wealth management product, a trust scheme or an asset-backed security.</p> <p>In determining whether a structured entity is required to be consolidated by the Group, management is required to consider the power the Group is able to exercise over the activities of the entity and its exposure to and ability to influence its own returns from the entity. In certain circumstances, the Group may be required to consolidate a structured entity even though it has no equity interest therein.</p> <p>The factors which management needs to consider when determining whether a structured entity should be consolidated or not are not purely quantitative and need to be considered collectively.</p>	<p>Our audit procedures to assess the consolidation of structured entities included the following:</p> <ul style="list-style-type: none"> <li>• understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the consolidation of structured entities;</li> <li>• Selecting a sample of structured entities for each key product type and performing the following procedures for each item selected: <ul style="list-style-type: none"> <li>– inspecting the related contracts, internal documents and disclosed information to investors to understand the purpose of the establishment of the structured entity and the involvement the Group has with the structured entity and to assess management's judgement over whether the Group has the ability to exercise power over the structured entity;</li> </ul> </li> </ul>

# Independent Auditor's Report

## KEY AUDIT MATTERS *(Continued)*

<b>Consolidation of structured entities (continued)</b>	
Refer to the material accounting policies in Note 4(3) and Note 36 to the consolidated financial statements.	
<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p>We identified the consolidation of structured entities as a key audit matter because it involves significant management judgement in determining whether a structured entity is required to be consolidated by the Group or not and because the impact of consolidating a structured entity on the consolidated statement could be significant.</p>	<ul style="list-style-type: none"> <li>– evaluating the risk and reward structure of the structured entity including any capital held in the structured entity or guarantees on its returns, arrangements for providing liquidity support, commission paid and distribution of the returns to assess management's judgement as to exposure, or rights, to variable returns from the Group's involvement in such an entity;</li> <li>– inspecting management's analysis of the structured entity including qualitative analysis and calculations of the magnitude and variability associated with its economic interests in the structured entity to assess management's judgement over the Group's ability to influence its own returns from the structured entity;</li> <li>– assessing management's judgement over whether the structured entity should be consolidated or not;</li> <li>– assessing the reasonableness of the disclosures in the financial statements in relation to the consolidation of structured entities with reference to prevailing accounting standards.</li> </ul>

# Independent Auditor's Report

## **INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



# Independent Auditor's Report

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

# Independent Auditor's Report

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Pang, Shing Chor, Eric.

### **KPMG**

*Certified Public Accountants*

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

28 March 2025

# Consolidated Statement of Profit or Loss

## for the year ended 31 December 2024

	NOTES	Year ended 31 December	
		2024 RMB'000	2023 RMB'000
Revenue			
Commission and fee income	6	9,988,145	10,298,336
Interest income	7	5,558,875	6,064,164
		<b>15,547,020</b>	16,362,500
Net investment gains	8	4,926,135	2,387,769
Other income, gains and losses, net	9	7,210,452	5,527,120
Total revenue, other income and net gains and losses		<b>27,683,607</b>	24,277,389
Depreciation and amortisation	10	(799,307)	(809,398)
Staff costs	11	(5,031,727)	(4,564,804)
Commission and fee expenses	12	(4,553,442)	(3,363,740)
Interest expenses	13	(4,237,545)	(4,299,827)
Other operating expenses	14	(9,184,395)	(7,652,584)
Impairment losses under expected credit loss model, net of reversal	15	(461,328)	(1,030,199)
Other impairment losses		(214,686)	(221,947)
Total expenses		<b>(24,482,430)</b>	(21,942,499)
Share of results of associates		458,077	584,250
Profit before income tax		3,659,254	2,919,140
Income tax expense	16	(308,807)	(162,536)
Profit for the year		<b>3,350,447</b>	2,756,604
Attributable to:			
Equity holders of the Company		3,350,208	2,753,755
Non-controlling interests		239	2,849
		<b>3,350,447</b>	2,756,604
Earnings per share attributable to the shareholders of the Company (Expressed in RMB Yuan per share)			
– Basic	17	0.37	0.30

The accompanying notes form part of these consolidated financial statements.

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2024

	NOTES	Year ended 31 December	
		2024 RMB'000	2023 RMB'000
Profit for the year		<b>3,350,447</b>	2,756,604
Other comprehensive income, net of income tax:			
Items that will not be reclassified to profit or loss:			
Fair value gains/(losses) on investments in equity instruments at fair value through other comprehensive income	53(4)	<b>1,193,784</b>	(19,640)
Hedging instruments for fair value hedges		<b>(19,496)</b>	(12,810)
Income tax relating to items that will not be reclassified to profit or loss	53(4)	<b>(293,367)</b>	8,113
Share of other comprehensive income of associates	53(4)	<b>(11,882)</b>	–
Subtotal		<b>869,039</b>	(24,337)
Items that may be reclassified subsequently to profit or loss:			
Fair value gains/(losses) on debt instruments measured at fair value through other comprehensive income	53(4)		
– net fair value changes during the period		<b>3,365,870</b>	1,465,297
– reclassification adjustment to profit or loss on disposal		<b>(1,761,245)</b>	(842,475)
Impairment loss for debt instruments at fair value through other comprehensive income	53(4)	<b>69,265</b>	(79,371)
Income tax impact relating to items that may be reclassified subsequently to profit or loss	53(4)	<b>(865,257)</b>	(119,749)
Share of other comprehensive income of associates	53(4)	<b>5,931</b>	4,518
Exchange differences arising on translation		<b>6,555</b>	14,818
Other		<b>864</b>	(1,620)
Subtotal		<b>821,983</b>	441,418
Other comprehensive income for the year, net of income tax		<b>1,691,022</b>	417,081
Total comprehensive income for the year		<b>5,041,469</b>	3,173,685
Attributable to:			
Equity holders of the Company		<b>5,041,230</b>	3,170,836
Non-controlling interests		<b>239</b>	2,849
		<b>5,041,469</b>	3,173,685

The accompanying notes form part of these consolidated financial statements.

# Consolidated Statement of Financial Position

as at 31 December 2024

	NOTES	As at 31 December	
		2024 RMB'000	2023 RMB'000
Cash and bank balances	18	<b>103,093,101</b>	104,093,142
Clearing settlement funds	20	<b>15,177,207</b>	35,314,411
Deposits with exchanges and financial institutions	21	<b>27,654,365</b>	3,241,547
Derivative financial assets	22	<b>1,965,131</b>	1,877,650
Advances to customers	23	<b>28,047,525</b>	21,071,801
Account receivables	24	<b>973,364</b>	670,759
Reverse repurchase agreements	25	<b>3,984,103</b>	5,437,734
Financial assets at fair value through profit or loss	26	<b>90,189,331</b>	97,069,644
Debt instruments at fair value through other comprehensive income	27	<b>110,519,911</b>	90,813,713
Equity instruments at fair value through other comprehensive income	28	<b>19,634,600</b>	6,298,178
Debt instruments measured at amortised cost	29	<b>1,586,905</b>	1,586,591
Investments in associates	30	<b>6,128,123</b>	6,253,974
Right-of-use assets	32	<b>1,072,423</b>	557,334
Investment properties	33	<b>30,936</b>	165,413
Property and equipment	34	<b>2,602,196</b>	2,739,369
Other intangible assets	35	<b>272,393</b>	286,724
Goodwill	37	<b>32,135</b>	32,135
Deferred tax assets	38	<b>1,490,513</b>	2,079,575
Other assets	39	<b>3,282,113</b>	4,100,768
<b>Total assets</b>		<b>417,736,375</b>	383,690,462
Placements from banks and financial institutions	40	<b>39,194,625</b>	25,670,059
Short-term debt instruments	41	<b>5,678,905</b>	2,797,700
Account payables to brokerage clients	42	<b>113,637,365</b>	111,570,987
Repurchase agreements	43	<b>85,916,300</b>	73,716,143
Financial liabilities at fair value through profit or loss	44	<b>14,708,501</b>	15,301,834
Derivative financial liabilities	22	<b>1,092,582</b>	874,202
Contract liabilities	45	<b>157,209</b>	147,405

The accompanying notes form part of these consolidated financial statements.

# Consolidated Statement of Financial Position

## as at 31 December 2024

	NOTES	As at 31 December	
		2024 RMB'000	2023 RMB'000
Current tax liabilities		93,183	102,664
Employee benefits payable	46	2,370,667	1,704,042
Borrowings	47	1,549,417	1,700,024
Lease liabilities	48	1,058,950	547,475
Debt securities issued	49	60,734,318	60,157,845
Deferred tax liabilities	38	218	35,936
Other liabilities	50	10,144,319	10,603,949
<b>Total liabilities</b>		<b>336,336,559</b>	304,930,265
Share capital	51	8,496,645	8,496,645
Treasury stock	51	(310,896)	(299,780)
Other equity instrument	52	5,000,000	5,000,000
Reserves	53	60,059,496	56,791,270
Retained earnings	54	8,151,495	8,757,396
<b>Equity attributable to equity holders of the Company</b>		<b>81,396,740</b>	78,745,531
Non-controlling interests		3,076	14,666
<b>Total equity</b>		<b>81,399,816</b>	78,760,197
<b>Total equity and liabilities</b>		<b>417,736,375</b>	383,690,462

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 28 March 2025 and signed on its behalf by:

**Gong Dexiong**  
Chairman of the Board

**Lu Dayin**  
Executive Director

The accompanying notes form part of these consolidated financial statements.

# Consolidated Statement of Changes in Equity

## for the year ended 31 December 2024

NOTES	Equity attributable to equity holders of the Company												
	Reserves											Non-controlling interests	Total equity
	Share capital	Treasury stock	Other equity instrument	Capital reserve	Surplus reserve	General reserve	Investment		Hedge reserve	Retained earnings	Subtotal		
							revaluation reserve	Translation reserve					
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
(Note 51)	(Note 51)	(Note 52)	(Note 53)	(Note 53)	(Note 53)	(Note 53)	(Note 53)	(Note 53)	(Note 54)	(Note 54)			
As at 1 January 2024	8,496,645	(299,780)	5,000,000	39,534,520	4,618,006	12,134,542	489,687	2,190	12,325	8,757,396	78,745,531	14,666	78,760,197
Profit for the year	-	-	-	-	-	-	-	-	-	3,350,208	3,350,208	239	3,350,447
Other comprehensive income for the year	-	-	-	-	-	-	1,699,089	6,555	(14,622)	-	1,691,022	-	1,691,022
Total comprehensive income for the year	-	-	-	-	-	-	1,699,089	6,555	(14,622)	3,350,208	5,041,230	239	5,041,469
Repurchase of A shares	51	(11,116)	-	-	-	-	-	-	-	-	(11,116)	-	(11,116)
Appropriation to surplus reserve	-	-	-	-	414,043	-	-	-	-	(414,043)	-	-	-
Appropriation to general reserve	-	-	-	-	-	1,115,266	-	-	-	(1,115,266)	-	-	-
Dividends recognised as distribution	55	-	-	-	-	-	-	-	-	(1,903,905)	(1,903,905)	-	(1,903,905)
Distribution to holders of other equity instrument	55	-	-	-	-	-	-	-	-	(475,000)	(475,000)	-	(475,000)
Transfer to retained earnings for cumulative fair value change of equity instruments at fair value through other comprehensive income upon disposal	28	-	-	-	-	-	43,642	-	4,253	(47,895)	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	(11,829)	(11,829)
As at 31 December 2024	8,496,645	(310,896)	5,000,000	39,534,520	5,032,049	13,249,808	2,232,418	8,745	1,956	8,151,495	81,396,740	3,076	81,399,816

The accompanying notes form part of these consolidated financial statements.

# Consolidated Statement of Changes in Equity

## for the year ended 31 December 2024

	Equity attributable to equity holders of the Company													
	NOTES	Reserves											Non-controlling interests	Total equity
		Share capital	Treasury stock	Other equity instrument	Capital reserve	Surplus reserve	Investment				Retained earnings	Subtotal		
							General reserve	revaluation reserve	Translation reserve	Hedge reserve				
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
As at 1 January 2023		8,496,645	-	5,000,000	39,534,520	4,293,542	11,135,082	100,899	(12,628)	-	8,838,412	77,386,472	11,817	77,398,289
Profit for the year		-	-	-	-	-	-	-	-	-	2,753,755	2,753,755	2,849	2,756,604
Other comprehensive income for the year		-	-	-	-	-	411,871	14,818	(9,608)	-	417,081	-	-	417,081
Total comprehensive income for the year		-	-	-	-	-	411,871	14,818	(9,608)	2,753,755	3,170,836	2,849	3,173,685	
Repurchase of														
A shares	51	-	(299,780)	-	-	-	-	-	-	-	-	(299,780)	-	(299,780)
Appropriation to surplus reserve		-	-	-	-	324,464	-	-	-	-	(324,464)	-	-	-
Appropriation to general reserve		-	-	-	-	-	999,460	-	-	-	(999,460)	-	-	-
Distribution to holders of other equity instrument	55	-	-	-	-	-	-	-	-	-	(237,500)	(237,500)	-	(237,500)
Dividends recognised as distribution	55	-	-	-	-	-	-	-	-	-	(1,274,497)	(1,274,497)	-	(1,274,497)
Transfer to retained earnings for cumulative fair value change of equity instruments at fair value through other comprehensive income upon disposal	28	-	-	-	-	-	-	(23,083)	-	-	23,083	-	-	-
Other		-	-	-	-	-	-	-	-	21,933	(21,933)	-	-	-
As at 31 December 2023		8,496,645	(299,780)	5,000,000	39,534,520	4,618,006	12,134,542	489,687	2,190	12,325	8,757,396	78,745,531	14,666	78,760,197

The accompanying notes form part of these consolidated financial statements.



# Consolidated Statement of Cash Flows

## for the year ended 31 December 2024

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
<b>OPERATING ACTIVITIES</b>		
Profit before income tax	<b>3,659,254</b>	2,919,140
Adjustments for:		
Interest expenses	<b>4,237,545</b>	4,299,827
Share of results of associates	<b>(458,077)</b>	(584,250)
Depreciation and amortisation	<b>799,307</b>	809,398
Impairment losses under expected credit loss model, net of reversal	<b>461,328</b>	1,030,199
Other impairment losses	<b>214,686</b>	221,947
Gains on disposal of property and equipment, right-of-use assets and investment properties	<b>(16,126)</b>	(138,244)
Foreign exchange (gains)/losses, net	<b>(59,525)</b>	57,866
Net realised losses arising from disposal of associates	<b>18,900</b>	1,891
Net realised gains and income arising from financial assets at fair value through profit or loss	<b>–</b>	(919,438)
Interest income and net realised gains and income arising from debt instruments at fair value through other comprehensive income	<b>(5,117,967)</b>	(3,582,136)
Dividend income arising from equity instruments at fair value through other comprehensive income	<b>(680,328)</b>	(401,020)
Net realised losses arising from financial liabilities at fair value through profit or loss	<b>106,442</b>	110,502
Net realised losses arising from derivative financial instruments	<b>–</b>	47,445
Interest income and net realised gains and income from debt instruments measured at amortised cost	<b>(47,720)</b>	(92,480)
Unrealised fair value change of financial assets at fair value through profit or loss	<b>(574,952)</b>	(77,782)
Unrealised fair value change of financial liabilities at fair value through profit or loss	<b>80,310</b>	54,236
Unrealised fair value change of derivative financial instruments	<b>944,676</b>	(404,764)

The accompanying notes form part of these consolidated financial statements.

# Consolidated Statement of Cash Flows

## for the year ended 31 December 2024

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Operating cash flows before movements in working capital	3,567,753	3,352,337
Increase in advances to customers	(6,976,872)	(1,576,044)
Decrease in reverse repurchase agreements	1,065,825	1,770,995
Decrease/(increase) in financial assets at fair value through profit or loss and derivative financial assets	6,424,207	(10,534,467)
Increase in restricted deposits and deposits with exchanges and financial institutions	(26,857,997)	(1,690,742)
Decrease in bank balances and clearing settlement funds restricted or held on behalf of customers	20,235,463	11,288,909
Decrease in account receivables and other assets	231,736	199,737
(Decrease)/increase in other liabilities and contract liabilities	(20,701)	1,397,027
Increase/(decrease) in account payables to brokerage clients	2,066,378	(11,470,433)
Decrease in financial liabilities at fair value through profit or loss and derivative financial liabilities	(278,848)	(4,798,403)
Increase in repurchase agreements	12,241,854	11,530,691
Increase in placements from banks and other financial institutions	13,570,022	17,170,018
Cash generated from operations	25,268,820	16,639,625
Income taxes paid	(352,357)	(618,145)
Interest paid	(2,185,141)	(1,976,642)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>22,731,322</b>	<b>14,044,838</b>

The accompanying notes form part of these consolidated financial statements.

# Consolidated Statement of Cash Flows

## for the year ended 31 December 2024

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
<b>INVESTING ACTIVITIES</b>		
Dividends and interest received from investments	<b>3,952,311</b>	3,506,584
Proceeds on disposal of property and equipment and investment properties	<b>162,254</b>	236,059
Proceeds on disposal or redemption of:		
financial assets at fair value through profit or loss	–	28,765,147
– equity instruments at fair value through other comprehensive income	<b>801,694</b>	1,636,208
– debt instruments at fair value through other comprehensive income	<b>298,703,170</b>	166,920,386
– debt instrument measured at amortised cost	–	1,525,937
Capital injection in associates	<b>(24,500)</b>	(52,000)
Purchases of:		
financial assets at fair value through profit or loss	–	(31,030,086)
equity instruments at fair value through other comprehensive income	<b>(12,946,463)</b>	(4,245,179)
debt instruments at fair value through other comprehensive income	<b>(314,984,277)</b>	(179,469,022)
Purchases of property and equipment and other intangible assets	<b>(299,709)</b>	(1,093,554)
Payments for right-of-use assets	–	(2,756)
Proceeds from disposal of or capital reduction in associates	<b>175,562</b>	260,633
Cash outflow from hedging instrument	<b>(5,671)</b>	(29,244)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(24,465,629)</b>	(13,070,887)

The accompanying notes form part of these consolidated financial statements.

# Consolidated Statement of Cash Flows

## for the year ended 31 December 2024

	NOTES	Year ended 31 December	
		2024 RMB'000	2023 RMB'000
<b>FINANCING ACTIVITIES</b>			
Proceeds from issuance of debt securities, short-term debt instruments and income certificates designated at fair value through profit and loss	65	<b>39,745,234</b>	41,832,927
Repayments on debt securities issued, short-term debt instruments and income certificates designated at fair value through profit and loss	65	<b>(36,364,532)</b>	(41,031,324)
Proceeds from borrowings	65	<b>3,176,103</b>	2,795,179
Repayments of borrowings	65	<b>(3,359,060)</b>	(3,111,317)
Repayments of lease liabilities	65	<b>(362,399)</b>	(381,744)
Dividends paid to ordinary shareholders	65	<b>(1,903,905)</b>	(1,274,496)
Dividends paid to holders of other equity instrument	65	<b>(237,500)</b>	(237,500)
Interest paid on debt securities issued, short-term debt instruments and income certificates designated at fair value through profit and loss	65	<b>(2,260,245)</b>	(2,352,681)
Interest paid on borrowings	65	<b>(87,586)</b>	(55,415)
Interest paid on lease liabilities	65	<b>(33,926)</b>	(19,725)
Payment for repurchase of A-shares		<b>(11,116)</b>	(299,780)
Payments on capital returned to non-controlling shareholders		<b>(11,829)</b>	–
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(1,710,761)</b>	(4,135,876)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(3,445,068)</b>	(3,161,925)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>23,090,236</b>	26,154,534
Effect of foreign exchange rate changes		<b>99,507</b>	97,627
<b>TOTAL CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	19	<b>19,744,675</b>	23,090,236

The accompanying notes form part of these consolidated financial statements.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 1. CORPORATE INFORMATION

東方證券股份有限公司, formerly known as Orient Securities Limited Liability Company (東方證券有限責任公司), was a limited liability company established on 10 December 1997. Upon approval from the Shanghai Municipal Government on 13 August 2003, and from the China Securities Regulatory Commission (“CSRC”) on 12 September 2003, Orient Securities Limited Liability Company was converted into a joint stock limited liability company, and was renamed as 東方證券股份有限公司 (the “Company”). On 23 March 2015, the Company became listed on the Shanghai Stock Exchange with the stock code of 600958. On 8 July 2016, the Company became listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) with the stock code of 03958.

The registered office of the Company is located at Orient Securities Building, No. 119, South Zhongshan Road, Shanghai, the People’s Republic of China (“PRC”).

The Company and its subsidiaries (the “Group”) are principally engaged in securities brokerage; margin financing and securities lending; securities investment consulting; financial advisory services related to securities trading and investment activities; proprietary securities trading; distribution of securities investment funds; introduction services for futures companies; distribution of financial products on behalf of third parties; securities underwriting and sponsorship; stock options market making; custody of securities investment funds; securities asset management; public offering securities investment fund management; commodity futures brokerage, financial futures brokerage, and futures investment consulting; financial product investments, securities investments, investment management and advisory services; equity or debt investments in enterprises using proprietary capital or through direct investment funds, including investments in other funds related to equity/debt investments; provision of financial advisory services related to equity and debt investments for clients, and other business activities approved by the CSRC.

### 2. BASIS OF PREPARATION

#### 2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (“IASB”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance (Cap. 622) for this financial year and the comparative period.

The consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments, financial assets/liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, which have been measured at fair value, as further explained in the respective accounting policies below. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 2. BASIS OF PREPARATION *(Continued)*

#### 2.2 Amendments to the accounting standards effective in 2024 and adopted by the Group

The Group has adopted the following amendments to the IFRS Accounting Standards issued by the IASB that are first effective for the financial year ended 31 December 2024:

IAS 1 Amendments	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
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(1) ***IAS 1 Amendments: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants***

The amendments to IAS 1 (2020) concern the requirements on determining if a liability is current or non-current. In particular, the amendments specify the condition of an entity to classify a liability as non-current requires that a right to defer settlement must exist at the end of the reporting period and have substance, and clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement.

The amendments also specify the classification of liabilities that will or may be settled by issuing an entity's own equity instruments. When a liability includes a counterparty conversion option that involves a transfer of the entity's own equity instruments, the classification of such liability is not affected only when the conversion option is recognised separately from the host liability as an equity component under IAS 32.

The amendments to IAS 1 (2022) specify that only covenants with which an entity must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the entity must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, an entity is required to disclose information regarding the risk that the non-current liabilities subject to future covenants could become repayable within twelve months after the end of the reporting period.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 2. BASIS OF PREPARATION *(Continued)*

#### 2.3 Standards and amendments relevant to the Group that are not yet effective and have not been adopted before their effective dates in 2024

		<b>Effective for annual periods beginning on or after</b>
IAS 21 Amendments	Lack of Exchangeability	1 January 2025
IFRS 9 and IFRS 7 Amendments	Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 10 and IAS 28 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date has been deferred indefinitely

The Group anticipates that the adoption of these amendments will not have a significant impact on the Group's consolidated financial statements.

#### 2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries for the year ended 31 December 2024. The financial statements of the subsidiaries are prepared for the same reporting period as the Company (also referred to as the "Parent"), using consistent accounting policies.

The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 2. BASIS OF PREPARATION *(Continued)*

#### 2.4 Basis of consolidation *(Continued)*

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- (a) derecognises the assets (including goodwill) and liabilities of the subsidiary;
- (b) derecognises the carrying amount of any non-controlling interest;
- (c) derecognises the cumulative translation differences recorded in equity;
- (d) recognises the fair value of the consideration received;
- (e) recognises the fair value of any investment retained;
- (f) recognises any resulting surplus or deficit in profit or loss; and
- (g) reclassifies the Group's share of components previously recognised in other comprehensive income (OCI) to profit or loss.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated statement of profit or loss and within equity in the consolidated statement of financial position separately from the equity attributable to owners of the Parent. An acquisition of non-controlling interests is accounted for as an equity transaction.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### (1) Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid assets, which are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents include cash and assets with original maturity of three months or less under cash and bank balances.



# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (2) Foreign currency transactions and foreign currency translation

The consolidated financial statements are presented in RMB, which is the Company's functional and presentation currency. The recording currency of the Company's subsidiaries is determined based on the primary economic environment in which they operate.

Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the prevailing functional currency exchange rates at the end of the reporting period. All differences are taken to the statement of profit or loss. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's overseas operations are translated into the presentation currency of the Group at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at exchange rates that approximate the exchange rates of the date of the transaction. The exchange differences resulting from foreign currency financial statement translation of subsidiaries are recognised in OCI and accumulated in the foreign exchange translation reserve. The cash flows of overseas operations are translated at the spot exchange rates on the dates of the cash flows.

The effect of exchange rate changes on cash is presented separately in the cash flow statement.

#### (3) Financial instruments

##### (a) *Initial recognition, classification and measurement of financial instruments*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value, in the case of a financial asset or financial liability not at fair value through profit or loss, plus or minus transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (3) Financial instruments *(Continued)*

##### (a) *Initial recognition, classification and measurement of financial instruments (Continued)*

###### *Financial assets*

Financial assets are classified on the basis of the Group's business model for managing the asset and the cash flow characteristics of the assets:

- (i) Amortised cost;
- (ii) Fair value through other comprehensive income ("FVOCI"); or
- (iii) Fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of "other" business model and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest ("SPPI"). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement. i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determine whether their cash flows are SPPI.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (3) Financial instruments *(Continued)*

##### (a) **Initial recognition, classification and measurement of financial instruments** *(Continued)*

###### *Financial assets (Continued)*

The classification requirements for debt instruments and equity instruments are described as below:

###### *Debt Instruments*

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective. Classification and subsequent measurement of debt instruments depend on: (i) the Group's business model for managing the asset; and (ii) the cash flow characteristics of asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- (i) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent SPPI, and that are not designated at FVTPL, are measured at amortised cost.
- (ii) FVOCI: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent SPPI, and that are not designated at FVTPL, are measured at FVOCI.
- (iii) FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL.

The Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases.

###### *Equity instruments*

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group subsequently measures all equity investments at FVTPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (3) Financial instruments *(Continued)*

##### (a) **Initial recognition, classification and measurement of financial instruments** *(Continued)*

###### *Financial liabilities*

Financial liabilities are classified as subsequently measured at amortised cost, except for financial liabilities at FVTPL, which is applied to derivatives, financial liabilities held for trading (e.g. short positions in the trading books) and other financial liabilities designated as such at initial recognition.

Contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies. Such contingent consideration shall subsequently be measured at fair value with changes recognised in profit or loss.

An entity may, at initial recognition, irrevocably designate a financial liability as measured at fair value through profit or loss: (i) it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch'); (ii) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the entity's key management personnel.

##### (b) **Reclassification of financial assets**

When the Group changes the business model for managing its financial assets, it shall reclassify all affected financial assets, and apply the reclassification prospectively from the reclassification date. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest. Reclassification date is the first day of the first reporting period following the change in business model that results in an entity reclassifying financial assets.

##### (c) **Fair value of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (3) Financial instruments *(Continued)*

##### (c) Fair value of financial instruments *(Continued)*

The fair values of quoted financial assets and financial liabilities in active markets are based on quoted market prices. If there is no active market, the Group establishes fair value by using valuation techniques. These include the use of market approach, income approach and cost approach. When using valuation techniques, the Group uses observable inputs. Unobservable market inputs would not be used unless relevant observable inputs are not available or not practicable to access.

Default Valuation Adjustments are applied to the Group's financial liabilities at fair value through profit or loss, and assumes that Default Valuation Adjustments stay the same before and after the transfer of the liability. Default Valuation Adjustments refer to risk that enterprises fail to perform the obligation, including but not limited to their own credit risk.

The Group uses the following hierarchy for determining and disclosing the fair values of financial assets and financial liabilities based on the inputs used when determining the fair value:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Valuation technique using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Valuation technique using inputs for the asset or liability that is not based on observable market data (unobservable inputs).

The level of fair value measurement depends on the lowest level of input that is significant to the entire fair value measurement.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (3) Financial instruments *(Continued)*

##### (d) *Subsequent measurement of financial instruments*

Subsequent measurement of financial instruments depends on the categories:

##### *Amortised cost*

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments subsequently measured at FVOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

##### *Financial assets at fair value through other comprehensive income*

##### *Debt instruments*

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue on the instrument's amortised cost which are recognised in profit or loss. Interest income from these financial assets is included in "interest income" using the effective interest rate method. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Net investment gains".

##### *Equity instruments*

The equity instrument investments that are held for purposes other than to generate investment returns are designated as FVOCI. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as net investment gains when the Group's right to receive payments is established, and it is probable that future economic benefits associated with the item will flow to the Group, and the amounts of the dividends can be measured reliably.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (3) Financial instruments *(Continued)*

##### (d) **Subsequent measurement of financial instruments** *(Continued)*

###### *Financial assets at fair value through profit or loss*

###### Debt instruments

A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within “Net investment gains” in the period in which it arises.

###### Equity instruments

Gains and losses on equity investments at FVTPL are included in the “Net investment gains” line in the statement of profit or loss.

###### *Financial liabilities at fair value through profit or loss*

Financial liabilities at FVTPL are measured at fair value with all gains or losses recognised in profit or loss of the current period, except for financial liabilities designated as at fair value through profit or loss, where gains or losses on the financial liabilities are treated as follows:

- (i) changes in fair value of such financial liabilities due to changes in the Group’s own credit risk are recognised in OCI; and
- (ii) other changes in fair value of such financial liabilities are recognised in profit or loss of the current period. If the accounting of changes in the credit risk of the financial liabilities in accordance with (i) will create or enlarge accounting mismatches in profit or loss, the Group recognizes all gains or losses on such financial liabilities (including amounts arising from changes in its own credit risk) in the profit or loss of the current period.

When financial liabilities designated as at FVTPL are derecognised, fair value gains and losses are subsequently reclassified from OCI to retained earnings.

##### (e) **Impairment of financial instruments**

The Group assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost and FVOCI.

ECL is the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets).

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (3) Financial instruments *(Continued)*

##### (e) Impairment of financial instruments *(Continued)*

The Group measures the ECL of a financial instrument reflects:

- (i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (ii) the time value of money; and
- (iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

For financial instruments whose impairment losses are measured using the ECL model, the Group assesses whether their credit risk has increased significantly since their initial recognition, and applies a three-stage impairment model to calculate their impairment allowance and recognise their ECL, as follows:

- Stage I: The Group measures the loss allowance for a financial instrument at an amount equal to the next 12 months ECL if the credit risk of that financial instrument has not increased significantly since initial recognition.
- Stage II: The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk of that financial instrument has increased significantly since initial recognition, but is not yet deemed to be credit-impaired.
- Stage III: The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the financial instrument is credit-impaired.

The Group applies the impairment requirements for the recognition and measurement of loss allowance for debt instruments that are measured at FVOCI. The loss allowance is recognised in OCI and the impairment loss is recognised in profit or loss, and it should not reduce the carrying amount of the financial asset in the statement of financial position.

The Group has measured the loss allowance for a financial instrument at an amount equal to the lifetime ECL in the previous reporting period, but determines to measure it at an amount equal to the next 12 months ECL at the current reporting date since the credit risk of that financial instrument has increased significantly since initial recognition is no longer met, and the amount of ECL reversal is recognised in profit or loss. Excluding POCI financial assets.

The inputs, assumptions and estimation techniques the Group used in ECL models for its debt instrument assets carried at amortised cost and FVOCI refer to Note 63.2.



# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (3) Financial instruments *(Continued)*

##### (f) *Derecognition of financial instruments*

A financial asset is derecognised, when one of the following criteria is satisfied:

- (i) the contractual rights to receive cash flows from the assets have expired; or
- (ii) the Group has transferred its rights to receive cash flows from the asset; or has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; and (a) the Group has transferred substantially all the risks and rewards of ownership of the financial asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, but not retain control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

When the Group has made substantial modifications to a part of the contract terms of an existing financial liability, the relevant portion of the existing financial liability is derecognised, while the financial liability under modified terms is recognised as a new financial liability.

On derecognition of a financial liability in its entirety or partially, the difference between the carrying amount and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) shall be recognised in profit or loss.

If the Group repurchases a part of a financial liability, the Group shall allocate the previous carrying amount of the financial liability between the part that continues to be recognised and the part that is derecognised based on the relative fair values of those parts on the date of the repurchase. The difference between the carrying amount allocated to the part derecognised and the consideration paid (including any non-cash assets transferred or liabilities assumed) for the part derecognised shall be recognised in profit or loss.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (4) Derivative financial instruments and hedge accounting

##### *Derivative financial instruments*

The Group uses derivatives, such as foreign currency contracts to economically hedge its foreign currency risk. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are generally recognised in profit or loss.

##### *Hedge accounting*

At the inception of a hedging relationship, the Group formally designates the hedge instruments and the hedged items, and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to meet the hedge effectiveness in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to analyse the sources of hedge ineffectiveness which are expected to affect the hedging relationship in remaining hedging period. If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio, but the risk management objective for that designated hedging relationship remains the same, the Group would rebalance the hedging relationship.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management positions, do not qualify for hedge accounting and are therefore treated as derivatives held for trading with fair value gains or losses recognised in profit or loss. Hedges which meet the strict criteria for hedge accounting are accounted for in accordance with the Group's accounting policy as set out below.

##### *Fair value hedges*

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or unrecognised firm commitment, that is attributable to a particular risk and could affect the profit or loss or OCI. Among them, the circumstances affecting OCI are limited to the hedging for the risk exposure from fair value change of non-trading equity investment designated as at FVOCI. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged, the derivative is remeasured at fair value and the gains and losses from both are taken to profit or loss or OCI. For hedged items recorded at amortised cost, the difference between the carrying value of the hedged item and the face value is amortised over the remaining term of the original hedge using the effective interest rate method.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instrument are also recognised in profit or loss.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (4) Derivative financial instruments and hedge accounting *(Continued)*

##### *Hedge accounting (Continued)*

##### *Fair value hedges (Continued)*

The Group discontinues fair value hedge accounting when the hedging relationship ceases to meet the qualifying criteria after taking into account any rebalancing of the hedging relationship, including the hedging instrument has expired or has been sold, terminated or exercised. If the hedged items are derecognised, the unamortised fair value is recorded in profit or loss.

#### (5) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a current legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### (6) Margin financing and securities lending services

Margin financing and securities lending services refer to the lending of funds by the Group to customers for purchase of securities, or lending of securities by the Group to customers, for which the customers provide the Group with collateral.

The Group recognises margin accounts at initial recognition, and recognises interest income accordingly. Securities lent are not derecognised, but still accounted for as the original financial assets, and interest income is recognised accordingly.

Securities trading on behalf of margin financing or securities lending customers are accounted for as securities brokerage business.

For impairment of financial assets arising from margin financing and securities lending, refer to Note 3(3)(e).

#### (7) Reverse repurchase agreements and repurchase agreements

Financial assets transferred as collateral in connection with repurchase agreements, involving fixed repurchase dates and prices, are not derecognised. They continue to be recorded as original financial assets before transferred. The corresponding liability is included in repurchase agreements.

Consideration paid for financial assets held under agreements to resell are recorded as reverse repurchase agreements, the related collateral accepted is not recognised in the consolidated financial statements.

The difference between the purchase and resale consideration, and that between the sale and repurchase consideration, is amortised over the period of the respective transaction using the effective interest method and is recognised through interest income or expenses.

For impairment of reverse repurchase agreements, refer to Note 3(3)(e) and Note 4(4).

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (8) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee. When the Group assesses whether it has power over an investee, the Group's voting rights or potential voting rights and other contractual arrangements are considered.

#### (9) Associates

Associates are all entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and reserves of associates is included in the consolidated statement of profit or loss and consolidated reserves, respectively. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates.

#### (10) Joint ventures

Joint ventures are all entities over which the Group has joint control. Joint control, is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of post-acquisition results and reserves of joint ventures is included in the consolidated statement of profit or loss and reserves, respectively. Unrealised gains and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group's investments in the joint ventures.

#### (11) Investment properties

Investment properties comprise real estate properties for the purpose of earning rental income and/or for capital appreciation, including buildings that have been leased out. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

The Group's investment properties are accounted for using cost model. The initial recognition and subsequent measurement of buildings and properties that are leased out are accounted for using the same measurement and depreciation methods as those for property and equipment.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (11) Investment properties *(Continued)*

When an investment property is transferred to owner-occupied property, it is reclassified to property and equipment with the carrying amount determined at the carrying amount of the investment property at the date of the transfer. When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the property and equipment is transferred to investment properties with the carrying amount determined at the carrying amount at the date of the transfer.

An investment property shall be derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. When an investment property is sold, transferred, retired or damaged, the Group recognises the amount of any proceeds on disposal, net of the carrying amount and related expenses, in the consolidated statement of profit or loss.

#### (12) Property and equipment

##### (a) Recognition criteria for property and equipment

Property and equipment comprise properties and buildings, transportation vehicles and electronic devices that the Group expects to use for more than one year and other tangible assets that are expected to be used for more than one year.

##### (b) Property and equipment initially measured at cost

Cost of an item of purchased property and equipment comprises purchase price, tax and any costs directly attributable to bringing the asset to the condition necessary for its intended use and it includes transportation costs, installation and assembly costs, and professional service fees. The cost of a self-constructed asset comprises all costs incurred before the asset is ready for its intended use.

Subsequent expenditure incurred for the property and equipment is included in the cost of the property and equipment if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditure can be measured reliably, while the carrying amount of the replaced part is derecognised. Other subsequent expenditure is recognised in the consolidated income statement in the period in which they are incurred.

Depreciation of property and equipment is calculated on the straight-line basis.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (12) Property and equipment *(Continued)*

##### (b) *Property and equipment initially measured at cost (Continued)*

Estimated useful life, depreciation rate and estimated residual value of each item of property and equipment which are required by the operation of the Group are as follows:

<b>Types of property and equipment</b>	<b>Estimated useful lives</b>	<b>Yearly depreciation rate</b>	<b>Estimated residual value rate</b>
Leasehold land and buildings	30 years	3.23%	3%
Electronic and communication equipment	3–10 years	9.70%–32.33%	3%
Motor vehicles	6 years	16.17%	3%
Office equipment	5 years	19.40%	3%
Leasehold improvements	Over the lease term	nil	nil

The years that property and equipment were already in use upon purchase were excluded when determining the estimated useful lives of these types of property and equipment. The estimated useful lives, the estimated residual value rate and the depreciation method of each type of property and equipment are reviewed, and adjusted if appropriate, at each financial year end. Gains and losses on disposal of property and equipment, the costs of disposal and taxes in connection with such disposal are considered in the determination of the estimated residual value rate.

##### (c) *Impairment of property and equipment*

The Group assesses whether there is any indication that assets are impaired at each financial reporting date. When any such indication exists, the Group estimates the recoverable amount. When recoverable amounts of assets are lower than carrying amounts, the Group decreases the carrying amount to recoverable amount, the decreased amount recognised in the consolidated income statement.

An impairment loss recognised for property and equipment is not reversed in subsequent periods.

##### (d) *Disposal of property and equipment*

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its continued use. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised through profit or loss.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (12) Property and equipment *(Continued)*

##### (e) *Construction in progress*

Costs of construction in progress are determined based on the actual expenditure incurred which include all necessary expenditure incurred during the construction period, borrowing costs eligible for capitalisation and other costs incurred to bring the asset to its intended use.

Items classified as construction in progress are transferred to property and equipment when such assets are ready for their intended use.

#### (13) Land-use rights and intangible assets

##### (a) *Land-use rights*

Land-use rights acquired by the Group are amortised over the period that is confirmed by the land use permit.

##### (b) *Intangible assets*

Intangible assets are recognised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item shall be measured reliably, and measured initially at cost. Intangible assets acquired from business combination and their fair value can be measured reliably are recognised as intangible assets individually and measured at their fair value as at date of combination.

Useful lives of intangible assets are determined as the period that the assets are expected to generate economic benefits for the Group, and when there is no foreseeable limit on the period of time over which the asset is expected to generate economic benefits for the Group, the intangible assets are regarded as having indefinite useful life.

Intangible assets with finite useful lives (i.e. computer software and data assets) that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis. Intangible assets with indefinite useful lives (i.e. trading rights) that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (13) Land-use rights and intangible assets *(Continued)*

##### *(b) Intangible assets (Continued)*

Intangible assets with indefinite useful lives need to be assessed for impairment no matter if there is any impairment evidence. These assets need not to be amortised, and their useful lives shall be reviewed each reporting date. If there is any evidence to support that the useful lives are definite, these intangible assets shall apply the policies of intangible assets with definite useful lives.

Internal research and development expenses are classified as research phase expense and development phase expenses. Expenditure on research phase of an internal project shall be recognised as an expense when it is incurred. Development phase expense can be capitalised only an entity can demonstrate all of the following:

- (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (ii) its intention to complete the intangible asset and use or sell it;
- (iii) its ability to use or sell the intangible asset;
- (iv) how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (vi) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The development phase expenses that do not meet the above conditions shall be recognised in profit or loss when incurred.



# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (14) Revenue

Revenue is recognised when control over a service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties.

Where the contract contains a variable consideration, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised services to a customer and includes in the transaction price some or all of the variable consideration estimated, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

Revenue from underwriting services is recognised when the Group has fulfilled its obligations under the underwriting contract. Depending on contract terms, sponsor fees are recognised progressively over time using a method that depicts the Group's performance, or at a point in time when the service is completed.

Revenue from the securities brokerage services is recognised on the date of the securities transaction.

Revenue from asset management services is recognised when management services are provided in accordance with the asset management contract.

Dividend income is recognised when the Group's right to receive payment has been established.

Other business revenue mainly comes from the bulk commodities sales of the Group's commodities trading subsidiaries.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (14) Revenue *(Continued)*

The Group recognises sales revenue from bulk commodity goods when fulfil the Group's performance obligations in the contract, that is, the revenue is recognised when the customer obtains control of the relevant bulk commodity goods.

In the process of selling goods, the Group, as the primary obligor, has the primary responsibility of providing goods and performing orders to customers; the Group is exposed to inventory risk before or after the bulk commodity goods have been ordered by a customer; the Group has discretion in establishing prices of bulk commodity goods and exposed to credit risk for the amount receivable from customers in exchange for the other party's goods and commodity risk for inventory. The Group satisfies the performance obligation above and recognised revenue in the gross amount. When the Group acts as an agent, the net amount of the consideration received or receivable after deducting the price payable to other parties shall be recognised as income.

When the Group recognises revenue in accordance with the progress of completed services, the part of unconditional receivables that the Group has acquired will be recognised as accounts receivables, and the rest will be recognised as contract assets. The Group identifies loss allowance on the basis of expected credit losses for accounts receivable and contractual assets; if the Group's received consideration or receivable consideration exceed the completed services, the excess part will be recognised as contractual liabilities. The Group's contractual assets and liabilities under the same contract are shown in net.

#### (15) Income tax

Income tax comprises current tax and deferred income tax. Current tax is the amount of current income tax payable calculated based on current taxable income. Taxable income is calculated based on the adjustment to the current year pre-tax accounting profit according to the applicable tax laws.

For current income tax liabilities or current income tax assets generated from the current and prior periods, the expected income tax payable or the income tax deduction is calculated according to the applicable tax laws.

The Group measures deferred income tax using balance sheet liability method according to the temporary differences between the carrying amount of an asset or liability at the end of the reporting period and its tax base, and the temporary difference between the carrying amount of an item not recognised as an asset or liability at the end of the reporting period and its tax base.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (15) Income tax *(Continued)*

All taxable temporary differences are recognised as deferred income tax liabilities, except:

- (i) The deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or deductible expenses; and
- (ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, unused tax credits carried forward and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax credits carried forward and unused tax losses can be utilised, except that deferred income tax asset relating to deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or deductible expenses.

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period and reflect the corresponding tax effect.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilised. When it is virtually probable that sufficient taxable income will be available, the reduced amount can be reversed accordingly.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (16) Employee compensation

Employee compensation refers to all forms of consideration and other related expenditure given or incurred by the Group in exchange for services rendered by employees. The benefits payable are recognised as liabilities during the period in which the employees have rendered the services to the Group.

In accordance with the applicable laws and regulations, Chinese Mainland employees of the Group participate in various social insurance schemes including basic pension insurance, medical insurance, unemployment insurance and housing fund schemes administered by the local government authorities. Contributions to these schemes are recognised in profit or loss as incurred.

All eligible employees outside Chinese Mainland participate in the respective local defined contribution schemes. The Group contributes to these defined contribution schemes based on the requirements of the local regulatory bodies. The Group and its employees pay corporate annuities in accordance with the relevant PRC regulations.

#### (17) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all the attaching conditions will be complied with. Where the Group receives grants of monetary assets, the grants are recorded at the amount received or receivable. Where the Group receives grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets. When fair value cannot be reliably measured, they are recognised at nominal amount.

Government grants for purchasing, building or other development of long-term assets regulated in government documents are recognised as government grants related to assets. Judgments should be made based on the necessary basic conditions for obtaining the government grants when government documents are unclearly stated. Government grants with purchasing, building or other development of long-term assets as basic condition are recognised as government grants related to assets, and the remaining type of grants are recognised as related to income.

Government grants related to income which are to compensate relevant expenditures or losses in future periods are recognised as deferred income and released to profit or loss during the period when the expense is incurred. Government grants that are to compensate the incurred expenses or losses are recognised into profit or loss directly. Government grants related to assets are recognised as deferred income, and released to profit or loss over the expected useful life of the relevant assets by equal annual instalments. Government grants measured at nominal amount are recorded into profit or loss directly.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (18) Leases

##### *As a lessee*

##### *(a) Initial measurement of the right-of-use asset and lease liability*

##### *Initial measurement of the right-of-use asset*

The right-of-use asset is defined as the right of underlying assets in the lease term for the Group as a lessee. The lease term is defined as the non-cancellable period of the lease for the Group as a lessee.

At the commencement date, a lessee shall measure the right-of-use asset at cost. The cost of the right-of-use asset shall comprise:

- (i) the amount of the initial measurement of the lease liability;
- (ii) any lease payments made at or before the commencement date, less any lease incentives received;
- (iii) any initial direct costs incurred by the lessee; and
- (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Initial direct costs are defined as incremental costs that would not have been incurred if a lease had not been obtained.

##### *Initial measurement of the lease liability*

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date.

The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

The lessee uses as the discount rate the interest rate implicit in the lease – this is the rate of interest that causes the present value of lease payments and the unguaranteed residual value to equal the sum of the fair value of the underlying asset and any initial direct costs of the lessor.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (18) Leases *(Continued)*

##### *As a lessee (Continued)*

##### *(b) Subsequent measurement of the right-of-use asset and lease liability*

###### *Subsequent measurement of the right-of-use asset*

At the commencement date, the Group as a lessee shall measure the right-of-use asset at cost and apply the depreciation requirements in IAS 16 Property and equipment in depreciating the right-of-use asset. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the lessee shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. When the recoverable amount is less than the book value of the right-to-use assets, the Group shall write down its book value to the recoverable amount.

###### *Subsequent measurement of the lease liability*

After the commencement date, the Group shall recognise interest on the lease liability in profit or loss. Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

##### *(c) Recognition of short-term leases and leases for which the underlying asset is of low value*

Short-term leases are defined as leases with a lease term of less than 12 months from the commencement date. Leases for which the underlying asset is of low value are defined as underlying assets of low value when new. The right-of-use asset and lease liability are not recognised by the Group for short-term leases and leases for which the underlying asset is of low value. The lessee shall recognise the lease payments associated with those leases as an expense.

#### (19) Inventories

Inventories are recognised at cost for initial recognition. The cost of inventories comprises all costs of purchase, costs of conversion and other costs.

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. When net realisable value is lower than the carrying amount, the Group decreases the carrying amount to net realisable value. The decreased amount is recognised in profit or loss and corresponding allowance is made.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and related taxes.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (20) Impairment of goodwill

The Group assesses goodwill acquired from business combination, no matter there is objective evidence of impairment or not, impairment should be assessed at each annual financial reporting date.

The recoverable amount is the higher of an asset's fair value less costs of disposal and the present value of the estimated future cash flow expected to be derived from the asset. The Group estimates the recoverable amount on the basis of individual asset. When it is difficult to estimate the recoverable amount individually, the recoverable value of the cash generating units to which the asset belongs will be estimated. The recognition of a group of assets shall base on whether the main cash flow generated by the Group of assets is independent from those generated by other assets or groups of assets.

When recoverable amounts of assets or groups of assets are lower than their carrying amounts, the Group decreases their carrying amount to recoverable amount. The decreased amounts are recognised in profit or loss and corresponding allowances are made.

For impairment test of goodwill, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units when being unable to be allocated to each of the cash-generating units. Cash-generating units or groups of cash-generating units refer to those that can benefit from the synergies of the combination and are not larger than the reportable segment determined by the Group.

When performing impairment test for the (groups of) cash-generating unit to which goodwill is allocated, the Group firstly tests the (groups of) cash-generating unit excluding goodwill, calculates the recoverable amount and recognises relevant impairment losses. The Group then tests the (groups of) cash-generating units including goodwill, and compares the carrying amount and recoverable amount. If the carrying amount exceeds the recoverable amount, the amount of impairment loss is firstly deducted from the carrying amount of goodwill allocated to the (groups of) cash-generating unit, and then from the carrying amount of each of other assets (other than goodwill) within the (groups of) cash-generating unit, on a pro rata basis. An impairment loss recognised for goodwill cannot be reversed in subsequent periods.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (21) Related parties

A party is considered to be related to the Group if:

**(a) *the party is a person or a close family member of that person and that person***

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

**(b) *the party is an entity where any of the following conditions applies:***

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a); or
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).



# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (22) Provisions and contingencies

The obligation pertinent to contingencies shall be recognised as provisions when the following conditions are satisfied concurrently:

- (i) the obligation is a present obligation of the Group;
- (ii) the obligation is probable to cause a future outflow of resources from the Group as a result of performance of the obligation; and
- (iii) the amount of the obligation can be reliably measured.

The amount of a provision is initially measured in accordance with the best estimate of the necessary expenses for the performance of the current obligation. To determine the best estimate, the Group takes into full consideration of risks, uncertainty, time value of money and other factors pertinent to the contingencies. The Group reviews the book value of the provisions at the end of the reporting period. If there is substantial evidence that the amount of provisions cannot actually reflect the current best estimate, the Group will adjust the amount in accordance with the current best estimate.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or, a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

#### (23) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, and non-current assets are not depreciated or amortised. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset is recognised at the date of derecognition.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (24) Perpetual bonds

Perpetual bonds issued by the Group, which satisfied with the following criteria are classified as equity instruments:

- (i) Financial instruments exclude those are settled on a net basis in cash (or other financial assets);
- (ii) Financial instruments must or can be settled on own equity: (a) For non-derivative contracts, they exclude those are settled gross by delivery of a variable number of own shares; (b) Derivative contracts that result in the delivery of a fixed amount of cash or other financial assets for a fixed number of an entity's own equity instruments.

Dividends for the perpetual bonds, which are classified as equity instruments, are accounted for as profit distribution.

