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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)

U.S.\$300,000,000 Floating Rate Guaranteed Bonds due 2028 (Stock Code: 5953)

**UPDATE ANNOUNCEMENT ON
(1) MAJOR TRANSACTION – THE PROPOSED ACQUISITION OF 100%
EQUITY INTERESTS IN SHANGHAI SECURITIES BY WAY OF ISSUE OF
CONSIDERATION A SHARES UNDER SPECIFIC MANDATE AND
PAYMENT OF CASH
AND
(2) APPLICATION FOR WHITEWASH WAIVER**

Joint Financial Advisers to the Company



UBS



东方证券
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國際

**Hong Kong Independent Financial Adviser to the Independent Board Committee and the
Takeovers Code Independent Shareholders**



Gram Capital Limited
嘉林資本有限公司

MAJOR TRANSACTION – THE PROPOSED ACQUISITION OF AN AGGREGATE OF 100% EQUITY INTERESTS IN SHANGHAI SECURITIES BY THE COMPANY BY WAY OF ISSUE OF CONSIDERATION A SHARES UNDER SPECIFIC MANDATE AND PAYMENT OF CASH

Reference is made to the First Announcement of the Company dated May 6, 2026, in relation to, among other things, the Framework Agreement entered into between the Company and each of the Vendors. Pursuant to the Framework Agreement, the Company has conditionally agreed to acquire, and each Vendor has conditionally agreed to sell its respective equity interests in Shanghai Securities which amounted to, an aggregate of 100% of the equity interests in Shanghai Securities (being the Target Equities), with the Total Consideration to be determined after arm's length negotiations between the Company and each Vendor based on the appraised value of the Target Equities set out in the Asset Valuation Report, and to be confirmed by way of entering into the Definitive Agreement between the Company and the Vendors.

The Board is pleased to announce that on July 27, 2026, the Company entered into the Definitive Agreement with each of the Vendors which provides for the Total Consideration for the Proposed Transaction, and upon which the number of the Consideration A Shares and the Cash Consideration have been determined by reference to the Total Consideration.

According to the Asset Valuation Report issued by the Valuer, which has been filed with Shanghai SASAC, the appraised value of the Target Equities as at the Valuation Benchmark Date of March 31, 2026 is RMB25,119,840,000. In compliance with the requirement under Rule 11.4 of the Takeovers Code, the Valuer has confirmed that there is no material difference in the appraised value of the Target Equities between the Valuation Benchmark Date and June 30, 2026.

Upon arm's length negotiations between the Company and each Vendor based on the appraised value of the Target Equities set out in the Asset Valuation Report, the Total Consideration has been determined to be RMB25,120,000,000, which shall be settled by the Company as to RMB23,550,000,000 by the allotment and issuance of 2,288,629,735 Consideration A Shares in aggregate to the Vendors and as to RMB1,570,000,000 by the payment of Cash Consideration to Guotai Haitong. The Consideration A Shares represent approximately 27.13% of the total issued Shares (excluding treasury A Shares) as at the date of this announcement and approximately 21.34% of the Company's total issued Shares (excluding treasury A Shares) upon Completion as enlarged by the issue of the Consideration A Shares, assuming that (i) there will not be any further adjustment to the issue price of the Consideration A Shares; and (ii) there will be no change in the total issued Shares from the date of this announcement to immediately prior to Completion.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As one or more of the applicable percentage ratios in respect of the Proposed Transaction exceed 25% but are less than 100%, the Proposed Transaction constitutes a major transaction of the Company which is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

As at the date of this announcement, each of the Vendors is an Independent Third Party, and therefore the Proposed Transaction does not constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

The Directors will seek the Specific Mandate from the Shareholders at the EGM and the Class Meetings for the allotment and issuance of the Consideration A Shares to the Vendors. The Consideration A Shares will be listed on the main board of the Shanghai Stock Exchange.

IMPLICATIONS UNDER THE TAKEOVERS CODE

As at the Latest Practicable Date, (a) each of the Whitewash Applicant Vendors (being Bailian Group and Shanghai Chengtou Group) does not hold any Shares; and (b) members of the Whitewash Applicant Vendors Concert Party Group hold an aggregate of 2,540,127,316 Shares, representing approximately 30.11% of the total issued Shares (excluding treasury A Shares). Amongst members of the Whitewash Applicant Vendors Concert Party Group, Shenergy holds 26.82%, Shanghai Jinqiao holds 1.47% and other parties set out in item (5) in the shareholding structure of the Company in the section headed “2. Effects on the Shareholding Structure of the Company” hold an aggregate of 1.82%.

If the Proposed Transaction materializes, it is expected that immediately after Completion thereof and assuming that (i) there will not be any further adjustment to the issue price of the Consideration A Shares; and (ii) there will be no change in the total issued Shares since the date of this announcement save for the issue of the Consideration A Shares pursuant to the Definitive Agreement, the aggregate voting rights in the Company held by the Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group will increase to approximately 35.30% and will therefore trigger the mandatory general offer obligations of the Whitewash Applicant Vendors in respect of the Company under Rule 26.1 of the Takeovers Code. As advised by Grandall Law Firm (Shanghai), the PRC counsel of the Company, in accordance with PRC laws, the Proposed Transaction will not trigger any obligation on the Vendors to make a mandatory general offer for A Shares, and therefore the Vendors will not be required to make any mandatory general offer to A Shareholders.

The Whitewash Applicant Vendors will make an application to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 to dispensation from Rule 26 of the Takeovers Code. Pursuant to the Definitive Agreement, the implementation of the Proposed Transaction is conditional upon the granting of the Whitewash Waiver and the obtaining of the requisite approval by the Takeovers Code Independent Shareholders and each of such conditions is not waivable.

EGM AND CLASS MEETINGS

The Company will convene the EGM to consider and, if thought fit, approve, among other things, (i) the Proposed Transaction; (ii) the Specific Mandate; and (iii) the Whitewash Waiver. The Company will convene the A Shares Class Meeting and the H Shares Class Meeting and each such meeting will consider and, if thought fit, approve, among other things, (i) the Proposed Transaction; and (ii) the Specific Mandate. The voting at each of the EGM and the Class Meetings will be conducted by way of poll.

DESPATCH OF CIRCULAR

A Circular containing, among other things, (i) details of the Proposed Transaction, the Specific Mandate and the Whitewash Waiver; (ii) a letter from the Independent Board Committee to the Takeovers Code Independent Shareholders containing its recommendation in respect of the Proposed Transaction, the Specific Mandate and the Whitewash Waiver; (iii) a letter from the Hong Kong Independent Financial Adviser to the Independent Board Committee and the Takeovers Code Independent Shareholders containing its recommendation in respect of the Proposed Transaction, the Specific Mandate and the Whitewash Waiver; (iv) the financial information of Shanghai Securities; (v) the Asset Valuation Report; (vi) certain other information required under the Hong Kong Listing Rules and the Takeovers Code; and (vii) the notice of each of the EGM and H Shares Class Meeting, is expected to be despatched to the Shareholders.

As disclosed in the announcements of the Company dated May 27, 2026 and June 5, 2026, the Company has applied to the Executive under Rule 8.2 of the Takeovers Code for, and the Executive has granted, a consent to extend the latest date of despatch of the Circular to a date no later than July 31, 2026. The Company will despatch the Circular to the Shareholders as soon as practicable and will make further announcement(s) in respect of despatch of the Circular if and when appropriate.

Completion of the Proposed Transaction is subject to the satisfaction of certain conditions, and may or may not proceed. The Whitewash Waiver may or may not be granted by the Executive and, if granted, will, among other things, be subject to the approval by at least 75% of the votes cast by the Takeovers Code Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Takeovers Code Independent Shareholders by way of poll in respect of the Proposed Transaction, respectively, at the EGM. Conditions to the completion of the Proposed Transaction include, among other things, the approvals, consents and/or registrations by or with the applicable competent authorities, and the Whitewash Waiver being granted by the Executive and being approved by the Takeovers Code Independent Shareholders. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Reference is made to the First Announcement of the Company dated May 6, 2026, in relation to, among other things, the Framework Agreement entered into between the Company and each of the Vendors. Pursuant to the Framework Agreement, the Company has conditionally agreed to acquire, and each Vendor has conditionally agreed to sell its respective equity interests in Shanghai Securities, which amounted to an aggregate of 100% of the equity interests in Shanghai Securities (being the Target Equities), with the Total Consideration to be determined after arm's length negotiations between the Company and each Vendor based on the appraised value of the Target Equities set out in the Asset Valuation Report, and to be confirmed by way of entering into the Definitive Agreement between the Company and the Vendors.

The Board is pleased to announce that on July 27, 2026, the Company entered into the Definitive Agreement with each of the Vendors which provides for the Total Consideration for the Proposed Transaction, and upon which the number of the Consideration A Shares and the Cash Consideration have been determined by reference to the Total Consideration.

1. MAJOR TRANSACTION – THE PROPOSED ACQUISITION OF AN AGGREGATE OF 100% EQUITY INTERESTS IN SHANGHAI SECURITIES BY THE COMPANY BY WAY OF ISSUE OF CONSIDERATION A SHARES UNDER SPECIFIC MANDATE AND PAYMENT OF CASH

1.1 Principal terms of the Definitive Agreement

The principal terms of the Definitive Agreement are summarised below:

Date July 27, 2026

Parties *Purchaser*

(1) the Company;

Vendors

(2) Bailian Group;

(3) Guotai Haitong;

(4) SIG Investment;

(5) SIG; and

(6) Shanghai Chengtou Group

Target Equities Pursuant to the Definitive Agreement, the Company has conditionally agreed to acquire, and each Vendor has conditionally agreed to sell its respective interest in Shanghai Securities, which amounted to an aggregate of 100% of the equity interests in Shanghai Securities, of which (1) 50.0000% of the equity interests in Shanghai Securities held by Bailian Group, 18.7400% of the equity interests in Shanghai Securities held by Guotai Haitong, 16.3333% of the equity interests in Shanghai Securities held by SIG Investment, 7.6767% of the equity interests in Shanghai Securities held by SIG, and 1.0000% of the equity interests in Shanghai Securities held by Shanghai Chengtou Group will be satisfied by the Company by way of issuance of the Consideration A Shares, and (2) the remaining 6.2500% of the equity interests in Shanghai Securities held by Guotai Haitong will be satisfied by the Company by way of payment of the Cash Consideration.

Total Consideration

According to the Asset Valuation Report issued by the Valuer, which has been filed with Shanghai SASAC, the appraised value of the Target Equities (as determined under the market approach) as at the Valuation Benchmark Date of March 31, 2026 is RMB25,119,840,000. In compliance with the requirement under Rule 11.4 of the Takeovers Code, the Valuer has confirmed that there is no material difference in the appraised value of the Target Equities between the Valuation Benchmark Date and June 30, 2026. Please refer to Appendix I to this announcement for the full text of the Asset Valuation Report and Further Explanatory Notes to the Valuation Report issued by the Valuer and Appendix II to this announcement for the letter of confirmation issued by the Valuer for further details.

Upon arm's length negotiations between the Company and each Vendor based on the appraised value of the Target Equities set out in the Asset Valuation Report, the Total Consideration has been determined to be RMB25,120,000,000, which shall be settled by the Company (i) as to RMB23,550,000,000 by the allotment and issuance of 2,288,629,735 Consideration A Shares in aggregate to the Vendors, calculated based on the adjusted issue price of RMB10.29 per A Share (as set out in the section headed "Issue of the Consideration A Shares" below); and (ii) as to RMB1,570,000,000 by the payment of the Cash Consideration to Guotai Haitong, details of which are set out below:

Vendor	Equity interests in Shanghai Securities as at the date of Definitive Agreement (Note 1) (approximate%)	Consideration (Note 1) (RMB'000)	Cash Portion (RMB'000)	Share Portion (RMB'000)	Number of Consideration A Shares to be issued (Shares)	Consideration A Shares as a percentage of the enlarged issued Shares upon Completion (Note 2) (approximate%)
Bailian Group	50.0000	12,560,000.0	-	12,560,000.0	1,220,602,526	11.38
Guotai Haitong	24.9900	6,277,486.4	1,570,000.0	4,707,486.4	457,481,668	4.27
SIG Investment	16.3333	4,102,932.3	-	4,102,932.3	398,730,054	3.72
SIG	7.6767	1,928,378.2	-	1,928,378.2	187,403,125	1.75
Shanghai Chengtou Group	1.0000	251,203.2	-	251,203.2	24,412,362	0.23
Total	100.0000	25,120,000.0	1,570,000.0	23,550,000.0	2,288,629,735	21.34

Notes:

- (1) The equity interest percentages for Shanghai Securities set out in the table above are rounded to four decimal places for illustrative purposes only. The consideration payable to each Vendor is calculated based on such Vendor's respective equity interests in Shanghai Securities and may therefore differ slightly from the amounts derived using the rounded percentages set out in the above table due to rounding adjustments.

- (2) *The shareholding percentages in the Company are calculated based on 10,723,728,546 total issued Shares after Completion (excluding any treasury A Shares), assuming that (i) there will not be any further adjustment to the issue price of the Consideration A Shares; and (ii) there will be no change in the total issued Shares since the date of this announcement save for the issue of the Consideration A Shares pursuant to the Definitive Agreement. The percentage figures in this column are subject to rounding adjustments and therefore are approximations only.*

Pursuant to Rule 11.1(b) of the Takeovers Code, the Hong Kong Independent Financial Adviser has confirmed that the Valuer is suitably qualified and experienced to prepare the valuation of the Target Equities. Please refer to Appendix III to this announcement for the letter of confirmation issued by the Hong Kong Independent Financial Adviser in this regard.

The Consideration A Shares in aggregate amount to approximately 27.13% of the Company's total issued Shares (excluding treasury A Shares) as at the date of this announcement and approximately 21.34% of the Company's total issued Shares as enlarged by the issue of the Consideration A Shares upon Completion (excluding treasury A Shares, and assuming that (a) there will not be any further adjustments to the issue price of the Consideration A Shares of RMB10.29 per Consideration A Share; and (b) there will be no change in the total issued Shares from the date of this announcement to immediately prior to Completion). For information of the potential dilution effect of the issuance of the Consideration A Shares in the aggregate, please refer to the section headed "2. Effects on the Shareholding Structure of the Company" in this announcement.

**Issue of the
Consideration A
Shares**

Issue Price of the Consideration A Shares

The issue price of the Consideration A Shares as set forth in the Definitive Agreement is RMB10.29 per A Share.

As set out in the First Announcement, the issue price of the Consideration A Shares is determined based on the weighted average trading prices of the A Shares for the 120 trading days prior to the Pricing Benchmark Date.

The weighted average trading price of the A Shares for the 120 trading days prior to the Pricing Benchmark Date = the aggregate trading amount¹ of the A Shares for the 120 trading days prior to the Pricing Benchmark Date ÷ the aggregate trading volume of the A Shares for the 120 trading days prior to the Pricing Benchmark Date.

On the basis of the above, the issue price of the Consideration A Shares shall be RMB10.49 per A Share.

¹ The aggregate trading amount has been adjusted after taking into account the ex-dividend adjustment in respect of the Company's 2025 interim profit distribution.

During the period from the Pricing Benchmark Date to the date of issue of the Consideration A Shares, if the Company carries out any ex-rights or ex-dividend events such as dividend distribution, bonus issue, capitalisation of capital reserve, rights issue, etc., the issue price of the Consideration A Shares will be adjusted accordingly in accordance with the relevant PRC laws and the requirements of the regulatory authorities. The adjustment mechanism is set out as follows:

Share Dividends or Capitalisation Issue: $P_1 = P_0 / (1 + n)$;

Rights Issue: $P_1 = (P_0 + A \times k) / (1 + k)$;

Share Dividends or Capitalisation Issue and Rights Issue conducted simultaneously: $P_1 = (P_0 + A \times k) / (1 + n + k)$;

Cash Dividend Distribution: $P_1 = P_0 - D$;

Share Dividends or Capitalisation Issue, Rights Issue and Cash Dividend conducted simultaneously: $P_1 = (P_0 - D + A \times k) / (1 + n + k)$.

Where: P_0 represents the effective issue price before adjustment; n represents the rate of share dividend distribution or capitalisation issue; k represents the rights issue ratio; A represents the subscription price for the rights shares; D represents the cash dividend distributed per share; and P_1 represents the effective issue price after adjustment.

The Board and the Shareholders have considered and approved the 2025 annual profit distribution plan, involving a cash dividend of RMB2.00 (tax inclusive) for every 10 Shares (being the 2025 Final Dividend) to be distributed to the A Shareholders and H Shareholders. Given that the aforesaid profit distribution has been implemented as of the date of this announcement, the Definitive Agreement provides that the issue price of the Consideration A Shares shall be adjusted to RMB10.29 per A Share in accordance with the price adjustment formula set out above.

The number of Consideration A Shares

The number of Consideration A Shares to be issued shall be determined in accordance with the following formula:

Number of Consideration A Shares to be issued to each Vendor = the transaction consideration payable to each Vendor in the form of share issuance ÷ the issue price of the Consideration A Shares

Where the number of Consideration A Shares to be issued to any Vendor is not a whole number, any fractional shares shall be disregarded and the number shall be rounded down to the nearest whole share.

Details of the number of Consideration A Shares to be issued by the Company to each Vendor are set out in the section headed “Total Consideration” above.

During the period from the Pricing Benchmark Date to the date of issue of the Consideration A Shares, in case of any ex-rights or ex-dividends events of the Company such as dividend distribution, bonus issue, capitalisation of capital reserve, rights issue, etc., the issue price will be adjusted accordingly, and the number of Consideration A Shares to be issued to each Vendor will be adjusted on a corresponding basis.

The final number of Consideration A Shares in aggregate to be issued by the Company to the Vendors shall be subject to approval at the general meeting of the Company, consent by the Shanghai Stock Exchange and registration with the CSRC.

The Consideration A Shares will be listed on the main board of the Shanghai Stock Exchange.

Lock-up Period

Each of the Vendors has undertaken, in accordance with applicable laws and regulations, that it shall not transfer any of the Consideration A Shares within 12 months from the completion date of the issuance of the Consideration A Shares to it (i.e. date of Completion). If applicable laws and regulations, the stock exchanges or the relevant securities regulatory authorities impose any further requirements in respect of such lock-up periods, each Vendor shall agree to provide further undertakings in accordance with such requirements.

The lock-up undertaking shall also apply to any additional A Shares derived from the Consideration A Shares received by each of the Vendors, pursuant to capitalisation of capital reserve, bonus share issue or rights issue, upon completion of the issuance of the Consideration A Shares to it.

**Dividends (being
arrangements for
accumulated and
undistributed
retained profits)**

After Completion, existing and new Shareholders of the Company (including each Vendor) will be entitled to any dividend or distribution that the Company may make based on the financial accounts of the Company in compliance with applicable laws, on a pro-rata basis to their respective shareholdings in the Company.

**Conditions Precedent
to the Effectiveness
of the Definitive
Agreement**

The effectiveness of the Definitive Agreement shall be conditional upon the fulfilment of all of the following conditions:

- (i) the passing of valid resolutions by the Board, the general meeting, the A shares class meeting and the H shares class meeting of the Company approving the Proposed Transaction;
- (ii) the completion by each of the Vendors of their internal decision-making procedures in respect of the Proposed Transaction and the obtaining of approvals from their competent internal authorities;
- (iii) the granting of a Whitewash Waiver by the Executive in respect of the Proposed Transaction and the approval of the same by the Takeovers Code Independent Shareholders at a general meeting of the Company in accordance with the Takeovers Code;
- (iv) the obtaining of the approvals, consents and registration for the Proposed Transaction from Shanghai SASAC, the Shanghai Stock Exchange and the CSRC, and such approvals, consents and registration remaining valid; and
- (v) the obtaining of any other necessary prior approvals, endorsements, filings or consents (if any) as required by laws, regulations and competent regulatory authorities.

None of the above conditions to the effectiveness can be waived by any party to the Definitive Agreement. As at the date of this announcement, other than the condition set out in paragraph (ii) above, none of the other conditions to the effectiveness has been fulfilled. The Proposed Transaction will not proceed if the Whitewash Waiver is not granted or if the Whitewash Waiver is not approved by the Takeovers Code Independent Shareholders.

In respect of the condition set out in paragraph (v) above, as at the date of this announcement, the Company is not aware of any other approvals, endorsements, filings or consents which are required to be obtained in respect of the Proposed Transaction. In accordance with the *Anti-Monopoly Law of the PRC* (《中華人民共和國反壟斷法》) and other relevant PRC laws and regulations, the Proposed Transaction does not meet the applicable notification thresholds for a merger control filing. Accordingly, no merger control filing is required to be made to the State Administration for Market Regulation of the PRC in respect of the Proposed Transaction.

In respect of the condition set out in paragraph (iv) above, pursuant to the relevant PRC laws and regulations, it is necessary to obtain (a) the approval of the Proposed Transaction by Shanghai SASAC; (b) the consent of the Proposed Transaction by the Shanghai Stock Exchange; and (c) the consent of and registration with the CSRC of the Proposed Transaction. The application under (a) will be made after the date of this announcement and the approval is expected to be obtained prior to the EGM; and the applications under (b) and (c) will be made after the Proposed Transaction is approved by the Shareholders at the EGM and the obtaining of these approvals is subject to such time period as it takes by the relevant regulators to assess the applications.

Although the Definitive Agreement does not specify a long stop date, each party will endeavour to take necessary steps to procure the fulfilment of the above conditions precedent.

In addition, pursuant to the *Administrative Measures for Major Asset Restructurings of Listed Companies* (《上市公司重大資產重組管理辦法》), shareholders' resolutions approving a relevant transaction, for example, the Proposed Transaction, shall specify a validity period. As such, the relevant resolutions of Shareholders approving the Proposed Transaction will provide a validity period of 12 months from the EGM. In the event that Completion does not occur within 12 months of the EGM, the Company is required to seek the approval of the Shareholders in a general meeting to extend the validity period, and if the requisite approval is not obtained, the Proposed Transaction will not proceed.

Further announcement(s) will be made as and when appropriate if the condition(s) set out above has been satisfied.

**Attribution of Profits
and Losses for the
Transitional Period**

All profits and losses generated by the Target Equities during the Transitional Period shall be enjoyed or borne by the Company. The parties to the Proposed Transaction will not adjust the Total Consideration of the Target Equities according to the profits and losses during the Transitional Period.

**Transfer of the Target
Equities**

Within 30 business days after all the conditions to the effectiveness of the Definitive Agreement have been fulfilled (or such later date as reasonably determined by the Company at its discretion), each party shall cooperate to complete the transfer of the Target Equities and the registration of corporate changes of the Target Equities in the name of the Company with the competent market supervision and administration authority.

Payment Arrangements	After the Target Equities Closing Date, the Company shall complete the issue and allotment of the Consideration A Shares to each of the Vendors as soon as possible. Within 10 business days from the Target Equities Closing Date (or such later date as may be agreed between the Company and Guotai Haitong), the Company shall pay the Cash Consideration to Guotai Haitong. For the purpose of the Proposed Transaction, Completion means (i) the occurrence of the Target Equities Closing Date; and (ii) the completion of the issue of the Consideration A Shares. Payment of the Cash Consideration will take place after the Target Equities Closing Date, which may take place before or after Completion.
Transfer of Creditors' Rights and Debts of Shanghai Securities	The Proposed Transaction does not involve any transfer of creditors' rights and debts of Shanghai Securities.
Arrangements for Employees of Shanghai Securities	The Proposed Transaction does not involve any change to the employment relationships, or resettlement of the employees, of Shanghai Securities.
Termination	The Definitive Agreement shall be terminated upon the occurrence of any of the following circumstances: (i) each of the parties agrees in writing to terminate the Definitive Agreement; (ii) any competent government authority or regulatory authority requires termination of the Proposed Transaction in accordance with applicable laws; (iii) any party terminates the Definitive Agreement by written notice due to force majeure; or (iv) other circumstances under which termination is required pursuant to applicable laws. In relation to the Proposed Transaction, the Company intends to acquire 100% equity interests in Shanghai Securities. If any Vendor fails to transfer its respective equity interests in Shanghai Securities to the Company, the Company shall be entitled, at its discretion, to unilaterally terminate the Definitive Agreement and terminate the Proposed Transaction without incurring any liability.

Others

Upon the entering into the Definitive Agreement, the Framework Agreement has been superseded in its entirety.

Between the date of the First Announcement and the Target Equities Closing Date, the Vendors undertake to assist the Company in ensuring that Shanghai Securities and its subsidiaries continue to operate in the ordinary course of business. The Vendors further undertake not to engage in any conduct that would, or would be likely to, have a material adverse effect on the business, operations or financial condition of Shanghai Securities or any of its subsidiaries.

1.2 Comparison of issue price for Consideration A Shares

The issue price of RMB10.29 per Consideration A Share:

- (a) represents a premium of approximately 12.58% over RMB9.14, the closing price of A Shares as quoted on the Shanghai Stock Exchange on the last trading day (being April 17, 2026) prior to the Pricing Benchmark Date, after deducting the 2025 Final Dividend;
- (b) represents a premium of approximately 14.33% over RMB9.00, the weighted average trading price of the A Shares on the Shanghai Stock Exchange during the 20 trading days prior to the Pricing Benchmark Date, after deducting the 2025 Final Dividend;
- (c) represents a premium of approximately 5.54% over RMB9.75, the weighted average trading price of the A Shares on the Shanghai Stock Exchange during the 60 trading days prior to the Pricing Benchmark Date, after deducting the 2025 Final Dividend;
- (d) equals to RMB10.29, the weighted average trading price of the A Shares on the Shanghai Stock Exchange over the 120 trading days prior to the Pricing Benchmark Date, after deducting the 2025 Final Dividend; and
- (e) represents a premium of approximately 8.89% over RMB9.45, the audited net asset value (after deducting perpetual subordinated bonds) attributable to the equity holders of the Company per Share as at December 31, 2025.

1.3 Information on Shanghai Securities

Shanghai Securities is a limited liability company established in the PRC on April 27, 2001. Shanghai Securities is principally engaged in wealth management, securities trading and investment, asset management, investment banking, and other businesses in the PRC.

The shareholding structure of Shanghai Securities as at the date of this announcement is set out as follows:

Shareholders of Shanghai Securities	Approximate percentage of equity interests as at the date of this announcement
Bailian Group	50.0000%
Guotai Haitong	24.9900%
SIG Investment	16.3333%
SIG	7.6767%
Shanghai Chengtou Group	1.0000%
Total	100.0000%

After the completion of the Proposed Transaction, Shanghai Securities will become a wholly-owned subsidiary of the Company, and the financial results of Shanghai Securities will be consolidated into the consolidated financial statements of the Group.

The audited financial information of Shanghai Securities for the two financial years ended December 31, 2024 and 2025 and for the three months ended March 31, 2026, prepared in accordance with CASBE, was as follows:

	For the year ended December 31, 2024 <i>(audited)</i> <i>RMB thousand</i>	For the year ended December 31, 2025 <i>(audited)</i> <i>RMB thousand</i>	For the three months ended March 31, 2026 <i>(audited)</i> <i>RMB thousand</i>
Total assets	85,534,888	95,865,807	103,193,222
Total liabilities	66,729,607	76,060,741	83,072,451
Net assets	18,805,281	19,805,066	20,120,771
Operating revenue	2,858,061	3,425,205	515,219
Profit before tax (Total profit)	1,057,011	1,611,829	181,034
Profit after tax	953,461	1,323,495	151,329

The consolidated financial statements of Shanghai Securities prepared in accordance with the IFRS Accounting Standards will be audited by the reporting accountants appointed by the Company. The accountants' report on the financial information of Shanghai Securities will be included in the Circular.

1.4 Information on the Company and each of the Vendors

(i) *The Company*

The Company is a joint stock company incorporated in the PRC with limited liability, the A Shares and H Shares of which are listed and traded on the main board of the Shanghai Stock Exchange (stock code: 600958) and the Main Board of the Hong Kong Stock Exchange (stock code: 03958) respectively, and is principally engaged in wealth and asset management, investment banking and alternative investment, institutions and sales trading, and international and other businesses.

(ii) *Bailian Group*

Bailian Group is a limited liability company incorporated in the PRC, the principal businesses of which are convenience store chains, integrated department stores, commodities trading, and specialty retail chains. Bailian Group became the controlling shareholder of Shanghai Securities since February 2021 and, as at the date of this announcement, holds 50.0000% of the equity interests in Shanghai Securities. As at the date of this announcement, Bailian Group's ultimate beneficial owner is Shanghai SASAC.

(iii) *Guotai Haitong*

Guotai Haitong is a joint stock company incorporated in the PRC with limited liability, whose A shares and H shares are listed and traded on the main board of the Shanghai Stock Exchange (stock code: 601211) and the Main Board of the Hong Kong Stock Exchange (stock code: 02611) respectively. The principal businesses of Guotai Haitong are wealth management, investment banking, institution and transaction, investment management, finance lease and other business. As at the date of this announcement, SIG and its subsidiaries collectively hold approximately 20.4% of the equity interests in Guotai Haitong, as its largest shareholder.

(iv) *SIG Investment*

SIG Investment is a limited liability company incorporated in the PRC, the principal businesses of which are asset management, industrial investment, enterprise management consultancy and financial consultancy. As at the date of this announcement, SIG Investment is a wholly-owned subsidiary of SIG, and its ultimate beneficial owner is Shanghai SASAC.

(v) *SIG*

SIG is a limited liability company incorporated in the PRC, the principal businesses of which are investment primarily in the financial sector and secondarily in the non-financial sector, capital operation and asset management, financial research and socio-economic consultancy. As at the date of this announcement, the ultimate beneficial owner of SIG is Shanghai SASAC.

(vi) *Shanghai Chengtou Group*

Shanghai Chengtou Group is a limited liability company incorporated in the PRC, which is a state-owned enterprise group principally engaged in the investment, development, and operation and management of urban infrastructure projects. As at the date of this announcement, the ultimate beneficial owner of Shanghai Chengtou Group is Shanghai SASAC.

Accordingly, each of the Vendors and its ultimate beneficial owners are Independent Third Parties.

2. EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the total issued Shares is 8,496,645,292 Shares, which comprises 7,469,482,864 A Shares (of which 61,546,481 are treasury A Shares) and 1,027,162,428 H Shares.

For illustrative purposes, set out below is the shareholding structure of the Company (the shareholding percentages are calculated after excluding any treasury A Shares):

- (i) as at the Latest Practicable Date (further announcement will be made to update the below shareholding up to the date of this announcement); and

Shareholding as at the Latest Practicable Date

Shareholder	Number of A Shares Held	Approximate% of Issued A Shares ^(Note 1)	Number of H Shares Held	Approximate% of Issued H Shares	Total Number of Shares Held	Approximate% of the Total Issued Shares ^(Note 1)
Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group						
1. Bailian Group	–	–	–	–	–	–
2. Shanghai Chengtou Group	–	–	–	–	–	–
3. Shenergy ^(Note 2)	2,262,428,700	30.54%	–	–	2,262,428,700	26.82%
4. Shanghai Jinqiao ^(Note 2)	124,328,872	1.68%	–	–	124,328,872	1.47%
5. Others ^(Note 2)	152,263,344	2.06%	1,106,400	0.11%	153,369,744	1.82%
6. Sub-total (1+2+3+4+5)	2,539,020,916	34.27%	1,106,400	0.11%	2,540,127,316	30.11%
Other Vendors and their subsidiaries						
7. Guotai Haitong and its subsidiaries ^(Note 3)	49,760,271	0.67%	24,911,600	2.43%	74,671,871	0.89%
8. SIG and its subsidiaries	–	–	–	–	–	–
9. Sub-total (7+8)	49,760,271	0.67%	24,911,600	2.43%	74,671,871	0.89%
Other Shareholders						
10. Associated companies of Other Vendors ^(Note 4)	9,624,771	0.13%	6,583,200	0.64%	16,207,971	0.19%
11. Other A Share public shareholders	4,809,530,425	64.92%	–	–	4,809,530,425	57.02%
12. Other H Share public shareholders ^(Note 5)	–	–	994,561,228	96.83%	994,561,228	11.79%
13. Sub-total (10+11+12)	4,819,155,196	65.05%	1,001,144,428	97.47%	5,820,299,624	69.00%
14. Sub-total (6+9+13)	7,407,936,383	100%	1,027,162,428	100%	8,435,098,811	100%
15. Treasury A Shares ^(Note 1)	61,546,481	–	–	–	61,546,481	–
Total	7,469,482,864		1,027,162,428		8,496,645,292	

- (ii) immediately after Completion (on the basis that the Total Consideration to be settled by way of issuance of Consideration A Shares is RMB23,550,000,000, and assuming that (a) there will not be any further adjustments to the issue price of the Consideration A Shares of RMB10.29 per A Share; and (b) there will be no change in the total issued Shares since the date of this announcement save for the issue of the Consideration A Shares pursuant to the Definitive Agreement).

Shareholding immediately after Completion

Shareholder	Number of A Shares Held	Approximate% of Issued A Shares ^(Note 1)	Number of H Shares Held	Approximate% of Issued H Shares	Total Number of Shares Held	Approximate % of the Total Issued Shares ^(Note 1)
Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group						
1. Bailian Group	1,220,602,526	12.59%	–	–	1,220,602,526	11.38%
2. Shanghai Chengtuo Group	24,412,362	0.25%	–	–	24,412,362	0.23%
3. Shenergy ^(Note 2)	2,262,428,700	23.33%	–	–	2,262,428,700	21.10%
4. Shanghai Jinqiao ^(Note 2)	124,328,872	1.28%	–	–	124,328,872	1.16%
5. Others ^(Note 2)	152,263,344	1.57%	1,106,400	0.11%	153,369,744	1.43%
6. Sub-total (1+2+3+4+5)	<u>3,784,035,804</u>	<u>39.02%</u>	<u>1,106,400</u>	<u>0.11%</u>	<u>3,785,142,204</u>	<u>35.30%</u>
Other Vendors and their subsidiaries						
7. Guotai Haitong and its subsidiaries ^(Note 3)	507,241,939	5.23%	24,911,600	2.43%	532,153,539	4.96%
8. SIG and its subsidiaries	586,133,179	6.04%	–	–	586,133,179	5.47%
9. Sub-total (7+8)	<u>1,093,375,118</u>	<u>11.28%</u>	<u>24,911,600</u>	<u>2.43%</u>	<u>1,118,286,718</u>	<u>10.43%</u>
Other Shareholders						
10. Associated companies of Other Vendors ^(Note 4)	9,624,771	0.10%	6,583,200	0.64%	16,207,971	0.15%
11. Other A Share public shareholders	4,809,530,425	49.60%	–	–	4,809,530,425	44.85%
12. Other H Share public shareholders ^(Note 5)	–	–	994,561,228	96.83%	994,561,228	9.27%
13. Sub-total (10+11+12)	<u>4,819,155,196</u>	<u>49.70%</u>	<u>1,001,144,428</u>	<u>97.47%</u>	<u>5,820,299,624</u>	<u>54.27%</u>
14. Sub-total (6+9+13)	<u>9,696,566,118</u>	<u>100%</u>	<u>1,027,162,428</u>	<u>100%</u>	<u>10,723,728,546</u>	<u>100%</u>
15. Treasury A Shares ^(Note 1)	61,546,481		–		61,546,481	
Total	<u><u>9,758,112,599</u></u>		<u><u>1,027,162,428</u></u>		<u><u>10,785,275,027</u></u>	

Notes:

1. *The shareholding percentages in the above table and in the notes below are calculated after excluding any treasury A Shares as treasury A Shares do not carry voting rights in accordance with the Rules on Share Repurchases by Listed Companies (《上市公司股份回購規則》) issued by CSRC.*
2. *Certain Shareholders (namely those set forth in paragraphs (i) to (vii) in this note 2) are ultimately controlled by Shanghai SASAC or district-level state-owned assets supervision and administration commissions in Shanghai. Pursuant to class (1) of the definition of “acting in concert” under the Takeovers Code, the aforementioned shareholders are presumed to be acting in concert with the Whitewash Applicant Vendors. These Shareholders are as follows:*
 - (i) *Shenergy holds 2,262,428,700 A Shares (representing 26.82% of the total issued Shares);*
 - (ii) *Shanghai Jinqiao holds 124,328,872 A Shares (representing 1.47% of the total issued Shares);*
 - (iii) *Shanghai Join Buy Co., Ltd.* (上海九百股份有限公司) holds 32,458,925 A Shares (representing 0.38% of the total issued Shares);*
 - (iv) *Shanghai Construction Group Co., Ltd.* (上海建工集團股份有限公司) holds 72,947,867 A Shares (representing 0.86% of the total issued Shares);*
 - (v) *Shanghai Electric Holding Group Co., Ltd.* (上海電氣控股集團有限公司) holds 13,760,256 A Shares (representing 0.16% of the total issued Shares);*
 - (vi) *Shanghai Electric Group Hongkong Company Limited (上海電氣集團香港有限公司) holds 1,106,400 H Shares (representing 0.01% of the total issued Shares);*
 - (vii) *Shanghai New South West (Group) Co., Ltd.* (上海新南西(集團)有限公司) holds 12,142,783 A Shares (representing 0.14% of the total issued Shares);*
 - (viii) *In addition, the Company’s largest shareholder, Shenergy, is wholly owned by Shanghai SASAC. Accordingly, the Company and its subsidiaries and associated companies are presumed to be acting in concert with the Whitewash Applicant Vendors under class (1) of the definition of ‘acting in concert’ under the Takeovers Code. As at the Latest Practicable Date, China Universal Asset Management Co., Ltd.* (匯添富基金管理股份有限公司), as an associated company of the Company and in the ordinary course of business as a financial institution, holds 20,953,513 A Shares (representing 0.25% of the total issued Shares), of which 1,295,165 A Shares are held as investment products (representing 0.02% of the total issued Shares) and 19,658,348 A Shares (representing 0.23% of the total issued Shares) are held in its capacity as a manager of certain passively-managed funds as part of their ordinary course of business. Given the passive nature of the aforementioned activities, certain non-discretionary dealings in the Shares may be conducted in the course of managing such fund products. As of the date of this announcement, the Executive has confirmed that such dealings in the Shares do not constitute disqualifying transactions under the Takeovers Code. Please refer to paragraph (b) of the section headed “5.1 Application for Whitewash Waiver” for further details.*

The shareholdings in paragraphs (iii) to (viii) of this note 2 (being the shareholdings included in “Others” in item 5 of the shareholding structure of the Company above) amounted to an aggregate of 153,369,744 Shares, representing 1.82% of the total issued Shares.

3. *Guotai Haitong and its subsidiaries in their businesses of proprietary trading in equities, proprietary securities lending, and management of publicly offered fund products, asset management plans, privately offered fund products and other investment products, which businesses are in the ordinary course of business for financial institutions, hold an aggregate of 49,760,271 A Shares (representing 0.59% of the total issued Shares) and 24,911,600 H Shares (representing 0.30% of the total issued Shares). Of which:*
 - (i) *Guotai Haitong holds 1,269,740 A Shares (representing 0.02% of the total issued Shares) and 21,494,400 H Shares (representing 0.25% of the total issued Shares);*
 - (ii) *Shanghai Guotai Haitong Securities Asset Management Co., Ltd.* (上海國泰海通證券資產管理有限公司) holds 35,600 H Shares (representing 0.0004% of the total issued Shares);*
 - (iii) *HuaAn Fund Management Co., Ltd.* (華安基金管理有限公司) holds 8,971,688 A Shares (representing 0.11% of the total issued Shares) and 3,381,600 H Shares (representing 0.04% of the total issued Shares);*
 - (iv) *HFT Investment Management Co., Ltd.* (海富通基金管理有限公司) holds 39,468,015 A Shares (representing 0.47% of the total issued Shares); and*
 - (v) *Guotai Junan Financial Products Limited (國泰君安金融產品有限公司) holds 50,828 A Shares (representing 0.001% of the total issued Shares).*
4. *This includes:*
 - (i) *Shanghai International Trust Co., Ltd.* (上海國際信託有限公司) and AXA-SPDB Investment Managers Co., Ltd.* (浦銀安盛基金管理有限公司), which are associated companies under the Takeovers Code (but not close associates under the Hong Kong Listing Rules) of SIG; and*
 - (ii) *Fullgoal Fund Management Co., Ltd.* (富國基金管理有限公司) and Fullgoal Asset Management (HK) Limited (富國資產管理(香港)有限公司), which are associated companies under the Takeovers Code (but not close associates under the Hong Kong Listing Rules) of Guotai Haitong.*

The above entities hold an aggregate of 9,624,771 A Shares (representing approximately 0.11% of the total issued Shares) and 6,583,200 H Shares (representing approximately 0.08% of the total issued Shares). These entities have confirmed to the Company that they are not close associates of Guotai Haitong and SIG (as applicable) under the Hong Kong Listing Rules and, other than solely as Shareholders, they are not interested in or involved in the Proposed Transaction, the Specific Mandate or the Whitewash Waiver.
5. *The public float percentage of the Shares of the Company complies with the requirements under Rule 19A.28B(2) of the Hong Kong Listing Rules. Assuming that there will be no change in the total issued Shares from the Latest Practicable Date up to and including the date of Completion, the public float percentage of the Company will continue to comply with the requirements under Rule 19A.28B(2) of the Hong Kong Listing Rules immediately upon Completion.*
6. *The percentage figures set forth in the above table are rounded to the nearest two decimal places and therefore may not add up due to rounding.*

As at the date of this announcement, none of the Directors holds any shares, convertible securities, warrants, options or has entered into any derivatives in respect of the securities in the Company.

Apart from the above, as at the date of this announcement, the Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group, in the respective ordinary course of their investment businesses, also hold indirect interests in additional Shares through investing in investment products issued and/or managed by third parties (some of which constitutes derivatives under the Takeovers Code), but without holding any ownership or voting rights in such underlying Shares. As the composition of the underlying securities in such investment products may change under the management of third-party issuers/fund managers and without any control by the Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group, there may be fluctuations in respect of these interests.

The aforementioned interests are only mentioned for the sake of completeness. These interests are not aggregated with the aggregate shareholding (or voting rights) of the Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group as set out in the above table. Accordingly, any fluctuation in these interests will not result in any change in the aggregate voting rights of the Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group.

Relationship between (A) SIG, SIG Investment and Guotai Haitong and (B) Shanghai SASAC and the Whitewash Applicant Vendors

References are made to (i) the First Announcement; (ii) the monthly update announcement issued by the Company dated July 3, 2026 on the Hong Kong Stock Exchange; and (iii) a circular dated November 22, 2024 issued by Guotai Junan Securities Co., Ltd. (now known as Guotai Haitong) (H share stock code: 02611 and A share stock code: 601211) and Haitong Securities Co., Ltd. in relation to, amongst others, the merger of Guotai Junan Securities Co., Ltd. (now known as Guotai Haitong) with Haitong Securities Co., Ltd. by way of absorption and share exchange (the “**Guotai Haitong Joint Circular**”).

It is noted that page 35 of the Guotai Haitong Joint Circular disclosed that Shanghai SASAC is not acting in concert with SIG for the purposes of the Takeovers Code in respect of matters of, including the exercising of voting power in, Guotai Haitong.