#### (25) Profit distribution

After-tax profit for the year is firstly applied to make up for the losses of previous years. Secondly, the Company sets aside 10% of after-tax profit for a statutory reserve under surplus reserves, 10% of after-tax profit for a general risk reserve under general reserves, and according to the requirements of the CSRC, sets aside 10% of after-tax profit for a transaction risk reserve under general reserves.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these judgements assumptions and estimates could result in outcomes that could require an adjustment to the carrying amounts of the assets or liabilities.

#### (1) Income tax

Determining provisions for income tax requires the Group to estimate the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions in accordance with prevailing tax regulations and provides for taxes accordingly. In addition, deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. This requires significant judgement of the tax treatments of certain transactions and significant estimation of the probability that adequate future taxable profits will be available for the deferred income tax assets to be recovered.

#### (2) Fair value of financial instruments

If the market for a financial instrument is not active, the Group estimates fair value by using a valuation technique. Valuation techniques include using recent prices in arm's length market transactions between knowledgeable and willing parties, if available, reference to the current fair value of another instrument that is substantially the same, or discounted cash flow analyses and option pricing models. To the extent practicable, valuation technique makes the maximum use of observable market inputs. However, where observable market inputs are not available, management needs to make estimates and use alternatives on such unobservable market inputs.

#### (3) Consolidation of structured entities

Management makes significant judgment on whether the Group controls and therefore is required to consolidate its structured entities. The decision outcome impacts the financial and operational results of the Group.

When assessing control, the Group considers: 1) the level of power of the Group over the investee; 2) variable returns gained through participation of relevant activities of the investee; and 3) the ability of the Group in using its power over the investee to affect its return.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

#### (3) Consolidation of structured entities *(Continued)*

When assessing the level of power over the structured entities, the Group considers the following four aspects:

- (i) the degree of participation when establishing the structured entities;
- (ii) contractual arrangements;
- (iii) activities that take place only at special occasions or events;
- (iv) commitments made to the investee from the Group.

When assessing whether there is control over the structured entities, the Group also considers whether it's acting as a principal or as an agent. Aspects of considerations normally include the decision-making power over the structured entities, substantive rights enjoyed by the other third parties, level of reward to the Group, and exposure to variable risks and returns from owning other benefits of the structured entities.

#### (4) Measurement of the expected credit loss allowance

##### *Expected credit loss measurement*

The measurement of the expected credit loss allowance for debt instruments measured at amortised cost and FVOCI is an area that requires the use of models and assumptions about future economic conditions and credit behaviour of the client (such as the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring expected credit losses (ECL), such as:

- Determining criteria for significant increase in credit risk, definition of default and credit impairment;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Projection of macroeconomic variables for forward-looking scenarios.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

#### (4) Measurement of the expected credit loss allowance *(Continued)*

##### *Inputs, assumptions and estimation techniques*

The Group assesses ECL after taking into consideration of forward looking factors. For debt securities investments, ECL are the discounted product of the Probability of Default (“PD”), Exposure at Default (“EAD”), and Loss Given Default (“LGD”). For margin accounts, stock-pledged reverse repurchase agreements, ECL are the discounted product of the EAD and Loss Ratio (“LR”).

##### *Forward-looking information incorporated in the ECL model*

A pervasive concept in measuring ECL in accordance with IFRS9 is that it should consider forward-looking information. The assessment of significant increase in credit risk and the calculation of ECL both incorporated forward-looking information. The Group has performed historical data and identified the key economic variables impacting credit risk and ECL for each financial instrument portfolio. These economic variables and their associated impact on the PD vary by product type. The impact of these economic variables on the PD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates.

Details of the significant accounting judgements and estimates above please refer to Note 63.2.

#### (5) Classification of financial assets

When the Group determines the classification of financial assets, a number of significant judgements in the business model and the contractual cash flow characteristics of the financial assets are required.

Factors considered by the Group in determining the business model for a group of financial assets include past experience on how the cash flows for these assets were collected, how the asset’s performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

When the Group assesses whether the contractual cash flows of the financial assets are consistent with basic lending arrangements, the main judgements are described as below: whether the principal amount may change over the life of the financial asset (for example, if there are prepayments); whether the interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin and cost, associated with holding the financial asset for a particular period of time.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 5. SEGMENT REPORTING

Information reported to the Board of Directors, being the chief operating decision maker (hereinafter refer to as the “CODM”) of the Company, for the purposes of resource allocation and assessment of segment performance focuses on the nature of products sold and services provided by the Group, which is also consistent with the Group’s basis of organisation, whereby the businesses are organised and managed separately as individual strategic business units that offer different products and serve different markets. Segment information is measured in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to CODM, which are consistent with the accounting and measurement criteria in the preparation of the consolidated financial statements. The inter-segment revenue and expenses arising from internal use of funds are determined by internal transfer price. In 2024, the management of the Group began to allocate resources and assess the segment’s performance based on the updated operating segment classification. Comparative figures are re-presented accordingly.

Specifically, the Group’s reportable and operating segments are as follows:

- (a) The Wealth and Asset Management segment primarily includes services such as securities brokerage, financial products distribution, investment advisory services, margin financing and securities lending, futures business, and asset management services;
- (b) The Investment Banking and Alternative Investment segment includes equity underwriting and sponsorship, bond underwriting, financial advisory services, corporate diversified solutions, and alternative investment businesses;
- (c) The Institutional and Sales Trading segment consists of proprietary investments, client-driven businesses, market-making activities, research services, and custody services. Proprietary investments involve trading in equities, fixed income, commodities, and foreign exchange. Client-driven business includes OTC derivatives and FICC-based client services (Fixed Income, Currencies, and Commodities);
- (d) The International and Other Operations segment mainly focuses on international business conducted through overseas subsidiaries and platforms, including securities and futures brokerage, asset management, investment banking, and margin financing operations. Other non-core business activities are also included in this category.

Inter-segment transactions, if any, are conducted with reference to the prices charged to third parties and there was no change in the basis during the year of 2024 and 2023.

Segment profit/loss represents the profit earned/loss incurred by each segment without allocation of income tax expenses. This is the measure reported to CODM for the purposes of resource allocation and performance assessment.

Segment assets/liabilities are allocated to each segment. Inter-segment balances eliminations mainly include amount due from/to another segment arising from activities’ carried out by one segment for another segment.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 5. SEGMENT REPORTING *(Continued)*

The segment information provided to the CODM for the operating segments for the years ended 31 December 2024 and 2023 are as follows:

#### Operating segment

	Investment Wealth and asset management RMB'000	banking and alternative investment RMB'000	Institutional and sales trading RMB'000	International and other operations RMB'000	Segment total RMB'000	Eliminations RMB'000	Consolidated total RMB'000
<b>For the year ended 31 December 2024</b>							
<b>Segment revenue and results</b>							
Segment revenue and net investment gains	10,681,865	1,430,730	7,096,353	5,464,769	24,673,717	(4,200,562)	20,473,155
Segment other income, gains and losses, net	7,012,644	60,923	7,618	130,039	7,211,224	(772)	7,210,452
Segment revenue, other income and net gains and losses	17,694,509	1,491,653	7,103,971	5,594,808	31,884,941	(4,201,334)	27,683,607
Segment expenses	(16,734,070)	(982,626)	(4,227,476)	(5,575,962)	(27,520,134)	3,037,704	(24,482,430)
Segment results	960,439	509,027	2,876,495	18,846	4,364,807	(1,163,630)	3,201,177
Share of results of associates	(20,647)	(33,186)	-	511,910	458,077	-	458,077
Profit/(loss) before income tax	939,792	475,841	2,876,495	530,756	4,822,884	(1,163,630)	3,659,254
<b>Other segment information</b>							
Amounts included in the measure of segment profit or loss or segment assets:							
Depreciation and amortisation	438,594	45,185	55,872	259,656	799,307	-	799,307
Charge for impairment losses	577,313	20,977	66,740	10,984	676,014	-	676,014
Capital expenditure	443,953	100,061	8,259	849,026	1,401,299	-	1,401,299
<b>As at 31 December 2024</b>							
<b>Segment assets and liabilities</b>							
Segment assets	180,206,863	9,817,264	184,279,888	69,979,507	444,283,522	(26,547,147)	417,736,375
Segment liabilities	131,360,199	737,428	123,530,858	88,317,429	343,945,914	(7,609,355)	336,336,559

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 5. SEGMENT REPORTING *(Continued)*

#### Operating segment *(Continued)*

	Wealth and asset management RMB'000	Investment banking and alternative investment RMB'000	Institutional and sales trading RMB'000	International and other operations RMB'000	Segment total RMB'000	Eliminations RMB'000	Consolidated total RMB'000
<b>For the year ended 31 December 2023</b>							
<b>Segment revenue and results</b>							
Segment revenue and net investment gains	10,664,875	1,376,749	5,436,418	5,775,447	23,253,489	(4,503,220)	18,750,269
Segment other income, gains and losses, net	5,357,153	266,434	(68,341)	(28,126)	5,527,120	-	5,527,120
Segment revenue, other income and net gains and losses	16,022,028	1,643,183	5,368,077	5,747,321	28,780,609	(4,503,220)	24,277,389
Segment expenses	(15,334,854)	(1,258,998)	(4,285,914)	(4,303,616)	(25,183,382)	3,240,883	(21,942,499)
Segment results	687,174	384,185	1,082,163	1,443,705	3,597,227	(1,262,337)	2,334,890
Share of results of associates	(25,618)	521,143	59,883	(18,002)	537,406	46,844	584,250
Profit/(loss) before income tax	661,556	905,328	1,142,046	1,425,703	4,134,633	(1,215,493)	2,919,140
<b>Other segment information</b>							
Amounts included in the measure of segment profit or loss or segment assets:							
Depreciation and amortisation	420,007	54,820	59,925	280,415	815,167	-	815,167
Charge for impairment losses	1,224,629	(2)	24,398	3,121	1,252,146	-	1,252,146
Capital expenditure	1,071,330	45,931	210	273,751	1,391,222	-	1,391,222
<b>As at 31 December 2023</b>							
<b>Segment assets and liabilities</b>							
Segment assets	173,897,348	11,023,581	166,506,084	56,899,948	408,326,961	(24,636,499)	383,690,462
Segment liabilities	121,707,979	846,187	112,149,190	75,262,126	309,965,482	(5,035,217)	304,930,265

The Group's non-current assets are mainly located in the PRC (country of domicile). The Group's revenue is substantially derived from its operations in the PRC.

The Group has no single customer which contributes to 10 percent or more of the Group's revenue for the years ended 31 December 2024 and 2023.



# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 6. COMMISSION AND FEE INCOME

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Commission on securities broking, dealing and handling fee income	<b>2,219,315</b>	2,312,609
Commission on futures and options contracts broking, dealing and handling fee income	<b>4,667,838</b>	3,604,536
Asset and fund management fee income	<b>1,402,031</b>	2,267,880
Underwriting, sponsors and financial advisory fee income	<b>1,250,686</b>	1,599,352
Consultancy fee income	<b>82,558</b>	72,808
Other	<b>365,717</b>	441,151
<b>Total</b>	<b>9,988,145</b>	10,298,336

The major business types of commission and fee income from customers are as follows:

#### (1) Brokerage

The Group provides broking, dealing and handling services for securities, futures and options contracts. Commission income is recognised at a point in time on the execution date of the trades at a certain percentage of the transaction value of the trades executed.

#### (2) Asset management

The Group provides asset management service on diversified and comprehensive investment products to customers. The customers simultaneously receive and consume the benefit provided by the Group, hence the revenue is recognised as a performance obligation satisfied over time. For some products, the Group may also be entitled to a performance fee when meeting certain criteria for the relevant performance period and it is recognised at the end of the relevant performance period, when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and when the uncertainty associated with the variable consideration is subsequently resolved.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 6. COMMISSION AND FEE INCOME *(Continued)*

#### (3) Investment Banking

The Group provides placing, underwriting or sub-underwriting services to customers for their fund raising activities in equity and debt capital markets, and structured products arrangement services. Revenue is recognised at a point in time when the relevant placing, underwriting, sub-underwriting or structured products arrangement activities are completed. The Group also provides sponsoring services to clients for their fund raising activities and corporate advisory services to corporate clients for their corporate actions. The revenue is recognised over time.

Most contracts with customers have original expected duration of less than one year and therefore information about their remaining performance obligations is not disclosed.

### 7. INTEREST INCOME

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Interest income from advances to customers	1,115,523	1,144,068
Interest income from reverse repurchase agreements	97,176	491,316
Interest income from deposits with exchanges and financial institutions	1,524,216	1,598,262
Interest income from debt instruments measured at amortised cost	47,720	83,059
Interest income from debt instruments at FVOCI	2,773,761	2,739,661
Other interest income	479	7,798
<b>Total</b>	<b>5,558,875</b>	<b>6,064,164</b>

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 8. NET INVESTMENT GAINS

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Net realised gains from disposal of debt instruments at FVOCI	2,344,206	842,475
Net realised gains from disposal of financial assets at FVTPL	2,270,774	235,705
Net realised losses arising from financial liabilities at FVTPL	(898,989)	(600,363)
Net realised losses from disposal of subsidiaries and associates	(18,900)	(1,891)
Net realised gains arising from disposal of debt instrument measured at amortised cost	–	9,421
Net realised losses arising from derivative financial instruments	(1,193,464)	(1,065,583)
Dividend income from equity instruments at FVOCI		
– relating to investments derecognised during the year	12,020	30,171
– relating to investments held at the end of the reporting period	668,308	370,849
Dividend income and interest income from financial assets at FVTPL	2,192,214	2,138,675
Unrealised fair value change of financial assets at FVTPL	574,952	77,782
Unrealised fair value change of financial liabilities at FVTPL	(80,310)	(54,236)
Unrealised fair value change of derivative financial instruments	(944,676)	404,764
Total	4,926,135	2,387,769

### 9. OTHER INCOME, GAINS AND LOSSES, NET

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Bulk commodity trading income	6,878,352	5,197,756
Government grants	165,321	201,633
Foreign exchange gains/losses, net	59,525	(57,866)
Rental income	5,647	4,476
Other	101,607	181,121
Total	7,210,452	5,527,120

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 10. DEPRECIATION AND AMORTISATION

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Depreciation of property and equipment	281,948	294,880
Depreciation of right-of-use assets	359,821	360,732
Depreciation of investment properties	1,467	8,076
Amortisation of other intangible assets	156,071	145,710
Total	799,307	809,398

### 11. STAFF COSTS

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Salaries, bonus and allowances	4,059,924	3,619,421
Social welfare	849,172	782,336
Contributions to annuity schemes	122,631	163,047
Total	5,031,727	4,564,804

*Note:* The domestic employees of the Group in the PRC participate in state-managed retirement benefit schemes operated by the respective local government in the PRC. The Group also operates a Mandatory Provident Fund Scheme for all qualified employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. Apart from participating in various defined contribution retirement benefit plans organised by municipal and provincial governments in Mainland China, the Group is also required to make monthly contributions to annuity schemes at fixed rates of the employees' salary and bonus for the period. The Group's contributions to these pension plans are charged to profit or loss in the period to which they relate.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 12. COMMISSION AND FEE EXPENSES

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Securities and futures broking and dealing expenses	4,376,159	3,136,192
Underwriting, sponsors and financial advisory fee expenses	82,401	89,046
Other service expenses	94,882	138,502
Total	4,553,442	3,363,740

### 13. INTEREST EXPENSES

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Debt securities issued	1,933,895	2,143,252
Repurchase agreements	1,515,037	1,494,077
Placements from banks and financial institutions	501,665	358,652
Borrowings	87,539	55,595
Account payables to brokerage clients	84,673	117,953
Short-term debt instruments	80,810	110,438
Lease liabilities	33,926	19,860
Total	4,237,545	4,299,827

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 14. OTHER OPERATING EXPENSES

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Bulk commodity trading expenses	<b>7,018,015</b>	5,193,403
Products distribution expenses	<b>431,463</b>	636,743
Electronic equipment operating expenses	<b>371,702</b>	371,302
Administrative expenses	<b>259,003</b>	329,018
Communication expenses	<b>255,322</b>	215,813
Sundry expenses	<b>200,251</b>	184,776
Stock exchange management fees	<b>137,772</b>	120,187
Advisory expenses	<b>118,173</b>	161,175
Business travel expenses	<b>110,866</b>	142,892
Tax and surcharges	<b>86,588</b>	83,604
Entertainment expenses	<b>70,810</b>	113,400
Securities and futures investor protection funds	<b>56,431</b>	54,664
Donation	<b>23,950</b>	25,715
Auditor's remuneration	<b>11,378</b>	8,219
Short-term leases and low value assets rental expenses	<b>10,835</b>	10,183
Other	<b>21,836</b>	1,490
<b>Total</b>	<b>9,184,395</b>	7,652,584

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 15. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Expected credit losses in respect of		
– Reverse repurchase agreements	387,807	990,715
– Advances to customers	732	2,471
– Account receivables and other receivables	3,271	10,396
– Debt instruments at FVOCI	69,509	26,666
– Debt instruments measured at amortised cost	9	(49)
Total	461,328	1,030,199

### 16. INCOME TAX EXPENSE

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Current tax:		
– PRC Enterprise Income Tax	271,943	466,980
– Hong Kong Profits Tax	11,178	–
Total	283,121	466,980
Adjustments in respect of current income tax in relation to prior years:		
– PRC Enterprise Income Tax	11,326	20,226
Deferred tax	14,360	(324,670)
Total	308,807	162,536

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 16. INCOME TAX EXPENSE *(Continued)*

Under the Enterprise Income Tax of the PRC (the “EIT Law”) and the Implementation Regulation of the EIT Law, the tax rate of the Group’s PRC subsidiaries is 25% for both years.

For the Company’s subsidiaries in Hong Kong, Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits for the year.

The income tax expense for the year can be reconciled to the profit before income tax as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Profit before income tax	3,659,254	2,919,140
Tax at the statutory tax rate of 25%	914,814	729,785
Effect of share of results of associates	(152,899)	(142,633)
Adjustments for prior years	11,326	20,226
Tax effect of expenses not deductible for tax purpose	53,926	65,756
Tax effect of income not taxable for tax purpose <i>(Note a)</i>	(527,499)	(493,427)
Tax effect of deductible temporary differences and tax losses not recognised	150,576	59,655
Utilisation of tax losses previously not recognised	(13,028)	(38,582)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(10,234)	21,131
Other <i>(Note b)</i>	(118,175)	(59,375)
Income tax expense for the year	308,807	162,536

*Note a:* Income not taxable for tax purpose mainly includes interest income from government bonds.

*Note b:* According to the announcement on corporate income tax policy of perpetual bonds (Announcement No. 64, 2019 of the Ministry of Finance and the State Taxation Administration), when an enterprise issues perpetual bonds that meet specified conditions, the current year distribution attributable to perpetual bond paid by the issuer is allowed to be deducted for the purpose of enterprise income tax computation.



# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 17. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to the shareholders of the Company is as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Earnings for the purpose of basic earnings per share:		
Profit for the year attributable to equity holders of the Company	<b>3,350,208</b>	2,753,755
Less: profit attributable to holders of perpetual subordinated bond	<b>(237,500)</b>	(237,500)
Subtotal	<b>3,112,708</b>	2,516,255
Number of shares (in thousand):		
Number of issued shares on 1 January	<b>8,463,159</b>	8,496,645
Effect of A share and H share rights issue	–	–
Effect of treasury stock ( <i>Note 51</i> )	<b>(1,244)</b>	(4,625)
Weighted average number of ordinary shares in issue	<b>8,461,915</b>	8,492,020
Basic earnings per share (RMB Yuan)	<b>0.37</b>	0.30

There were no potential dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023, thus no diluted earnings per share is presented.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 18. CASH AND BANK BALANCES

	As at 31 December	
	2024 RMB'000	2023 RMB'000
House accounts	<b>19,127,541</b>	21,115,779
including: restricted bank deposits ( <i>Note a</i> )	<b>2,095,282</b>	1,480,962
Cash held on behalf of clients ( <i>Note b</i> )	<b>83,965,560</b>	82,977,363
<b>Total</b>	<b>103,093,101</b>	104,093,142

Cash and bank balances comprise cash on hand and demand deposits which bear interest at the prevailing market rates.

*Note a:* The restricted bank deposits as of 31 December 2024 and 31 December 2023 included risk reserve bank deposits and margin on notes payable.

*Note b:* The Group maintains bank accounts to hold customers' deposits arising from normal business transactions. The Group has recognised the corresponding amount in account payables to brokerage clients (*Note 42*).

### 19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Cash and bank balances	<b>19,064,050</b>	21,083,116
Clearing settlement funds	<b>7,741,316</b>	6,654,860
Less: clearing settlement funds of Orient Securities Futures Co., Ltd.	<b>(16,000)</b>	(8,000)
bank deposits with original maturity of more than three months	<b>(4,949,409)</b>	(3,158,778)
restricted bank deposits ( <i>Note 18</i> )	<b>(2,095,282)</b>	(1,480,962)
<b>Total</b>	<b>19,744,675</b>	23,090,236

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 20. CLEARING SETTLEMENT FUNDS

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Clearing settlement funds held with clearing houses for:		
House accounts	7,741,316	6,654,860
Clients	7,435,891	28,659,551
<b>Total</b>	<b>15,177,207</b>	<b>35,314,411</b>

## 21. DEPOSITS WITH EXCHANGES AND FINANCIAL INSTITUTIONS

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Trading deposits	26,331,883	404,519
Credit deposits	42,396	49,727
Performance bonds	1,280,086	2,787,301
<b>Total</b>	<b>27,654,365</b>	<b>3,241,547</b>

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 22. DERIVATIVE FINANCIAL INSTRUMENTS

	As at 31 December 2024		
	Notional amounts RMB'000	Fair Value	
		Assets RMB'000	Liabilities RMB'000
Hedging instruments			
– Currency derivatives			
Foreign exchange forward	–	–	–
Non-hedging instruments			
– Interest rate derivatives			
Interest rate swaps <sup>(i)</sup>	1,285,074,700	123,774	109,530
Treasury bond futures <sup>(ii)</sup>	50,406,459	–	4,383
Collar options	3,070,211	773	57,873
– Equity derivatives			
Stock index futures <sup>(iii)</sup>	11,411,133	–	–
Equity linked derivatives	5,622,847	410,504	25,773
Stock index options	3,756,767	23,084	109,391
Equity total return swap	5,262,757	72,157	239,300
– Credit derivatives			
Credit default swap	1,033,000	12,472	382
– Other derivative instruments			
Non-equity total return swap	6,142,612	28,082	37,559
Foreign exchange options <sup>(i)</sup>	9,602,268	–	62,268
Foreign exchange swaps <sup>(i)</sup>	52,222,313	18,375	3,421
Foreign exchange forward	2,876,689	273,937	153,016
Commodity futures <sup>(ii)</sup>	11,949,734	–	–
Gold swaps	5,436,650	2,689	–
Gold forwards	15,614,518	279,602	37,445
Gold deferred contracts <sup>(ii)</sup>	14,196	–	–
Commodity options	26,422,322	719,682	252,241
Standard bond forward <sup>(ii)</sup>	260,000	–	–
<b>Total</b>	<b>1,496,179,176</b>	<b>1,965,131</b>	<b>1,092,582</b>

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 22. DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

	As at 31 December 2023		
	Notional amounts RMB'000	Fair Value	
		Assets RMB'000	Liabilities RMB'000
Hedging instruments			
– Currency derivatives			
Foreign exchange forward	904,761	16,434	–
Non-hedging instruments			
– Interest rate derivatives			
Interest rate swaps <sup>(i)</sup>	870,815,000	26,770	16,812
Treasury bond futures <sup>(ii)</sup>	67,060,207	–	84
Collar options	7,371,130	13,694	64,510
– Equity derivatives			
Stock index futures <sup>(iii)</sup>	10,892,190	–	301
Equity linked derivatives	29,870,989	1,102,221	198,154
Stock index options	21,275,020	201,781	198,432
Equity total return swap	12,056,017	111,905	221,870
– Credit derivatives			
Credit default swap	1,339,000	17,365	314
– Other derivative instruments			
Non-equity total return swap	3,969,933	9,533	4,053
Foreign exchange options <sup>(i)</sup>	12,320,687	12,728	41,294
Foreign exchange swaps <sup>(i)</sup>	29,780,501	26,433	1,240
Foreign exchange forward	2,019,619	31,323	–
Commodity futures <sup>(ii)</sup>	29,572,761	–	–
Gold swaps	122,422	292	–
Gold forwards	4,959,508	248,764	–
Gold deferred contracts <sup>(ii)</sup>	480	–	–
Commodity options	15,792,613	58,407	127,138
Standard bond forward <sup>(ii)</sup>	10,000	–	–
<b>Total</b>	<b>1,120,132,838</b>	<b>1,877,650</b>	<b>874,202</b>

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 22. DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

- (i) Interest rate swaps, foreign exchange swaps and foreign exchange options: Daily mark-to-market settlement arrangement was implemented for some transactions of these derivatives. Any gains or losses of the Group's position in these transactions were settled daily.
- (ii) Treasury bond futures, commodity futures, gold deferred contracts and standard bond forward: Under the daily mark-to-market settlement arrangement, any gains or losses of the Group's position in these derivatives were settled daily and the corresponding receipts and payments were included in "clearing settlement funds", except that treasury bond futures in Hong Kong market is not under the daily mark-to-market settlement arrangement and is presented in gross.
- (iii) Stock index futures: Under the daily mark-to-market settlement arrangement, any gains or losses of the Group's position in stock index futures ("SIF") were settled daily and the corresponding receipts and payments were included in "clearing settlement funds", except that SIF in Hong Kong market is not under the daily mark-to-market settlement arrangement and is presented in gross.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 22. DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

Details of the Group's treasury bond futures, commodity futures, gold deferred contracts and standard bond forward are set out below:

	As at 31 December			
	2024		2023	
	Notional amount RMB'000	Fair value RMB'000	Notional amount RMB'000	Fair value RMB'000
Treasury bond futures	<b>50,406,459</b>	<b>11,553</b>	67,060,207	56,854
Less: settlement		<b>15,936</b>		56,938
Net position of treasury bond futures		<b>(4,383)</b>		(84)
Commodity futures	<b>11,949,734</b>	<b>102,489</b>	29,572,761	(2,723)
Less: settlement		<b>102,489</b>		(2,723)
Net position of commodity futures		-		-
Gold deferred contracts	<b>14,196</b>	<b>(89)</b>	480	53
Less: settlement		<b>(89)</b>		53
Net position of gold deferred contracts		-		-
Standard bond forward	<b>260,000</b>	<b>(192)</b>	10,000	366
Less: settlement		<b>(192)</b>		366
Net position of standard bond forward		-		-

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 22. DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

Details of the Group's interest rate swaps are set out below:

	As at 31 December			
	2024		2023	
	Notional amount RMB'000	Fair value RMB'000	Notional amount RMB'000	Fair value RMB'000
Interest rate swaps	<b>1,285,074,700</b>	<b>(826,638)</b>	870,815,000	(256,583)
Less: settlement		<b>(840,882)</b>		(266,541)
Net position of interest rate swaps		<b>14,244</b>		9,958

Details of the Group's foreign exchange swaps are set out below:

	As at 31 December			
	2024		2023	
	Notional amount RMB'000	Fair value RMB'000	Notional amount RMB'000	Fair value RMB'000
Foreign exchange swaps	<b>52,222,313</b>	<b>107,980</b>	29,780,501	41,286
Less: settlement		<b>93,026</b>		16,093
Net position of foreign exchange swap		<b>14,954</b>		25,193



# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 22. DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

Details of the Group's foreign exchange options are set out below:

	As at 31 December			
	2024		2023	
	Notional amount RMB'000	Fair value RMB'000	Notional amount RMB'000	Fair value RMB'000
Foreign exchange options	<b>9,602,268</b>	<b>(62,344)</b>	12,320,687	(28,587)
Less: settlement		<b>(76)</b>		(21)
Net position of foreign exchange options		<b>(62,268)</b>		(28,566)

Details of the Group's SIF are set out below:

	As at 31 December			
	2024		2023	
	Notional amount RMB'000	Fair value RMB'000	Notional amount RMB'000	Fair value RMB'000
SIF	<b>11,411,133</b>	<b>61,013</b>	10,892,190	(22,522)
Less: settlement		<b>61,013</b>		(22,221)
Net position of SIF		<b>-</b>		(301)

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 23. ADVANCES TO CUSTOMERS

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Loans to margin clients	28,060,402	21,127,701
Less: impairment allowance	(12,877)	(55,900)
Total	28,047,525	21,071,801

The credit facility limits to margin clients are determined by the discounted market value of the collateral securities accepted by the Group.