Shanghai SASAC and SIG recently confirmed to the Company that:

- (i) such relationship between Shanghai SASAC and SIG as described in the Guotai Haitong Joint Circular has not changed since the publication of the Guotai Haitong Joint Circular; and
- (ii) the relationship between Shanghai SASAC and SIG in respect of matters of, including the exercising of voting power in, Shanghai Securities is same to that in respect of Guotai Haitong as follows:
 - (a) Shanghai SASAC, as the state-owned contributor of capital of SIG, does not interfere with the day-to-day operations and decision-making process of SIG other than fulfilling its responsibility as a contributor of capital and provision of oversight over the use of state-owned assets.

- (b) SIG, makes independent decisions and exercises its rights as a shareholder of Guotai Haitong (including exercising the voting power at Guotai Haitong's general meetings) based on its own interests in accordance with laws, regulations, and applicable governance documents.
- (c) Regarding matters pertaining to Guotai Haitong, Shanghai SASAC shall not give any instructions on matters independently decided by SIG (including exercising the voting power at Guotai Haitong's general meetings) in accordance with laws, regulations, and applicable governance documents, and in all circumstances, the independent decisions by SIG shall prevail.

On the basis of the above, Shanghai SASAC is not acting in concert with SIG (and, accordingly, nor with SIG Investment or Guotai Haitong) for the purposes of the Takeovers Code. Accordingly, for the purposes of the Takeovers Code, the Vendors are divided into the Whitewash Applicant Vendors and the Other Vendors. SIG and Guotai Haitong have confirmed to the Company that the mere fact that the Whitewash Applicant Vendors and the Other Vendors proposed to sell their equity interests in Shanghai Securities in the Proposed Transaction does not affect the position that SIG is not acting in concert with Shanghai SASAC.

Having considered the circumstances relating to the initiation of the Proposed Transaction and the negotiations of the terms of the Proposed Transaction, including that such negotiations are being initiated and led by the Company with each Vendor, each Vendor is negotiating independently with the Company on a bilateral basis, with certain difference on the commercial terms and the terms are being primarily driven by the Company's commercial position and applicable PRC laws and regulations, the Other Vendors and the Whitewash Applicant Vendors are not acting in concert with each other, on a de facto basis, for the purposes of the Takeovers Code.

Accordingly, the Company has been informed by the Vendors that for the purposes of the Proposed Transaction, the Other Vendors are not acting in concert with the Whitewash Applicant Vendors and therefore only the Whitewash Applicant Vendors (namely Bailian Group and Shanghai Chengtou Group) will apply to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 to dispensation from Rule 26 of the Takeovers Code in connection with the Proposed Transaction.

Relationship between (A) SUMG and (B) Shanghai SASAC and the Whitewash Applicant Vendors

As disclosed in the First Announcement, SUMG is a public institution sponsored by the Publicity Department of the Shanghai Municipal Committee of the Communist Party of China and, as at the date of this announcement, holds 309,561,060 A Shares and 58,000 H Shares (in aggregate representing 3.67% of the total issued Shares (excluding treasury A Shares) as at the date of this announcement).

For the purposes of the Proposed Transaction, the Company was informed by Shanghai SASAC and SUMG that SUMG is not acting in concert with Shanghai SASAC or any of the Vendors. SUMG and (solely in respect of paragraph (a) below) Shanghai SASAC have confirmed to the Company the following:

- (a) the Publicity Department of the Shanghai Municipal Committee of the Communist Party of China was entrusted to supervise and manage SUMG (and its predecessors) since 2010 and accordingly SUMG does not fall under the management of Shanghai SASAC. SUMG is fully independent and separate from Shanghai SASAC and the Shanghai Municipal People's Government in terms of management control and operations. Shanghai SASAC does not conduct substantive approval or supervision and only retains limited procedural functions in respect of SUMG;
- (b) SUMG has a full and independent legal person status. SUMG acts and makes decisions independently, including in respect of the exercise of its voting rights as a shareholder of the Company, and conducts its business operations and investments independently; and
- (c) SUMG is not otherwise acting in concert with any of the Vendors.

SUMG has confirmed to the Company that, other than solely as Shareholder, it is not interested in or involved in the Proposed Transaction, the Specific Mandate or the Whitewash Waiver.

3. REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTION

The Company and Shanghai Securities both originated in Shanghai. Both companies have proactively served and aligned themselves with the overall reform and development of China's capital markets over the years. The Proposed Transaction represents a pioneering move in further deepening reforms within Shanghai's state-owned enterprises. Upon completion of the Proposed Transaction, the Company's key shareholder base will encompass sectors such as energy, consumer goods, finance and science and technology innovation. This will facilitate the introduction of all the necessary elements and resources required for Shanghai's new round of development and securing a leading position in the industrial and economic development of Shanghai during the period covered by the *Outline of the 15th Five-Year Plan for National Economic and Social Development of the PRC (2026-2030)* (《中華人民共和國國民經濟和社會發展第十五個五年規劃綱要(2026-2030年)》). At the same time, the Company will play a more critical role in the development of Shanghai as an international financial centre and make greater contribution to the development of China as a financial powerhouse.

Shanghai Securities is a high-quality target among unlisted securities companies, possessing competitive advantages in terms of scale, quality and geographic location. Shanghai Securities has a relatively strong capital base and sound operating performance. As of December 31, 2025, among unlisted securities companies in the PRC, Shanghai Securities ranked second by total assets, third by net assets, and second by operating income². Shanghai Securities has a long history, being one of the earliest securities companies in the PRC to be granted qualification for innovative business pilot programmes, with relatively complete business qualifications, and possesses prudent risk management and internal control systems. Furthermore, Shanghai Securities is rooted in Shanghai and has a strong presence in the Yangtze River Delta region, with a relatively stable local customer base, a relatively well-established branch network, and robust shareholder resources.

Against the backdrop of an ongoing industry-wide consolidation in the securities industry, the Proposed Transaction is expected to leverage complementary strengths between the two companies, facilitating enhanced business complementarity and mutual empowerment, and ultimately generating significant synergies:

- (1) the asset scale and capital strength of the Company will increase significantly. As at the end of 2025, the Company's total assets ranked eleventh in the PRC securities industry. Upon completion of the Proposed Transaction, the Company's ranking is expected to improve to top ten in the industry³. The Company's overall competitiveness and industry position will be significantly enhanced;
- (2) the Company has demonstrated more efficient capital utilisation than Shanghai Securities. Upon completion of the Proposed Transaction, the Company will deploy the capital resources of both parties to optimise capital allocation. While maintaining risk control, the Company will steadily expand asset scale and further enhance capital utilisation efficiency. Following the Proposed Transaction, the Company is well positioned to effectively leverage its unique profile and competitive strengths to scale up its business, with clear operating models, sustainable business performance, and a measurable and manageable risks profile, thereby consolidating its competitive advantages in proprietary investment, capital intermediation, and other business segments.

² The ranking is determined based on financial data prepared in accordance with CASBE and as disclosed in the 2025 annual reports of the relevant securities companies. For the purposes of the ranking, net assets are stated as at December 31, 2025, operating income is stated for the year ended December 31, 2025. The ranking does not take into account the securities subsidiaries of listed companies.

³ The ranking is determined based on financial data prepared in accordance with CASBE and as disclosed in the 2025 annual reports of the relevant securities companies. The post-transaction ranking is calculated by adding up the total assets of the Company and Shanghai Securities as at December 31, 2025.

- (3) the Company will achieve in-depth integration of the customer resources, branch network and regional footprint of both entities. Upon completion of the Proposed Transaction, the Company's network coverage will be further expanded, with significant regional advantage. The number of securities outlets of the Company in Shanghai will reach 77, ranking first⁴ among PRC securities companies. Meanwhile, the Company's customer base will be strengthened, with its further optimised customer structure, and further increased number of high-net-worth clients. Upon completion of the Proposed Transaction, the Company's total number of wealth management client fund accounts will increase from the existing 3.29 million to over 5 million⁵, and the number of its high-net-worth clients will increase by more than 50% compared to that before the Proposed Transaction⁶;
- (4) wealth management, investment banking and institutional services and other business segments develop in synergy, forming a growth pattern supported by multiple drivers and building a more diversified and more balanced business structure. The overall scale and competitiveness of the Company's business will be significantly enhanced;
- (5) the Company will, leveraging a more comprehensive business footprint, licenses and qualifications, as well as investment and research capabilities, provide high quality, full range, one-stop comprehensive financial services to customers, significantly enhancing its overall service capability; and
- (6) the cost structure will be optimised and operating efficiency will be significantly improved through in-depth integration of technology platforms, empowerment from fintech utilization, and optimisation of resource allocation and core business processes. The Proposed Transaction will enable the Company to better perform the functions of a financial institution, and accelerate its development into a first-class modern investment bank with strong domestic competitiveness and international influence.

The terms of the Definitive Agreement and the transactions contemplated thereunder were arrived at after arm's length negotiations between the Company and each of the Vendors. The Directors (excluding the members of the Independent Board Committee, who will form their views after considering the advice of the Hong Kong Independent Financial Adviser) consider that the Definitive Agreement and the transactions contemplated thereunder are on normal commercial terms which are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

⁴ The ranking is calculated based on the number of regional business outlets as disclosed in the 2025 annual report of the securities companies, by adding up the number of business outlets of the Company and Shanghai Securities.

⁵ Calculated by adding up the number of client fund accounts of the Company and Shanghai Securities, as of December 31, 2025.

⁶ Calculated by adding up the simple sum of the number of clients of the Company and Shanghai Securities; high-net-worth clients refer to clients with account asset balance exceeding RMB3 million, as of December 31, 2025.

4. IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As one or more of the applicable percentage ratios in respect of the Proposed Transaction in accordance with the Hong Kong Listing Rules exceed 25% but are less than 100%, the Proposed Transaction constitutes a major transaction of the Company which is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

As at the date of this announcement, each of the Vendors is an Independent Third Party, and therefore the Proposed Transaction does not constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

The Directors will seek the Specific Mandate from the Shareholders at the EGM and the Class Meetings for the allotment and issuance of the Consideration A Shares to the Vendors. The Consideration A Shares will be listed on the main board of the Shanghai Stock Exchange.

As Mr. ZHOU Lei, Mr. LIU Wei, Mr. YANG Bo and Mr. LUO Xinyu are directors and/or hold senior management positions in members of the Whitewash Applicant Vendors Concert Party Group, they have abstained from voting on the relevant Board resolution in respect of the Whitewash Waiver. Save as disclosed above, none of the Directors is interested in or involved in the Proposed Transaction, the Specific Mandate or the Whitewash Waiver. Accordingly, save as disclosed above, none of the Directors is required to abstain from voting on other Board resolutions tabled at the Board meeting in connection with the approval of the Proposed Transaction.

5. IMPLICATIONS UNDER THE TAKEOVERS CODE

5.1 Application for Whitewash Waiver

As at the Latest Practicable Date, (a) each of the Whitewash Applicant Vendors (being Bailian Group and Shanghai Chengtou Group) does not hold any Shares; and (b) members of the Whitewash Applicant Vendors Concert Party Group hold an aggregate of 2,540,127,316 Shares, representing approximately 30.11% of the total issued Shares (excluding treasury A Shares). Amongst members of the Whitewash Applicant Vendors Concert Party Group, Shenergy holds 26.82%, Shanghai Jinqiao holds 1.47% and other parties set out in item (5) in the shareholding structure of the Company in the section headed "2. Effects on the Shareholding Structure of the Company" hold an aggregate of 1.82%.

If the Proposed Transaction materializes, it is expected that immediately after Completion thereof and assuming that (i) there will not be any further adjustment to the issue price of the Consideration A Shares; and (ii) there will be no change in the total issued Shares since the date of this announcement save for the issue of the Consideration A Shares pursuant to the Definitive Agreement, the aggregate voting rights in the Company held by the Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group will increase to approximately 35.30% and will therefore trigger the mandatory general offer obligations of the Whitewash Applicant Vendors in respect of the Company under Rule 26.1 of the Takeovers Code. The Whitewash Applicant Vendors will make an application to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 to dispensation from Rule 26 of the Takeovers Code. Pursuant to the Definitive Agreement,

implementation of the Proposed Transaction is conditional upon the granting of the Whitewash Waiver and the obtaining of the requisite approval by the Takeovers Code Independent Shareholders and each of such conditions is not waivable.

As advised by Grandall Law Firm (Shanghai), the PRC counsel of the Company, in accordance with PRC laws, the Proposed Transaction will not trigger any obligation on the Vendors to make a mandatory general offer for A Shares, and therefore the Vendors will not be required to make any mandatory general offer to A Shareholders.

The Whitewash Waiver, if granted by the Executive, will be subject to (i) the approval of the Whitewash Waiver by at least 75% of the votes cast by the Takeovers Code Independent Shareholders either in person or by proxy at the EGM; and (ii) the approval of the Proposed Transaction by more than 50% of the votes cast by the Takeovers Code Independent Shareholders either in person or by proxy at the EGM. The Proposed Transaction will not proceed if the Whitewash Waiver is not granted or if the requisite approval by the Takeovers Code Independent Shareholders in respect of the Whitewash Waiver is not obtained.

As at the date of this announcement, the Company does not believe that the Proposed Transaction gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Hong Kong Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter as soon as possible to the satisfaction of the relevant authority. The Company notes that the Executive may not grant the Whitewash Waiver if the Proposed Transaction does not comply with other applicable rules and regulations.

As at the date of this announcement (save in respect of paragraphs (a) and (b) below, as at the Latest Practicable Date):

- (a) save as disclosed or mentioned in the section headed “2. Effects on the Shareholding Structure of the Company” above, and save for the relevant securities of the Company which were held by the Whitewash Applicant Vendors and members of the Whitewash Applicant Vendors Concert Party Group for the account of non-discretionary clients, none of the Whitewash Applicant Vendors or the Whitewash Applicant Vendors Concert Party Group holds, owns, controls or directs any shares, convertible securities, warrants, options or has entered into any derivatives in respect of the securities in the Company;
- (b) none of the Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group has effected any disqualifying transaction as described in paragraph 3 of Schedule VI to the Takeovers Code during the six-months period preceding the date of the First Announcement but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Proposed Transaction.

In connection with the above, applications have been made to the Executive for confirmations, and the Executive has confirmed, that the following dealings in the Company's relevant securities by each relevant member of the Whitewash Applicant Vendors Concert Party Group (as applicable) do not constitute disqualifying transactions as described in paragraph 3 of Schedule VI to the Takeovers Code:

- (i) dealings in the Company's relevant securities through certain funds passively managed by it in its capacity as a fund/asset manager of such funds for index reconstitution and/or rebalancing, investor subscriptions or redemptions, or cash dividend reinvestment or receipt of scrip dividends;
 - (ii) dealings in ETF units which include the Company's relevant securities as a constituent stock, and disposals of the Company's relevant securities arising from redemption requests received from investors from time to time, under certain existing asset management plans managed by it in its capacity as a licensed asset manager of such plans; and
 - (iii) dealings in the Company's relevant securities under the market making activities in its capacity as a market maker to ETFs and ETF options.
- (c) none of the Whitewash Applicant Vendors or the Whitewash Applicant Vendors Concert Party Group has received an irrevocable commitment to vote in favour of or against the Proposed Transaction and the Whitewash Waiver;
- (d) other than the Framework Agreement (which has been superseded) and the Definitive Agreement, none of the Whitewash Applicant Vendors or the Whitewash Applicant Vendors Concert Party Group has any arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Whitewash Applicant Vendors or the Company which might be material to the Proposed Transaction and the Whitewash Waiver;
- (e) other than the Framework Agreement (which has been superseded) and the Definitive Agreement, there is no agreement or arrangement to which a Whitewash Applicant Vendor is a party which relates to the circumstances in which it may or may not invoke or seek to invoke any conditions to the Proposed Transaction and the Whitewash Waiver;
- (f) none of the Whitewash Applicant Vendors or the Whitewash Applicant Vendors Concert Party Group has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (g) save in relation to the Target Equities, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group (excluding the Company and its subsidiaries) to the Company and its subsidiaries in connection with the Proposed Transaction and Whitewash Waiver;

- (h) save in relation to the issuance of Consideration A Shares under the Proposed Transaction, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Company and its subsidiaries to the Whitewash Applicant Vendors or the Whitewash Applicant Vendors Concert Party Group (excluding the Company and its subsidiaries) in connection with the Proposed Transaction and Whitewash Waiver;
- (i) other than the Framework Agreement (which has been superseded) and the Definitive Agreement, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group (excluding the Company, its subsidiaries and associated companies); and (2) the Company, its subsidiaries or associated companies; and
- (j) other than the Framework Agreement (which has been superseded) and the Definitive Agreement, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder (excluding the Whitewash Applicant Vendors, the Whitewash Applicant Vendors Concert Party Group and the Other Vendors and their respective subsidiaries); and (2) (a) the Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group (excluding the Company, its subsidiaries and associated companies); or (b) the Company, its subsidiaries or associated companies.

6. INDEPENDENT BOARD COMMITTEE AND HONG KONG INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee (comprising of all the non-executive Directors and independent non-executive Directors who have no direct or indirect interest in the Proposed Transaction and the Whitewash Waiver, namely Mr. SHI Lei, Ms. LI Yun, Mr. XU Yongmiao, Mr. REN Zhixiang and Mr. SUN Weidong, being the non-executive Directors, and Mr. WU Hong, Mr. FENG Xingdong, Mr. CHAN Hon and Mr. ZHU Kai, being the independent non-executive Directors) has been formed to advise the Takeovers Code Independent Shareholders on the Proposed Transaction, the Specific Mandate and the Whitewash Waiver. After the First Announcement, the composition of the Independent Board Committee has been updated to include Ms. LI Yun. As Mr. LIU Wei, Mr. YANG Bo and Mr. LUO Xinyu are directors and/or hold senior management positions in members of the Whitewash Applicant Vendors Concert Party Group, each of them is not considered to be independent for the purposes of giving advice or recommendations to the Takeovers Code Independent Shareholders under the Takeovers Code.

In this connection, Gram Capital has been appointed as the Hong Kong Independent Financial Adviser to advise the Independent Board Committee and the Takeovers Code Independent Shareholders in respect of the Proposed Transaction, the Specific Mandate and the Whitewash Waiver.

7. EGM AND CLASS MEETINGS

The Company will convene the EGM to consider and, if thought fit, approve, among other things, (i) the Proposed Transaction; (ii) the Specific Mandate; and (iii) the Whitewash Waiver. The Company will convene the A Shares Class Meeting and the H Shares Class Meeting and each such meeting will consider and, if thought fit, approve, among other things, (i) the Proposed Transaction and (ii) the Specific Mandate. The voting at each of the EGM and the Class Meetings will be conducted by way of poll.

In accordance with the Hong Kong Listing Rules, any Shareholders which have a material interest in the Proposed Transaction, the Specific Mandate and the Whitewash Waiver will be required to abstain from voting on all the resolutions to be proposed at the EGM and the Class Meetings (if applicable).

For the purposes of the approvals required under the Takeovers Code, the Whitewash Applicant Vendors, the Whitewash Applicant Vendors Concert Party Group and those Shareholders who are interested in or involved in the Proposed Transaction, the Specific Mandate and the Whitewash Waiver (including the Other Vendors and their respective subsidiaries) will not be considered as Takeovers Code Independent Shareholders and their votes will not be counted towards votes attaching to the Shares held by the Takeovers Code Independent Shareholders.

Save as disclosed above, no other Shareholder is required to abstain from voting at the EGM and the Class Meetings and no other vote cast by any Shareholder is required to not be counted for the purpose of determining whether the requisite approval thresholds have been met.

8. GENERAL

A Circular containing, among other things, (i) details of the Proposed Transaction, the Specific Mandate and the Whitewash Waiver; (ii) a letter from the Independent Board Committee to the Takeovers Code Independent Shareholders containing its recommendation in respect of the Proposed Transaction, the Specific Mandate and the Whitewash Waiver; (iii) a letter from the Hong Kong Independent Financial Adviser to the Independent Board Committee and the Takeovers Code Independent Shareholders containing its recommendation in respect of the Proposed Transaction, the Specific Mandate and the Whitewash Waiver; (iv) the financial information of Shanghai Securities; (v) the Asset Valuation Report; (vi) certain other information required under the Hong Kong Listing Rules and the Takeovers Code; and (vii) the notice of each of the EGM and H Shares Class Meeting, is expected to be despatched to the Shareholders.

As disclosed in the announcements of the Company dated May 27, 2026 and June 5, 2026, the Company has applied to the Executive under Rule 8.2 of the Takeovers Code for, and the Executive has granted, a consent to extend the latest date of despatch of the Circular to a date no later than July 31, 2026. The Company will despatch the Circular to the Shareholders as soon as practicable and will make further announcement(s) in respect of despatch of the Circular if and when appropriate.

Completion of the Proposed Transaction is subject to the satisfaction of certain conditions, and may or may not proceed. The Whitewash Waiver may or may not be granted by the Executive and, if granted, will, among other things, be subject to the approval by at least 75% of the votes cast by the Takeovers Code Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Takeovers Code Independent Shareholders by way of poll in respect of the Proposed Transaction, respectively, at the EGM. Conditions to the completion of the Proposed Transaction include, among other things, the approvals, consents and/or registrations by or with the applicable competent authorities, and the Whitewash Waiver being granted by the Executive and being approved by the Takeovers Code Independent Shareholders. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

9. OTHER INFORMATION

Shareholders' attention is also drawn to the overseas regulatory announcement in relation to the *Report (Draft) on the Issuance of Shares and Payment of Cash Consideration for the Acquisition of Assets and Related Party Transaction of the Company* (《東方證券股份有限公司發行股份及支付現金購買資產暨關聯交易報告書(草案)》) published by the Company on July 27, 2026, as well as other overseas regulatory announcements in relation to the Proposed Transaction published on the same date. The relevant parts containing additional material information with Takeovers Code implications are set out in the Appendix IV to this announcement.

Certain information set out in Appendix IV to this announcement (being the pro-forma total profit, net profit, net profit attributable to shareholders of the Company, which are extracted from unaudited pro forma consolidated financial statements of the enlarged Group under CASBE for the year ended December 31, 2025 and the three months ended March 31, 2026 prepared in relation to the Proposed Transaction pursuant to the requirements in the *Standards on the Contents and Formats of Information Disclosures by Companies Publicly Offering Securities No.26 – Material Asset Restructuring of Listed Companies* (公開發行證券的公司信息披露內容與格式準則第26號 – 上市公司重大資產重組) issued by CSRC, which have been reviewed by KPMG Huazhen LLP) constitutes a profit forecast under Rule 10 of the Takeovers Code (the “**Profit Forecast**”), and would therefore need to be reported on by the relevant financial advisers and auditors or reporting accountants of the Company in accordance with Rule 10.1 and Rule 10.2 of the Takeovers Code.

The Profit Forecast is prepared on a basis consistent in all material respects with the accounting policies adopted by the Group as set out in the published annual report of the Company for the year ended December 31, 2025.

The Profit Forecast has been reported on by KPMG Huazhen, the PRC reporting accountants of the Company, and UBS and Orient Capital, the joint financial advisers to the Company, in accordance with Rule 10 of the Takeovers Code. The letters from KPMG Huazhen, UBS and Orient Capital are set out in Appendices V, VI and VII to this announcement, respectively.

Each of KPMG Huazhen, UBS and Orient Capital has given and has not withdrawn its consent to the issue of this announcement with the inclusion of its letter, report and/or opinion and references to use its name in the form and context in which they appear in this announcement.

10. DEFINITIONS

Unless the context requires otherwise, capitalized terms used in this announcement shall have the meanings as follows:

“2025 Final Dividend”	the final cash dividend for the year ended 31 December 2025, being RMB2.00 (tax inclusive) for every 10 Shares
“A Shares”	RMB-denominated ordinary shares of the Company with a par value of RMB1.00 each, which are listed on the main board of the Shanghai Stock Exchange
“A Shares Class Meeting”	the Company’s class meeting to be convened for A Shareholders, or any adjournment thereof
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Asset Valuation Report”	the asset valuation report in respect of the Target Equities dated July 3, 2026 issued by the Valuer, the full text of which is set out in Appendix I to this announcement
“associated companies”	has the meaning ascribed to it under the Takeovers Code
“Bailian Group”	Bailian Group Co., Ltd.* (百聯集團有限公司) (formerly known as Shanghai Bailian (Group) Co., Ltd.* (上海百聯(集團)有限公司)), a company incorporated in the PRC on May 8, 2003, being a shareholder holding 50.0000% of the equity interests in Shanghai Securities as of the date of this announcement
“Board”	the board of Directors of the Company
“CASBE”	China Accounting Standards for Business Enterprises, being the accounting standards for business enterprises, relevant application guidelines and interpretations thereof promulgated by the Ministry of Finance of the People’s Republic of China
“Cash Consideration”	the cash consideration of RMB1,570,000,000 payable by the Company to Guotai Haitong (as one of the Vendors) pursuant to the Definitive Agreement as part of the Total Consideration for the Proposed Transaction
“Circular”	the circular to be issued by the Company in relation to, among other things, the Proposed Transaction, the Specific Mandate and the Whitewash Waiver
“Class Meetings”	the A Shares Class Meeting and the H Shares Class Meeting of the Company to be convened by the Company, and each such meeting will consider and, if thought fit, approve, among other things, (i) the Proposed Transaction; and (ii) the Specific Mandate

“Company”	東方證券股份有限公司, a joint stock company incorporated in the PRC with limited liability, the A Shares and H Shares of which are listed on the main board of the Shanghai Stock Exchange (stock code: 600958) and the Main Board of the Hong Kong Stock Exchange (stock code: 03958) respectively
“Completion”	the completion of (i) the transfer of the Target Equities and the registration of corporate changes of the Target Equities in the name of the Company with the competent market supervision and administration authority in the PRC; and (ii) the issuance of the Consideration A Shares in aggregate
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Consideration A Share(s)”	new A Share(s) to be allotted and issued by the Company to the Vendors pursuant to the Definitive Agreement, being 2,288,629,735 new A Shares in aggregate
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Definitive Agreement”	the Agreement in relation to the Acquisition of Assets by 東方證券股份有限公司 by way of Issuance of the Consideration A Shares and/or Payment of the Cash Consideration (東方證券股份有限公司發行股份及支付現金購買資產協議) dated July 27, 2026 entered into by the Company with each of the Vendors
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, (i) the Proposed Transaction; (ii) the Specific Mandate; and (iii) the Whitewash Waiver
“ETF”	exchange traded fund
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director
“First Announcement”	the announcement of the Company dated May 6, 2026 in relation to, among other things, (i) the Proposed Transaction; (ii) the Whitewash Waiver; and (iii) resumption of trading in A Shares
“Framework Agreement”	the framework agreement dated May 6, 2026 in relation to the acquisition of assets by way of issuance of Consideration A Shares and/or payment of cash entered into by the Company with each of the Vendors in relation to the Proposed Transaction
“Group”	the Company and its subsidiaries

“Guotai Haitong”	Guotai Haitong Securities Co., Ltd., a joint stock company incorporated in the PRC, whose A shares and H shares are listed and traded on the main board of the Shanghai Stock Exchange (stock code: 601211) and the Main Board of the Hong Kong Stock Exchange (stock code: 02611), respectively, and being a shareholder holding approximately 24.9900% of the equity interests in Shanghai Securities as of the date of this announcement
“H Share(s)”	overseas listed foreign share(s) of the Company with a par value of RMB1.00 each, which are listed on Main Board of the Hong Kong Stock Exchange and traded in Hong Kong dollars
“H Shares Class Meeting”	the Company’s class meeting to be convened for the H Shareholders, or any adjournment thereof
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser to advise the Independent Board Committee and the Takeovers Code Independent Shareholders in respect of the Proposed Transaction, the Specific Mandate and the Whitewash Waiver
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	an independent committee of the Board, comprising all the non-executive Directors and independent non-executive Directors who have no direct or indirect interest in the Proposed Transaction and the Whitewash Waiver, namely Mr. SHI Lei, Ms LI Yun, Mr. XU Yongmiao, Mr. REN Zhixiang and Mr. SUN Weidong, being the non-executive Directors, and Mr. WU Hong, Mr. FENG Xingdong, Mr. CHAN Hon and Mr. ZHU Kai, being the independent non-executive Directors, formed pursuant to the requirements of the Takeovers Code to advise the Takeovers Code Independent Shareholders on the Proposed Transaction, the Specific Mandate and the Whitewash Waiver
“Independent Third Party(ies)”	entity(ies) or person(s) who is not a connected person (as defined in the Hong Kong Listing Rules) of the Company
“KPMG Huazhen”	KPMG Huazhen LLP

“Latest Practicable Date”	July 24, 2026, being the latest practicable date prior to the date of this announcement for the purpose of ascertaining certain shareholding information contained in this announcement
“Other Vendors”	SIG, SIG Investment and Guotai Haitong
“Orient Capital”	Orient Capital (Hong Kong) Limited, a licensed corporation under the SFO to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, the joint financial adviser to the Company in connection with the Proposed Transaction
“PRC”	the People’s Republic of China
“Pricing Benchmark Date”	the date of publication on the Shanghai Stock Exchange of the announcement in relation to the resolutions passed at the first Board meeting of the Company convened to consider the Proposed Transaction, being May 7, 2026
“Proposed Transaction”	the proposed acquisition of the Target Equities from each of the Vendors, issue of Consideration A Shares under the Specific Mandate and payment of Cash Consideration, pursuant to the Definitive Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shanghai Chengtou Group”	Shanghai Chengtou (Group) Co., Ltd.* (上海城投(集團)有限公司), a limited liability company established in the PRC on July 21, 1992 and wholly owned by Shanghai SASAC, being a shareholder holding approximately 1.0000% of the equity interests in Shanghai Securities as of the date of this announcement
“Shanghai Jinqiao”	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), a company listed on the main board of the Shanghai Stock Exchange (stock code: 600639) and ultimately controlled by Shanghai Pudong New Area State-owned Assets Supervision and Administration Commission
“Shanghai SASAC”	Shanghai Municipal State-owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會)
“Shanghai Securities”	Shanghai Securities Company Limited* (上海證券有限責任公司), a company established in the PRC with limited liability on April 27, 2001

“Share(s)”	A Shares and H Shares of the Company
“Shareholder(s)”	holders of Shares
“Shenergy”	Shenergy (Group) Company Limited* (申能(集團)有限公司), a limited liability company incorporated in the PRC and wholly owned by Shanghai SASAC
“SIG”	Shanghai International Group Co., Ltd.* (上海國際集團有限公司), a limited liability company established in the PRC on April 20, 2000 and wholly owned by Shanghai SASAC, being a shareholder holding approximately 7.6767% of the equity interests in Shanghai Securities as of the date of this announcement
“SIG Investment”	Shanghai International Group Investment Co., Ltd.* (上海國際集團投資有限公司) (formerly known as Shanghai Shangguo Investment Asset Management Co., Ltd.* (上海上國投資資產管理有限公司)), a limited liability company incorporated in the PRC on March 11, 2015, wholly owned by SIG, being a shareholder holding approximately 16.3333% of the equity interests in Shanghai Securities as of the date of this announcement
“Specific Mandate”	the specific mandate to be sought at the EGM and Class Meetings to issue the Consideration A Shares in aggregate for the Proposed Transaction
“subsidiaries”	has the meaning ascribed to it under the Hong Kong Listing Rules
“SUMG”	Shanghai United Media Group* (上海報業集團), a public institution (事業單位) sponsored by the Publicity Department of the Shanghai Municipal Committee of the Communist Party of China
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Takeovers Code Independent Shareholders”	Shareholders other than (i) the Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group and (ii) those who are interested in or involved in the Proposed Transaction, the Specific Mandate and the Whitewash Waiver (including the Other Vendors and their respective subsidiaries)
“Target Equities”	an aggregate of 100% of the equity interests in Shanghai Securities

“Target Equities Closing Date”	the date on which the parties complete the transfer of the Target Equities and the registration of corporate changes of the Target Equities in the name of the Company with the competent market supervision and administration authority in the PRC
“Total Consideration”	the aggregate consideration payable by the Company to the Vendors for the Proposed Transaction, pursuant to the Definitive Agreement
“trading day(s)”	a day on which the Shanghai Stock Exchange is open for dealing or trading in securities
“Transitional Period”	the period commencing from the Valuation Benchmark Date (exclusive) of the Target Equities to the Target Equities Closing Date (inclusive)
“UBS”	UBS AG (acting through its Hong Kong Branch), a registered institution under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO, the joint financial adviser to the Company in connection with the Proposed Transaction. UBS AG is incorporated in Switzerland with limited liability
“Valuation Benchmark Date”	the valuation benchmark date of the Target Equities in the Asset Valuation Report, being March 31, 2026
“Valuer”	Shanghai Orient Appraisal Co., Ltd., a qualified asset appraisal agency in the PRC
“Vendor(s)”	Bailian Group, Guotai Haitong, SIG Investment, SIG and Shanghai Chengtou Group
“Whitewash Applicant Vendor(s)”	Bailian Group and Shanghai Chengtou Group
“Whitewash Applicant Vendors Concert Party Group”	parties acting or presumed to be acting in concert with the Whitewash Applicant Vendors (including the parties set out in items (1) to (5) (other than the Whitewash Applicant Vendors) in the shareholding structure of the Company in the section headed “2. Effects on the Shareholding Structure of the Company”)
“Whitewash Waiver”	a waiver from the Executive pursuant to Note 1 to dispensations from Rule 26 of the Takeovers Code in respect of the mandatory general offer obligations of the Whitewash Applicant Vendors in respect of all the H Shares not already owned or agreed to be acquired by the Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group which would otherwise arise as a result of the issue of the Consideration A Shares under the Proposed Transaction

“‰”

per cent

* For identification purposes only.

By order of the Board
ZHOU Lei
Chairman

Shanghai, PRC
July 27, 2026

As at the date of this announcement, the Board of Directors comprises Mr. ZHOU Lei, Mr. LU Weiming and Mr. LU Dayin as executive Directors; Mr. LIU Wei, 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

APPENDIX I
ASSET VALUATION REPORT

The following is the English translation of the asset valuation report prepared by the Valuer for the purpose of inclusion in this announcement in respect of the appraised value of the Target Equities as at March 31, 2026. The Chinese text of this report shall prevail over the English text in the event of inconsistency.

This asset valuation report has been prepared in accordance with the Asset Valuation Standards of the PRC.

**Asset Valuation Report on
the Value of the Entire Shareholders' Equity Interests of Shanghai Securities Co., Ltd.
in connection with the Proposed Acquisition of 100% Equity Interests in
Shanghai Securities Co., Ltd. by 東方證券股份有限公司
by way of Issue of Shares and Payment of Cash**

Dong Zhou Ping Bao Zi [2026] No. 1500



Shanghai Orient Appraisal Co., Ltd.

July 3, 2026

STATEMENT

- I. This Asset Valuation Report has been prepared in accordance with the Basic Standards for Asset Valuation issued by the Ministry of Finance and the Practice Standards for Asset Valuation and Professional Ethics Standards issued by the China Appraisal Society.
- II. The client or other users of the Asset Valuation Report shall use the Asset Valuation Report in accordance with the laws, administrative rules and regulations and the scope of use set out in the Asset Valuation Report. Where the client or other users of the Asset Valuation Report are in breach of the above provisions, the valuation agency and asset valuation professionals shall not bear the responsibilities.
- III. This Asset Valuation Report shall only be used by the client, other users of the Asset Valuation Report specified in the asset valuation entrustment contract, and users of the Asset Valuation Report under the provisions of laws and administrative regulations. Save for the above, no other institutions or individuals may be a user of the Asset Valuation Report.
- IV. Users of the Asset Valuation Report shall correctly understand and use the conclusion valuation. The valuation conclusion is not equivalent to the realizable price of the valuation object, nor shall it be regarded as a guarantee for the realizable price of the valuation object.
- V. Users of the Asset Valuation Report should be aware of the assumptions underlying the valuation conclusion, and the statement on special matters and the restrictions on the use of the Asset Valuation Report.
- VI. The asset valuation agency and its asset valuation professionals have complied with the laws, administrative rules and regulations and asset valuation standards on the principles of independence, objectivity and impartiality, and are responsible, under the laws, for the Asset Valuation Report issued by them.
- VII. We have no existing or expected relationship of interests with the valuation object set out in the Asset Valuation Report or with the relevant parties, nor do we have any prejudice against the relevant parties.
- VIII. The list of assets and liabilities related to the valuation object was declared by the client and the Appraised Entity and confirmed by them by signature, seal or other means permitted by law. According to the *Asset Valuation Law of the People's Republic of China* (《中華人民共和國資產評估法》): “The client shall be responsible for the truthfulness, completeness and legality of the title certificates, financial accounting information and other information provided by it.”

- IX. We have conducted an on-site inspection of the valuation object and the relevant assets, given due consideration to the legal title status thereof, and examined and verified the relevant information regarding the legal title of the relevant assets. We have duly disclosed in this Asset Valuation Report issues identified that may have a significant impact on the valuation conclusion and have requested the client and other relevant parties to perfect the titles for the purpose of issuing the valuation report. However, we only express our opinion on the value of the valuation object and the relevant assets, and we are not entitled to provide any form of guarantee on their legal titles. This report is also not to be used as any form of title certification document.
- X. Our inspection of physical assets such as equipment and buildings is limited to their apparent quality, use and maintenance conditions in accordance with common practice, and does not involve the covered, concealed and difficult-to-observe parts of their interior. We do not have the capacity nor have we been commissioned to carry out professional technical test and appraisal of the quality of the interior of these assets. Our valuation is based on information provided by the client and other relevant parties, if the internal quality of the valuation object is defective, the valuation conclusion of this Asset Valuation Report may be affected to varying degrees.

Asset Valuation Report (Contents)

STATEMENT	I-2
CONTENTS	I-4
SUMMARY.....	I-6
MAIN TEXT.....	I-8
I. CLIENT, APPRAISED ENTITY AND OTHER USERS OF THE ASSET VALUATION REPORT	I-8
(I) Profile of Client 1.....	I-8
(II) Profile of Client 2.....	I-9
(III) Overview of the Appraised Entity	I-9
(IV) Relationship Between the Clients and the Appraised Entity.....	I-32
(V) Other Users of the Asset Valuation Report	I-32
II. PURPOSE OF VALUATION.....	I-32
III. VALUATION SUBJECT AND SCOPE OF VALUATION	I-32
(I) Valuation Subject	I-32
(II) Scope of Valuation	I-32
(III) Main Particulars of the Assets under Valuation	I-34
(IV) Other Intangible Assets Declared by the Appraised Entity.....	I-44
(V) Type and Quantity of Off-Balance-Sheet Assets Declared by the Appraised Entity	I-53
(VI) Types, Quantity and Carrying Amount of Assets Associated with Conclusions Cited from Reports Issued by Other Institutions	I-53
IV. TYPE OF VALUE AND ITS DEFINITION.....	I-53
V. VALUATION BENCHMARK DATE.....	I-54
VI. BASIS OF VALUATION.....	I-54
(I) Basis of Economic Behavior	I-54
(II) Legal and Regulatory Basis.....	I-54
(III) Basis of Valuation Standards.....	I-57
(IV) Basis of Asset Ownership	I-58
(V) Basis of Pricing for Valuation.....	I-59
(VI) Other Reference Materials.....	I-59

VII. VALUATION METHODS	I-60
(I) Overview of Valuation Methods	I-60
(II) Selection of Valuation Methods.....	I-60
(III) Introduction to the Asset-Based Approach.....	I-61
(IV) Introduction to the Market Approach.....	I-76
VIII. IMPLEMENTATION PROCESS AND STATUS OF THE VALUATION PROCEDURES	I-78
IX. VALUATION ASSUMPTIONS	I-81
(I) Basic Assumptions	I-81
(II) General Assumptions/Conditions	I-82
(III) Special Assumptions/Conditions for Market Approach Valuation.....	I-82
X. VALUATION CONCLUSION	I-83
(I) Relevant Valuation Results	I-83
(II) Analysis of Differences in Valuation Results and Final Valuation Conclusion...	I-84
(III) Changes in the Valuation Conclusion Compared with the Book Value and Explanation of Reasons	I-86
(IV) Other Factors Relating to the Valuation Conclusion	I-88
(V) Validity Period of the Valuation Conclusion	I-88
(VI) Other Notes on the Valuation Conclusion	I-88
XI. EXPLANATION OF SPECIAL MATTERS	I-89
XII. EXPLANATION OF RESTRICTIONS ON THE USE OF THE VALUATION REPORT	I-97
XIII. VALUATION REPORT DATE.....	I-99
APPENDIX.....	I-100

**Asset Valuation Report on
the Value of the Entire Shareholders' Equity Interests of Shanghai Securities Co., Ltd.
in connection with the Proposed Acquisition of 100% Equity Interests
in Shanghai Securities Co., Ltd. by 東方證券股份有限公司
by way of Issue of Shares and Payment of Cash**

Dong Zhou Ping Bao Zi [2026] No. 1500

SUMMARY

Special Note: This valuation report is for reference purpose in respect of the economic behavior illustrated in the valuation report only. The following is extracted from the text of the valuation report. You should read the text of the valuation report if you wish to understand the details of this appraised business and the appraised conclusion correctly.

Upon the engagement, subject to laws, administrative regulations and asset valuation standards, and on the principles of independence, objectivity and impartiality, Shanghai Orient Appraisal Co., Ltd. conducted an appraisal on the appraisal subject under the economic behaviors, based on appropriate valuation approaches and necessary valuation process. The summary of the asset valuation report is as follows:

Client 1: 東方證券股份有限公司

Client 2: Bailian Group Co., Ltd.* (百聯集團有限公司)

Appraised Entity: Shanghai Securities Co., Ltd.* (上海證券有限責任公司)

Purpose of Valuation: Assets Acquisition by Issue of Shares and Payment of Cash

Economic Behavior: the Announcement on the Resolution of the 16th Meeting (Extraordinary Meeting) of the Sixth Session of the Board of 東方證券股份有限公司 and the board document of Bailian Group Co., Ltd., namely the Resolution on Approving the Merger and Restructuring of 東方證券股份有限公司 and Shanghai Securities (Bailian Group Board (2026) No. 10), Resolution of the Second Extraordinary General Meeting for the Year 2026 of Shanghai Securities Co., Ltd., 東方證券股份有限公司 proposes to acquire 100% of the equity interests in Shanghai Securities Co., Ltd. by way of share issuance and cash payment.

Valuation Subject: The entire shareholders' equity interests of the Appraised Entity.

Scope of Valuation: The scope of the valuation covers all assets and all liabilities of the Appraised Entity. According to the declaration by the Appraised Entity, the total book value of all assets of the parent company on a standalone basis was RMB81,361,052,620.12; the total book value

of liabilities of the parent company on a standalone basis was RMB61,618,677,232.05; the book value of owners' equity of the parent company on a standalone basis was RMB19,742,375,388.07; and the book value of owners' equity attributable to the parent company on a consolidated basis was RMB20,120,770,693.86.