Loans to margin clients which are secured by the underlying pledged securities and cash collateral are interest bearing. The Group maintains a list of approved stocks for margin lending at a specified loan-to-collateral ratio. Any excess in the lending ratio will trigger a margin call when the customers have to make up the difference.

Advances to customers were secured by the customers' securities and cash collateral, which were pledged to the Group as collateral. The total undiscounted market values of collaterals held in clients' margin accounts in respect of margin financing business amounted to approximately RMB87,211 million as at 31 December 2024 (31 December 2023: RMB67,734 million).

The directors of the Company are of the opinion that the ageing analysis does not give additional value in view of the nature of margin financing business. As a result, no ageing analysis is disclosed.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 23. ADVANCES TO CUSTOMERS *(Continued)*

The following table shows reconciliation of loss allowances that has been recognised for advances to customers.

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2024	<b>2,034</b>	<b>430</b>	<b>53,436</b>	<b>55,900</b>
– Transfer to lifetime not credit-impaired	<b>(1)</b>	<b>1</b>	<b>–</b>	<b>–</b>
– Transfer to 12m ECL	<b>429</b>	<b>(429)</b>	<b>–</b>	<b>–</b>
– Impairment losses recognised/(reversed)	<b>123</b>	<b>93</b>	<b>516</b>	<b>732</b>
– Write off	<b>–</b>	<b>–</b>	<b>(44,171)</b>	<b>(44,171)</b>
– Foreign exchange differences	<b>14</b>	<b>–</b>	<b>402</b>	<b>416</b>
As at 31 December 2024	<b>2,599</b>	<b>95</b>	<b>10,183</b>	<b>12,877</b>

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2023	1,121	699	50,938	52,758
– Transfer to lifetime not credit-impaired	(11)	11	–	–
– Transfer to 12m ECL	74	(74)	–	–
– Impairment losses recognised/(reversed)	848	(206)	1,829	2,471
– Write off	–	–	–	–
– Foreign exchange differences	2	–	669	671
As at 31 December 2023	2,034	430	53,436	55,900

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 24. ACCOUNT RECEIVABLES

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Account receivables from/related to:		
– Clearing house	478,763	132,812
– Brokers	119,404	106,762
– Asset management fee and trading seats commission	295,631	391,594
– Advisory and investment banking commission	86,978	43,730
Subtotal	980,776	674,898
Less: impairment allowance	(7,412)	(4,139)
Total	973,364	670,759

Aging analysis of account receivables from the revenue recognition dates is as follows:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Within 1 year	959,172	652,356
Between 1 and 2 years	4,937	13,786
Between 2 and 3 years	6,490	4,617
Over 3 years	2,765	–
Total	973,364	670,759

The normal settlement terms of account receivables from clearing house and brokers are within three months after trading date. Trading limits are set for clients. Normal settlement terms of account receivables from asset management fee and trading seats commission, advisory and investment banking commission are determined in accordance with the contract terms, usually within three months after the service is provided.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 24. ACCOUNT RECEIVABLES *(Continued)*

The following table shows reconciliation of loss allowances that has been recognised for account receivables.

	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2024	3,471	668	4,139
– Impairment losses recognised	838	2,381	3,219
– Foreign exchange differences	5	49	54
As at 31 December 2024	4,314	3,098	7,412

	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2023	4,398	5,873	10,271
– Impairment losses reversed	(950)	(5,205)	(6,155)
– Foreign exchange differences	23	–	23
As at 31 December 2023	3,471	668	4,139

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 24. ACCOUNT RECEIVABLES *(Continued)*

The table below details the credit risk exposures of the Group's account receivables, which are subject to ECL assessment.

#### As at 31 December 2024

	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
Gross carrying amount	976,399	4,377	980,776

#### As at 31 December 2023

	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
Gross carrying amount	674,230	668	674,898

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 25. REVERSE REPURCHASE AGREEMENTS

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Analysed by collateral type:		
– Stock	3,128,897	6,469,633
– Bonds	3,350,182	3,857,202
– Other	2,470	–
Subtotal	6,481,549	10,326,835
Less: impairment allowance	(2,497,446)	(4,889,101)
Total	3,984,103	5,437,734
Analysed by market:		
– Stock exchange	3,829,101	8,334,166
– Inter-bank market	2,649,978	1,992,669
– Other	2,470	–
Less: impairment allowance	(2,497,446)	(4,889,101)
Total	3,984,103	5,437,734

The reverse repurchase agreements are those resale agreements that qualified investors entered into with the Group with a commitment to purchase the specified assets at a future date at an agreed price.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 25. REVERSE REPURCHASE AGREEMENTS *(Continued)*

The following tables show reconciliation of loss allowances that have been recognised for financial assets (collateralised by stock) held under resale agreements.

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2024	–	–	4,889,101	4,889,101
– Impairment losses recognised	–	–	387,807	387,807
– Transfer out	–	–	(2,714,462)	(2,714,462)
– Write off	–	–	(65,000)	(65,000)
As at 31 December 2024	–	–	2,497,446	2,497,446

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2023	–	–	4,930,159	4,930,159
– Impairment losses recognised	–	–	990,715	990,715
– Transfer out	–	–	(1,031,773)	(1,031,773)
– Write off	–	–	–	–
As at 31 December 2023	–	–	4,889,101	4,889,101



# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 25. REVERSE REPURCHASE AGREEMENTS *(Continued)*

The table below details the credit risk exposures of the Group's reverse repurchase agreements, which are subject to ECL assessment.

#### As at 31 December 2024

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
Item				
– Stock	–	–	3,128,897	3,128,897
– Bonds	3,350,182	–	–	3,350,182
– Other	2,470	–	–	2,470
Gross carrying amount	3,352,652	–	3,128,897	6,481,549

#### As at 31 December 2023

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
Item				
– Stock	–	–	6,469,633	6,469,633
– Bonds	3,857,202	–	–	3,857,202
– Other	–	–	–	–
Gross carrying amount	3,857,202	–	6,469,633	10,326,835

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Analysed by type:		
– Debt securities ( <i>Note a</i> )	<b>38,990,482</b>	44,260,049
– Equity securities	<b>7,142,556</b>	6,916,863
– Funds	<b>22,280,883</b>	15,938,601
– Other investments ( <i>Note b</i> )	<b>21,775,410</b>	29,954,131
<b>Total</b>	<b>90,189,331</b>	97,069,644
Analysed as:		
– Listed ( <i>Note c</i> )	<b>24,059,150</b>	21,239,787
– Unlisted ( <i>Note d</i> )	<b>66,130,181</b>	75,829,857
<b>Total</b>	<b>90,189,331</b>	97,069,644

*Note a:* Debt securities include convertible bonds with contractual terms giving rise to cash flows that are not solely payments of principal and interest on the principal outstanding. Accordingly, they are measured at FVTPL.

*Note b:* Other investments mainly represent investments in collective asset management schemes issued and managed by the Group, perpetual instruments, wealth management products issued by banks and targeted asset management schemes (or trust investments) managed by non-bank financial institutions.

*Note c:* Securities and funds traded on stock exchanges are included in the “Listed” category.

*Note d:* The unlisted debt securities and perpetual instruments were traded on inter-bank market.

As at 31 December 2024, the Group’s pledged collateral of bonds and funds included in FVTPL in connection with its repurchase agreements and securities borrowing amounted to RMB29,665 million (31 December 2023: RMB30,812 million) and RMB5,265 million (31 December 2023: RMB2,658 million), respectively.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 27. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Analysed by type:		
– Government bonds	27,245,279	37,329,351
– Bonds issued by policy banks	5,225,684	1,497,672
– Bonds issued by commercial banks and other financial institutions	6,415,593	3,406,222
– Other debt securities ( <i>Note a</i> )	71,633,355	48,580,468
<b>Total</b>	<b>110,519,911</b>	<b>90,813,713</b>
Analysed as:		
– Listed ( <i>Note b</i> )	57,438,259	49,568,073
– Unlisted ( <i>Note c</i> )	53,081,652	41,245,640
<b>Total</b>	<b>110,519,911</b>	<b>90,813,713</b>

*Note a:* Other debt securities mainly comprise bonds and notes issued by corporates.

*Note b:* Debt securities traded on stock exchanges are included in the “Listed” category.

*Note c:* The unlisted debt securities were traded on inter-bank market.

As at 31 December 2024, the Group’s pledged collateral of bonds included in debt instruments at FVOCI in connection with its repurchase agreements and securities borrowing amounted to RMB50,283 million (31 December 2023: RMB44,956 million) and RMB10,393 million (31 December 2023: RMB7,671 million), respectively.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 27. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME *(Continued)*

The following table shows reconciliation of loss allowances that have been recognised for debt instruments at FVOCI.

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2024	<b>21,694</b>	–	<b>152,428</b>	<b>174,122</b>
– Transfer to lifetime not credit-impaired	–	–	–	–
– Transfer to lifetime credit-impaired	–	–	–	–
– Impairment losses recognised	<b>56,958</b>	–	<b>12,551</b>	<b>69,509</b>
– Write off	–	–	<b>(375)</b>	<b>(375)</b>
– Foreign exchange differences	<b>49</b>	–	–	<b>49</b>
As at 31 December 2024	<b>78,701</b>	–	<b>164,604</b>	<b>243,305</b>

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2023	18,187	–	235,431	253,618
– Transfer to lifetime not credit-impaired	(13)	13	–	–
– Transfer to lifetime credit-impaired	–	(4,650)	4,650	–
– Impairment losses recognised	3,645	4,637	18,384	26,666
– Write off	–	–	(106,037)	(106,037)
– Foreign exchange differences	(125)	–	–	(125)
As at 31 December 2023	21,694	–	152,428	174,122

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 27. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME *(Continued)*

The table below details the credit risk exposures of the Group's debt instruments at FVOCI, which are subject to ECL assessment.

#### As at 31 December 2024

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
Gross carrying amount	110,538,350	–	224,716	110,763,066

#### As at 31 December 2023

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
Gross carrying amount	90,644,003	–	288,918	90,932,921

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 28. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Analysed by type:		
– Equity securities ( <i>Note a</i> )	10,847,983	4,521,902
– Perpetual instruments ( <i>Note b</i> )	7,669,118	1,776,276
– Others	1,117,499	–
<b>Total</b>	<b>19,634,600</b>	6,298,178
Analysed as:		
– Listed ( <i>Note c</i> )	13,037,514	4,458,619
– Unlisted ( <i>Note d</i> )	6,597,086	1,839,559
<b>Total</b>	<b>19,634,600</b>	6,298,178

*Note a:* The above equity investments include those ordinary shares of the entities listed on the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Beijing Stock Exchange and the Hong Kong Stock Exchange and those equity securities traded on National Equities Exchange and Quotations (the “NEEQ”). These investments are not held for trading, instead, they are held for long-term strategic purposes. The Group has elected to designate these investments in equity instruments as at FVOCI as it believes that recognising short-term fluctuations in these investments’ fair value in profit or loss would not be consistent with the Group’s strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

Besides, some of the above equity investments represent the Group’s equity interests in private entities established in the PRC. The directors of the Company have elected to designate these investments in equity instruments as at FVOCI for the strategy of holding these investments for long-term purposes.

In the current year, the Group disposed of certain investments in equity securities traded on the equity investments listed on stock exchanges as these investments no longer meet the investment objective of the Group.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 28. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME *(Continued)*

*Note b:* Those perpetual instruments are equity instruments which are not held for trading. Instead, they are held for long-term strategic purposes. The Group has elected to designate these perpetual instruments as at FVOCI as it believes that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their dividend income in the long run. In 2024, the Group disposed of certain perpetual instruments as these investments no longer meet the investment objective of the Group.

*Note c:* Securities traded on stock exchanges are included in the "Listed" category.

*Note d:* The unlisted perpetual instruments were traded on inter-bank market.

As at 31 December 2024, the Group's perpetual instruments recorded in equity instruments at FVOCI pledged as collateral for the Group's repurchase agreements amounted to RMB1,668 million (31 December 2023: Nil) and for securities borrowing amounted to RMB950 million (31 December 2023: RMB51 million), respectively.

### 29. DEBT INSTRUMENTS MEASURED AT AMORTISED COST

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Analysed by type:		
– Government bonds	957,620	957,585
– Bonds issued by commercial banks and other financial institutions	440,548	440,417
– Other debt securities <i>(Note a)</i>	188,808	188,651
Less: impairment allowance	(71)	(62)
<b>Total</b>	<b>1,586,905</b>	1,586,591
Analysed as:		
– Listed <i>(Note b)</i>	1,146,357	279,498
– Unlisted <i>(Note c)</i>	440,548	1,307,093
<b>Total</b>	<b>1,586,905</b>	1,586,591

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 29. DEBT INSTRUMENTS MEASURED AT AMORTISED COST *(Continued)*

*Note a:* Other debt securities mainly comprise bonds and notes issued by corporates.

*Note b:* The debt securities traded on stock exchanges are included in the “Listed” category.

*Note c:* The unlisted debt securities were traded on inter-bank market.

The following table shows reconciliation of loss allowances that has been recognised for debt instruments measured at amortised cost.

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2024	62	–	–	62
– Impairment losses recognised	9	–	–	9
As at 31 December 2024	71	–	–	71

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2023	111	–	–	111
– Impairment losses reversed	(49)	–	–	(49)
As at 31 December 2023	62	–	–	62



# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 29. DEBT INSTRUMENTS MEASURED AT AMORTISED COST *(Continued)*

The table below details the credit risk exposures of the Group's debt instruments measured at amortised cost, which are subject to ECL assessment:

#### As at 31 December 2024

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
Gross carrying amount	1,586,976	–	–	1,586,976

#### As at 31 December 2023

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
Gross carrying amount	1,586,653	–	–	1,586,653

As at 31 December 2024, the Group pledged bonds included in debt instruments measured at amortised cost as collateral in connection with its repurchase agreements amounting to RMB1,398 million (31 December 2023: RMB1,581 million).

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 30. INVESTMENTS IN ASSOCIATES

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Cost of unlisted investments in associates	2,337,290	2,649,365
Share of post-acquisition profits and other comprehensive income, net of dividends received	4,199,279	4,001,777
Less: impairment allowance (Note a)	(408,446)	(397,168)
<b>Total</b>	<b>6,128,123</b>	<b>6,253,974</b>

Note a: The impairment allowance of investments in associates as at 31 December 2024 related to three associates invested by the Group. In 2024, there were indications of impairment for OCI International Holdings Limited as a result of the continued decline in its share price and the continued losses from operations. The impairment loss of the other two associates were not material. The Group performed impairment test for OCI International Holdings Limited by comparing its recoverable amounts with its carrying amount. A provision for impairment of approximately RMB124 million was made during the year ended 31 December 2024.

At the end of each reporting period, the Group had the following principal associates accounted for using the equity method:

Name of associates	Place and date of establishment	Equity interest held by the Group as at 31 December		Principal activities
		2024	2023	
匯添富基金管理股份有限公司 China Universal Asset Management Company Limited ("China Universal")	PRC 3 February 2005	35.41%	35.41%	Fund management
東證睿波(上海)投資中心(有限合夥) Orient Securities Ruibo (Shanghai) Investment Center LLP. <sup>(1)*</sup>	PRC 25 June 2015	55.63%	55.63%	Investment management
海寧東證藍海併購投資合夥企業 (有限合夥) Haining Orient Securities Lanhai Merger Investment Partnership LLP. *	PRC 13 July 2016	25.75%	25.75%	Investment management

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 30. INVESTMENTS IN ASSOCIATES (Continued)

Name of associates	Place and date of establishment	Equity interest held by the Group as at 31 December		Principal activities
		2024	2023	
東建國際控股有限公司 OCI International Holdings Limited	Cayman Islands 6 June 2015	<b>20.94%</b>	20.94%	Securities investment
誠泰融資租賃(上海)有限公司 Chengtay Financial Leasing (Shanghai) Co., Ltd.	PRC 11 September 2015	<b>20.19%</b>	20.19%	Leasing
宜興東證睿元股權投資合夥企業 (有限合夥) Yixing Orient Securities Ruiyuan Equity Investment Partnership LLP. <sup>(2)*</sup>	PRC 11 March 2020	<b>19.19%</b>	19.19%	Investment management
寧波梅山保稅港區東證夏德投資合夥企業(有限合夥) Ningbo Meishan Bonded Port Area Orient Securities Xiade Investment Partnership LLP. <sup>(2)*</sup>	PRC 11 February 2018	<b>18.89%</b>	18.89%	Investment management
南通東證富象股權投資中心 (有限合夥) Nantong Orient Securities Fuxiang Equity Investment Center LLP. <sup>(2)*</sup>	PRC 7 November 2017	<b>19.93%</b>	19.93%	Investment management
成都交子東方投資發展合夥企業 (有限合夥) Chengdu Jiaozi Oriental Investment Development Partnership LLP. <sup>(1)*</sup>	PRC 17 January 2020	<b>50.00%</b>	50.00%	Leasing and investment management

\* English translated names are for identification purpose only.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 30. INVESTMENTS IN ASSOCIATES *(Continued)*

- (1) Although the Group's percentages of shareholdings in these investees are 50% or more, they are accounted for as associate as the Group only has significant influence over these investees due to the relevant arrangements stipulated in the articles of association or other agreements.
- (2) Although the Group's percentages of shareholdings in these investees are lower than 20%, they are accounted for as associates as the Group has significant influence over these investees due to the relevant arrangements stipulated in the articles of association or other agreements.

The summarised consolidated financial information of China Universal, which is an individually significant associate to the Group that is accounted for using equity method, prepared in accordance with IFRS Accounting Standards, is set out below:

#### China Universal

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Total assets	14,352,665	13,936,772
Total liabilities	3,575,013	4,063,448
Net assets	10,777,652	9,873,324

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Total revenue	4,827,633	5,371,161
Profit for the year	1,547,141	1,415,499
Other comprehensive income	11,316	9,807
Total comprehensive income	1,558,457	1,425,306

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 30. INVESTMENTS IN ASSOCIATES *(Continued)*

#### China Universal *(Continued)*

Reconciliation of the above consolidated financial information to the carrying amount of the interest in above associate recognised in the consolidated financial statements:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Equity attributable to equity holders of the associate	10,777,652	9,873,324
Proportion of equity interests held by the Group	35.41%	35.41%
Carrying amount	3,816,237	3,496,013

Aggregate information of associates that are not individually material:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
The Group's share of (losses)/profits	(89,777)	83,021
The Group's share of other comprehensive income	(9,958)	1,045
The Group's share of total comprehensive income	(99,735)	84,066
Aggregate carrying amount of the Group's interests in these associates	2,311,887	2,757,961

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 31. INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

#### 31.1 Structured entities set up and managed by the Group

The Group served as the investment manager of structured entities (including funds, collective asset management schemes and limited partnerships), therefore had power over them during the years ended 31 December 2024 and 2023. Except for the structured entities the Group has consolidated as disclosed in Note 36, based on management assessment, these structured entities are not controlled by the Group. The Group therefore did not consolidate these structured entities.

The total net assets of unconsolidated funds, asset management schemes and limited partnership set up and managed by the Group amounted to RMB247,085 million as at 31 December 2024 (31 December 2023: RMB257,708 million). The relating asset and fund management fee income for the year ended 31 December 2024 amounted to RMB1,402 million (31 December 2023: RMB2,268 million). The Group classified the investments in unconsolidated funds, asset management schemes and limited partnership as financial assets at FVTPL and investments in associates as at 31 December 2024 and 2023. As at 31 December 2024, the carrying amount of the Group's interests in unconsolidated funds, asset management schemes and limited partnership were RMB3,000 million (31 December 2023: RMB3,846 million), which approximates the maximum risk exposure of the Group.

The table below shows the carrying amount of unconsolidated funds, asset management schemes and limited partnership in which the Group acted as investment manager and held interests and its maximum exposure to loss in relation to those interests as at 31 December 2024 and 2023.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 31. INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES *(Continued)*

#### 31.1 Structured entities set up and managed by the Group *(Continued)*

As at 31 December 2024

	Carrying amount RMB'000	Maximum loss exposure RMB'000
Financial assets at fair value through profit or loss	2,392,114	2,392,114
Investments in associates	607,897	607,897
Total	3,000,011	3,000,011

As at 31 December 2023

	Carrying amount RMB'000	Maximum loss exposure RMB'000
Financial assets at fair value through profit or loss	2,951,495	2,951,495
Investments in associates	894,634	894,634
Total	3,846,129	3,846,129

#### 31.2 Structured entities set up and managed by third party institutions in which the Group holds an interest

The types of structured entities that the Group does not consolidate but in which it holds an interest mainly include funds, asset management schemes, limited partnership, trust schemes and wealth management products issued by banks or other financial institutions. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These vehicles are financed through the issue of units to investors.

The table below shows the carrying amount of unconsolidated funds, asset management schemes, limited partnership, trust schemes and wealth management products in which the third party acted as investment manager and the Group held interests and its maximum exposure to loss in relation to those interests as at 31 December 2024 and 2023.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 31. INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES *(Continued)*

#### 31.2 Structured entities set up and managed by third party institutions in which the Group holds an interest *(Continued)*

**As at 31 December 2024**

	Carrying amount RMB'000	Maximum loss exposure RMB'000
Financial assets at fair value through profit or loss	37,295,103	37,295,103
Investments in associates	139,920	139,920
<b>Total</b>	<b>37,435,023</b>	<b>37,435,023</b>

**As at 31 December 2023**

	Carrying amount RMB'000	Maximum loss exposure RMB'000
Financial assets at fair value through profit or loss	35,120,650	35,120,650
Investments in associates	161,385	161,385
<b>Total</b>	<b>35,282,035</b>	<b>35,282,035</b>



# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 32. RIGHT-OF-USE ASSETS

	Buildings RMB'000	Motor Vehicles RMB'000	Total RMB'000
<b>COST</b>			
As at 1 January 2024	1,811,158	5,597	1,816,755
Additions	1,052,958	6,289	1,059,247
Deductions	(918,986)	(7,731)	(926,717)
Exchange difference	1,075	–	1,075
As at 31 December 2024	1,946,205	4,155	1,950,360
<b>ACCUMULATED DEPRECIATION</b>			
As at 1 January 2024	1,255,383	4,038	1,259,421
Charge for the year	356,924	2,897	359,821
Deductions	(736,447)	(5,251)	(741,698)
Exchange difference	393	–	393
As at 31 December 2024	876,253	1,684	877,937
<b>CARRYING AMOUNT</b>			
As at 1 January 2024	555,775	1,559	557,334
As at 31 December 2024	1,069,952	2,471	1,072,423

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 32. RIGHT-OF-USE ASSETS *(Continued)*

	<b>Buildings</b>	<b>Motor</b>	<b>Total</b>
	<b>RMB'000</b>	<b>Vehicles</b>	<b>RMB'000</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>COST</b>			
As at 1 January 2023	1,655,000	6,111	1,661,111
Additions	297,345	323	297,668
Deductions	(142,076)	(837)	(142,913)
Exchange difference	889	–	889
As at 31 December 2023	1,811,158	5,597	1,816,755
<b>ACCUMULATED DEPRECIATION</b>			
As at 1 January 2023	1,017,736	3,460	1,021,196
Charge for the year	365,276	1,225	366,501
Deductions	(128,355)	(647)	(129,002)
Exchange difference	726	–	726
As at 31 December 2023	1,255,383	4,038	1,259,421
<b>CARRYING AMOUNT</b>			
As at 1 January 2023	637,264	2,651	639,915
As at 31 December 2023	555,775	1,559	557,334

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 32. RIGHT-OF-USE ASSETS *(Continued)*

For the year ended 31 December 2024, total cash outflow for leases amounted to RMB412,283 thousand (31 December 2023: RMB411,652 thousand).