Type of Value: Market Value

Valuation Benchmark Date: March 31, 2026

Valuation Methods: The market approach and the asset-based approach were adopted. The conclusion of this valuation report is based on the valuation result under the market approach.

Valuation Conclusion: Upon valuation, the entire shareholders' equity interests of the Appraised Entity is RMB25,119.84 million.

Validity Period of the Valuation Conclusion: The valuation conclusion shall be valid for one year from the Valuation Benchmark Date, i.e., until March 30, 2027.

In using the valuation conclusion, users of this report are specifically reminded to take note of the special matters, material subsequent events and the effects of the foregoing on the valuation as set forth in this report. For details, please refer to Item XI. EXPLANATION OF SPECIAL MATTERS in the main text of this report.

This valuation report can only be officially used after being filed with the state-owned assets supervision and administration department, and the valuation conclusion is only applicable to the economic behavior shown in this report.

Users of the valuation report should pay attention to the impact of the valuation assumptions and significant subsequent events stated in the main text of the valuation report on this valuation conclusion, and use this valuation report appropriately.

**Asset Valuation Report on
the Value of the Entire Shareholders' Equity Interests of Shanghai Securities Co., Ltd.
in connection with the Proposed Acquisition of 100% Equity Interests
in Shanghai Securities Co., Ltd. by 東方證券股份有限公司
by way of Issue of Shares and Payment of Cash**

Dong Zhou Ping Bao Zi [2026] No. 1500

MAIN TEXT

To: 東方證券股份有限公司, Bailian Group Co., Ltd.

In accordance with your engagement, we, Shanghai Orient Appraisal Co., Ltd., have appraised the market value of the entire shareholders' equity interests of Shanghai Securities Co., Ltd. in connection with the proposed acquisition of 100% equity interests in Shanghai Securities Co., Ltd. by 東方證券股份有限公司 by way of issuance of shares and payment of cash as at March 31, 2026, by adopting the market approach and asset-based approach and carrying out necessary valuation procedures in accordance with the laws, administrative regulations and asset valuation standards while adhering to the principles of independence, objectiveness and fairness. We report the details of the asset valuation as follows:

I. CLIENT, APPRAISED ENTITY AND OTHER USERS OF THE ASSET VALUATION REPORT

(I) Profile of Client 1

Company Name: 東方證券股份有限公司

Stock Short Name: DFZQ

Stock Code: 600958.SH, 03958.HK

Unified Social Credit Code: 913100001322947763

Date of Establishment: December 10, 1997

Legal Representative: Zhou Lei

Registered Capital: RMB8,496,645,292

Type of Enterprise: Joint stock limited company (foreign-invested and listed company)

Registered Address: Orient Securities Building, No. 119 South Zhongshan Road, Huangpu District, Shanghai

Business Scope: Licenced items: securities business; securities investment advisory; securities companies providing introducing broker services for futures companies. (For items subject to approval under the law, business activities may only be carried out upon approval by the relevant authorities; specific business items are subject to the approval documents or permits issued by the relevant authorities.) General items: securities financial advisory services. (Except for items subject to approval under the law, business activities may be carried out independently under the business licence in accordance with the law.)

(II) Profile of Client 2

Company Name: Bailian Group Co., Ltd. (百聯集團有限公司) (the “Bailian Group”)

Unified Social Credit Code: 91310000749599465B

Legal Representative: Pu Shaohua

Date of Establishment: May 8, 2003

Registered Capital: RMB1,000,000,000

Type of Enterprise: Limited liability company (wholly state-owned)

Registered Address: 19/F, 501 Zhangyang Road, China (Shanghai) Pilot Free Trade Zone

Business Scope: State-owned asset management, asset restructuring, investment and development, domestic trade (except for items requiring special approval), means of production, corporate management, real estate development, and food sales. (Except for items that require approval in accordance with the law, business activities can be carried out independently in accordance with the law with a business licence.)

(III) Overview of the Appraised Entity

Company Name: Shanghai Securities Co., Ltd. (上海證券有限責任公司) (the “Appraised Entity”, “Shanghai Securities” or the “Company”)

Unified Social Credit Code: 913100007034406864

Legal Representative: Li Haichao

Date of Establishment: April 27, 2001

Registered Capital: RMB5,326.5320 million

Type of Enterprise: Limited liability company (state-owned)

Registered Address: No. 366 Renmin Road, Huangpu District, Shanghai

Business Scope: Licenced items: securities business; securities investment consulting; securities companies providing introducing broker services for futures companies; public securities investment fund sales; public securities investment fund service business. (Items that require approval in accordance with the law can only be carried out after approval by the relevant departments. The specific business items are subject to the approval documents or permits of the relevant departments.)

1. Corporate History and Shareholder Structure

(1) Shanghai Securities was established in April 2001

Shanghai Securities Co., Ltd. was established with approval under the “*Reply of the Shanghai Municipal People’s Government on Approving the Establishment of Shanghai Securities Co., Ltd.*” (《上海市人民政府關於同意組建上海證券有限責任公司的批覆》) (Hu Fu [1999] No. 77) issued by the Shanghai Municipal People’s Government on December 9, 1999, which approved the plan for the merger and establishment of Shanghai Securities by Shanghai Finance Securities Company under the Shanghai Municipal Finance Bureau and the securities business department of Shanghai International Trust Investment Company (renamed as Shanghai International Trust Co., Ltd.* (上海國際信託有限公司), hereinafter referred to as “**International Trust**”). After Shanghai International Investment Group Company was established, the RMB1 billion state-owned equity interest held by the Shanghai

Municipal Finance Bureau would be transferred to Shanghai International Investment Group Company (tentative name, named Shanghai International Group Co., Ltd.* (上海國際集團有限公司) upon establishment), which would exercise management over such state-owned equity interest.

On November 13, 2000, the CSRC issued the “*Reply on Approving the Plan for the Merger of the Securities Department of Shanghai International Trust Investment Company and Shanghai Finance Securities Company to Establish a Securities Company*” (《關於同意上海國際信託投資公司證券部和上海財政證券公司合併組建證券公司方案的批覆》) (Zheng Jian Ji Gou Zi [2000] No. 262), which approved in principle the plan for the merger of the securities department of International Trust and Shanghai Finance Securities Company to establish a securities company; approved in principle that the name of the new company would be “Shanghai Securities Co., Ltd.”, and clarified that such name could only be used after approval of the commencement of business of the new company and registration with the industry and commerce authority; and approved the shareholding eligibility and the amount of capital contribution of Shanghai International Investment Group Company and Shanghai International Trust Investment Company.

On January 5, 2001, Shanghai Donghua Certified Public Accountants Co., Ltd. (上海東華會計師事務所有限公司) issued the “Appraisal Report on the Overall Assets of the Securities Department of Shanghai International Trust Investment Company” (Dong Hui Ping Bao Zi (2001) No. 005) and the “Appraisal Report on the Overall Assets of Shanghai Finance Securities Company” (Dong Hui Ping Bao Zi (2001) No. 11). As of December 31, 2000, the appraised value of the net assets of the Securities Department of Shanghai International Trust Investment Company was RMB508.2356 million, and the appraised value of the net assets of Shanghai Finance Securities Company was RMB1,072.0440 million.

On January 5, 2001, Shanghai Donghua Certified Public Accountants Co., Ltd. issued the “Verification Report on the Paid-in Capital of Shanghai Securities Co., Ltd.” (Dong Hui Yan [2001] No. 013), verifying that as of January 5, 2001, Shanghai Securities had received net assets of RMB508.2356 million contributed by Shanghai International Trust Investment Company, as shareholder, and net assets of RMB1,072.0440 million contributed by Shanghai International Group Co., Ltd., as shareholder Shanghai International Investment Group Company, totaling RMB1,580.2795 million, of which RMB1,500.0000 million constituted paid-in capital and RMB80.2795 million constituted capital reserve, and the relevant assets and liabilities had been duly handed over.

On April 13, 2001, the CSRC issued the “*Reply on Approving Shanghai Securities Co., Ltd. to Commence Business*” (《關於同意上海證券有限責任公司開業的批覆》) (Zheng Jian Ji Gou Zi [2001] No. 60), approving the commencement of business of Shanghai Securities.

On April 27, 2001, Shanghai Securities obtained the “*Enterprise Legal Person Business License*” (《企業法人營業執照》) issued by the Shanghai Municipal Administration for Industry and Commerce.

The equity structure of Shanghai Securities at the time of its establishment was as follows:

No.	Shareholder's Name	Capital Contribution Amount (RMB'0,000)	Percentage (%)
1	Shanghai International Group Co., Ltd. (*上海國際集團有限公司)	100,000.00	66.67
2	Shanghai International Trust Investment Company* (上海國際信託投資公司)	50,000.00	33.33
	Total	150,000.00	100.00

Note: Shanghai International Trust Investment Company was renamed as Shanghai International Trust Co., Ltd. *(上海國際信託有限公司) in October 2007.

(2) Capital Increase through Conversion of Undistributed Profits in November 2008

On May 5, 2008, Shanghai Securities convened a shareholders' meeting, which resolved to convert RMB1.11 billion of Shanghai Securities's undistributed profits into registered capital. On September 17, 2008, the CSRC issued the "Reply on Approving the Change of Registered Capital of Shanghai Securities Co., Ltd." (《關於核准上海證券有限責任公司變更註冊資本的批覆》) (Zheng Jian Xu Ke [2008] No. 1124), approving the change of the registered capital of Shanghai Securities from RMB1,500.0000 million to RMB2,610.0000 million. On October 7, 2008, Shanghai Certified Public Accountants Co., Ltd. issued the "Capital Verification Report" (Shang Hui Shi Bao Zi (2008) No. 1870), verifying this capital increase. On November 14, 2008, Shanghai Securities completed the industrial and commercial change registration procedures for this capital increase.

Upon completion of this capital increase through conversion of undistributed profits, the equity structure of Shanghai Securities was as follows:

No.	Shareholder's Name	Capital Contribution Amount (RMB'0,000)	Percentage (%)
1	Shanghai International Group Co., Ltd.	174,000.00	66.67
2	Shanghai International Trust Co., Ltd.	87,000.00	33.33
	Total	261,000.00	100.00

(3) Equity Transfer in July 2014

On April 4, 2014, Shanghai Securities convened the first extraordinary general meeting of shareholders in 2014, which considered and approved the transfer of 51% of the equity interests in Shanghai Securities held by Shanghai International Group Co., Ltd. to Guotai Junan Securities Co., Ltd.* (國泰君安證券股份有限公司), and Shanghai International Trust Co., Ltd., as shareholder, agreed to waive its pre-emptive right in respect of such transfer. On May 19, 2014, Shanghai International Group Co., Ltd. and Guotai Junan Securities Co., Ltd. entered into the “Equity Transfer Agreement in Relation to Shanghai Securities Co., Ltd.”, pursuant to which Shanghai International Group Co., Ltd. agreed to transfer 51% of the equity interests in Shanghai Securities held by it to Guotai Junan Securities Co., Ltd., with the transfer price determined as RMB3,571.0200 million based on the appraised value of the total equity interests of the shareholders of Shanghai Securities as of February 28, 2014.

On May 28, 2014, the Shanghai State-owned Assets Supervision and Administration Commission issued the “*Letter on Issues Concerning the Agreement-based Transfer of Partial Equity Interests in Shanghai Securities Co., Ltd.*” (《關於上海證券有限責任公司部分股權協議轉讓有關問題的函》) (Hu Guo Zi Wei Chan Quan [2014] No. 126), approving in principle the agreement-based transfer of 51% of the equity interests in Shanghai Securities held by Shanghai International Group Co., Ltd. to Guotai Junan Securities Co., Ltd..

On July 1, 2014, the CSRC issued the “*Reply on Approving Guotai Junan Securities Co., Ltd. to Establish a Subsidiary through Acquisition of Equity Interests in Shanghai Securities Co., Ltd.*” (《關於核准國泰君安證券股份有限公司通過受讓上海證券有限責任公司股權設立子公司的批覆》) (Zheng Jian Xu Ke [2014] No. 645), approving Guotai Junan Securities Co., Ltd. to establish a subsidiary by acquiring RMB1,331.10 million of equity interests in Shanghai Securities (representing 51% of the total contributed capital). On July 8, 2014, Shanghai Securities completed the industrial and commercial change registration procedures for this equity transfer.

Upon completion of this equity transfer, the equity structure of Shanghai Securities was as follows:

No.	Shareholder's Name	Capital Contribution	Percentage (%)
		Amount (RMB'0,000)	
1	Guotai Junan Securities Co., Ltd.	133,110.00	51.00
2	Shanghai International Trust Co., Ltd.	87,000.00	33.33
3	Shanghai International Group Co., Ltd.	40,890.00	15.67
	Total	261,000.00	100.00

(4) Change of Shareholder in December 2015

Pursuant to the “Demerger Agreement in Relation to Shanghai International Trust Co., Ltd.” jointly entered into by the shareholders of International Trust, International Trust underwent a surviving demerger and established Shanghai SGIT Asset Management Co., Ltd. as a newly established entity through the demerger, and the equity interests in Shanghai Securities originally held by Shanghai International Trust Co., Ltd. were transferred to and succeeded by Shanghai SGIT Asset Management Co., Ltd.. On April 22, 2015, Shanghai Securities convened the first extraordinary general meeting of shareholders in 2015, which considered and approved the change of shareholder of Shanghai Securities from Shanghai International Trust Co., Ltd. to Shanghai SGIT Asset Management Co., Ltd., with a capital contribution ratio of 33.33%, and shareholder Guotai Junan Securities Co., Ltd. and Shanghai International Group Co., Ltd. waived their pre-emptive rights in respect of such transfer. On November 11, 2015, the Shanghai Bureau of the CSRC issued the “*Reply on Approving the Change of Shareholder Holding More Than 5% Equity Interest in Shanghai Securities Co., Ltd.*” (《關於核准上海證券有限責任公司變更持有5%以上股權股東的批覆》) (Hu Zheng Jian Xu Ke [2015] No. 126), stating that it had no objection to Shanghai SGIT Asset Management Co., Ltd. lawfully succeeding to RMB870.0000 million of equity interests in Shanghai Securities (representing 33.33% of the total contributed capital). On December 23, 2015, Shanghai Securities completed the industrial and commercial change registration procedures for this equity transfer.

Upon completion of this equity transfer, the equity structure of Shanghai Securities was as follows:

No.	Shareholder's Name	Capital Contribution (RMB'0,000)	Percentage (%)
1	Guotai Junan Securities Co., Ltd.	133,110.00	51.00
2	Shanghai SGIT Asset Management Co., Ltd. (*上海上國投資產管理有限公司)	87,000.00	33.33
3	Shanghai International Group Co., Ltd.	40,890.00	15.67
	Total	261,000.00	100.00

(5) Capital Increase in February 2021

On January 14, 2020, all the shareholders of Shanghai Securities unanimously agreed that Bailian Group and Shanghai Chengtou Group would subscribe, by way of capital increase by non-public agreement, for the additional registered capital of Shanghai Securities in the amounts of RMB2,663.266 million and RMB53.266 million, respectively. Based on the appraised value of the entire shareholders' equity of Shanghai Securities as at August 31, 2019, the subscription price for this capital increase was determined to be RMB3.85345 for each RMB1 of the additional registered capital. Guotai Junan Securities Co., Ltd., Shanghai International Group Co., Ltd. and Shanghai SGIT Asset Management Co., Ltd. waived their pre-emptive rights to subscribe for the additional registered capital.

On January 19, 2020, the State-owned Assets Supervision and Administration Commission of Shanghai Municipality issued the *Reply on Matters Relating to the Capital Increase by Way of Non-public Agreement of Shanghai Securities Co., Ltd.* (《關於上海證券有限責任公司非公開協議增資有關事項的批覆》) (Hu Guo Zi Wei Chan Quan [2020] No. 16), approving the increase in the registered capital of Shanghai Securities by RMB2,716.532 million by way of non-public agreement.

On December 7, 2020, the CSRC issued the *Reply on Approving the Change of Major Shareholder of Shanghai Securities Co., Ltd.* (《關於核准上海證券有限責任公司變更主要股東的批覆》) (Zheng Jian Xu Ke [2020] No. 3358), approving Bailian Group to become a major shareholder and the controlling shareholder of Shanghai Securities.

On January 5, 2021, Shanghai CPA LLP (*上會會計師事務所(特殊普通合夥)) issued the Capital Verification Report (Shang Hui Shi Bao Zi (2021) No. 0036) in respect of this capital increase. On February 7, 2021, Shanghai Securities completed the industrial and commercial change registration procedures in respect of this capital increase.

Upon completion of this capital increase, the shareholding structure of Shanghai Securities was as follows:

No.	Shareholder's Name	Capital Contribution	Percentage (%)
		Amount (RMB'0,000)	
1	Bailian Group Co., Ltd.	266,326.60	50.0000
2	Guotai Junan Securities Co., Ltd.	133,110.00	24.9900
3	Shanghai SGIT Asset Management Co., Ltd.	87,000.00	16.3333
4	Shanghai International Group Co., Ltd.	40,890.00	7.6767
5	Shanghai Chengtou (Group) Co., Ltd.	5,326.60	1.0000
	Total	532,653.20	100.0000

Note: Guotai Junan Securities Co., Ltd., was renamed Guotai Haitong Securities Co., Ltd. in April 2025; Shanghai SGIT Asset Management Co., Ltd. was renamed Shanghai International Group Investment Co., Ltd. in August 2025.

Upon completion of this change, the shareholding structure of Shanghai Securities Co., Ltd. remained unchanged as of the Valuation Benchmark Date.

2. The Company's External Equity Investments

According to the declaration materials of the Appraised Entity, the Appraised Entity holds equity investments in 3 entities as of the Valuation Benchmark Date, details are as follows:

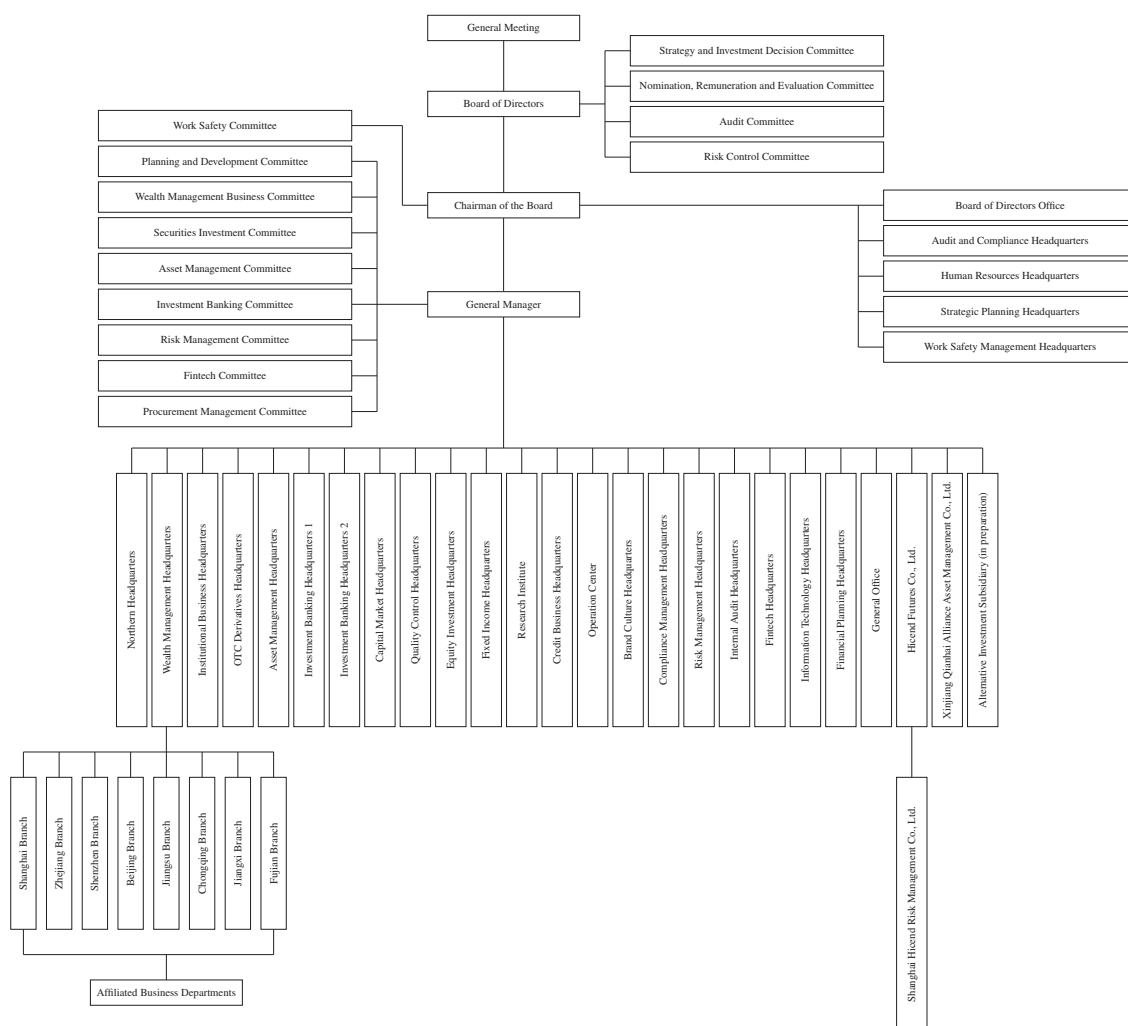
No.	Name of investee	Type of Company	Place of registration	Registered Capital	Shareholding Percentage (%)
1	Hicend Futures Co., Ltd.* (海證期貨有限公司)	Limited liability company (Invested or controlled solely by non-natural person)	Shanghai, China	RMB1.5 billion	100%
1-1	Shanghai Hicend Risk Management Co., Ltd.* (上海海證風險管理有限公司)	Limited liability company (Invested or controlled solely by non-natural person)	Shanghai, China	RMB0.5 billion	100%
2	Xinjiang Qianhai Alliance Asset Management Co., Ltd.* (新疆前海聯合基金管理有限公 司)	Limited liability company (Invested or controlled solely by non-natural person)	Urumqi, Xinjiang, China	RMB0.4 billion	100%

Note 1: Shanghai Securities has increased the registered capital of Xinjiang Qianhai Alliance Asset Management Co., Ltd. from RMB200,000,000.00 to RMB400,000,000.00, and will subsequently handle industrial and commercial registration changes in accordance with the law.