In addition, lease liabilities of RMB1,058,950 thousand were recognised as at 31 December 2024 (31 December 2023: RMB547,475 thousand) (Note 48). Interest expenses of lease liabilities are set out in Note 13. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

As at 31 December 2024 and 2023, the Group did not enter into leases that were not yet commenced.

### 33. INVESTMENT PROPERTIES

	As at 31 December	
	2024 RMB'000	2023 RMB'000
<b>COST</b>		
At beginning of the year	189,595	286,502
Transfer during the year	4,607	–
Disposal	(144,208)	(96,907)
At end of the year	49,994	189,595
<b>ACCUMULATED DEPRECIATION</b>		
At beginning of the year	24,182	20,919
Charge for the year	1,467	8,076
Transfer during the year	3,192	–
Disposal	(9,783)	(4,813)
At end of the year	19,058	24,182
<b>CARRYING VALUES</b>		
At beginning of the year	165,413	265,583
At end of the year	30,936	165,413

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 34. PROPERTY AND EQUIPMENT

	Leasehold land and buildings RMB'000	Electronic and communication equipment RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
<b>COST</b>							
As at 1 January 2024	1,885,041	1,177,282	39,832	158,691	701,085	765,409	4,727,340
Additions	3,575	56,540	550	6,105	9,927	78,672	155,369
Disposals	-	(59,093)	(4,564)	(9,247)	-	-	(72,904)
Transfer during the year	(4,607)	41,526	-	1,731	26,242	(71,925)	(7,033)
Exchange difference	-	293	-	39	-	46	378
As at 31 December 2024	1,884,009	1,216,548	35,818	157,319	737,254	772,202	4,803,150
<b>ACCUMULATED DEPRECIATION</b>							
As at 1 January 2024	386,315	872,014	33,927	113,694	582,021	-	1,987,971
Additions	64,066	140,923	2,106	14,429	64,721	-	286,245
Disposals	(3,192)	(57,240)	(4,428)	(8,565)	-	-	(73,425)
Exchange difference	-	237	-	17	(91)	-	163
As at 31 December 2024	447,189	955,934	31,605	119,575	646,651	-	2,200,954
<b>CARRYING VALUES</b>							
As at 31 December 2024	1,436,820	260,614	4,213	37,744	90,603	772,202	2,602,196
As at 31 December 2023	1,498,726	305,268	5,905	44,997	119,064	765,409	2,739,369

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 34. PROPERTY AND EQUIPMENT (Continued)

	Leasehold land and buildings RMB'000	Electronic and communication equipment RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
<b>COST</b>							
As at 1 January 2023	1,885,041	1,096,348	43,720	146,581	661,868	36,304	3,869,862
Additions	-	40,519	256	16,696	38,906	810,895	907,272
Disposals	-	(39,926)	(4,426)	(6,166)	-	-	(50,518)
Transfer during the year	-	80,056	273	1,505	-	(81,834)	-
Exchange difference	-	285	9	75	311	44	724
As at 31 December 2023	1,885,041	1,177,282	39,832	158,691	701,085	765,409	4,727,340
<b>ACCUMULATED DEPRECIATION</b>							
As at 1 January 2023	321,392	770,940	35,404	90,545	521,114	-	1,739,395
Charge for the year	64,923	137,738	2,808	28,727	60,684	-	294,880
Eliminated on disposals	-	(36,878)	(4,294)	(5,634)	-	-	(46,806)
Exchange difference	-	214	9	56	223	-	502
As at 31 December 2023	386,315	872,014	33,927	113,694	582,021	-	1,987,971
<b>CARRYING VALUES</b>							
As at 31 December 2023	1,498,726	305,268	5,905	44,997	119,064	765,409	2,739,369
As at 31 December 2022	1,563,649	325,408	8,316	56,036	140,754	36,304	2,130,467

The carrying amount of the Group's property and equipment included leasehold interest in land. As the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, therefore, the entire property is classified as property and equipment.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 35. OTHER INTANGIBLE ASSETS

	Trading rights RMB'000	Computer software RMB'000	Data assets RMB'000	Total RMB'000
<b>COST</b>				
As at 1 January 2024	61,553	1,147,335	–	1,208,888
Additions	–	142,493	4,272	146,765
Disposals	–	(5,214)	–	(5,214)
Exchange difference	–	486	–	486
As at 31 December 2024	61,553	1,285,100	4,272	1,350,925
<b>ACCUMULATED DEPRECIATION</b>				
As at 1 January 2024	39,810	882,354	–	922,164
Charge for the year	–	155,904	167	156,071
Eliminated on disposals	–	(125)	–	(125)
Exchange difference	–	422	–	422
As at 31 December 2024	39,810	1,038,555	167	1,078,532
<b>CARRYING AMOUNT</b>				
As at 31 December 2024	21,743	246,545	4,105	272,393

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 35. OTHER INTANGIBLE ASSETS (Continued)

	Trading rights RMB'000	Computer software RMB'000	Total RMB'000
<b>COST</b>			
As at 1 January 2023	61,553	967,131	1,028,684
Additions	–	186,282	186,282
Disposals	–	(6,554)	(6,554)
Exchange difference	–	476	476
As at 31 December 2023	61,553	1,147,335	1,208,888
<b>ACCUMULATED DEPRECIATION</b>			
As at 1 January 2023	39,810	742,831	782,641
Charge for the year	–	145,710	145,710
Eliminated on disposals	–	(6,554)	(6,554)
Exchange difference	–	367	367
As at 31 December 2023	39,810	882,354	922,164
<b>CARRYING AMOUNT</b>			
As at 31 December 2023	21,743	264,981	286,724

Trading rights mainly comprise the trading rights in the Shanghai Stock Exchange, the Shenzhen Stock Exchange and the National Equities Exchange and Quotations, where the Group is allowed to trade securities and futures contracts.

#### Impairment testing on trading rights with indefinite useful lives

The trading rights held by the Group are considered by the directors of the Company as having indefinite useful lives because they are expected to contribute net cash inflows indefinitely. The trading rights will not be amortised until their useful life is determined to be finite. Instead, they will be tested for impairment annually, or whenever there is an indication that they may be impaired.

The respective recoverable amounts of the cash-generating unit relating to brokerage business whereby these trading rights are allocated to, using a value in use calculation, exceed their carrying amounts. Accordingly, the management of the Group determined that there was no impairment of the trading rights as at 31 December 2024 and 2023.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

At the end of each reporting period, the Company has the following subsidiaries comprising the Group:

Name of subsidiaries	Type of legal entity registered	Place of incorporation/ establishment/ operations	Equity interest held by the Group as at 31 December		Registered capital as at 31 December 2024	Principal activities
			2024	2023		
上海東證期貨有限公司 Orient Securities Futures Co., Ltd. <sup>(1)</sup>	Limited liability company	PRC	100.00%	100.00%	RMB4,800,000,000	Commodity futures brokerage, financial futures brokerage, and futures investment advisory
上海東祺投資管理有限公司 Shanghai Dongqi Investment Management Co., Ltd. *	Limited liability company	PRC	100.00%	100.00%	RMB250,000,000	Equity investment, investment management, and asset management
東證潤和資本管理有限公司 Orient Runhe Asset Management Co., Ltd. *	Limited liability company	PRC	100.00%	100.00%	RMB1,000,000,000	Equity investment, investment management, and asset management
上海東方證券資產管理有限公司 Shanghai Orient Securities Asset Management Co., Ltd. <sup>(1)</sup>	Limited liability company	PRC	100.00%	100.00%	RMB300,000,000	Securities asset management, securities investment, and fund management
上海東方證券資本投資有限公司 Orient Securities Capital Co., Ltd. <sup>(1)</sup>	Limited liability company	PRC	100.00%	100.00%	RMB4,000,000,000	Private equity investment, bond investment, and related investment advisory



# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Continued)*

Name of subsidiaries	Type of legal entity registered	Place of incorporation/ establishment/ operations	Equity interest held by the Group as at 31 December		Registered capital as at 31 December 2024	Principal activities
			2024	2023		
東方睿義(上海)投資管理有限公司 Orient Ruiyi (Shanghai) Investment Management Co., Ltd. *	Limited liability company	PRC	100.00%	100.00%	RMB1,350,000,000	Investment management and investment advisory
東方翌睿(上海)投資管理有限公司 Orient Securities Yirui (Shanghai) Investment Management Co., Ltd. *	Limited liability company	PRC	51.00%	51.00%	RMB2,000,000	Investment management, asset management, and industrial investment
誠麒環球有限公司 Chengqi Global Limited *	Limited liability company	British Virgin Islands ("BVI")	N/A	N/A	USD100	Equity investment and industrial investment
東方金融控股(香港)有限公司 Orient Finance Holdings (Hong Kong) Limited <sup>(1)</sup>	Limited liability company	Hong Kong	100.00%	100.00%	HKD2,754,078,015	Investment holding and provision of management services
Golden Power Group Limited	Limited liability company	BVI	100.00%	100.00%	USD100	Equity investment and industrial investment
東方證券(香港)有限公司 ORIENT SECURITIES (HONG KONG) LIMITED	Limited liability company	Hong Kong	100.00%	100.00%	HKD1,000,000,000	Securities brokerage
東方期貨(香港)有限公司 ORIENT FUTURES (HONG KONG) LIMITED	Limited liability company	Hong Kong	100.00%	100.00%	HKD100,000,000	Futures brokerage

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Continued)*

Name of subsidiaries	Type of legal entity registered	Place of incorporation/ establishment/ operations	Equity interest held by the Group as at 31 December		Registered capital as at 31 December 2024	Principal activities
			2024	2023		
東方資產管理(香港)有限公司 ORIENT ASSET MANAGEMENT (HONG KONG) LIMITED	Limited liability company	Hong Kong	100.00%	100.00%	HKD100,000,000	Asset management
東方融資(香港)有限公司 ORIENT CAPITAL (HONG KONG) LIMITED	Limited liability company	Hong Kong	100.00%	100.00%	HKD150,000,000	Provision of corporate finance advisory services
東方信貸財務(香港)有限公司 ORIENT CREDIT FINANCE (HONG KONG) LIMITED	Limited liability company	Hong Kong	100.00%	100.00%	HKD31,000,000	Credit operations
東方鴻盛有限公司 ORIENT HONGSHENG LIMITED <sup>(2)</sup>	Limited liability company	BVI	100.00%	100.00%	USD1	Special purpose
ORIENT ZHISHENG LIMITED <sup>(2)</sup>	Limited liability company	BVI	100.00%	100.00%	USD1	Special purpose
東方智匯有限公司 ORIENT ZHIHUI LIMITED	Limited liability company	BVI	100.00%	100.00%	USD1	Special purpose

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Continued)*

Name of subsidiaries	Type of legal entity registered	Place of incorporation/ establishment/ operations	Equity interest held by the Group as at 31 December		Registered capital as at 31 December 2024	Principal activities
			2024	2023		
東方證券承銷保薦有限公司 Orient Securities Investment Banking Co., Ltd. <sup>(4)</sup>	Limited liability company	PRC	100.00%	100.00%	RMB800,000,000	Securities underwriting and sponsor
南京東證明展產業投資管理有限公司 Nanjing Orient Mingzhan Industrial Investment Management Co., Ltd. *	Limited liability company	PRC	66.00%	66.00%	RMB10,000,000	Investment management and advisory
ORIENT HUIZHI LIMITED	Limited liability company	BVI	100.00%	100.00%	USD1	Special purpose
上海東方證券創新投資有限公司 Shanghai Orient Securities Innovation Investment Co., Ltd. <sup>(1)</sup> *	Limited liability company	PRC	100.00%	100.00%	RMB7,500,000,000	Financial assets investment, securities investment, investment management and advisory
東方睿信有限公司 Orient Ruixin Limited	Limited liability company	Hong Kong	100.00%	100.00%	HKD10,000	Equity investment, industrial investment
東證國際金融集團有限公司 Orient Securities International Financial Group Co., Ltd.	Limited liability company	Hong Kong	100.00%	100.00%	HKD2,010,000,000	Investment holding and provision of management services
東證期貨國際(新加坡)私人有限公司 Orient Futures International (Singapore) Pte. Ltd.	Private Company Limited by shares	Singapore	100.00%	100.00%	SGD92,000,000	Foreign exchange brokers and dealers
東證科技(深圳)有限公司 Orient Securities Technology (Shenzhen) Co., Ltd.*	Limited liability company	Shenzhen	100.00%	100.00%	RMB27,000,000	Software development service
Orient International Investment Products Limited	Limited liability Company	BVI	100.00%	100.00%	USD1	Product investment
Orient OAM GP Limited	Limited liability Company	Cayman	100.00%	100.00%	USD1	Special purpose

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Continued)*

Name of subsidiaries	Type of legal entity registered	Place of incorporation/ establishment/ operations	Equity interest held by the Group as at 31 December		Registered capital as at 31 December 2024	Principal activities
			2024	2023		
Orient OAM Investment Limited	Limited liability Company	Cayman	100.00%	100.00%	USD1	Special purpose

\* These subsidiaries do not have official English names. English translated names are for identification only.

(1) These subsidiaries are directly held by the Company.

(2) None of the subsidiaries had issued any debt securities at the end of the year except for ORIENT HONGSHENG LIMITED and ORIENT ZHISHENG LIMITED.

(3) East Milestone Company Limited, Orient Xinghui (Beijing) Investment Funds Management Co., Ltd. and Orient Hongtai Capital Investment (Chengdu) Co., Ltd. had been liquidated as of 31 December 2024.

(4) From 2 September 2024, Orient Securities Investment Banking Co., Ltd., which was wholly-owned by the Group was merged to the Company, the existing customers and business of the Orient Securities Investment Banking Co., Ltd. have been integrated into the Company as a whole.

#### Interests in consolidated structured entities

The Group has consolidated certain structured entities including asset management schemes, funds and limited partnership. For the asset management schemes where the Group involves as manager or as investor, the Group assesses whether the combination of investments it holds together with its remuneration creates exposure to variability of returns from the activities of the structured entities that is of such significance and indicates that the Group is a principal.

The total net assets of the consolidated asset management schemes, funds and limited partnership amounted to RMB11,529 million as at 31 December 2024 (31 December 2023: RMB3,891 million).

Interests in all consolidated asset management schemes, funds and limited partnership held by the Group amounted to fair value of RMB11,241 million as at 31 December 2024 (31 December 2023: RMB3,522 million). The Group held no interest in the subordinated tranche of these structured products in 2024 and 2023.

Interests held by other interest holders are included in financial liabilities designated at FVTPL.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 37. GOODWILL

#### Impairment testing on goodwill

For the purpose of impairment testing, goodwill is related to two individual cash-generating units (CGUs), including securities brokerage branches acquired by the Company (“Unit A”) and Orient Securities Futures Co., Ltd. acquired by the Company (“Unit B”). The carrying amounts of goodwill as at 31 December 2024 and 2023 relevant to these units are as follows:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Cost and carrying value		
Unit A – securities brokerage branches	18,948	18,948
Unit B – Orient Securities Futures Co., Ltd.	13,187	13,187
Total	32,135	32,135

As at 31 December 2024 and 2023, the Group performed annual goodwill impairment test and determined that there was no impairment of the relevant CGUs as the recoverable amount of the CGUs exceeded their carrying amount respectively.

### 38. DEFERRED TAXATION

The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Deferred tax assets	1,490,513	2,079,575
Deferred tax liabilities	(218)	(35,936)
Total	1,490,295	2,043,639

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 38. DEFERRED TAXATION *(Continued)*

The following are the major deferred tax assets and liabilities recognised and movements during the years:

	Financial instrument at FVTPL and derivatives RMB'000	Employee benefits payable RMB'000	Financial instruments at FVOCI RMB'000	Allowance for impairment losses RMB'000	Other RMB'000	Total RMB'000
As at 1 January 2024	<b>(617,301)</b>	<b>334,223</b>	<b>(81,314)</b>	<b>1,925,007</b>	<b>483,024</b>	<b>2,043,639</b>
Credit/(charge) to profit or loss	<b>225,566</b>	<b>148,803</b>	<b>16,852</b>	<b>(347,015)</b>	<b>(58,566)</b>	<b>(14,360)</b>
Credit/(charge) to other comprehensive income	<b>3,150</b>	<b>-</b>	<b>(607,590)</b>	<b>-</b>	<b>-</b>	<b>(604,440)</b>
Transfer out upon disposal of equity instruments at FVOCI	<b>1,418</b>	<b>-</b>	<b>14,547</b>	<b>-</b>	<b>-</b>	<b>15,965</b>
Other	<b>-</b>	<b>49,491</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,491</b>
As at 31 December 2024	<b>(387,167)</b>	<b>532,517</b>	<b>(657,505)</b>	<b>1,577,992</b>	<b>424,458</b>	<b>1,490,295</b>
As at 1 January 2023	(482,530)	342,494	45,957	1,805,742	118,942	1,830,605
(Charge)/credit to profit or loss	(130,662)	(8,271)	(20,127)	119,265	364,465	324,670
Credit/(charge) to other comprehensive income	3,202	-	(114,838)	-	-	(111,636)
Transfer out upon disposal of equity instruments at FVOCI	-	-	7,694	-	(7,694)	-
Other	(7,311)	-	-	-	7,311	-
As at 31 December 2023	(617,301)	334,223	(81,314)	1,925,007	483,024	2,043,639

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 39. OTHER ASSETS

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Other receivables	4,158,020	4,994,426
Inventories	1,564,301	258,364
Prepayments	242,005	278,769
Other	552,668	519,649
Less: impairment allowance	(3,234,881)	(1,950,440)
<b>Total</b>	<b>3,282,113</b>	<b>4,100,768</b>

The following table shows reconciliation of loss allowances that have been recognised for other receivables.

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2024	3,171	–	1,947,269	1,950,440
– Impairment losses recognised/(reversed)	5,310	–	(5,258)	52
– Transfer in	–	–	2,714,462	2,714,462
– Write off	–	–	(1,430,919)	(1,430,919)
– Foreign exchange differences and other	2	–	844	846
<b>As at 31 December 2024</b>	<b>8,483</b>	<b>–</b>	<b>3,226,398</b>	<b>3,234,881</b>

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 39. OTHER ASSETS (Continued)

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2023	3,529	–	1,751,672	1,755,201
– Impairment losses (reversed)/recognised	(360)	–	16,911	16,551
– Transfer in	–	–	1,031,773	1,031,773
– Write off	–	–	(853,087)	(853,087)
– Foreign exchange differences and other	2	–	–	2
As at 31 December 2023	3,171	–	1,947,269	1,950,440

The tables below detail the credit risk exposures of the Group's other receivables, which are subject to ECL assessment.

#### As at 31 December 2024

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
Gross carrying amount	890,553	–	3,267,467	4,158,020

#### As at 31 December 2023

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
Gross carrying amount	2,977,603	–	2,016,823	4,994,426



# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 40. PLACEMENTS FROM BANKS AND FINANCIAL INSTITUTIONS

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Placements from banks ( <i>Note a</i> )	<b>25,130,563</b>	13,288,745
Placements from China Securities Finance Corporation Limited ( <i>Note b</i> )	<b>5,224,352</b>	2,513,349
Placements from Shanghai Gold Exchange ( <i>Note c</i> )	<b>8,839,710</b>	9,867,965
<b>Total</b>	<b>39,194,625</b>	25,670,059

*Note a:* As at 31 December 2024, the effective interest rates bearing on the outstanding amount of placements from banks ranged from 1.00% to 5.05% (31 December 2023: 1.50% to 2.30%) per annum. The amount of placements from banks were repayable within one year (31 December 2023: eight days) from the end of the reporting period.

*Note b:* As at 31 December 2024, the effective interest rate of placements from China Securities Finance Corporation Limited ranged from 2.10% to 2.61% (31 December 2023: 2.16% to 2.93%) per annum. The amount of placements from China Securities Finance Corporation Ltd. were repayable within one year (31 December 2023: six months) from the end of the reporting period.

*Note c:* As at 31 December 2024, the effective interest rates of placements from Shanghai Gold Exchange varied from 1.80% to 2.57% (31 December 2023: 0.60% to 2.00%) per annum. The amount of placements from Shanghai Gold Exchange were repayable within one year from the end of the reporting period.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 41. SHORT-TERM DEBT INSTRUMENTS

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Short-term commercial paper and corporate bonds ( <i>Note a</i> )	<b>3,008,107</b>	1,609,352
Income certificates ( <i>Note b</i> )	<b>2,670,798</b>	1,188,348
<b>Total</b>	<b>5,678,905</b>	2,797,700
Analysed by market:		
Stock exchange	<b>3,008,107</b>	1,609,352
Over the counter	<b>2,670,798</b>	1,188,348
<b>Total</b>	<b>5,678,905</b>	2,797,700

*Note a:* As at 31 December 2024 and 2023, short-term commercial paper and corporate bonds were unsecured and unguaranteed debt securities issued on the PRC Inter-bank market by the Company and were repayable within 1 year. As at 31 December 2024, the yields of the outstanding short-term debt instruments was 1.99% per annum (31 December 2023: 2.41%).

*Note b:* As at 31 December 2024, the yields of all the outstanding income certificates ranged from 2.00% to 2.80% per annum (31 December 2023: 2.25% to 2.95% respectively).

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 42. ACCOUNT PAYABLES TO BROKERAGE CLIENTS

The majority of the account payables balances are repayable on demand except for certain balances representing margin deposits and cash collateral received from clients for their trading activities under the normal course of business. Only the excess amounts over the required margin deposits and cash collateral stipulated are repayable on demand.

No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of these businesses.

Account payables to brokerage clients mainly include money held on behalf of clients in the banks and clearing houses by the Group, and are interest-bearing at the prevailing market interest rate.

As at 31 December 2024, approximately RMB4,464 million (31 December 2023: RMB3,655 million) of margin deposits and cash collateral received from clients for margin financing and securities lending arrangement were included in the Group's account payables to brokerage clients.

### 43. REPURCHASE AGREEMENTS

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Analysed by collateral type		
– Bonds	80,198,270	68,720,716
– Funds	1,344,780	964,213
– Advances to customers	2,901,947	300,270
– Gold	–	636,722
– Perpetual instruments	1,471,303	3,094,222
<b>Total</b>	<b>85,916,300</b>	<b>73,716,143</b>
Analysed by market		
– Stock exchanges	53,115,946	29,149,889
– Inter-bank market	26,293,066	41,919,630
– Over the counter	6,507,288	2,646,624
<b>Total</b>	<b>85,916,300</b>	<b>73,716,143</b>

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 44. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Debt securities	<b>7,002,742</b>	6,490,853
Designated at fair value through profit or loss		
– Interests attributable to other holders of consolidated structured entities ( <i>Note a</i> )	<b>288,206</b>	368,838
– Income certificates ( <i>Note b</i> )	<b>6,978,165</b>	7,144,110
– Other ( <i>Note c</i> )	<b>439,388</b>	1,298,033
<b>Total</b>	<b>14,708,501</b>	15,301,834

*Note a:* Interests attributable to other holders of consolidated structured entities consist of third-party unit holders' interests in these consolidated structured entities which are recognised as a liability since the Group has the obligation to pay other investors or limited partners upon the maturity dates of the structured entities based on the net asset value and related terms of those consolidated structured entities.

*Note b:* The income certificates were hybrid contracts containing embedded derivatives.