Note 2: Shanghai Securities, in its capacity as the manager and on behalf of the asset-backed special scheme, holds 100% of the equity interests in Shanghai Bailian Jinshan Shopping Centre Co., Ltd.* (上海百聯金山購物中心有限公司) and Shanghai Bailian Chuansha Shopping Centre Co., Ltd.* (上海百聯川沙購物中心有限公司), and acts as the nominee shareholder of the two project companies. Shanghai Securities does not participate in their operation, management or decision-making. Accordingly, the above two companies are not included in the scope of consolidation of the consolidated financial statements.

3. Organisational Structure of the Company

As of the Valuation Benchmark Date, Shanghai Securities and its subsidiaries had a total of 1,927 employees (including 1,534 at the Company level), of whom 41 were directors and senior management (including 17 at the Company level). The organisational structure of the Appraised Entity is as follows:



4. Company Branch Offices

As of the Valuation Benchmark Date, Shanghai Securities had 9 branch offices nationwide. The details are set out in the table below:

No.	Branch Name	Person-in-charge	Region	Date of Establishment	Status
1	Shanghai Securities Co., Ltd. Beijing Branch	Luo Zhenyu	Xicheng District, Beijing	2022	Existing
2	Shanghai Securities Co., Ltd. Jiangsu Branch	Zhao Jinjiang	Jianye District, Nanjing City, Jiangsu Province	2021	Existing
3	Shanghai Securities Co., Ltd. Shenzhen Branch	Zhao Feng	Shenzhen Qianhai Shenzhen-Hong Kong Cooperation Zone	2018	Existing
4	Shanghai Securities Co., Ltd. Shanghai Branch	Xue Ni	China (Shanghai) Pilot Free Trade Zone	2017	Existing
5	Shanghai Securities Co., Ltd. Lingang New Area Branch	Du Chao	China (Shanghai) Pilot Free Trade Zone	2016	Existing
6	Shanghai Securities Co., Ltd. Zhejiang Branch	Jin Luochuan	Lucheng District, Wenzhou City, Zhejiang Province	2012	Existing
7	Shanghai Securities Co., Ltd. Fujian Branch	Chen Yiping	Gulou District, Fuzhou City, Fujian Province	2008	Existing
8	Shanghai Securities Co., Ltd. Jiangxi Branch	Cai Qing	Donghu District, Nanchang City, Jiangxi Province	2002	Existing
9	Shanghai Securities Co., Ltd. Chongqing Branch	Chen Tingting	Jiangbei District, Chongqing	2002	Existing

5. *Company Securities Business Departments*

As of the Valuation Benchmark Date, Shanghai Securities had a total of 72 securities business departments nationwide that had been approved for establishment and had officially commenced operations. The details are as follows:

No.	Name	Business Department Code	Date of Establishment
1	Shanghai Securities Co., Ltd. Hongkou District Dalian Road Securities Business Department	1111	1992
2	Shanghai Securities Co., Ltd. Minhang District Hongmei Road Securities Business Department	1029	1991
3	Shanghai Securities Co., Ltd. Minhang District Xinsong Road Securities Business Department	1026	1993
4	Shanghai Securities Co., Ltd. Hongkou District Dongdaming Road Securities Business Department	1109	1993
5	Shanghai Securities Co., Ltd. Jing'an District North Suzhou Road Securities Business Department	1006	1993
6	Shanghai Securities Co., Ltd. Pudong New Area Nianjiabang Road Securities Business Department	1027	1992
7	Shanghai Securities Co., Ltd. Songjiang District Ledu Road Securities Business Department	1010	1994
8	Shanghai Securities Co., Ltd. Qingpu Securities Business Department	1018	1993
9	Shanghai Securities Co., Ltd. Putuo District Yanchang West Road Securities Business Department	1012	1993
10	Shanghai Securities Co., Ltd. Pudong New Area Shangcheng Road Securities Business Department	1005	1993
11	Shanghai Securities Co., Ltd. Chongming District Chaoyangmen Road Securities Business Department	1023	1992

No.	Name	Business Department Code	Date of Establishment
12	Shanghai Securities Co., Ltd. Fengxian District Nanfeng Highway Securities Business Department	1009	1992
13	Shanghai Securities Co., Ltd. Chongming Antong Road Securities Business Department	1110	1993
14	Shanghai Securities Co., Ltd. Miaoqing Road Securities Business Department	1025	1993
15	Shanghai Securities Co., Ltd. Linping Road Securities Business Department	1001	1994
16	Shanghai Securities Co., Ltd. Huangpu District Yan'an East Road Securities Business Department	1003	1994
17	Shanghai Securities Co., Ltd. Jinshan Weiqing West Road Securities Business Department	1019	1992
18	Shanghai Securities Co., Ltd. Jiading Securities Business Department	1017	1992
19	Shanghai Securities Co., Ltd. Baoshan Youyi Road Securities Business Department	1016	1992
20	Shanghai Securities Co., Ltd. Hongkou District Xinshi Road Securities Business Department	1020	1992
21	Shanghai Securities Co., Ltd. Huangpu District South Xizang Road Securities Business Department	1022	1993
22	Shanghai Securities Co., Ltd. Jing'an District Changzhong Road Securities Business Department	1015	1992
23	Shanghai Securities Co., Ltd. Changning District Dingxi Road Securities Business Department	1033	1992
24	Shanghai Securities Co., Ltd. Fengxian Wangyuan South Road Securities Business Department	1097	1996
25	Shanghai Securities Co., Ltd. Xuhui District Gao'an Road Securities Business Department	1028	1993

No.	Name	Business Department Code	Date of Establishment
26	Shanghai Securities Co., Ltd. Chongming District Baozhen Middle Road Securities Business Department	1008	1994
27	Shanghai Securities Co., Ltd. Nanjing Jiangdong North Road Securities Business Department	1038	2002
28	Shanghai Securities Co., Ltd. Beijing Wanshou Road Securities Business Department	1035	2001
29	Shanghai Securities Co., Ltd. Shenzhen Jintian Road Securities Business Department	1039	2003
30	Shanghai Securities Co., Ltd. Suzhou Renmin Road Securities Business Department	1050	2003
31	Shanghai Securities Co., Ltd. Hangzhou GTland Plaza Securities Business Department	1051	2004
32	Shanghai Securities Co., Ltd. Dalian Minzhu Square Securities Business Department	1066	2007
33	Shanghai Securities Co., Ltd. Wenzhou Xiechi Mall Securities Business Department	1067	2007
34	Shanghai Securities Co., Ltd. Wenzhou Yongzhong West Road Securities Business Department	1072	2008
35	Shanghai Securities Co., Ltd. Wenzhou Yuele West Street Securities Business Department	1073	2007
36	Shanghai Securities Co., Ltd. Ruian Luoyang Avenue Securities Business Department	1055	2007
37	Shanghai Securities Co., Ltd. Aojiang Xing'ao East Road Securities Business Department	1070	2009
38	Shanghai Securities Co., Ltd. Ruian Tangxia Avenue Securities Business Department	1071	2007

No.	Name	Business Department Code	Date of Establishment
39	Shanghai Securities Co., Ltd. Wenzhou Yueqing Bole East Road Securities Business Department	1053	2007
40	Shanghai Securities Co., Ltd. Yueqing Hongqiao Feihong South Road Securities Business Department	1075	2007
41	Shanghai Securities Co., Ltd. Yueqing Liushi Liuqing South Road Securities Business Department	1076	2007
42	Shanghai Securities Co., Ltd. Taizhou Donghuan Avenue Securities Business Department	1056	2007
43	Shanghai Securities Co., Ltd. Hangzhou Xueyuan Road Securities Business Department	1057	2007
44	Shanghai Securities Co., Ltd. Jiaxing Zhongshan West Road Securities Business Department	1068	2007
45	Shanghai Securities Co., Ltd. Beijing Hepingli North Street Securities Business Department	1065	2007
46	Shanghai Securities Co., Ltd. Jing'an District Nanjing West Road Securities Business Department	1059	2007
47	Shanghai Securities Co., Ltd. Guangzhou Machang Road Securities Business Department	1063	2007
48	Shanghai Securities Co., Ltd. Nanjing Shuanglong Avenue Securities Business Department	1060	2008
49	Shanghai Securities Co., Ltd. Shenzhen Qianhai Securities Business Department	1061	2008
50	Shanghai Securities Co., Ltd. Songjiang District Huting North Road Securities Business Department	1077	2010
51	Shanghai Securities Co., Ltd. Qingpu Mingzhu Road Securities Business Department	1078	2010

No.	Name	Business Department Code	Date of Establishment
52	Shanghai Securities Co., Ltd. Yangpu Yulin Road Securities Business Department	1082	2011
53	Shanghai Securities Co., Ltd. Gulang Road Securities Business Department	1079	2011
54	Shanghai Securities Co., Ltd. Haikou Guomao Avenue Securities Business Department	1081	2015
55	Shanghai Securities Co., Ltd. Nanjing Lishui Zhiyuan Road Securities Business Department	1091	2016
56	Shanghai Securities Co., Ltd. Wenzhou Yongjia Huancheng West Road Securities Business Department	1083	2016
57	Shanghai Securities Co., Ltd. Wenzhou Cangnan Yucang Road Securities Business Department	1085	2016
58	Shanghai Securities Co., Ltd. Baoshan District Shangda Road Securities Business Department	1092	2016
59	Shanghai Securities Co., Ltd. Songjiang District Xinzhuang Highway Securities Business Department	1087	2016
60	Shanghai Securities Co., Ltd. Beijing Guangqumen Securities Business Department	1095	2016
61	Shanghai Securities Co., Ltd. Tianjin Youyi Road Securities Business Department	1096	2016
62	Shanghai Securities Co., Ltd. Shenzhen Shenwan 2nd Road Securities Business Department	1102	2017
63	Shanghai Securities Co., Ltd. Jinhua Yiwu Chouzhou North Road Securities Business Department	1099	2017
64	Shanghai Securities Co., Ltd. Foshan Nanhai Yongsheng West Road Securities Business Department	1103	2017
65	Shanghai Securities Co., Ltd. Taizhou Luqiao East Luqiao Avenue Securities Business Department	1100	2017

No.	Name	Business Department Code	Date of Establishment
66	Shanghai Securities Co., Ltd. Taizhou Wenling Renmin East Road Securities Business Department	1101	2017
67	Shanghai Securities Co., Ltd. Shaoxing Xinchang Kangfu Road Securities Business Department	1098	2017
68	Shanghai Securities Co., Ltd. Yangzhou Guozhan Road Securities Business Department	1106	2017
69	Shanghai Securities Co., Ltd. Suzhou Shishan Road Securities Business Department	1105	2017
70	Shanghai Securities Co., Ltd. Lishui Liandu Youshan Road Securities Business Department	1112	2018
71	Shanghai Securities Co., Ltd. Ningbo Beilun Xinda Road Securities Business Department	1113	2018
72	Shanghai Securities Co., Ltd. Suzhou Centre Square Securities Branch	1090	2016

Note: Shanghai Securities Suzhou Center Plaza Securities Branch was changed to Shanghai Securities Sunan Branch in April 2026.

6. Company Qualifications

(1) Permit for Operation of Securities and Futures Business

Shanghai Securities currently holds a Permit for Operation of Securities and Futures Business issued by the CSRC. The operating securities branch companies and securities business departments of Shanghai Securities, its controlled subsidiary Hicend Futures Co., Ltd. and the operating futures branch companies and futures business departments under Hicend Futures Co., Ltd., and its controlled subsidiary Xinjiang Qianhai Alliance Asset Management Co., Ltd. have all obtained Permits for Operation of Securities and Futures Business issued by the CSRC.

(2) *Other Qualifications*

In addition to the Permit for Operation of Securities and Futures Business, the other principal business qualifications obtained by Shanghai Securities and its subsidiaries in relation to the conduct of their principal businesses are set out in the table below:

No.	Company Name	Business Qualification Name	Certificate/Document Number	Issuing Authority/Competent Regulator
1	Shanghai Securities	Qualification for Securities Investment Consulting Business	Zheng Jian Ji Gou Zi [2001] No. 277	CSRC
2	Shanghai Securities	Qualification for online securities commissioned brokerage business	Zheng Jian Xin Xi Zi [2001] No. 8	CSRC
3	Shanghai Securities	Qualification for operating foreign-invested shares business	Zheng Jian Ji Gou Zi [2002] No. 110	CSRC
4	Shanghai Securities	Qualification for entrusted investment management business	Zheng Jian Ji Gou Zi [2002] No. 203	CSRC
5	Shanghai Securities	Member of the national interbank market	Yin Fu [2003] No. 68	People's Bank of China
6	Shanghai Securities	Approval for participation in the National Inter-bank Bond Market Trading System	Zhong Hui Jiao Fa [2003] No. 70	China Foreign Exchange Trade System/National Interbank Funding Center
7	Shanghai Securities	Qualification for Distribution of Open-ended Securities Investment Funds	Zheng Jian Ji Jin Zi [2004] No. 74	CSRC
8	Shanghai Securities	Clearing Participant of China Securities Depository and Clearing Corporation Limited	Zhong Guo Jie Suan Han Zi [2006] No. 61	China Securities Depository and Clearing Corporation Limited
9	Shanghai Securities	General Dealer on the Fixed Income Securities Comprehensive Electronic Platform of the Shanghai Stock Exchange	/	SSE

No.	Company Name	Business Qualification Name	Certificate/Document Number	Issuing Authority/Competent Regulator
10	Shanghai Securities	Member of the National Association of Financial Market Institutional Investors	/	National Association of Financial Market Institutional Investors
11	Shanghai Securities	Member of the Securities Association of China	Membership Code: 131023	Securities Association of China
12	Shanghai Securities	Member of the Shanghai Stock Exchange	Membership No.: 0055	Shanghai Stock Exchange
13	Shanghai Securities	Member of the Shenzhen Stock Exchange	Membership No.: 000627	Shenzhen Stock Exchange
14	Shanghai Securities	Class A Clearing Participant of China Securities Depository and Clearing Corporation Limited	Zhong Guo Jie Suan Han Zi [2008] No. 23	China Securities Depository and Clearing Corporation Limited
15	Shanghai Securities	Qualification to Provide Intermediary Introduction Business for Futures Companies	Zheng Jian Xu Ke [2008] No. 1039 and Hu Zheng Jian Ji Gou Zi [2010] No. 133	CSRC/Shanghai Bureau of the CSRC
16	Shanghai Securities	Qualification for Fund Evaluation Business	Zhong Zheng Xie Fa [2010] No. 65	Securities Association of China
17	Shanghai Securities	Qualification for Margin Financing and Securities Lending Business	Zheng Jian Xu Ke [2012] No. 621	CSRC
18	Shanghai Securities	Pilot Qualification for Pledged Quotation Repo Business of Bonds	Ji Gou Bu Bu Han [2012] No. 596	CSRC
19	Shanghai Securities	Securities Business Foreign Exchange Operation Permit	Hui Zi Zi No. SC201211	State Administration of Foreign Exchange
20	Shanghai Securities	Trading Authority for Agreed Repurchase Securities Transactions	Shen Zheng Hui [2013] No. 15 and Shang Zheng Hui Zi [2013] No. 22	Shenzhen Stock Exchange/SSE
21	Shanghai Securities	Qualification for Securities Refinancing Business	Zhong Zheng Jin Han [2013] No. 25	China Securities Finance Corporation Limited

No.	Company Name	Business Qualification Name	Certificate/Document Number	Issuing Authority/Competent Regulator
22	Shanghai Securities	Eligibility for Stock Pledge-style Repurchase Transactions	Shen Zheng Hui [2013] No. 73 and Shang Zheng Hui Zi [2013] No. 137	Shenzhen Stock Exchange/SSE
23	Shanghai Securities	Qualification for Distribution of Financial Products	Hu Zheng Jian Ji Gou Zi [2013] No. 19	Shanghai Bureau of the CSRC
24	Shanghai Securities	Qualification for Market Making Business on the National Equities Exchange and Quotations	Gu Zhuan Xi Tong Han [2014] No. 724	National Equities Exchange and Quotations Co., Ltd.
25	Shanghai Securities	Participant of the Inter-institutional Private Product Quotation and Service System	/	China Securities Institutional Quotation System Co., Ltd.
26	Shanghai Securities	Qualification as Stock Options Participant of the SSE	Shang Zheng Han [2015] No. 78	SSE
27	Shanghai Securities	Qualification for Options Clearing Business	Zhong Guo Jie Suan Han Zi [2015] No. 51	China Securities Depository and Clearing Corporation Limited
28	Shanghai Securities	Qualification for Agency Securities Pledge Registration Business	/	China Securities Depository and Clearing Corporation Limited
29	Shanghai Securities	Trading Authority for Stock Options Business	Shen Zheng Hui [2019] No. 470	Shenzhen Stock Exchange
30	Shanghai Securities	Qualification for Interest Rate Swap Business in the National Interbank Market	/	National Interbank Funding Center
31	Shanghai Securities	Qualification for Standard Bond Forward Business in the National Interbank Bond Market	/	China Foreign Exchange Trade System

No.	Company Name	Business Qualification Name	Certificate/Document Number	Issuing Authority/Competent Regulator
32	Shanghai Securities	Qualification for Market-making Trading of Listed Securities (Limited to Market-making Trading of Stocks on the Beijing Stock Exchange)	Zheng Jian Xu Ke [2025] No. 225	CSRC
33	Shanghai Securities	Qualification as Underwriter of Non-financial Enterprise Debt Financing Instruments	National Association of Financial Market Institutional Investors Announcement [2025] No. 25	National Association of Financial Market Institutional Investors
34	Hicend Futures Co., Ltd.	Qualification for Commodity Futures Brokerage Business	Zheng Jian Qi Shen Zi [1995] Nos. 57-64	CSRC
35	Hicend Futures Co., Ltd.	Qualification for Financial Futures Brokerage Business	Zheng Jian Qi Huo Zi [2007] No. 356	CSRC
36	Hicend Futures Co., Ltd.	Qualification for Financial Futures Trading Clearing Business	Zheng Jian Xu Ke [2008] No. 154	CSRC
37	Hicend Futures Co., Ltd.	Qualification for Futures Investment Consulting Business	Zheng Jian Xu Ke [2011] No. 1463	CSRC
38	Hicend Futures Co., Ltd.	Qualification for Asset Management Business	Zhong Qi Xie Bei Zi [2015] No. 5	China Futures Association
39	Hicend Futures Co., Ltd.	Member of Shanghai International Energy Exchange	0482017053181531	Shanghai International Energy Exchange Co., Ltd.
40	Hicend Futures Co., Ltd.	Member of Shanghai Futures Exchange	1140805131531	Shanghai Futures Exchange
41	Hicend Futures Co., Ltd.	Member of the Zhengzhou Commodity Exchange	Membership No.: 0222	Zhengzhou Commodity Exchange
42	Hicend Futures Co., Ltd.	Trading and Clearing Member of China Financial Futures Exchange	Membership No.: 0155	China Financial Futures Exchange
43	Hicend Futures Co., Ltd.	Member of the Dalian Commodity Exchange	DCE00087	Dalian Commodity Exchange

No.	Company Name	Business Qualification Name	Certificate/Document Number	Issuing Authority/Competent Regulator
44	Hicend Futures Co., Ltd.	Member of the Guangzhou Futures Exchange	Membership No.: 0023	Guangzhou Futures Exchange
45	Shanghai Hicend Risk Management Co., Ltd.	Pilot Business Qualification for Basis Trading and Warrant Services	Zhong Qi Xie Bei Zi [2021] No. 29	China Futures Association
46	Shanghai Hicend Risk Management Co., Ltd.	Pilot Business Qualification for OTC Derivatives Business	Zhong Qi Xie Bei Zi [2023] No. 6	China Futures Association
47	Xinjiang Qianhai Alliance Asset Management Co., Ltd.	Membership qualification of the Asset Management Association of China	Membership Code: PT0100011514	Asset Management Association of China

7. *Introduction to the Company's Principal Business*

Shanghai Securities' principal businesses include wealth management, securities trading and investment, asset management, investment banking, and other businesses. Its primary client base comprises institutional investors, retail investors, listed and pre-listed companies, and bond-issuing entities.

(1) Wealth Management Business

Shanghai Securities' wealth management business encompasses securities brokerage, credit services, and futures brokerage, with the latter being conducted through its wholly-owned subsidiary, Hicend Futures Co., Ltd.. As of March 31, 2026, Shanghai Securities operates 9 branches and 72 securities brokerage outlets across China. Its network spans key provinces and municipalities, including Shanghai, Zhejiang, Jiangsu, Beijing, Guangdong, Tianjin, and Liaoning, forming an operational footprint centered on Shanghai, with major economic zones – the Yangtze River Delta, Beijing-Tianjin-Hebei, the Pearl River Delta, the middle reaches of the Yangtze River, and the Chengdu-Chongqing economic circle – as its primary pillars.

(2) Securities Trading and Investment Business

Shanghai Securities' securities trading and investment business primarily comprises fixed-income investment business and equity investment business, covering investments in bonds, stocks, funds, and other marketable securities and their derivatives.