*Note c:* Other mainly includes the structured note issued by a subsidiary of the Group. The fair value of the structured note is linked to the performance of a third party perpetual bond. The Group irrevocably designates these financial liabilities as measured at FVTPL to eliminate an accounting mismatch.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 45. CONTRACT LIABILITIES

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Asset and fund management services	4,910	6,712
Investment banking services	39,967	33,633
Sales of bulk commodity	112,332	107,060
<b>Total</b>	<b>157,209</b>	<b>147,405</b>

### 46. EMPLOYEE BENEFITS PAYABLE

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Salaries, bonus and allowances	2,368,982	1,686,452
Social welfares	1,685	758
Annuity schemes	–	16,832
<b>Total</b>	<b>2,370,667</b>	<b>1,704,042</b>

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 47. BORROWINGS

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Unsecured short-term borrowings repayable within one year	<b>1,081,234</b>	1,700,024
Pledged long-term borrowings repayable more than one year	<b>468,183</b>	–
<b>Total</b>	<b>1,549,417</b>	1,700,024
Floating rate borrowings		
– repayable within one year at interest rates ranging from 1 month SOFR plus 0.5% per annum to 1 month HIBOR plus 0.55% per annum (31 December 2023: 6.01% to 6.81%)	<b>1,060,562</b>	1,482,803
– repayable more than one year at interest rates ranging from 1 month SOFR plus 0.85% per annum to 1 month SOFR plus 0.98% per annum (31 December 2023: Nil)	<b>468,183</b>	–
Fixed rate borrowings		
– repayable within one year at interest rates 3.6% (31 December 2023: 3.42% to 4.2%)	<b>20,672</b>	217,221
<b>Total</b>	<b>1,549,417</b>	1,700,024

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 48. LEASE LIABILITIES

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Lease liabilities payable:		
Within three months	96,866	119,970
Within a period of more than three months but not more than one year	227,149	163,639
Within a period of more than one year but not more than two years	241,108	140,645
Within a period of more than two years but not more than three years	186,506	68,009
Within a period of more than three years but not more than five years	289,592	45,136
Within a period of more than five years	17,729	10,076
Total	1,058,950	547,475

### 49. DEBT SECURITIES ISSUED

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Corporate bonds	34,812,335	30,063,388
Subordinated bonds	20,279,393	24,906,609
Offshore bonds	5,102,574	5,057,958
Income certificates ( <i>Note a</i> )	540,016	129,890
Total	60,734,318	60,157,845

*Note a:* The amount represents income certificates issued by the Company with maturities of more than one year. As at 31 December 2024, the outstanding income certificates carried yield from 2.15% to 2.75% (31 December 2023: 2.60% to 2.95%) per annum.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 49. DEBT SECURITIES ISSUED (Continued)

Issues	Currency	Issue amount (Original currency in million)	Issue amount (RMB in million)	Issue date	Maturity date	Coupon rate
17-3 Corporate Bond	RMB	4,000	4,000	03/08/2017	03/08/2027	4.98%
22-1 Corporate Bond	RMB	2,000	2,000	21/07/2022	21/07/2025	2.79%
22-2 Corporate Bond	RMB	1,500	1,500	21/07/2022	21/07/2027	3.18%
22-3 Corporate Bond	RMB	2,000	2,000	25/08/2022	25/08/2027	3.00%
22-4 Corporate Bond	RMB	3,500	3,500	14/12/2022	14/12/2025	3.40%
23-1 Corporate Bond	RMB	1,500	1,500	21/02/2023	21/02/2025	2.92%
23-2 Corporate Bond	RMB	2,500	2,500	21/02/2023	21/02/2026	3.13%
23-3 Corporate Bond	RMB	1,600	1,600	21/03/2023	21/03/2028	3.32%
23-4 Corporate Bond	RMB	3,000	3,000	24/05/2023	24/05/2026	2.90%
24-1 Corporate Bond	RMB	1,800	1,800	25/01/2024	25/01/2027	2.73%
24-2 Corporate Bond	RMB	1,000	1,000	08/08/2024	08/08/2029	2.05%
24-3 Corporate Bond	RMB	2,000	2,000	08/08/2024	08/08/2034	2.30%
24-4 Corporate Bond	RMB	3,000	3,000	23/08/2024	23/08/2029	2.18%
24-6 Corporate Bond	RMB	3,000	3,000	17/10/2024	17/10/2029	2.28%
24-8 Corporate Bond	RMB	2,000	2,000	21/11/2024	21/11/2027	2.15%
Subtotal			34,400			
21-3 Orient Subordinated Bond	RMB	1,500	1,500	16/04/2021	16/04/2026	4.20%
22-1 Orient Subordinated Bond	RMB	2,500	2,500	13/01/2022	13/01/2025	3.16%
23-1 Orient Subordinated Bond	RMB	3,000	3,000	24/04/2023	24/04/2026	3.30%
23-2 Orient Subordinated Bond	RMB	3,000	3,000	10/08/2023	10/08/2026	3.08%
23-3 Orient Subordinated Bond	RMB	2,800	2,800	30/10/2023	30/10/2026	3.30%
23-4 Orient Subordinated Bond	RMB	700	700	30/10/2023	30/10/2028	3.50%
23-5 Orient Subordinated Bond	RMB	2,000	2,000	23/11/2023	23/11/2026	3.18%
24-1 Orient Subordinated Bond	RMB	2,000	2,000	26/06/2024	26/06/2029	2.33%
24-2 Orient Subordinated Bond	RMB	2,500	2,500	08/07/2024	08/07/2029	2.31%
Subtotal			20,000			



# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 49. DEBT SECURITIES ISSUED (Continued)

Issues	Currency	Issue amount (Original currency in million)	Issue amount (RMB in million)	Issue date	Maturity date	Coupon rate
22 Offshore EUR Bond	EUR	100	742	05/05/2022	05/05/2025	1.75%
22-1 Offshore USD Bond	USD	300	2,089	17/05/2022	17/05/2025	3.50%
22-2 Offshore USD Bond	USD	300	2,089	26/10/2022	26/10/2025	5.125%
Subtotal			4,920			
Total			59,320			

### 50. OTHER LIABILITIES

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Other account payables		
– Payables for underwriting and products distribution fees	200,151	239,788
– Settlement payables	133,451	45,055
– Notes payable	763,826	1,244,900
– Other	74,826	14,712
Other payables and accruals		
– Value-added taxes and other taxes	117,752	96,926
– Payables for securities and futures investor protection fund	29,360	34,687
– Futures risk reserve	284,829	251,805
– Derivatives deposit received from customers	7,431,639	7,896,172
– Acting underwriting securities	385,000	121,750
– Other	723,485	658,154
Total	10,144,319	10,603,949

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 51. SHARE CAPITAL

All shares issued by the Company are fully paid common shares. The par value is RMB1. The Company's number of shares issued and their nominal value are as follows:

	Opening RMB'000	Addition RMB'000	Closing RMB'000
Registered, issued and fully paid ordinary shares of RMB1 each: Year ended 31 December 2024	<b>8,496,645</b>	–	<b>8,496,645</b>
Year ended 31 December 2023	8,496,645	–	8,496,645

Pursuant to the CSRC's Approval in respect of the Rights Issue of 東方證券股份有限公司 (Zheng Jian Xu Ke [2022] No. 540) (《關於核准東方證券股份有限公司配股的批覆》(證監許可[2022]540號)), new A rights shares were allotted to all A Share holders on the basis of two point eight A rights shares for every ten existing A Shares ("A Share Rights Issue"). As of 29 April 2022, 1,502,907,061 new A rights shares were issued at a price of RMB8.46 per share, raising approximately RMB12,715 million in total. The Company completed the registration at China Securities Depository and Clearing Corporation Limited Shanghai Branch on 9 May 2022, and the new A Shares were listed on the Shanghai Stock Exchange on 13 May 2022.

Pursuant to the CSRC's Approval in respect of the Rights Issue of Overseas Listed Foreign Shares of 東方證券股份有限公司 (Zheng Jian Xu Ke [2022] No. 348) (《關於核准東方證券股份有限公司發行境外上市外資股的批覆》(證監許可[2022]348號)), new H rights shares were allotted to qualified H Share holders on the basis of two point eight H rights shares for every ten existing H Shares ("H Share Rights Issue"). As of 20 May 2022, 82,428 new H rights shares were issued at a price of HKD10.38 per share, raising approximately HKD856 thousand in total. The new H Shares were listed on the Hong Kong Stock Exchange on 31 May 2022.

After the completion of the above right issues, a total of 1,502,989,489 new share were issued. The fund raised in excess of the par value of the new shares (net of issuance cost) was credited to capital reserve.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 51. SHARE CAPITAL *(Continued)*

On 30 October 2023, the Board of Directors of the Company approved The Proposal to Repurchase the Company's A Shares through Centralised Bidding Transaction to maintain the Company value and the shareholders' interests. These repurchased stocks could be sold through centralised bidding after 12 months or cancelled after 3 years. As at 31 December 2024, a total of 34,843,324 A shares have been repurchased through centralised bidding transaction at an aggregated consideration of RMB310 million. The details are as follows:

Month of repurchase	No. of ordinary shares	Prices per share		Aggregate consideration paid
		Highest	Lowest	
November 2023	30,844,124	RMB9.14	RMB8.81	RMB277 million
December 2023	2,642,300	RMB8.75	RMB8.18	RMB22 million
January 2024	1,356,900	RMB8.33	RMB7.99	RMB11 million

### 52. OTHER EQUITY INSTRUMENT

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Perpetual subordinated bond	5,000,000	5,000,000

The Company issued a perpetual subordinated bond with a principal amount of RMB5 billion in August 2020, with the initial interest rate of 4.75% per annum.

The perpetual subordinated bond is unsecured. The interest rate for perpetual subordinated bond is repriced every five years. The repriced interest rate is determined as the sum of the current base rate and the initial spread plus 300 basis points. The current base rate is defined as the average yield of 5 years treasury from the bond yield curve published on China Bond website 5 working days before the repricing date of interest rate. Upon the maturity of every repricing cycle, the Company has the option to extend the maturity of the bond for another repricing cycle, or redeem the bond entirely.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 52. OTHER EQUITY INSTRUMENT *(Continued)*

The Company has the option to defer interest payment, except in the event of mandatory interest payments, so that at each interest payment date, the Company may choose to defer the interest payment to the next payment date for the current year as well as all interests and accreted interest already deferred, without being subject to any limitation with respect to the number of deferrals. The mandatory interest payment events are limited to dividend distributions to ordinary shareholders of the Company and reductions of registered capital within 12 months before the interest payment date.

The perpetual subordinated bond issued by the Company is classified and presented as other equity instrument in the consolidated statement of financial position.

### 53. RESERVES

#### (1) Capital reserve

Capital reserve mainly includes share premium arising from the issuance of new shares at prices in excess of par value, the change of carrying amount of the Group's investments in associate other than profit or loss and OCI, the difference between the considerations of acquisition of equity interests from non-controlling shareholders and the carrying amount of the proportionate net assets.

The movements of the capital reserve of the Group are set out below:

	Opening RMB'000	Addition RMB'000	Closing RMB'000
Share premium	<b>39,373,960</b>	–	<b>39,373,960</b>
Other capital reserve	<b>160,560</b>	–	<b>160,560</b>
As at 31 December 2024	<b>39,534,520</b>	–	<b>39,534,520</b>
Share premium	39,373,960	–	39,373,960
Other capital reserve	160,560	–	160,560
As at 31 December 2023	39,534,520	–	39,534,520

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 53. RESERVES (Continued)

#### (2) Surplus reserve

The surplus reserve includes statutory surplus reserve and discretionary surplus reserve.

Pursuant to the Company Law of the PRC, 10% of the net profit of the Company, as determined under the relevant accounting rules in the PRC, is required to be transferred to the statutory surplus reserve until such time when this reserve reaches 50% of the share capital of the Company. The reserve appropriated can be used for offsetting accumulated losses, expansion of business and capitalisation, in accordance with the Company's articles of association and approved by the shareholders in a shareholders' general meeting.

	Opening RMB'000	Addition RMB'000	Closing RMB'000
Statutory reserve	3,771,520	414,043	4,185,563
Discretionary reserve	846,486	–	846,486
For the year ended 31 December 2024	4,618,006	414,043	5,032,049
Statutory reserve	3,447,056	324,464	3,771,520
Discretionary reserve	846,486	–	846,486
For the year ended 31 December 2023	4,293,542	324,464	4,618,006

#### (3) General reserve

The general reserve includes general risk reserve and transaction risk reserve.

In accordance with the Financial Rules for Financial Enterprises issued by the Ministry of Finance of the PRC, the Company is required to appropriate 10% of net profit derived in accordance with the relevant accounting rules in the PRC before distribution to shareholders as general risk reserve from retained earnings.

Pursuant to the Securities Law of the PRC, the Company is required to appropriate 10% of the net profit derived in accordance with the relevant accounting rules in the PRC before distribution to shareholders as transaction risk reserve from retained earnings and cannot be distributed or transferred to share capital.

General reserves for the Company's subsidiaries are appropriated according to relevant requirements.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 53. RESERVES *(Continued)*

#### (3) General reserve *(Continued)*

The movements of general reserve of the Group are set out below:

	Opening RMB'000	Addition RMB'000	Closing RMB'000
General risk reserve	<b>6,276,962</b>	<b>667,881</b>	<b>6,944,843</b>
Transaction risk reserve	<b>5,857,580</b>	<b>447,385</b>	<b>6,304,965</b>
For the year ended 31 December 2024	<b>12,134,542</b>	<b>1,115,266</b>	<b>13,249,808</b>
General risk reserve	5,659,758	617,204	6,276,962
Transaction risk reserve	5,475,324	382,256	5,857,580
For the year ended 31 December 2023	11,135,082	999,460	12,134,542

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 53. RESERVES (Continued)

#### (4) Investment revaluation reserve

The movements of the investment revaluation reserve of the Group are set out below:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
At beginning of the year	489,687	100,899
Equity instruments at FVOCI:		
Net fair value changes during the year	1,193,784	(19,640)
Income tax related to net fair value changes during the year	(298,241)	4,911
Debt instruments at FVOCI:		
Net fair value changes during the year	3,365,870	1,465,297
Income tax related to net fair value changes during the year	(848,270)	(350,470)
Reclassification adjustment to profit or loss on disposal	(1,761,245)	(842,475)
Reclassification adjustment to profit or loss on expected credit loss	69,265	(79,371)
Income tax related to reclassification adjustment to profit or loss during the year	(16,987)	230,721
Share of other comprehensive income of associates	(11,882)	–
Share of fair value gain on debt instruments measured at FVOCI of associates	5,931	4,518
Transfer to retained earnings for cumulative fair value change of equity instruments at FVOCI upon disposal	43,642	(23,083)
Other	864	(1,620)
At end of the year	2,232,418	489,687

#### (5) Translation reserve

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group at the rate of exchange prevailing at the end of the reporting period, and the income and expenses are translated at the average exchange rates or at the approximate exchange rates for the period. Exchange differences arising, if any, are recognised in OCI and accumulated in the translation reserve.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 53. RESERVES *(Continued)*

#### (6) Hedge reserve

Hedge reserve represents the gains and losses of hedging activities of the Group's hedges of equity instruments at FVOCI.

### 54. RETAINED EARNINGS

The movements of retained earnings of the Group are set out below:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
At beginning of the year	8,757,396	8,838,412
Profit for the year	3,350,208	2,753,755
Appropriation to surplus reserve	(414,043)	(324,464)
Appropriation to general reserve	(1,115,266)	(999,460)
Dividends recognised as distribution	(1,903,905)	(1,274,497)
Cumulative fair value change transfer to retained earnings upon disposal of equity instruments at FVOCI	(43,642)	23,083
Other	(4,253)	(21,933)
Distribution to holders of other equity instrument	(475,000)	(237,500)
At end of the year	8,151,495	8,757,396

### 55. DIVIDENDS

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Dividends recognised as distribution <i>(Note a)</i>	1,903,905	1,274,497
Distribution to holders of other equity instrument	475,000	237,500
Total	2,378,905	1,511,997



# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 55. DIVIDENDS *(Continued)*

*Note a:* Final dividend in respect of the year ended 31 December 2023 amounting to RMB1.50 (tax inclusive) per 10 shares, totalling RMB1,269 million (2023: RMB1,274 million) was approved by shareholders in 2023 general meeting.

Final dividend in respect of the year ended 30 June 2024 amounting to RMB0.75 (tax inclusive) per 10 shares, totalling RMB635 million was approved by shareholders in 2024 first extraordinary general meeting.

### 56. TRANSFERS OF FINANCIAL ASSETS

#### Securities lending arrangements

The Group entered into securities lending agreements with clients to lend out its equity securities and exchange-traded funds classified as FVTPL, which are secured by client's securities and deposits held as collateral. As stipulated in the securities lending agreements, the legal ownership of these equity securities and exchange-traded funds is transferred to the clients. Although the clients are allowed to sell these securities during the covered period, they have the obligations to return these securities to the Group at specified future dates. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised these securities in the consolidated financial statements.

#### Repurchase agreements

Sales and repurchase agreements are transactions in which the Group sells a financial asset and simultaneously agrees to repurchase it (or an asset that is substantially the same) at the agreed date and price. The repurchase price is fixed and the Group is still exposed to substantially all the risks and rewards of the financial asset sold. The financial asset is not derecognised from the consolidated financial statements but is regarded as "collateral" for the liabilities because the Group retains substantially all the risks and rewards of the financial asset. A financial liability is recognised for cash received.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 56. TRANSFERS OF FINANCIAL ASSETS (Continued)

#### Repurchase agreements (Continued)

The following tables provide a summary of carrying amounts of transferred financial assets that are not derecognised in their entirety and the associated liabilities:

#### As at 31 December 2024

	Financial assets at fair value through profit or loss RMB'000		Debt instruments measured at amortised cost RMB'000		Equity instruments at FVOCI RMB'000		Advances to customers RMB'000	Total RMB'000
	Repurchase agreements	Securities lending	Repurchase agreements	Repurchase agreements	Repurchase agreements	Repurchase agreements		
Carrying amount of transferred assets	317,823	36,730	461,737	-	52,098	2,961,264		3,829,652
Carrying amount of associated liabilities	299,135	-	440,273	-	49,551	2,901,948		3,690,907

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 57. DIRECTORS' AND SUPERVISORS' EMOLUMENTS

The emoluments of the Directors and Supervisors of the Company paid/payable by the Group for the years ended 31 December 2024 and 2023 are set out below:

#### For the year ended 31 December 2024

Name	Independent director and supervisor fee* RMB'000	Salary and allowances RMB'000	Employer's contribution to pension schemes RMB'000	Discretionary bonuses RMB'000	Total RMB'000
<b>Executive Directors:</b>					
Gong Dexiong	-	-	-	-	-
Lu Weiming	-	990	-	-	990
Lu Dayin <sup>(a)</sup>	-	1,456	-	-	1,456
Jin Wenzhong <sup>(b)</sup>	-	908	-	-	908
<b>Non-executive Directors:</b>					
Xie Weiqing <sup>(c)</sup>	-	-	-	-	-
Yang Bo <sup>(d)</sup>	-	-	-	-	-
Shi Lei <sup>(e)</sup>	-	-	-	-	-
Li Yun	-	-	-	-	-
Xu Yongmiao <sup>(f)</sup>	-	-	-	-	-
Ren Zhixiang	-	-	-	-	-
Sun Weidong <sup>(g)</sup>	-	68	-	-	68
Zhou Donghui <sup>(h)</sup>	-	-	-	-	-
Zhu Jing <sup>(i)</sup>	-	807	-	-	807
Yu Xuechun <sup>(j)</sup>	-	-	-	-	-
<b>Independent Non-executive Directors:</b>					
Wu Hong	190	-	-	-	190
Feng Xingdong	160	-	-	-	160
Luo Xinyu	160	-	-	-	160
Chan Hon	160	-	-	-	160
Zhu Kai	190	-	-	-	190

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 57. DIRECTORS' AND SUPERVISORS' EMOLUMENTS (Continued)

The emoluments of the Directors and Supervisors of the Company paid/payable by the Group for the years ended 31 December 2024 and 2023 are set out below: (Continued)

For the year ended 31 December 2024 (Continued)

Name	Independent director and supervisor fee* RMB'000	Salary and allowances RMB'000	Employer's contribution to pension schemes RMB'000	Discretionary bonuses RMB'000	Total RMB'000
<b>Supervisors:</b>					
Liu Wei <sup>(k)</sup>	-	-	-	-	-
Du Xinhong <sup>(l)</sup>	-	-	-	-	-
Shen Guangjun	-	-	-	-	-
Ling Yun	-	-	-	-	-
Ruan Fei	-	820	-	-	820
Ding Yan	-	820	-	-	820
Zhang Yun <sup>(m)</sup>	-	68	-	-	68
Du Weihua <sup>(n)</sup>	-	724	-	-	724
Wu Junhao <sup>(o)</sup>	-	-	-	-	-
Xia Lijun <sup>(p)</sup>	92	-	-	-	92
<b>Total</b>	<b>952</b>	<b>6,661</b>	<b>-</b>	<b>-</b>	<b>7,613</b>

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 57. DIRECTORS' AND SUPERVISORS' EMOLUMENTS *(Continued)*

The emoluments of the Directors and Supervisors of the Company paid/payable by the Group for the years ended 31 December 2024 and 2023 are set out below: *(Continued)*

#### For the year ended 31 December 2023

Name	Independent director and supervisor fee* RMB'000	Salary and allowances RMB'000	Employer's contribution to pension schemes RMB'000	Discretionary bonuses RMB'000	Total RMB'000
<b>Executive Directors:</b>					
Jin Wenzhong	–	990	122	1,645	2,757
Gong Dexiong <sup>(a)</sup>	–	–	–	–	–
Lu Weiming	–	990	122	1,608	2,720
Song Xuefeng <sup>(f)</sup>	–	–	–	–	–
<b>Non-executive Directors:</b>					
Yu Xuechun	–	–	–	–	–
Zhou Donghui	–	–	–	–	–
Li Yun <sup>(g)</sup>	–	–	–	–	–
Ren Zhixiang	–	–	–	–	–
Zhu Jing	–	880	122	1,032	2,034
Cheng Feng <sup>(h)</sup>	–	–	–	–	–
<b>Independent Non-executive Directors:</b>					
Jin Qinglu <sup>(a)</sup>	174	–	–	–	174
Wu Hong	190	–	–	–	190
Feng Xingdong	160	–	–	–	160
Luo Xinyu	160	–	–	–	160
Chan Hon	160	–	–	–	160
Zhu Kai <sup>(i)</sup>	32	–	–	–	32

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 57. DIRECTORS' AND SUPERVISORS' EMOLUMENTS (Continued)

The emoluments of the Directors and Supervisors of the Company paid/payable by the Group for the years ended 31 December 2024 and 2023 are set out below: (Continued)

For the year ended 31 December 2023 (Continued)

Name	Independent director and supervisor fee* RMB'000	Salary and allowances RMB'000	Employer's contribution to pension schemes RMB'000	Discretionary bonuses RMB'000	Total RMB'000
<b>Supervisors:</b>					
Du Weihua	–	790	122	1,253	2,165
Wu Junhao	–	–	–	–	–
Xu Yongmiao <sup>(vi)</sup>	–	–	–	–	–
Shen Guangjun	–	–	–	–	–
Ling Yun <sup>(v)</sup>	–	–	–	–	–
Xia Lijun	100	–	–	–	100
Ruan Fei	–	820	122	936	1,878
Ding Yan	–	820	122	1,070	2,012
Zhang Jian <sup>(vi)</sup>	–	–	–	–	–
Tong Jie <sup>(v)</sup>	–	–	–	–	–
<b>Total</b>	<b>976</b>	<b>5,290</b>	<b>732</b>	<b>7,544</b>	<b>14,542</b>

\* Executive directors and non-executive directors do not receive any director fee.

- a. Lu Dayin was appointed as director in November 2024.
- b. Jin Wenzhong resigned as director in November 2024.
- c. Xie Weiqing was appointed as director in November 2024.
- d. Yang Bo was appointed as director in November 2024.
- e. Shi Lei was appointed as director in November 2024.
- f. Xu Yongmiao was appointed as director and resigned as supervisor in November 2024.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 57. DIRECTORS' AND SUPERVISORS' EMOLUMENTS *(Continued)*

- g. Sun Weidong was appointed as director in November 2024.
- h. Zhou Donghui resigned as director in November 2024.
- i. Zhu Jing resigned as director in November 2024.
- j. Yu Xuechun resigned as director in November 2024.
- k. Liu Wei was appointed as chairman of the supervisory board in November 2024.
- l. Du Xinhong was appointed as supervisor in November 2024.
- m. Zhang Yun was appointed as supervisor in November 2024.
- n. Du Weihua resigned as supervisor in November 2024.
- o. Wu Junhao resigned as supervisor in November 2024.
- p. Xia Lijun resigned as independent supervisor in November 2024.
- q. Gong Dexiong was appointed as director in October 2023.
- r. Song Xuefeng resigned as director in October 2023.
- s. Li Yun was appointed as director in August 2023.
- t. Cheng Feng resigned as director in August 2023.
- u. Jin Qinglu resigned as director in October 2023.
- v. Zhu Kai was appointed as independent director in October 2023.
- w. Xu Yongmiao was appointed as supervisor in October 2023.
- x. Ling Yun was appointed as supervisor in October 2023.
- y. Zhang Jian and Tong Jie resigned as supervisor in October 2023.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 57. DIRECTORS' AND SUPERVISORS' EMOLUMENTS *(Continued)*

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The independent directors' and non-executive directors' emoluments shown above were for their services as directors of the Company.

The supervisors' emoluments shown above were for their services as supervisors of the Company.

For the years ended 31 December 2024 and 2023, none of the directors or supervisors of the Company waived any emoluments and no emoluments were paid by the Company to any of the directors or supervisors as an inducement to join or upon joining the Group or as compensation for loss of office.



# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 58. FIVE HIGHEST PAID INDIVIDUALS

Of the five individuals with the highest emoluments, none of them are directors or supervisors whose emoluments are disclosed in Note 57 (2023: None). Details of the remuneration of the five highest paid employees during the year ended 2024 and 2023 are as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Basic salaries and allowances	11,210	9,838
Discretionary bonuses	2,628	24,362
Employer's contribution to pension schemes	–	1,148
<b>Total</b>	<b>13,838</b>	<b>35,348</b>

Bonuses are discretionary and determined by reference to the Group's/Company's and the individuals' performance. No emoluments have been paid or payable to these individuals as an inducement to join or upon joining the Group or as compensation for loss of office for the years ended 31 December 2024 and 2023.

The emoluments of the highest-paid individuals of the Group fall within the following bands:

Emolument bands	Number of individuals	
	2024	2023
– RMB2,000,001 to RMB2,500,000	1	–
– RMB2,500,001 to RMB3,000,000	4	–
– RMB5,500,001 to RMB6,000,000	–	1
– RMB6,000,001 to RMB6,500,000	–	1
– RMB6,500,001 to RMB7,000,000	–	1
– RMB7,000,001 to RMB7,500,000	–	1
– RMB8,500,001 to RMB9,000,000	–	1
<b>Total</b>	<b>5</b>	<b>5</b>

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 59. COMMITMENTS AND CONTINGENT LIABILITY

#### (1) Capital commitments

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Capital expenditure in respect of acquisition of property and equipment: Contracted but not provided for	10,723	25,310

#### (2) Contingent liability

In November 2024, the Company received a legal notice served by the Shanghai Financial Court regarding a lawsuit filed by Guangdong Guangzhou Daily Media Co., Ltd. The plaintiff initiated the litigation due to a service contract dispute with the Company, claiming the return of financial advisory fees, compensation for losses, and legal costs totalling RMB328 million, in addition to related litigation expenses. As of December 31, 2024, the case has not yet gone to trial. The Company's management believes that this matter does not currently have a material impact on the Group's financial condition or operational results.

### 60. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

#### (1) Relationship of related parties

##### *Major shareholder of the Company*

Following major shareholder holding more than 10% shares of the Company is considered as a related party of the Group:

	Percentage of shares held As at 31 December	
	2024 %	2023 %
申能(集團)有限公司 Shenergy (Group) Company Limited	26.63	26.63

##### *Associates*

The details of the associates of the Group are set out in Note 30.

##### *Others*

The Directors and Supervisors of the Company have served as directors or senior management of these related parties during the year of 2024.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 60. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(Continued)*

#### (2) Related party transaction and balances

Other than as disclosed elsewhere in these consolidated financial statements, the Group had the following material related party transactions and balances:

As at 31 December 2024 and 2023, the Group had the following material balances with the major shareholder and entities under its control:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Account payables to brokerage clients	40,217	10,579
Other payables	794	–

For the years ended 31 December 2024 and 2023, the Group had the following material transactions with the major shareholder and entities under its control:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Commission and fee income	11,283	6,056
Interest expenses	159	54
Other operating expenses	37,872	19,311
Net investment gains	(463)	–

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 60. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(Continued)*

#### (2) Related party transaction and balances *(Continued)*

As at 31 December 2024 and 2023, the Group had the following material balances with associates:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Account payables to brokerage clients	43,224	5,258
Other receivables	3,051	2,522
Other account payables	496	2,271

As at 31 December 2024 and 2023, the Group had the following material investment balances of products managed by associates:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Financial assets at FVTPL	1,115,550	613,229

As at 31 December 2024 and 2023, the Group had the following material investment balances of securities issued by associates:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Debt instruments at FVOCI	90,347	100,444
Financial assets at FVTPL	70,634	62,090

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 60. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(Continued)*

#### (2) Related party transaction and balances *(Continued)*

For the years ended 31 December 2024 and 2023, the Group had the following material transactions with associates:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Commission and fee income	23,021	110,375
Interest income	6,027	4,134
Interest expenses	44	69
Net investment gains	10,662	1,045

As at 31 December 2024 and 2023, the Group had the following material balances with other related parties:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Other receivables	892	2,467
Other account payables	457	267
Account payables to brokerage clients	3	8

As at 31 December 2024 and 2023, the Group had the following material investment balances of products managed by other related parties:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Financial assets at FVTPL	532,586	435,038

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 60. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(Continued)*

#### (2) Related party transaction and balances *(Continued)*

As at 31 December 2024 and 2023, the Group had the following material investment balances of securities issued by other related parties:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Financial assets at FVTPL	682,928	939,420
Debt instruments at FVOCI	144,030	51,810
Equity instruments at FVOCI	10,576	10,149

For the years ended 31 December 2024 and 2023, the Group had the following material transactions with other related parties:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Net investment gains	41,550	36,768
Interest income	11,429	1,447
Commission and fee income	1,232	10,809
Interest expenses	1	17
Other operating expenses	7,479	2,919

#### (3) Key management personnel

In 2024, the key management personnel of the Company received the pre-tax salary of RMB14.7170 million from the Company. The final remunerations of key management personnel who received remunerations from the Company during the reporting period are still in the process of being confirmed, and the remaining portion will be disclosed after confirmation.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 61. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Cash and bank balances	<b>42,800,521</b>	31,849,486
Clearing settlement funds	<b>15,088,751</b>	13,680,735
Deposits with exchanges and financial institutions	<b>1,723,860</b>	1,873,987
Derivative financial assets	<b>1,616,815</b>	1,870,390
Advances to customers	<b>27,614,243</b>	20,775,137
Account receivables	<b>480,053</b>	218,162
Reverse repurchase agreements	<b>3,845,640</b>	5,401,847
Financial assets at fair value through profit or loss	<b>73,169,284</b>	78,154,448
Debt instruments at fair value through other comprehensive income	<b>106,069,814</b>	88,811,040
Equity instruments at fair value through other comprehensive income	<b>19,584,128</b>	6,268,133
Debt instruments measured at amortised cost	<b>1,586,905</b>	1,586,591
Investments in associates	<b>4,139,654</b>	3,859,511
Investments in subsidiaries	<b>18,952,460</b>	19,473,304
Right-of-use assets	<b>767,819</b>	331,953
Investment properties	<b>30,936</b>	30,989
Property and equipment	<b>1,726,866</b>	1,832,720
Other intangible assets	<b>193,422</b>	205,526
Goodwill	<b>18,948</b>	18,948
Deferred tax assets	<b>1,152,000</b>	1,719,662
Other assets	<b>2,139,533</b>	3,360,250
<b>Total assets</b>	<b>322,701,652</b>	281,322,819

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 61. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY

(Continued)

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Placements from banks and financial institutions	<b>39,194,625</b>	25,670,059
Short-term debt instruments	<b>5,678,905</b>	2,797,700
Account payables to brokerage clients	<b>36,789,378</b>	27,566,246
Repurchase agreements	<b>82,556,395</b>	72,006,511
Financial liabilities at fair value through profit or loss	<b>13,980,907</b>	13,607,161
Derivative financial liabilities	<b>694,654</b>	822,514
Contract liabilities	<b>39,967</b>	500
Current tax liabilities	<b>11,439</b>	–
Employee benefits payable	<b>1,502,620</b>	437,638
Lease liabilities	<b>758,042</b>	318,289
Debt securities issued	<b>58,561,339</b>	58,016,945
Other liabilities	<b>7,085,868</b>	7,876,152
<b>Total liabilities</b>	<b>246,854,139</b>	209,119,715
Share capital	<b>8,496,645</b>	8,496,645
Treasury stock	<b>(310,896)</b>	(299,780)
Other equity instrument	<b>5,000,000</b>	4,995,755
Reserves	<b>56,492,283</b>	53,188,375
Retained earnings	<b>6,169,481</b>	5,822,109
<b>Total equity</b>	<b>75,847,513</b>	72,203,104
<b>Total equity and liabilities</b>	<b>322,701,652</b>	281,322,819



# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 61. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY

(Continued)

	Share capital	Treasury stock	Other equity instrument	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Hedge reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	8,496,645	(299,780)	4,995,755	39,218,737	4,613,706	8,869,021	474,586	12,325	5,822,109	72,203,104
Profit for the year	-	-	-	-	-	-	-	-	4,140,432	4,140,432
Other comprehensive income for the year	-	-	-	-	-	-	1,748,720	(14,622)	-	1,734,098
Total comprehensive income for the year	-	-	-	-	-	-	1,748,720	(14,622)	4,140,432	5,874,530
Repurchase of A shares	-	(11,116)	-	-	-	-	-	-	-	(11,116)
Appropriation to surplus reserve	-	-	-	-	414,043	-	-	-	(414,043)	-
Appropriation to general reserve	-	-	-	-	-	828,412	-	-	(828,412)	-
Distribution to holders of other equity instrument	-	-	-	-	-	-	-	-	(475,000)	(475,000)
Dividends recognised as distribution	-	-	-	-	-	-	-	-	(1,903,905)	(1,903,905)
Transfer to retained earnings for cumulative fair value change of equity instruments at fair value through other comprehensive income upon disposal	-	-	-	-	-	-	43,642	4,253	(47,895)	-
Other	-	-	4,245	18,109	-	261,351	-	-	(123,805)	159,900
As at 31 December 2024	8,496,645	(310,896)	5,000,000	39,236,846	5,027,749	9,958,784	2,266,948	1,956	6,169,481	75,847,513

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 61. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY

(Continued)

	Share capital RMB'000	Treasury stock RMB'000	Other equity instrument RMB'000	Capital reserve RMB'000	Surplus reserve RMB'000	General reserve RMB'000	Investment revaluation reserve RMB'000	Hedge reserve RMB'000	Retained earnings RMB'000	Total RMB'000
				(Note a)						
As at 1 January 2023	8,496,645	-	4,995,755	39,218,737	4,289,242	8,219,596	128,877	-	5,062,213	70,411,065
Profit for the year	-	-	-	-	-	-	-	-	3,244,632	3,244,632
Other comprehensive income for the year	-	-	-	-	-	-	368,792	(9,608)	-	359,184
Total comprehensive income for the year	-	-	-	-	-	-	368,792	(9,608)	3,244,632	3,603,816
Repurchase of A shares	-	(299,780)	-	-	-	-	-	-	-	(299,780)
Appropriation to surplus reserve	-	-	-	-	324,464	-	-	-	(324,464)	-
Appropriation to general reserve	-	-	-	-	-	649,425	-	-	(649,425)	-
Distribution to holders of other equity instrument	-	-	-	-	-	-	-	-	(237,500)	(237,500)
Dividends recognised as distribution	-	-	-	-	-	-	-	-	(1,274,497)	(1,274,497)
Transfer to retained earnings for cumulative fair value change of equity instruments at fair value through other comprehensive income upon disposal	-	-	-	-	-	-	(23,083)	-	23,083	-
Other	-	-	-	-	-	-	-	21,933	(21,933)	-
As at 31 December 2023	8,496,645	(299,780)	4,995,755	39,218,737	4,613,706	8,869,021	474,586	12,325	5,822,109	72,203,104

Note a: Capital reserve of the Company represents primarily the share premium arising from the issuance of the Company's shares.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 62. FINANCIAL INSTRUMENTS

#### Categories of financial instruments

	As at 31 December	
	2024 RMB'000	2023 RMB'000
<b>Financial assets</b>		
Financial assets at fair value through profit or loss	<b>92,154,462</b>	98,947,294
Debt instruments at FVOCI	<b>110,519,911</b>	90,813,713
Equity instruments at FVOCI	<b>19,634,600</b>	6,298,178
Financial assets measured at amortised cost	<b>181,595,163</b>	174,880,258
Total	<b>403,904,136</b>	370,939,443
<b>Financial liabilities</b>		
Financial liabilities at fair value through profit or loss	<b>15,801,083</b>	16,176,036
Financial liabilities measured at amortised cost	<b>317,796,426</b>	286,455,263
Total	<b>333,597,509</b>	302,631,299

### 63. FINANCIAL RISK MANAGEMENT

#### 63.1 Risk management overview and organisation

##### (1) Risk management overview

The Group is committed to the philosophy of “the philosophy of high-quality development”. The Group focuses on building management mechanisms for overall risk and internal controls and fostering a risk management culture. The Group strives to realise organic integration and interlinking of risk management, compliance management and internal control. The Group has established a substantially mature and endogenous overall risk management system and an effective internal control mechanism, which covers all businesses, departments, branches and employees and runs through the processes of decision-making, execution, supervision and feedback.

The risk management implemented by the Group fully covers market risk, credit risk, liquidity risk, operational risk, technology risk, reputation risk, compliance risk, legal risk and ethical risk, etc., realising the management control on the overall risk assessment and supervision.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 63. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 63.1 Risk management overview and organisation *(Continued)*

##### (1) *Risk management overview (Continued)*

The Group has established a risk management mechanism for risk identification and assessment, risk monitoring and measurement, risk analysis and response, and it has adopted a combination of qualitative and quantitative risk measurement methods to enhance its professional management capability for various types of risk. The Group implements a multi-perspective risk review mechanism for comprehensive risk management, strictly reviews all new businesses and products, and dynamically monitors all important risks in daily business operations; and evaluates various risks and risk tolerance in the Group's business process through sensitivity analysis, stress testing and dynamic monitoring.

A comprehensive risk management system is inseparable from a complete information technology system. In recent years, the Group has continuously increased its investment in information technology. Through the construction of a unified risk control platform, a dynamic management system for risk control indicators and various specific risk management information systems, the Group has continuously promoted the practical application of information technology in risk management, and the timeliness and accuracy of risk management have been effectively improved.

##### (2) *Structure of the risk-management organisation*

The Group is committed to establishing a robust and effective risk management system that features “three lines of defence” approach. The first line of defence is the check-and-balance mechanism of two-person, dual roles, dual responsibilities and position separation in the important front-line positions in each operational department, branch and subsidiary; the second line is inspection and supervision on the compliance and risk management affairs by relevant functional management departments within their range of duties; the third line is effective risk supervision performed by risk supervision and management departments on the risk management affairs of each functional management departments.

Pursuant to the requirements of the Rules for the Risk Management of Securities Firms (《證券公司全面風險管理規範》) (“Rules for the Risk Management”) and own operations, the Company has set up a multiple-level risk management structure, comprising: (i) the Board, (ii) the Supervisory Committee, (iii) the management, and (iv) risk management function for each business department, branch and subsidiary.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 63. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 63.2 Credit risk

Credit risk mainly refers to the probability of losses arising from the counterparty or a debtor's failure to meet its contractual obligations in a timely manner, or the deterioration of credit quality of them. The first one is direct credit risk, i.e. the risk arising from failure of issuer to meet its contractual obligations; the second one is counterparty risk, i.e. the risk arising from a breach of contract by the counterparties in the business including over-the-counter derivatives or credit transactions; the third one is settlement risk, i.e. the risk arising from a breach of contract during the settlement of a transaction. In short, the Company fulfils its delivery obligation while the counterparty defaults in the business.

##### (1) *Credit risk management*

The Company implements limit management on credit risk in accordance with regulatory requirements and risk management needs and sets credit risk limits based on the Company's risk tolerance and net capital to control the quality of credit assets and credit risk concentration, so as to achieve refined management of credit risk exposure. In the process of business development, the Company strictly implements the credit risk limits approved by the Company and establishes a daily monitoring mechanism for limit indicators to control the credit risk effectively.

The Group establishes credit risk management systems for the bond issuers, counterparty and customers of margin financing and securities lending. The Group enhances the assessments of clients' qualifications and risks, and achieves credit risk management by contract inspections and transaction monitoring. Besides, the Group focuses on the potential default throughout the transaction process, and prepares for risk treatment contingency plan. Regarding the bond investments and other businesses relating to credit risk, the Group strengthens the fundamental analysis on the bond issuers and counterparties and establishes internal rating system to monitor credit risk. The Group realises various functions including the internal rating, uniform credit management, investment concentration management, pledge bond management, defaulting client management, stress testing, early-warning monitoring, risk reporting through credit risk management system, strengthening credit risk control and enhancing the ability of credit risk management. In the derivative transactions, the Group sets margin ratio and trade rules to counterparties, and controls the credit risk exposure of counterparty by means of daily mark-to-market, margin calls and forced close of positions, etc. In the credit trading business, the Group establishes mechanisms including client credit rating assessment, facility and collateral management, concentration management, monitoring report and others, and addresses the potential risk projects through forced liquidation mechanism, judicial channels, etc.

In addition, the Company has established the same-business and same-customer management mechanism in accordance with external guidelines and actual business operations of the Company. It conducts unified quantitative measurement, monitoring and management on the credit business, improves its centralised credit management system of the Company's credit business and further enhances the refined level of the credit risk management.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 63. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 63.2 Credit risk *(Continued)*

##### (2) *Credit risk and impairment assessment*

The Group performs impairment assessment under ECL model using the simplified approach of lifetime ECL on account receivables. The Group monitors all other financial assets to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk since initial recognition, the Group will measure the loss allowance based on lifetime rather than 12m ECL.

In making the impairment assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. The Group uses different criteria to determine whether credit risk has increased significantly per each portfolio of assets.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- significant changes in external market indicators of credit risk for a particular financial instrument or similar financial instruments with the same expected life;
- an actual or expected significant change in the financial instrument's external credit rating;
- expected adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations;
- an actual or expected significant change in the operating results of the borrower;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the borrower that results in a significant change in the borrower's ability to meet its debt obligations;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements;
- an actual or expected significant change in the quality of credit enhancement; and
- significant changes in the expected performance and behaviour of the borrower.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 63. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 63.2 Credit risk *(Continued)*

##### (2) *Credit risk and impairment assessment (Continued)*

The credit risk on liquid funds including bank balances, clearing settlement funds, deposits with exchanges and financial institutions is limited because the counterparties are mainly state-owned banks, clearing house, stock exchanges, futures exchanges, commodity exchanges or banks with high credit ratings assigned by international credit-rating agencies. There have been no significant increase in credit risk since initial recognition associated with the amounts of cash and bank balances, clearing settlement funds, deposits with exchanges and financial institutions for the year ended 31 December 2024.

The Group mainly relies on external credit ratings to assess the credit risk of bond investments. In general, the following information is considered in assessing whether there has been a significant increase in credit risk of the bond investment: the credit rating downgrade to below AA (exclusive) and above B (exclusive) if original external rating is AA or above (inclusive) from domestic rating agencies on the initial recognition date; the credit rating downgrade to above B (exclusive) if original external rating is below AA (exclusive) from domestic rating agencies on the initial recognition date. As of 31 December 2024, the Group invests primarily in bonds with debt ratings of AA or above (inclusive).

Margin trading assets consist of advances to customers and securities lent to customers. The main credit risk of these financial assets is customers' failure to repay the principal, interests or securities lent to them. The Group monitors margin trading clients' accounts on an individual basis and call for additional margin deposits, including cash collateral or securities, whenever necessary. The advances to margin clients are monitored through their collateral to loan ratios, which ensures the value of the pledged assets is sufficient to cover the advances. The Group considers margin trading assets to have experienced a significant increase in credit risk if the collateral to loan ratios fell below the pre-determined margin call thresholds taking into account of the obligor's credit quality.

Regarding the reverse repurchase agreements, the Group mainly focuses on the performance guarantee ratio, past due status, and other qualitative and quantitative criteria to determine whether credit risk has increased significantly. In terms of stock-pledged reverse repurchase agreements, the Group sets different forced liquidation thresholds for various financing entities or transaction in consideration of factors such as the industry, liquidity, and sales restriction of the pledged securities. Normally, the forced liquidation threshold is no less than 140% for restricted shares and no less than 130% for unrestricted shares. The Group assesses the changes in credit risk of each transaction since initial recognition date by taking full consideration of the credit status of the financing entity, contract maturity date, the related collateral securities information including the industry, liquidity, sales restriction, concentration, volatility, performance guarantee and the issuer's operating conditions.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 63. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 63.2 Credit risk *(Continued)*

##### (3) *Measurement of ECL*

Generally, there are three stages on a financial asset based on the following criteria: when the performance guarantee ratio is over the forced liquidation threshold and there is no past due, it is classified under Stage 1; when the performance guarantee ratio is lower than the forced liquidation threshold, or overdue but not exceeding the grace period, or there exists other events indicating significant increase in credit risk, is considered to be not credit-impaired in terms of the substance of the transaction, it is classified under Stage 2; when the performance guarantee ratio falls below the forced liquidation threshold or overdue exceeds the grace period, the Group evaluates whether those transactions are credit-impaired in terms of the substance of the transaction, taking into account of factors such as the obligor's solvency, repayment willingness, value of pledged assets and other loan settlement measures. If credit impairment has occurred, it is classified under Stage 3.

The Group applies a three-stage approach to measure ECL on financial assets measured at amortised cost and debt instruments at FVOCI. Financial assets migrate through the following three stages based on the change in credit quality since initial recognition:

##### *Stage 1: 12m ECL*

For exposures where there has not been a significant increase in credit risk since initial recognition, the portion of the lifetime ECL associated with the probability of default events, occurring within the next 12 months, is recognised;

##### *Stage 2: Lifetime ECL – not credit impaired*

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised;

##### *Stage 3: Lifetime ECL – credit impaired*

For financial assets that are credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost rather than the gross carrying amount.

The Group uses PD, LGD and EAD to measure credit risks.

The expected credit losses are measured based on the probability weighted results of PD, LGD and EAD.



# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 63. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 63.2 Credit risk *(Continued)*

##### (3) **Measurement of ECL** *(Continued)*

The assessment of significant increase in credit risk and the measurement of expected credit losses all involve forward-looking information. Through the analysis of historical data, the Group identifies the key economic indicators affecting the credit risk and expected credit losses of each asset portfolio. Key economic indicators include macroeconomic indicators and indicators that can reflect market volatility, including but not limited to Money Supply (“M2”), Consumers Price Index (“CPI”), Industrial Product Price Index (“PPI”), etc.

In order to determine the relationship between the economic indicators and the default probability as well as the default loss rate, the Group constructs an econometric model to determine the impact of historical changes in these indicators on the PD and LGD.

The Group makes forward-looking estimation of the ECL based on the scenario reflecting key economic indicators above. When ECL are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics, such as credit risk grade, overdue information. The groupings are reviewed on a regular basis to ensure that each group is comprised of homogenous exposures.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 63. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 63.2 Credit risk *(Continued)*

##### (3) *Measurement of ECL (Continued)*

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The maximum credit risk exposure of the Group is as follows:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Advances to customers	<b>28,047,525</b>	21,071,801
Account receivables	<b>973,364</b>	670,759
Other receivables and other	<b>1,078,594</b>	3,464,273
Debt instruments at FVOCI	<b>110,519,911</b>	90,813,713
Reverse repurchase agreements	<b>3,984,103</b>	5,437,734
Financial assets at fair value through profit or loss	<b>38,990,482</b>	44,260,049
Debt instruments measured at amortised cost	<b>1,586,905</b>	1,586,591
Derivative financial assets	<b>1,965,131</b>	1,877,650
Deposits with exchanges and financial institutions	<b>27,654,365</b>	3,241,547
Clearing settlement funds	<b>15,177,207</b>	35,314,411
Cash and bank balances	<b>103,093,101</b>	104,093,142
<b>Total</b>	<b>333,070,688</b>	311,831,670

Overall, the Group monitors and manages credit risk at all times, and takes every possible measure to mitigate and control credit risk exposure to an acceptable level.

#### 63.3 Market risk

Market risk is the risk of loss arising from fluctuations in stock prices, interest rates and exchange rates in the securities markets. The Group faces market risk primarily in the Group's securities investment business. The Group's business departments, branches and subsidiaries are the first line of defence against market risk. The Group's risk management functional units are responsible for overall market risk management.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 63. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 63.3 Market risk *(Continued)*

To enhance the management of market risk, the Group currently adopts the following measures:

- Using mark-to-market, concentration analysis and quantitative risk model, to manage business scale, risk exposure and others to establish dynamic-tracking stop-loss mechanisms.
- Identifying the key factors affecting portfolio returns through sensitivity analysis, and evaluating the tolerance of investment portfolios to extreme market fluctuations by using scenario analysis and stress-testing.
- Ensuring diversified and scientific asset allocation, using derivatives such as stock index futures to hedge against risks, and using various investment strategies for hedging.
- Closely monitoring the macroeconomic indicators and trends and significant development in economic policies, and evaluating the systematic risk on investment that may arise from changes in macroeconomic factors.
- Set up the institution for decision-making, performance and responsibility for the significant events, prepare emergency plans under various predictable extreme cases, and grade and manage the significant events according to their severity.

#### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk relates primarily to the Group's interest bearing financial assets and financial liabilities. Management actively monitors the Group's net interest rate exposure through setting limits on the level of mismatch of interest rate repricing and duration gap and aims at maintaining an interest rate spread, such that the Group is always in a net interest-bearing asset position and derive net interest income.

Fluctuations of prevailing rate quoted by the People's Bank of China, Shanghai Inter-bank offered rate and Hong Kong Inter-bank offered rate are the major sources of the Group's cash flow interest rate risk.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 63. FINANCIAL RISK MANAGEMENT (Continued)

#### 63.3 Market risk (Continued)

##### Interest rate risk (Continued)

The tables below summarise the Group's interest bearing financial assets and financial liabilities by their remaining terms to repricing or contractual maturity date, whichever is earlier.