(3) Asset Management Business

Shanghai Securities' asset management business includes both securities asset management and mutual fund management, with the latter being conducted through its wholly-owned subsidiary, Xinjiang Qianhai Alliance Asset Management Co., Ltd..

(4) Investment Banking Business

The investment banking business of Shanghai Securities is divided into securities underwriting and sponsorship, as well as financial advisory services. Shanghai Securities' investment banking business is primarily engaged in debt securities underwriting.

(5) Other Businesses

Other businesses mainly include fund evaluation services and risk management services, among others.

8. Company's Assets, Liabilities and Financial Position

- (1) As of the Valuation Benchmark Date, the total assets of the Company amounted to RMB81,361.0526 million, total liabilities amounted to RMB61,618.6772 million, and owners' equity was RMB19,742.3754 million. The assets, liabilities and financial position of the Company for the past two years and as at the Valuation Benchmark Date are set out in the table below:

Assets, Liabilities and Financial Position of the Company (on a standalone basis)

Unit: RMB'0,000

Item	December 31, 2024	December 31, 2025	March 31, 2026
Total Assets	7,289,060.26	7,972,837.74	8,136,105.26
Liabilities	5,432,996.32	6,025,796.78	6,161,867.72
Owners' Equity	1,856,063.94	1,947,040.96	1,974,237.54
Item	For the year 2024	For the year 2025	January to March 2026
Operating Income	242,629.01	295,482.79	34,758.07
Operating Profit	94,773.24	147,627.79	12,504.80
Net Profit	86,182.26	123,347.93	10,759.02

(2) Consolidated Statement of Assets, Liabilities and Financial Position:

Consolidated Assets, Liabilities and Financial Position

Unit: RMB'0,000

Item	December 31, 2024	December 31, 2025	March 31, 2026
Total Assets	8,553,488.75	9,586,580.72	10,319,322.17
Liabilities	6,672,960.70	7,606,074.09	8,307,245.10
Owners' Equity	1,880,528.06	1,980,506.64	2,012,077.07
Equity attributable to owners of the parent company	1,880,528.06	1,980,506.64	2,012,077.07
Item	For the year 2024	For the year 2025	January to March 2026
Operating Income	285,806.13	342,520.47	51,521.88
Operating Profit	106,290.23	159,800.99	18,492.60
Net Profit	95,346.13	132,349.49	15,132.87
Net profit attributable to owners of the parent company	95,346.13	132,349.49	15,132.87

The above data are extracted from the special purpose consolidated financial statements audited by KPMG Huazhen LLP (report number: KPMG Huazhen Shen Zi No. 2625311).

9. Company's Major Regulatory Indicators

The regulatory indicators for the securities industry and various indicators of Shanghai Securities are as follows:

Item	December 31, 2024	December 31, 2025	March 31, 2026	Warning Standard	Regulatory Standard
Net Capital (RMB'00 million)	167.46	165.77	168.86		
Risk Coverage Ratio	369.45%	335.99%	314.27%	≥120%	≥100%
Capital Leverage Ratio	29.77%	27.28%	27.22%	≥9.6%	≥8%
Liquidity Coverage Ratio	250.17%	234.05%	422.39%	≥120%	≥100%
Net Stable Funding Ratio	236.70%	222.84%	246.11%	≥120%	≥100%
Net Capital/Net Assets	90.22%	85.14%	85.53%	≥24%	≥20%
Net Capital/Liabilities	44.71%	40.35%	40.18%	≥9.6%	≥8%
Net Assets/Liabilities	49.55%	47.40%	46.98%	≥12%	≥10%
Proprietary Equity Securities and Securities Derivatives/Net Capital	25.20%	34.65%	31.88%	≤80%	≤100%

Item	December 31, 2024	December 31, 2025	March 31, 2026	Warning Standard	Regulatory Standard
Proprietary Non-Equity Securities and Their					
Derivatives/Net Capital	221.09%	208.94%	219.01%	≤400%	≤500%
Amount of Margin Financing (including					
Securities Lending)/Net Capital	59.06%	81.34%	75.98%	≤320%	≤400%

Note 1: The above risk control indicators are calculated based on the relevant data in the special purpose consolidated financial statements audited by KPMG Huazhen LLP, and comply with regulatory standards.

Note 2: The China Securities Regulatory Commission amended the *Provisions on 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》) (CSRC Announcement [2024] No. 13) in September 2024, and the new calculation standards became effective on 1 January 2025. Pursuant to such provisions, Shanghai Securities restated its net capital and various risk control indicators as at 31 December 2024.

10. Tax Types and Tax Rates of the Company

The Company implements corporate accounting standards. The relevant taxes and tax rates are as follows:

Tax Type	Tax Base	Tax Rate
Income Tax	Taxable income	25%
Value-Added Tax	The output tax is calculated based on the sales of goods and taxable service income as stipulated by tax laws. After deducting the allowable input tax for the current period, the difference is the value-added tax payable.	3%, 6%, 9%, 13%
Urban Maintenance and Construction Tax	Turnover tax payable	5%, 7%
Education Surcharge	Turnover tax payable	3%
Local Education Surcharge	Turnover tax payable	2%

(IV) Relationship Between the Clients and the Appraised Entity

Prior to the implementation of the economic behavior mentioned in this asset valuation report, there was no equity affiliation or other related party relationship between Client 1 (東方證券股份有限公司), and the Appraised Entity. Client 1 is the client for this Asset Valuation Report and the equity acquirer.

Client 2, Bailian Group Co., Ltd., held a 50% equity interest in the Appraised Entity as at the Valuation Benchmark Date, making it the largest direct shareholder.

(V) Other Users of the Asset Valuation Report

According to the asset valuation engagement contract, the users of this asset valuation report are the client, relevant management and regulatory authorities, other users of the asset valuation report as agreed in the engagement contract, and users of the asset valuation report as stipulated by national laws and administrative regulations. No other third party shall become a legitimate user of this asset valuation report merely by obtaining it.

II. PURPOSE OF VALUATION

Pursuant to the Announcement of 東方證券股份有限公司 on Resolution of the 16th Meeting (Extraordinary Meeting) of the Sixth Session of the Board and the board document of Bailian Group Co., Ltd., namely the Resolution on Approving the Merger and Restructuring of 東方證券股份有限公司 and Shanghai Securities (Bailian Group Board (2026) No. 10), Resolution of the Second Extraordinary General Meeting for the Year 2026 of Shanghai Securities Co., Ltd., 東方證券股份有限公司 proposes to acquire 100% of the equity interests in Shanghai Securities Co., Ltd. by way of share issuance and cash payment. The purpose of this valuation is to reflect the market value of the entire shareholders' equity interests of Shanghai Securities Co., Ltd. as at the Valuation Benchmark Date and to provide a value reference for this economic behavior.

III. VALUATION SUBJECT AND SCOPE OF VALUATION

(I) Valuation Subject

The valuation subject is the value of the entire shareholders' equity interests of the Appraised Entity. The valuation subject is consistent with the economic behavior to be implemented.

(II) Scope of Valuation

The scope of valuation covers all assets and liabilities of the Appraised Entity. The total book value of all assets of the Company on a standalone basis as declared by the Appraised Entity was RMB81,361,052,620.12; the total book value of liabilities of the Company on a standalone basis was RMB61,618,677,232.05; the book value of owners' equity of the Company on a standalone basis was

RMB19,742,375,388.07; and the book value of owners' equity attributable to the Company on a consolidated basis was RMB20,120,770,693.86. The scope of the engaged valuation is consistent with the scope of valuation involved in the economic behavior proposed to be implemented.

Valuation Benchmark Date: March 31, 2026

Unit: RMB

No.	Item	Book Value
1	Monetary funds	18,189,212,558.54
2	Clearing Settlement Funds	3,567,533,951.15
3	Margin accounts receivable	12,813,602,245.29
4	Derivative financial assets	14,162,565.00
5	Financial assets held under resale agreements	421,230,000.00
6	Refundable deposits	292,800,992.32
7	Accounts receivable	879,669,030.20
8	Financial assets held for trading	20,325,381,995.51
9	Other debt investments	18,761,451,192.69
10	Other equity instrument investments	3,409,183,128.12
11	Long-term equity investments	2,053,498,709.01
12	Investment properties	40,683,550.25
13	Fixed assets	184,005,029.94
14	Construction in progress	23,467,601.41
15	Right-of-use assets	136,843,353.78
16	Intangible assets	62,064,670.74
17	Deferred income tax assets	40,916,206.35
18	Other assets	145,345,839.82
19	I. TOTAL ASSETS	81,361,052,620.12
20	Short-term debt instruments	4,115,558,773.05
	Placements from banks and other financial	
21	institutions	4,002,628,055.57
22	Contract liabilities	3,766,644.29
23	Derivative financial liabilities	2,570,361.00
24	Financial assets sold under repurchase agreements	13,095,975,098.30
25	Employee benefits payable	508,787,056.02
26	Taxes and surcharges payable	45,591,750.75
27	Accounts payable to brokerage clients	19,490,915,345.32
28	Accounts payable	1,103,197,999.34
29	Bonds payable	19,096,085,199.08
30	Lease liabilities	142,950,824.43
31	Provisions	1,796,361.59
32	Other liabilities	8,853,763.31
33	II. Total Liabilities	61,618,677,232.05
34	III. Net Assets	19,742,375,388.07

The types and book values of the assets in this asset valuation report are extracted from the special purpose consolidated financial statements audited by KPMG Huazhen LLP (report number: KPMG Huazhen Shen Zi No. 2625311).

(III) Main Particulars of the Assets under Valuation

The assets under valuation within the scope of this valuation primarily include monetary funds, clearing settlement funds, margin accounts receivable, derivative financial assets, financial assets held under resale agreements, refundable deposits, accounts receivable, financial assets held for trading, other debt investments, other equity instrument investments, long-term equity investments, investment properties, fixed assets, construction in progress, right-of-use assets, intangible assets, deferred income tax assets and other assets. The details are as follows:

1. *Monetary Funds*

According to the declaration materials of the Appraised Entity, as of the Valuation Benchmark Date, the monetary funds declared by the Appraised Entity primarily comprised cash on hand, bank deposits and other monetary funds. Cash on hand represented cash kept in the finance department of the Company; bank deposits primarily consisted of Renminbi and foreign currency deposits; and other monetary funds mainly comprised funds held in third-party payment and custody platforms such as bank prepaid platforms and securities companies.

2. *Clearing Settlement Funds*

According to the declaration materials of the Appraised Entity, as of the Valuation Benchmark Date, the clearing settlement funds of the Appraised Entity represented funds deposited by Shanghai Securities or by Shanghai Securities on behalf of its clients with the relevant clearing agents for securities or futures trading in order to satisfy the funding requirements for clearing and settlement.

3. *Margin Accounts Receivable*

According to the declaration materials of the Appraised Entity, as of the Valuation Benchmark Date, the margin accounts receivable declared by the Appraised Entity represented funds advanced by Shanghai Securities to its clients under its margin financing and securities lending business.

4. *Derivative Financial Assets*

According to the declaration materials of the Appraised Entity, as of the Valuation Benchmark Date, the derivative financial assets declared by the Appraised Entity primarily consisted of financial derivatives such as options.

5. *Financial Assets Held under Resale Agreements*

According to the declaration materials of the Appraised Entity, as of the Valuation Benchmark Date, the financial assets held under resale agreements declared by the Appraised Entity were primarily financing assets arising from bond pledge-style repo transactions.

6. *Refundable deposits*

According to the declaration materials of the Appraised Entity, as of the Valuation Benchmark Date, the refundable deposits declared by the Appraised Entity represented trading margins, performance margins and other related amounts deposited in accordance with the relevant requirements.

7. *Accounts receivable*

According to the declaration materials of the Appraised Entity, as of the Valuation Benchmark Date, the accounts receivable declared by the Appraised Entity primarily comprised securities settlement receivables, bond investment receivables, fees and commission receivables and settlement guarantee deposits receivable arising from the operation of the Appraised Entity.

8. *Financial Assets Held for Trading*

According to the declaration materials of the Appraised Entity, as of the Valuation Benchmark Date, the financial assets held for trading declared by the Appraised Entity mainly consisted of stocks and equity interests, bonds, funds and other investments, the details of which are as follows:

(1) Financial Assets Held for Trading – Stocks and Equity Interests

As of the Valuation Benchmark Date, the financial assets held for trading – stocks and equity investments included tradable shares, NEEQ stocks and participating equity investments.

(2) Financial Assets Held for Trading – Bonds

As of the Valuation Benchmark Date, the financial assets held for trading – bond investments declared by the Appraised Entity primarily consisted of exchange-traded bonds and interbank bonds held by the Appraised Entity as of the Valuation Benchmark Date.

(3) Financial Assets Held for Trading – Funds

As of the Valuation Benchmark Date, the financial assets held for trading – fund investments declared by the Appraised Entity mainly consisted of money market funds and other fund products held by it.

(4) Financial Assets Held for Trading – Others

As of the Valuation Benchmark Date, the financial assets held for trading – other investments declared by the Appraised Entity mainly consisted of wealth management products and securities firms' asset management plans.

9. Other Debt Investment

According to the declaration materials of the Appraised Entity, as of the Valuation Benchmark Date, the other debt investments declared by the Appraised Entity primarily included investments in interbank medium-term notes, enterprise bonds and treasury bonds.

10. Other Equity Instrument Investments

According to the declaration materials of the Appraised Entity, as of the Valuation Benchmark Date, the other equity instrument investments declared by the Appraised Entity covered A-shares of companies listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange under the Shanghai-Hong Kong Stock Connect, shares of companies listed on the National Equities Exchange and Quotations (NEEQ), and infrastructure Real Estate Investment Trusts (REITs).

11. Long-term Equity Investment

According to the declaration materials of the Appraised Entity, there are three long-term equity investments at various levels in total, the list of which is as follows:

No.	Name of Investee	Company Type	Place of Registration	Registered Capital	Shareholding Percentage (%)
1	Hicend Futures Co., Ltd.	Limited liability company (sole proprietorship of a legal person invested or controlled by non-natural persons)	Shanghai, China	RMB1.5 billion	100%
1-1	Shanghai Hicend Risk Management Co., Ltd.	Limited liability company (sole proprietorship of a legal person invested or controlled by non-natural persons)	Shanghai, China	RMB0.5 billion	100%

No.	Name of Investee	Company Type	Place of Registration	Registered Capital	Shareholding Percentage (%)
2	Xinjiang Qianhai Alliance Asset Management Co., Ltd.	Limited liability company (sole proprietorship of a legal person invested or controlled by non-natural persons)	Urumqi, Xinjiang, China	RMB0.4 billion	100%

Note 1: Shanghai Securities has increased the registered capital of Xinjiang Qianhai Alliance Asset Management Co., Ltd. from RMB200.00 million to RMB400.00 million, and will subsequently complete the industrial and commercial registration change procedures in accordance with the *Regulations of the People's Republic of China on the Registration and Administration of Market Entities* (《中華人民共和國市場主體登記管理條例》).

Note 2: Shanghai Securities, in its capacity as the manager and on behalf of the asset-backed special scheme, holds 100% of the equity interests in Shanghai Bailian Jinshan Shopping Centre Co., Ltd.* (上海百聯金山購物中心有限公司) and Shanghai Bailian Chuansha Shopping Centre Co., Ltd.* (上海百聯川沙購物中心有限公司), and acts as the nominee shareholder of the two project companies. Shanghai Securities does not participate in their operation, management or decision-making. Accordingly, the above two companies are not included in the scope of consolidation of the consolidated financial statements.

12. Investment Property

According to the declaration materials of the Appraised Entity, as of the Valuation Benchmark Date, there are seven investment properties in total declared by the Appraised Entity, the list was as follows:

No.	Title Certificate No.	Property Name	Date of Completion	Gross Floor Area (m ²)
1	Hu Fang Di Jing Zi (2010) No. 001306	South Part, 1st Floor, No. 27 Xiangyang North Road, Shanghai	1997	664.99
2	Hu Fang Di Jing Zi (2010) No. 001305	South Part, 2nd Floor, No. 27 Xiangyang North Road, Shanghai	1997	873.99
3	Hu Fang Di Jing Zi (2010) No. 001308	South Part, 3rd Floor, No. 27 Xiangyang North Road, Shanghai	1997	873.99
4	Hu Fang Di Jing Zi (2010) No. 001307	South Part, 4th Floor, No. 27 Xiangyang North Road, Shanghai	1997	873.99

No.	Title Certificate No.	Property Name	Date of Completion	Gross Floor Area (m²)
5	Hu Fang Di Shi Zi (1997) No. 000689	Zhongcheng Building – Shangtou outlet on 1/F, No. 818 Dongfang Road	1994	1,150.53
6	No title certificate	3-4/F, No. 6, Lane 113, Changshu Road	1994	522.00
7	Hu Fang Di Hong Zi (2005) No. 009632	Building (Commercial Premises) Nos. 100- 108 Guangling 4th Road	1998	1,412.46

13. Houses and Buildings

According to the declaration materials of the Appraised Entity, the houses and buildings included in the scope of this valuation comprise 62 items, the details of which are as follows:

No.	Title Certificate No.	Name of Building	Time of Completion	Gross Floor Area (m²)
1	Hu Fang Di Zha Zi (2003) No. 023317	Room 1808, No. 2, Lane 225, Xizang North Road	1991	47.52
2	Hu Fang Di Zha Zi (2003) No. 023364	Room 1807, No. 2, Lane 225, Xizang North Road	1991	63.62
3	Hu Fang Di Chong Zi (2005) No. 000090	Chongming Commercial Premises – No. 177 Dongmen Road, Chengqiao Town, Chongming	1991	4,777.74
4	Hu Fang Di Pu Zi (2003) No. 049579	No. 373 Shangcheng Road	1974	2,911.00
5	Hu Fang Hong Zi No. 10814	No. 19 Linping North Road (registered address on the certificate is No. 3 Liping North Road)	1996	5,617.00

No.	Title Certificate No.	Name of Building	Time of Completion	Gross Floor Area (m^2)
6	Hu Fang Pu Xin Zi No. 05270	Rooms 101, 102, 201 and 202, No. 138, Dongyuan First Village, Dongchang Road	1987	252.00
7	Hu Fang Di Xu Zi (2005) No. 009292	Property (No. 107 Gaoan Road)	1998	1,749.86
8	Hu Fang Di Feng Zi (2016) No. 003762	1st–2nd Floors, No. 14, Lane 9777, Nanfeng Highway, Fengxian District, Shanghai	2012	159.35
9	Hu Fang Di Feng Zi (2016) No. 003763	1st Floor, No. 19, Lane 9777, Nanfeng Highway, Fengxian District, Shanghai	2012	45.31
10	Hu Fang Di Feng Zi (2016) No. 003766	1st–2nd Floors, No. 10, Lane 9777, Nanfeng Highway, Fengxian District, Shanghai	2012	215.36
11	Hu Fang Di Feng Zi (2016) No. 003767	1st Floor, No. 17, Lane 9777, Nanfeng Highway, Fengxian District, Shanghai	2012	32.07
12	Hu Fang Di Feng Zi (2016) No. 003768	1st Floor, No. 8, Lane 9777, Nanfeng Highway, Fengxian District, Shanghai	2012	43.20
13	Hu Fang Di Feng Zi (2016) No. 003769	1st Floor, No. 9, Lane 9777, Nanfeng Highway, Fengxian District, Shanghai	2012	45.31
14	Hu Fang Di Feng Zi (2016) No. 003770	1st Floor, No. 15, Lane 9777, Nanfeng Highway, Fengxian District, Shanghai	2012	27.31
15	Hu Fang Di Feng Zi (2016) No. 003771	1st Floor, No. 13, Lane 9777, Nanfeng Highway, Fengxian District, Shanghai	2012	28.33

No.	Title Certificate No.	Name of Building	Time of Completion	Gross Floor Area (m^2)
16	Hu Fang Di Feng Zi (2016) No. 003772	1st Floor, No. 11, Lane 9777, Nanfeng Highway, Fengxian District, Shanghai	2012	30.67
17	Hu Fang Di Feng Zi (2016) No. 003773	1st–2nd Floors, No. 16, Lane 9777, Nanfeng Highway, Fengxian District, Shanghai	2012	215.18
18	Hu Fang Di Feng Zi (2016) No. 003774	1st–2nd Floors, No. 12, Lane 9777, Nanfeng Highway, Fengxian District, Shanghai	2012	159.35
19	Hu Fang Di Feng Zi (2016) No. 003775	Room 208, No. 18, Lane 9777, Nanfeng Highway, Fengxian District, Shanghai	2012	67.75
20	Hu Fang Di Feng Zi (2016) No. 003764	Room 209, No. 8, Lane 388, Jianghai Road, Fengxian District, Shanghai	2012	140.27
21	Hu Fang Di Feng Zi (2016) No. 003765	Room 208, No. 8, Lane 388, Jianghai Road, Fengxian District, Shanghai	2012	91.05
22	Hu Fang Di Song Zi (2010) No. 036890	Blocks 5A and 5B, No. 251 Ledu Road, Songjiang, Shanghai	2010	237.04
23	Hu Fang Di Song Zi (2010) No. 036837	Block 5C, No. 251 Ledu Road, Songjiang, Shanghai	2010	98.03
24	Hu Fang Di Song Zi (2010) No. 036836	Blocks 5D and 5E, No. 251 Ledu Road, Songjiang, Shanghai	2010	261.33
25	Hu Fang Di Song Zi (2010) No. 036835	Block 5F, No. 251 Ledu Road, Songjiang, Shanghai	2010	228.88
26	Hu Fang Di Song Zi (2010) No. 036851	Block 5G, No. 251 Ledu Road, Songjiang, Shanghai	2010	69.34