#### As at 31 December 2024

	Less than 1 month RMB'000	1 month to 3 months (Inclusive) RMB'000	3 months to 1 year (Inclusive) RMB'000	1 year to 5 years (Inclusive) RMB'000	Over 5 years RMB'000	Non interest- bearing RMB'000	Total RMB'000
<b>Financial Assets</b>							
Cash and bank balances	72,296,894	11,417,639	19,262,629	65,413	-	50,526	103,093,101
Clearing settlement funds	15,177,207	-	-	-	-	-	15,177,207
Deposits with exchanges and financial institutions	27,654,365	-	-	-	-	-	27,654,365
Derivative financial assets	-	-	-	-	-	1,965,131	1,965,131
Advances to customers	2,163,891	4,198,674	21,484,966	1,827	-	198,167	28,047,525
Account receivables	-	-	-	-	-	973,364	973,364
Reverse repurchase agreements	3,983,389	-	-	-	-	714	3,984,103
Debt instruments at FVOCI	471,049	1,176,604	4,391,194	44,985,176	58,093,054	1,402,834	110,519,911
Equity instruments at FVOCI	-	-	-	-	-	19,634,600	19,634,600
Financial assets at FVTPL	1,177,482	952,074	4,205,696	12,818,812	22,575,487	48,459,780	90,189,331
Debt instruments measured at amortised cost	2,920	-	-	1,559,825	-	24,160	1,586,905
Other receivables and other	-	-	-	-	-	1,078,594	1,078,594
Subtotal	122,927,197	17,744,991	49,344,485	59,431,053	80,668,541	73,787,870	403,904,137

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 63. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 63.3 Market risk *(Continued)*

##### *Interest rate risk (Continued)*

**As at 31 December 2024** *(Continued)*

	Less than 1 month RMB'000	1 month to 3 months (Inclusive) RMB'000	3 months to 1 year (Inclusive) RMB'000	1 year to 5 years (Inclusive) RMB'000	Over 5 years RMB'000	Non interest- bearing RMB'000	Total RMB'000
<b>Financial Liabilities</b>							
Placements from banks and financial institutions	23,948,500	3,352,006	11,779,534	-	-	114,585	39,194,625
Short-term debt instruments	1,198,008	159,411	4,294,061	-	-	27,425	5,678,905
Account payables to brokerage clients	112,557,840	-	-	-	-	1,079,525	113,637,365
Repurchase agreements	82,113,645	2,095,052	1,678,024	-	-	29,579	85,916,300
Financial liabilities at FVTPL	10,376,267	1,945,764	1,654,895	392,154	-	339,421	14,708,501
Derivative financial liabilities	-	-	-	-	-	1,092,582	1,092,582
Borrowings	972,354	-	106,937	467,357	-	2,769	1,549,417
Lease liabilities	39,750	57,116	227,149	717,206	17,729	-	1,058,950
Debt securities issued	2,503,727	1,509,991	10,575,578	43,322,118	1,992,503	830,401	60,734,318
Other account payables and other payables	-	-	-	-	-	10,026,545	10,026,545
Subtotal	233,710,091	9,119,340	30,316,178	44,898,835	2,010,232	13,542,832	333,597,508
Net interest-bearing position	(110,782,894)	8,625,651	19,028,307	14,532,218	78,658,309	60,245,038	70,306,629

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 63. FINANCIAL RISK MANAGEMENT (Continued)

#### 63.3 Market risk (Continued)

##### Interest rate risk (Continued)

As at 31 December 2023

	Less than 1 month RMB'000	1 month to 3 months (Inclusive) RMB'000	3 months to 1 year (Inclusive) RMB'000	1 year to 5 years (Inclusive) RMB'000	Over 5 years RMB'000	Non interest- bearing RMB'000	Total RMB'000
<b>Financial Assets</b>							
Cash and bank balances	65,345,809	4,336,170	34,345,546	65,413	–	204	104,093,142
Clearing settlement funds	35,314,411	–	–	–	–	–	35,314,411
Deposits with exchanges and financial institutions	3,241,547	–	–	–	–	–	3,241,547
Derivative financial assets	–	–	–	–	–	1,877,650	1,877,650
Advances to customers	1,837,141	5,653,225	13,581,314	121	–	–	21,071,801
Account receivables	–	–	–	–	–	670,759	670,759
Reverse repurchase agreements	5,437,734	–	–	–	–	–	5,437,734
Debt instruments at FVOCI	515,970	1,101,297	4,390,732	33,140,777	51,664,937	–	90,813,713
Equity instruments at FVOCI	–	–	–	–	–	6,298,178	6,298,178
Financial assets at FVTPL	1,017,352	1,607,782	5,058,324	18,204,877	18,371,714	52,809,595	97,069,644
Debt instruments measured at amortised cost	2,921	–	–	1,583,670	–	–	1,586,591
Other receivables and other	–	86,994	–	–	–	3,377,279	3,464,273
Subtotal	112,712,885	12,785,468	57,375,916	52,994,858	70,036,651	65,033,665	370,939,443
<b>Financial Liabilities</b>							
Placements from banks and financial institutions	14,816,131	3,660,719	7,193,209	–	–	–	25,670,059
Short-term debt instruments	53,035	115,557	2,629,108	–	–	–	2,797,700
Account payables to brokerage clients	111,570,987	–	–	–	–	–	111,570,987
Repurchase agreements	73,132,281	474,565	109,297	–	–	–	73,716,143
Financial liabilities at FVTPL	7,133,138	4,779,646	1,533,778	1,432,951	–	422,321	15,301,834
Derivative financial liabilities	–	–	–	–	–	874,202	874,202
Borrowings	1,482,803	182,176	35,045	–	–	–	1,700,024
Lease liabilities	–	119,970	163,639	253,790	10,076	–	547,475
Debt securities issued	4,165,994	2,597,041	10,690,975	42,703,835	–	–	60,157,845
Other account payables and other payables	–	–	–	–	–	10,295,031	10,295,031
Subtotal	212,354,369	11,929,674	22,355,051	44,390,576	10,076	11,591,554	302,631,300
Net interest-bearing position	(99,641,484)	855,794	35,020,865	8,604,282	70,026,575	53,442,111	68,308,143

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 63. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 63.3 Market risk *(Continued)*

##### *Interest rate risk (Continued)*

##### *Sensitivity analysis*

The sensitivity analysis below has been determined based on the exposure to interest rates for interest bearing financial assets and financial liabilities, which covers both the cash flow interest rate risk of variable rate instruments and fair value interest rate risk of fixed rate FVTPL and debt instruments at FVOCI. The analysis is prepared assuming the interest bearing financial assets and financial liabilities outstanding at the end of each respective reporting periods were outstanding for the whole year. When reporting to the management on the interest rate risk, a 50 basis points increase or decrease in the relevant interest rates will be adopted for sensitivity analysis, when considering the reasonably possible change in interest rates.

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Profit after income tax for the year		
50 basis points increase	<b>(1,440,465)</b>	(1,282,564)
50 basis points decrease	<b>1,585,782</b>	1,282,230
Equity		
50 basis points increase	<b>(3,135,531)</b>	(3,373,943)
50 basis points decrease	<b>3,331,743</b>	3,517,371

##### *Currency risk*

Currency risk refers to the unfavourable volatilities of the Group's financial condition and cash flows due to the fluctuation of the foreign exchange rates. Except for overseas subsidiaries which hold financial assets and financial liabilities denominated in foreign currencies that are different from the relevant group entity's functional currency, the Group only holds a minimal amount of foreign currency denominated investments. The management considers the foreign exchange rate risk of the Group is not material as the proportion of the Group's foreign currency asset and foreign currency liability is minimal.

##### *Price risk*

Price risk is primarily about the unfavorable changes of share price, gold price, financial derivative instruments prices and commodity price that cause financial losses. Quantitatively, price risk the Group faces is mainly the proportionate fluctuation in the Group's profits due to the price fluctuation of the trading financial instrument and the proportionate fluctuation in the Group's equity due to the price fluctuation of the equity instruments at FVOCI. Other than daily monitoring the investment position, trading and earnings indicators, the Group mainly use risk sensitivity indicators, stress testing indicators in daily risk monitoring.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 63. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 63.3 Market risk *(Continued)*

##### *Price risk (Continued)*

##### *Sensitivity analysis*

The analysis below is performed to show the impact on profit and OCI before income tax due to change in the prices of equity securities, funds, derivatives, collective asset management schemes and other trading financial instruments by 10% with all other variables held constant. A positive number below indicates an increase in profit and OCI before income tax and vice versa.

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Profit after income tax for the year		
Increase by 10%	<b>4,715,663</b>	2,888,341
Decrease by 10%	<b>(4,715,663)</b>	(2,888,341)
Other comprehensive income after income tax for the year		
Increase by 10%	<b>1,196,408</b>	629,818
Decrease by 10%	<b>(1,196,408)</b>	(629,818)

#### 63.4 Liquidity risk

Liquidity risk refers to securities firms' potential failure to obtain sufficient funds at reasonable cost to repay liabilities in a timely manner as they become due, meet other payment obligations and satisfy capital requirements in the normal course of business. The Group's objectives in liquidity risk management are to establish a sound liquidity risk management system and to effectively identify, measure, monitor and control liquidity risk, to ensure that the Group's liquidity demand can be met at reasonable cost and in a timely manner.

In the aspect of liquidity risk management, during the reporting period, the Company improves the liquidity risk management system and internal management system continuously, and sets up a special position in charge of dynamic monitoring, early-warning, analysis and reporting of the liquidity risk in accordance with the Rules for the Risk Management of Securities Companies, the Provisions on the Calculation Standards of Risk Control Indicators of Securities Companies and other regulatory requirements, as well as the Company's daily liquidity management needs. The Company prudently determines the qualitative principles and quantitative standards of liquidity risk preference at the beginning of each year, and adjusts the relevant liquidity risk control indicators timely in accordance with the market changes and business development during the year. The Company also conducts liquidity stress testing and emergency drilling regularly, and reports to the regulator such indicators as liquidity coverage rate and net stable capital rate daily. The above practices can ensure that the Company is able to satisfy the liquidity demand timely at reasonable cost, and will control the liquidity risk within the tolerable scope.



# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 63. FINANCIAL RISK MANAGEMENT (Continued)

#### 63.4 Liquidity risk (Continued)

##### *Undiscounted cash flows by contractual maturities of non-derivative financial liabilities*

The tables below present the cash flows payable by the Group within the remaining contractual maturities of non-derivative financial liabilities at the end of each respective periods. The amounts disclosed in the tables are the contractual undiscounted cash flows. The tables include both interest and principal cash flows. To the extent that interest rates are floating, the undiscounted amount is derived from interest rate at the end of respective reporting periods. The liquidity risk of derivative financial liabilities of the Group is insignificant and not disclosed below.

#### As at 31 December 2024

	On Demand RMB'000	Within 3 months (Inclusive) RMB'000	3 months to 1 year (Inclusive) RMB'000	1 year to 5 years (Inclusive) RMB'000	Over 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
Placements from banks and financial institutions	-	27,388,534	11,993,579	-	-	39,382,113	39,194,625
Short-term debt instruments	-	1,389,711	4,388,132	-	-	5,777,843	5,678,905
Account payables to brokerage clients	113,637,365	-	-	-	-	113,637,365	113,637,365
Repurchase agreements	3,061,400	81,190,886	1,693,384	-	-	85,945,670	85,916,300
Financial liabilities at fair value through profit or loss	9,842,971	2,851,563	1,666,146	388,855	-	14,749,535	14,708,501
Borrowings	930,950	30,526	152,438	491,251	-	1,605,165	1,549,417
Lease liabilities	16,557	80,152	243,979	809,576	14,523	1,164,787	1,058,950
Debt securities issued	-	4,317,926	12,147,463	46,238,090	2,230,000	64,933,479	60,734,318
Other account payables and other payables	10,026,545	-	-	-	-	10,026,545	10,026,545
<b>Total</b>	<b>137,515,788</b>	<b>117,249,298</b>	<b>32,285,121</b>	<b>47,927,772</b>	<b>2,244,523</b>	<b>337,222,502</b>	<b>332,504,926</b>

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 63. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 63.4 Liquidity risk *(Continued)*

##### *Undiscounted cash flows by contractual maturities of non-derivative financial liabilities (Continued)*

**As at 31 December 2023**

	On Demand RMB'000	Within 3 months (Inclusive) RMB'000	3 months to 1 year (Inclusive) RMB'000	1 year to 5 years (Inclusive) RMB'000	Over 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
Placements from banks and financial institutions	-	18,498,270	7,300,593	-	-	25,798,863	25,670,059
Short-term debt instruments	-	169,170	2,667,118	-	-	2,836,288	2,797,700
Account payables to brokerage clients	111,570,987	-	-	-	-	111,570,987	111,570,987
Repurchase agreements	-	73,670,346	110,393	-	-	73,780,739	73,716,143
Financial liabilities at fair value through profit or loss	53,483	12,117,496	1,533,778	1,609,376	-	15,314,133	15,301,834
Borrowings	-	1,671,808	35,368	-	-	1,707,176	1,700,024
Lease liabilities	-	120,625	167,581	272,004	12,756	572,966	547,475
Debt securities issued	-	7,042,454	12,125,201	45,028,249	-	64,195,904	60,157,845
Other account payables and other payables	10,295,031	-	-	-	-	10,295,031	10,295,031
<b>Total</b>	<b>121,919,501</b>	<b>113,290,169</b>	<b>23,940,032</b>	<b>46,909,629</b>	<b>12,756</b>	<b>306,072,087</b>	<b>301,757,098</b>

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 64. FAIR VALUE OF FINANCIAL INSTRUMENTS

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: Inputs are quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

#### **Fair value of the financial assets and financial liabilities that are not measured on a recurring basis**

The fair value of financial assets and financial liabilities not measured at fair value on a recurring basis is estimated by the active market quotation or determined in accordance with discounted cash flow method.

The key parameters used in discounted cash flow method for financial instruments held by the Group that are not measured on a recurring basis include interest rates, foreign exchange rates and counterparty credit spreads.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 64. FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

#### Fair value of the financial assets and financial liabilities that are not measured on a recurring basis *(Continued)*

The table below summarises the carrying amounts and expected fair values of those financial assets and liabilities not presented on the Group's consolidated statement of financial position at their fair values.

	As at 31 December			
	2024		2023	
	Carrying amount RMB'000	Fair value RMB'000	Carrying amount RMB'000	Fair value RMB'000
<b>Financial asset</b>				
Debt instruments measured at amortised cost	<b>1,586,905</b>	<b>1,610,773</b>	1,586,591	1,609,708
<b>Financial liability</b>				
Debt securities issued				
– Corporate bonds	<b>34,812,335</b>	<b>35,716,429</b>	30,063,388	30,510,604
– Subordinated bonds	<b>20,279,393</b>	<b>20,676,902</b>	24,906,609	24,971,136
– Offshore bonds	<b>5,102,574</b>	<b>5,060,420</b>	5,057,958	4,978,820
– Income certificates	<b>540,016</b>	<b>539,762</b>	129,890	129,963
<b>Total</b>	<b>60,734,318</b>	<b>61,993,513</b>	60,157,845	60,590,523

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 64. FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value of the financial assets and financial liabilities that are not measured on a recurring basis *(Continued)*

As at 31 December 2024

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Financial asset</b>				
Debt instruments measured at amortised cost	1,159,317	451,456	–	1,610,773
<b>Financial liability</b>				
Debt securities issued	56,393,331	5,600,182	–	61,993,513

As at 31 December 2023

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Financial asset</b>				
Debt instruments measured at amortised cost	284,033	1,325,675	–	1,609,708
<b>Financial liability</b>				
Debt securities issued	55,481,740	5,108,783	–	60,590,523

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of respective group entities or counterparties.

Except for the above, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Group's statements of financial position approximate their fair values.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 64. FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

#### **Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis**

If there is a reliable market quote for a financial instrument, the fair value of the financial instrument is measured based on quoted market price. If a reliable quoted market price is not available, the fair value of the financial instrument is estimated using valuation techniques. For the fair value of financial instruments categorised within Level 2, the valuation techniques applied include discounted cash flow, recent transaction price and net asset value method. The significant observable inputs used in the valuation techniques for Level 2 financial instruments include future cash flows estimated based on applying the interest yield curves, net asset values determined with reference to observable (quoted) prices of underlying investment portfolio and adjustments of related expenses, contractual terms, forward interest rates and forward exchange rates.

For financial instruments categorised within Level 3, fair values are determined by using valuation techniques, including valuation methods such as discounted cash flow model, comparable company analysis and recent financing price method. Determinations to classify fair value measures within Level 3 are generally based on the significance of the unobservable inputs to the overall fair value measurement.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 64. FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)*

As at 31 December 2024

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Financial assets:</b>				
Debt instruments at FVOCI				
– Debt securities	52,622,444	57,839,597	57,870	110,519,911
Equity instruments at FVOCI				
– Equity securities	10,652,043	22,313	173,627	10,847,983
– Perpetual instruments	1,247,059	6,422,059	–	7,669,118
– Other	1,113,270	4,229	–	1,117,499
Financial assets at FVTPL				
– Debt securities	11,035,507	27,951,601	3,374	38,990,482
– Equity securities	3,360,035	125,471	3,657,050	7,142,556
– Associates	–	–	1,310,792	1,310,792
– Funds	5,395,513	16,885,370	–	22,280,883
– Other investments	2,007,416	16,593,229	1,863,973	20,464,618
Derivative financial assets	–	933,807	1,031,324	1,965,131
<b>Total</b>	<b>87,433,287</b>	<b>126,777,676</b>	<b>8,098,010</b>	<b>222,308,973</b>
<b>Financial liabilities:</b>				
Financial liabilities at FVTPL	73,422	7,443,633	7,191,446	14,708,501
Derivative financial liabilities	–	650,095	442,487	1,092,582
<b>Total</b>	<b>73,422</b>	<b>8,093,728</b>	<b>7,633,933</b>	<b>15,801,083</b>

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 64. FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)*

As at 31 December 2023

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets:				
Debt instruments at FVOCI				
– Debt securities	49,568,073	41,245,640	–	90,813,713
Equity instruments at FVOCI				
– Equity securities	4,327,729	5,814	188,359	4,521,902
– Perpetual instruments	130,890	1,645,386	–	1,776,276
Financial assets at FVTPL				
– Debt securities	9,703,923	34,464,634	91,492	44,260,049
– Equity securities	2,731,902	15,592	4,169,369	6,916,863
– Associates	–	–	1,800,815	1,800,815
– Funds	3,126,650	12,811,951	–	15,938,601
– Other investments	4,922,070	21,269,432	1,961,814	28,153,316
Derivative financial assets	–	754,158	1,123,492	1,877,650
<b>Total</b>	<b>74,511,237</b>	<b>112,212,607</b>	<b>9,335,341</b>	<b>196,059,185</b>
Financial liabilities:				
Financial liabilities at FVTPL				
Derivative financial liabilities	300	570,277	303,625	874,202
<b>Total</b>	<b>2,413,690</b>	<b>6,000,747</b>	<b>7,761,599</b>	<b>16,176,036</b>



# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 64. FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

**Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis** *(Continued)*

The following table presents the valuation techniques and inputs used for the major financial instruments in Level 3.

<b>Financial instruments</b>	<b>As at 31 December 2024 RMB'000</b>	<b>Valuation technique(s) and key input(s)</b>	<b>Significant unobservable input(s)</b>	<b>Relationship of unobservable input(s) to fair value</b>
Equity securities/ Associates	5,014,477 (asset)	Calculated based on pricing/yield such as price-to-earnings (P/E), price-to-book value (P/B) and price-to-sales (P/S) ratio of comparable companies with an adjustment of discount for lack of marketability.	P/E multiples P/B multiples P/S multiples Discount for lack of marketability	The higher the multiples, the higher the fair value. The higher the discount, the lower the fair value.
Equity securities	81,641 (asset)	The fair value is determined with reference to the quoted market prices with an adjustment of discount for lack of marketability. This discount is determined by option pricing model. The key input is historical volatility of the share prices of the securities.	Discount for lack of marketability	The higher the discount, the lower the fair value.
Equity securities/ Associates	72,943 (asset)	Recent transaction price with an adjustment of discount for the marketability.	Discount for lack of marketability	The higher the discount, the lower the fair value.
Debt securities	57,870 (asset)	Future cash flows are discounted by the risk adjusted discount rate of the bonds.	Discount rate	The higher the discount rate, the lower the fair value.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 64. FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)*

Financial instruments	As at 31 December 2024 RMB'000	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Derivative financial instruments	1,031,324 (asset) 442,487 (liability)	The option pricing model is used which applies the option exercise price, the price and volatility of the underlying asset, the option exercise time, and the risk-free interest rate.	The volatility of the underlying asset for option	The higher the volatility, the greater the impact on the fair value.
Income certificates designated at FVTPL	6,978,165 (liability)	The option pricing model is used which applies the option exercise price, the price and volatility of the underlying asset, the option exercise time, and the risk-free interest rate.	The volatility of the underlying asset for option	The higher the volatility, the greater the impact on the fair value.
Other investments	1,839,756 (asset) 51,215 (liability)	The fair value is determined with reference to the net asset value of the underlying investments with an adjustment of discount for the credit risk of various counterparties.	Discount rate	The higher the discount rate, the lower the fair value.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 64. FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

**Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis** *(Continued)*

<b>Financial instruments</b>	<b>As at 31 December 2024 RMB'000</b>	<b>Valuation technique(s) and key input(s)</b>	<b>Significant unobservable input(s)</b>	<b>Relationship of unobservable input(s) to fair value</b>
Interests attributable to other holders of consolidated structured entities	162,065 (liability)	Shares of the net value of the structured entities, determined with reference to the net asset value of the structured entities, calculated based on pricing/ yield of comparable companies with an adjustment of discount for lack of marketability of underlying investment portfolio and adjustments of related expenses.	P/E multiples Discount for lack of marketability	The higher the multiples, the higher the fair value. The higher the discount, the lower the fair value.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 64. FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

**Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)***

There were no significant transfers between instruments in Level 1 and Level 2 during the relevant year.

The following tables represent the changes in Level 3 financial instruments for the relevant years.

#### Year ended 31 December 2024

	Equity Instruments at FVOCI RMB'000	Financial assets at FVTPL RMB'000	Financial liabilities at FVTPL RMB'000	Derivative financial instruments RMB'000
At beginning of the year	188,359	8,023,490	(7,457,974)	819,867
Changes in fair value recognised in other comprehensive income	(102,973)	–	–	–
Changes in fair value recognised in profit or loss	–	(1,155,465)	26,995	(449,579)
Additions <i>(Note a)</i>	59,071	1,216,975	(6,685,343)	399,679
Transfer into Level 3	29,170	624,307	–	(104,486)
Transfer out of Level 3 <i>(Note b)</i>	–	(217,354)	–	–
Disposals and settlements	–	(1,656,764)	6,924,876	(76,644)
At end of the year	173,627	6,835,189	(7,191,446)	588,837
Total (losses)/gains for assets/liabilities held at end of the year				
– unrealised losses recognised in other comprehensive income	(61,877)	–	–	–
– unrealised losses/(gains) recognised in profit or loss	–	(746,560)	(38,565)	644,138

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 64. FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

**Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)***

**Year ended 31 December 2023**

	<b>Equity Instruments at FVOCI RMB'000</b>	<b>Financial assets at FVTPL RMB'000</b>	<b>Financial liabilities at FVTPL RMB'000</b>	<b>Derivative financial instruments RMB'000</b>
At beginning of the year	217,708	8,129,745	(5,360,267)	426,505
Changes in fair value recognised in other comprehensive income	(16,216)	–	–	–
Changes in fair value recognised in profit or loss	–	(430,258)	(169,278)	657,531
Additions <i>(Note a)</i>	–	2,748,657	(8,693,287)	(153,036)
Transfer out of Level 3 <i>(Note b)</i>	–	(1,024,948)	–	–
Disposals and settlements	(13,133)	(1,399,706)	6,764,858	(111,133)
At end of the year	188,359	8,023,490	(7,457,974)	819,867
Total (losses)/gains for assets/liabilities held at end of the year				
– unrealised losses recognised in other comprehensive income	(17,495)	–	–	–
– unrealised losses/(gains) recognised in profit or loss	–	(1,148,345)	174,958	71,992

*Note a:* These mainly included unlisted equity investments, restricted stocks and other investments with significant unobservable inputs applied in valuing these investments.

*Note b:* These mainly included equity securities traded on stock exchanges with lock-up periods. They were transferred from Level 3 to Level 1 when the lock-up period lapsed and became unrestricted.

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 65. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

Items	1 January	Increase for the year		Decrease for the year		31 December
	2024	Cash	Non-cash	Cash	Non-cash	2024
	Borrowings	1,700,024	3,176,103	111,994	3,438,704	-
Short-term debt instruments	2,797,700	7,274,761	73,961	4,467,517	-	5,678,905
Debt securities issued	60,157,845	17,994,611	1,848,943	19,267,081	-	60,734,318
Lease liabilities	547,475	-	907,799	396,324	-	1,058,950
Financial liabilities at fair value through profit or loss	7,144,110	14,475,862	359,047	15,000,854	-	6,978,165
<b>Total</b>	<b>72,347,154</b>	<b>42,921,337</b>	<b>3,301,744</b>	<b>42,570,480</b>	<b>-</b>	<b>75,999,755</b>

# Notes to the Consolidated Financial Statements

## for the year ended 31 December 2024

### 65. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Continued)

Items	1 January	Increase for the year		Decrease for the year		31 December
	2023	Cash	Non-cash	Cash	Non-cash	2023
Borrowings	2,008,823	2,795,179	62,754	3,166,732	-	1,700,024
Short-term debt instruments	8,300,603	3,031,531	110,438	8,644,872	-	2,797,700
Debt securities issued	55,802,403	20,228,186	2,276,396	18,149,140	-	60,157,845
Lease liabilities	645,777	-	303,167	401,469	-	547,475
Financial liabilities at fair value through profit or loss	4,749,492	18,573,210	393,199	16,571,791	-	7,144,110
<b>Total</b>	<b>71,507,098</b>	<b>44,628,106</b>	<b>3,145,954</b>	<b>46,934,004</b>	<b>-</b>	<b>72,347,154</b>

### 66. SUBSEQUENT EVENTS

#### Issuance of corporate bonds

On 13 January 2025, the Company issued a corporate bond with par value of RMB2.0 billion, which bears interest rate at 1.64% with a term of 1 year; on 17 March 2025, the Company issued a subordinated bond with par value of RMB2.2 billion, which bears interest rate at 2.45% with a term of 5 years.

#### Proposed profit distribution

Pursuant to the Board resolution passed on 28 March 2025, it is proposed that cash dividends of RMB1.00 (tax inclusive) be distributed for every 10 shares based on the Company's existing share capital of 8,496,645 thousand shares deducting 34,843 thousand shares deposited in the Company's special securities account for repurchase as of 31 December 2024. This proposed distribution of cash dividends is subject to the approval of the Shareholders' general meetings.