No.	Title Certificate No.	Name of Building	Time of Completion	Gross Floor Area (m^2)
27	Hu Fang Di Song Zi (2010) No. 036891	Block 5H, No. 251 Ledu Road, Songjiang, Shanghai	2010	82.69
28	Hu Fang Di Song Zi (2010) No. 036889	Blocks 5J and 5K, No. 251 Ledu Road, Songjiang, Shanghai	2010	258.76
29	Hu Fang Di Song Zi (2010) No. 036819	Block 5L, No. 251 Ledu Road, Songjiang, Shanghai	2010	148.59
30	Hu Fang Di Song Zi (2010) No. 036888	Blocks 6A and 6B, No. 251 Ledu Road, Songjiang, Shanghai	2010	237.04
31	Hu Fang Di Song Zi (2010) No. 036887	Block 6C, No. 251 Ledu Road, Songjiang, Shanghai	2010	98.03
32	Hu Fang Di Song Zi (2010) No. 036886	Blocks 6D and 6E, No. 251 Ledu Road, Songjiang, Shanghai	2010	261.33
33	Hu Fang Di Song Zi (2010) No. 036817	Block 6F, No. 251 Ledu Road, Songjiang, Shanghai	2010	228.88
34	Hu Fang Di Song Zi (2010) No. 036885	Block 6G, No. 251 Ledu Road, Songjiang, Shanghai	2010	69.34
35	Hu Fang Di Song Zi (2010) No. 036821	Block 6H, No. 251 Ledu Road, Songjiang, Shanghai	2010	82.69
36	Hu Fang Di Song Zi (2010) No. 036820	Blocks 6J and 6K, No. 251 Ledu Road, Songjiang, Shanghai	2010	258.76
37	Hu Fang Di Song Zi (2010) No. 036818	Block 6L, No. 251 Ledu Road, Songjiang, Shanghai	2010	148.59
38	Hu Fang Di Chong Zi (2005) No. 000025	Property (No. 378 Baozhen Middle Road)	1993	1,635.67
39	Hu Fang Di Huang Zi (2005) No. 004631	1st–2nd Floors, No. 889 Xizang South Road	1998	1,969.12
40	Hu Fang Di Min Zi (2006) No. 007232	No. 3309 Hongmei Road	1997	1,706.15

No.	Title Certificate No.	Name of Building	Time of Completion	Gross Floor Area (m^2)
41	Hu Fang Di Pu Zi (2001) No. 025487	Commercial premises (No. 80 Yanchang West Road)	1985	1,538.62
42	Hu Fang Di Jia Zi (2004) No. 011024	Jiading Property (No. 156 Qinghe Road, Jiading District)	2000	843.39
43	Wen Fang Quan Zheng Lu Cheng Qu Zi No. 501954	Zhejiang Branch, 2/F, Block D, Xiechi Mall	1996	904.81
44	Wen Fang Quan Zheng Lu Cheng Qu Zi No. 501446	Room 101, Block C, Xiechi Mall, Renmin East Road	1996	16.99
45	Wen Fang Quan Zheng Lu Cheng Qu Zi No. 501953	Room 106, Block C, Xiechi Mall, Renmin East Road	1996	16.74
46	Wen Fang Quan Zheng Lu Cheng Qu Zi No. 501955	Room 105, Block C, Xiechi Mall, Renmin East Road	1996	16.59
47	Wen Fang Quan Zheng Lu Cheng Qu Zi No. 501956	2nd Floor, Block C, Xiechi Mall, Renmin East Road	1996	1,351.99
48	Wen Fang Quan Zheng Lu Cheng Qu Zi No. 501950	Room 103, Block C, Xiechi Mall, Renmin East Road	1996	16.69
49	Wen Fang Quan Zheng Lu Cheng Qu Zi No. 501951	Room 104, Block C, Xiechi Mall, Renmin East Road	1996	16.63
50	Wen Fang Quan Zheng Lu Cheng Qu Zi No. 501952	Room 102, Block C, Xiechi Mall, Renmin East Road	1996	16.81
51	Wen Fang Quan Zheng Lu Cheng Qu Zi No. 501949	1st Floor, Block C, Xiechi Mall, Renmin East Road	1996	582.86
52	X Jing Fang Quan Zheng Hai Zi No. 075460	Premises (Non-business Premises) Units 916 and 918, 9th Floor, Building 16, Cuiwei Zhongli	2003	97.40
53	X Jing Fang Quan Zheng Hai Zi No. 499764	Premises (Unit 913, Building 15, Cuiwei Zhongli)	2003	51.42
54	X Jing Fang Quan Zheng Hai Zi No. 500580	Premises (Room 1217, Building 15, Cuiwei Zhongli)	2003	55.32
55	X Jing Fang Quan Zheng Hai Zi No. 500584	Premises (Unit 911, Building 15, Cuiwei Zhongli)	2003	57.02

No.	Title Certificate No.	Name of Building	Time of Completion	Gross Floor Area (m^2)
56	Jing (2023) Hai Real Estate Title No. 0060470	Premises (Commercial Premises) Northwest Portion of 1st and 2nd Floors, Building 14, Cuiwei Zhongli, Wanshou Road, Haidian District, Beijing	2003	2,291.29
57	X Jing Fang Quan Zheng Hai Zi No. 500583	Premises (Room 1215, Building 15, Cuiwei Zhongli)	2003	55.32
58	X Jing Fang Quan Zheng Hai Zi No. 500582	Premises (Room 1106, Building 15, Cuiwei Zhongli)	2003	55.32
59	X Jing Fang Quan Zheng Hai Zi No. 500581	Premises (Room 1104, Building 15, Cuiwei Zhongli)	2003	55.32
60	House Title Certificate 111 Zi No. 010828	14-B, Mingyang Court, Taizheng Garden	2003	145.61
61	House Title Certificate 111 Zi No. 010830	13-B, Mingyang Court, Taizheng Garden	2003	145.61
62	House Title Certificate 111 Zi No. 010829	15-B, Mingyang Court, Taizheng Garden	2003	145.61

For property title defects relating to the principal business involved in this transaction, please refer to “XI. EXPLANATION OF SPECIAL MATTERS”.

14. Equipment

According to the declaration materials of the Appraised Entity, the equipment assets on the Company’s books are classified by use into transportation equipment, electronic and other equipment. As of the Valuation Benchmark Date, the specific book details are as follows:

Transportation equipment comprised a total of 25 vehicles, primarily including Audi sedans, Buick MPVs, and Volkswagen sedans, etc., which were purchased between 2009 and 2024 and are currently in normal use.

The electronic and other equipment primarily include core switches, network load balancers, EMC storage, HP servers, virtualization system storage NetApp FAS8060, laptop computers, and other equipment, which were acquired between 1994 and 2026, all equipment is currently in normal working condition.

15. Construction in progress

According to the declaration materials of the Appraised Entity, as of the Benchmark Date, the construction in progress declared by the Appraised Entity mainly consisted of leasehold improvements for leased properties, primarily including the Company Headquarters New Office Building Renovation Project, the Renovation Works of the New Site of Shanghai Securities Chongming District Dongmen Road Securities Branch, the 2025 Suzhou Wuzhong Fengjin Road Securities Branch Relocation Renovation Works, among others.

16. Right-of-Use Assets

According to the declaration materials of the Appraised Entity, the book right-of-use assets mainly consist of leased office premises, all of which are currently in normal use.

17. Intangible Assets – Other

According to the declaration materials of the Appraised Entity, as of the Valuation Benchmark Date, the book intangible assets mainly consisted of externally purchased systems, including the ITLC system (ITIL), Hundsun HSIPCC call center system software, CIF system “Yihutong” module, proprietary fixed income business software and others. The amortization status as of the Valuation Benchmark Date is normal.

18. Deferred Income Tax Assets

According to the declaration materials of the Appraised Entity, as of the Valuation Benchmark Date, the deferred income tax assets primarily consisted of deductible temporary differences arising from bad debt provisions, impairment provisions, lease liabilities, accrued but unpaid wages, changes in fair value and other reasons.

19. Other Assets

According to the declaration materials of the Appraised Entity, as of the Valuation Benchmark Date, the other book assets mainly included software engineering payments, long-term deferred expenses and other amounts.

(IV) Other Intangible Assets Declared by the Appraised Entity

According to the declaration materials of the Appraised Entity, the other intangible assets mainly consist of trademarks, patents, software copyrights, work copyrights, domain names, etc.

As of the Valuation Benchmark Date, the off-balance sheet intangible assets of the Appraised Entity, Shanghai Securities Co., Ltd., include 23 registered trademarks, 1 patent, 28 software copyrights, 1 work copyright and 12 domain names. The rights to all of the aforementioned assets are held by the Appraised Entity and are included in the scope of this valuation. The specific details are as follows:

1. Trademarks

Details of the registered trademarks owned by Shanghai Securities Co., Ltd. are as follows:

No.	Trademark Design	Trademark Name	International Classification	Trademark Status	Application/Registration No.	Application Date	Validity period
1		Graphic	Class 42: Design and research	Registered	55079255	2021-04-09	2031-12-27
2		Graphic	Class 9: Scientific instruments	Registered	55064061	2021-04-09	2032-1-27
3		Graphic	Class 36: Finance and property management	Registered	55067789	2021-04-09	2032-3-13
4	指易通	Zhi Yi Tong (指易通)	Class 42: Design and research	Registered	16876697	2015-05-05	2027-6-27
5	速易融	Su Yi Rong (速易融)	Class 35: Advertising and sales	Registered	16877587	2015-05-05	2026-7-13
6		Graphic	Class 35: Advertising and sales	Registered	16877580	2015-05-05	2027-6-20
7		Graphic	Class 42: Design and research	Registered	16876972	2015-05-05	2026-6-27
8	指e通	Zhi e Tong (指e通)	Class 36: Finance and property management	Registered	16876070	2015-05-05	2027-8-13
9	速易融	Su Yi Rong (速易融)	Class 42: Design and research	Registered	16876851	2015-05-05	2026-7-6
10	速e融	Su e Rong (速e融)	Class 35: Advertising and sales	Registered	16877388	2015-05-05	2026-8-27
11	速易融	Su Yi Rong (速易融)	Class 36: Finance and property management	Registered	16876195	2015-05-05	2026-7-6
12		Graphic	Class 36: Finance and property management	Registered	16876267	2015-05-05	2026-6-27
13	指e通	Zhi e Tong (指e通)	Class 42: Design and research	Registered	16876614	2015-05-05	2026-6-27
14		Graphic	Class 42: Design and research	Registered	16877156	2015-05-05	2026-10-27

No.	Trademark Design	Trademark Name	International Classification	Trademark Status	Application/Registration No.	Application Date	Validity period
15	指易通	Zhi Yi Tong (指易通)	Class 36: Finance and property management	Registered	16876118	2015-05-05	2026-6-27
16	指易通	Zhi Yi Tong (指易通)	Class 35: Advertising and sales	Registered	16877354	2015-05-05	2026-8-13
17	闪电通	Shan Dian Tong (閃電通)	Class 36: Finance and property management	Registered	16875960	2015-05-05	2026-6-27
18		Graphic	Class 36: Finance and property management	Cancellation for non-use (three years) pending • Non-use cancellation proceedings underway	16876388	2015-05-05	2026-7-6
19	指e通	Zhi e Tong (指e通)	Class 35: Advertising and sales	Registered	16851391	2015-04-30	2027-5-6
20	闪电通	Shan Dian Tong (閃電通)	Class 35: Advertising and sales	Registered	16851124	2015-04-30	2026-9-20
21	聚赢理财	Ju Ying Li Cai (聚赢理财)	Class 42: Design and research	Registered	12259635	2013-03-13	2027-3-6
22	聚赢理财	Ju Ying Li Cai (聚赢理财)	Class 36: Finance and property management	Registered • Trademark Renewal Approved	12259535	2013-03-13	2035-3-13
23	聚赢理财	Ju Ying Li Cai (聚赢理财)	Class 9: Scientific instruments	Registered • Trademark Renewal Approved	12259398	2013-03-13	2034-8-27

Note: Following verification with the company, trademarks Nos. 7, 12, 13, 15, and 16 are under renewal; trademarks Nos. 5, 9, 10, 11, 14, 17, 18, and 20 will not be renewed upon expiry.

2. Patents

Details of the intangible assets—patents—owned by Shanghai Securities Co., Ltd. are as follows:

No.	Title of Invention	Type of Patent	Legal Status	Application No.	Application Date
1	Intelligent Analysis Method, System and Equipment for Research Reports Based on Multimodal and Adaptive RAG	Invention patent	Substantive examination	CN202511654651.7	2025-11-12

Note: The patent was granted and announced on June 16, 2026.

3. Software Copyrights

Details of the software copyrights owned by Shanghai Securities Co., Ltd. are as follows:

No.	Full Name of Software	Certificate No.	Version No.	Registration No.	Registration Date	Method of Acquisition of Rights	Rights Owner
1	Securities Data Warehouse System Based on a Subject-Domain Model	Ruan Zhu Deng Zi No. 17039077	V1.0	2025SR2382879	2025/12/09	Original acquisition	Shanghai Securities
2	Shanghai Securities AI Agent Innovation and Integration Platform “Shangzhen Lingsi”	Ruan Zhu Deng Zi No. 16821056	V1.0	2025SR2164858	2025/11/06	Original acquisition	Shanghai Securities
3	Shanghai Securities Data Asset Portal System	Ruan Zhu Deng Zi No. 16486658	V1.0	2025SR1830460	2025/09/22	Original acquisition	Shanghai Securities
4	Machine Learning-Based Dynamic Scoring Model for Securities Client Suitability	Ruan Zhu Deng Zi No. 16299375	V1.0	2025SR1643177	2025/08/28	Original acquisition	Shanghai Securities
5	Shanghai Securities “Shangzhen Yanxi” Large Language Model Software	Ruan Zhu Deng Zi No. 16100484	V1.0	2025SR1444286	2025/08/04	Original acquisition	Shanghai Securities
6	Shanghai Securities ChatBI-Based Intelligent Data Query Platform	Ruan Zhu Deng Zi No. 16093647	V1.0	2025SR1437449	2025/08/04	Original acquisition	Shanghai Securities
7	Shanghai Securities Large Language Model-Based Contract Review Assistant	Ruan Zhu Deng Zi No. 15953284	V1.0	2025SR1297086	2025/07/18	Original acquisition	Shanghai Securities
8	Shanghai Securities Intelligent Assistant for Meeting Minutes	Ruan Zhu Deng Zi No. 15938469	V1.0	2025SR1282271	2025/07/17	Original acquisition	Shanghai Securities
9	Shanghai Securities Intelligent Q&A Assistant for Rules and Regulations	Ruan Zhu Deng Zi No. 15938461	V1.0	2025SR1282263	2025/07/17	Original acquisition	Shanghai Securities
10	Information Middle Platform Model Software	Ruan Zhu Deng Zi No. 14835621	V1.0	2025SR0179423	2025/01/26	Original acquisition	Shanghai Securities

						Method of	
			Version	Registration	Registration	Acquisition	Rights
No.	Full Name of Software	Certificate No.	No.	No.	Date	of Rights	Owner
11	Shanghai Securities Fund Intelligent Rating System	Ruan Zhu Deng Zi No. 14632096	V1.0	2024SR2228223	2024/12/30	Original acquisition	Shanghai Securities
12	Institutional Comprehensive Service Platform	Ruan Zhu Deng Zi No. 14372178	V1.0	2024SR1968305	2024/12/03	Original acquisition	Shanghai Securities
13	Shanghai Securities Asset Management Comprehensive Service Platform	Ruan Zhu Deng Zi No. 14173591	V1.0	2024SR1769718	2024/11/13	Original acquisition	Shanghai Securities
14	Shanghai Securities Zhi E Tong Securities and Fund Investment Platform	Ruan Zhu Deng Zi No. 13794076	V1.01.005	2024SR1390203	2024/09/19	Original acquisition	Shanghai Securities
15	Unified Market Data Centre System	Ruan Zhu Deng Zi No. 13775121	V1.0	2024SR1371248	2024/09/13	Original acquisition	Shanghai Securities
16	Shanghai Securities New Generation Investment Management System	Ruan Zhu Deng Zi No. 13071123	V1.0	2024SR0667250	2024/05/16	Original acquisition	Shanghai Securities
17	Shanghai Securities Digital Platform for Operations Management	Ruan Zhu Deng Zi No. 13067693	V1.0	2024SR0663820	2024/05/16	Original acquisition	Shanghai Securities
18	Shanghai Securities New-Generation Customer Data Platform (CDP)	Ruan Zhu Deng Zi No. 12596572	V1.0	2024SR0192699	2024/01/30	Original acquisition	Shanghai Securities
19	Shanghai Securities Stock Account Opening Software	Ruan Zhu Deng Zi No. E0087420	V1.0	2021SRE024506	2021/09/18	Original acquisition	Shanghai Securities
20	Shanghai Securities Zhi E Tong Securities and Fund Investment Platform for Apple iOS	Ruan Zhu Deng Zi No. 7399382	V6.0	2021SR0676756	2021/05/12	Original acquisition	Shanghai Securities
21	Shanghai Securities Zhi E Tong Securities and Fund Investment Platform for Android	Ruan Zhu Deng Zi No. 7399381	V6.0	2021SR0676755	2021/05/12	Original acquisition	Shanghai Securities
22	Shanghai Securities “Shangzhen Miaobi” Intelligent Writing Platform	Ruan Zhu Deng Zi No. 17565852	V1.0	2026SR0351571	2026/2/28	Original acquisition	Shanghai Securities
23	Shanghai Securities Product Center Private Equity Panoramic View System	Ruan Zhu Deng Zi No. 16940124	V1.0	2025SR2283926	2025/11/26	Original acquisition	Shanghai Securities
24	Shanghai Securities Non-Brokerage Client Management System	Ruan Zhu Deng Zi No. 16940024	V1.0	2025SR2283826	2025/11/26	Original acquisition	Shanghai Securities
25	Shanghai Securities Fund Evaluation Advanced Screening System	Ruan Zhu Deng Zi No. 17324307	V1.0	2026SR0110026	2026/1/19	Original acquisition	Shanghai Securities
26	Shanghai Securities Ju Ying Investment Advisory Valuation Traffic Light System	Ruan Zhu Deng Zi No. 16939994	V1.0	2025SR2283796	2025/11/26	Original acquisition	Shanghai Securities
27	Shanghai Securities Intelligent Questionnaire Assistant Platform	Ruan Zhu Deng Zi No. 17568335	V1.0	2026SR0354054	2026/2/28	Original acquisition	Shanghai Securities
28	Shanghai Securities Intelligent Research Report Analysis Platform	Ruan Zhu Deng Zi No. 17688219	V1.0	2026SR0473938	2026/3/23	Original acquisition	Shanghai Securities

4. *Copyrights of Works*

Details of the copyrights of works owned by Shanghai Securities Co., Ltd. are as follows:

No.	Title of Work	Type of work	Date of First Publication	Completion Date	Registration No.
1	Xiao Hai Niu (小海牛)	Art	2022-11-06	2022-11-05	Guo Zuo Deng Zi-2023-F-00067566

5. Domain Names

Details of the domain names owned by Shanghai Securities Co., Ltd. are as follows:

No.	Domain Names	Website Filing/ Licence No.	Registration Date	Domain Expiry Date
1	shzq.com	Hu ICP Bei 08106161-2	2004/3/24	2034/3/24
2	shsc.com.cn	Hu ICP Bei 08106161-4	2004/12/3	2034/12/3
3	shsc.sh.cn	Hu ICP Bei 08106161-4	2005/12/19	2034/12/19
4	上海證券.net	Hu ICP Bei 08106161-5	2005/12/15	2034/12/15
5	上海證券網.net	Hu ICP Bei 08106161-6	2005/12/15	2034/12/15
6	962518.net	Hu ICP Bei 08106161-8	2003/7/4	2034/7/4
7	4008918918.com	Hu ICP Bei 08106161-8	2011/2/22	2034/2/22
8	962518.cn	Hu ICP Bei 08106161-8	2003/7/4	2034/7/4
9	962518.com.cn	Hu ICP Bei 08106161-8	2003/7/4	2034/7/4
10	962518.com	Hu ICP Bei 08106161-8	2003/7/4	2034/7/4
11	上海證券有限責任公司.com	Hu ICP Bei 08106161-7	2005/12/15	2034/12/15
12	上海證券有限責任公司.net	Hu ICP Bei 08106161-7	2005/12/15	2034/12/15

As of the Valuation Benchmark Date, the off-balance sheet intangible assets of the subsidiary, Hicend Futures Co., Ltd., and its subsidiaries include 9 registered trademarks, 4 software copyrights and 7 domain names, which are included in the scope of this valuation. The specific details are as follows:

1. Trademarks

Details of the trademarks owned by Hicend Futures Co., Ltd. are as follows:

No.	Trademark Design	Trademark Name	International Classification	Trademark Status	Application/ Registration No.	Application Date	Expiry Date
1		HICEND	Class 36: Financial and property management	Registered	80559208	2024/08/26	2035/2/27
2	海量会	海量會	Class 41: Education and entertainment	Registered	79497457A	2024/06/28	2035/1/27
3	嗨森仔	嗨森仔	Class 36: Financial and property management	Registered	79513768	2024/06/28	2034/12/13
4	驰与棉疆	馳與棉疆	Class 41: Education and entertainment	Registered	79500982	2024/06/28	2035/2/20
5	嗨森仔	嗨森仔	Class 41: Education and entertainment	Registered	79491460	2024/06/28	2034/12/13

No.	Trademark Design	Trademark Name	International Classification	Trademark Status	Application/Registration No.	Application Date	Expiry Date
6	驰与棉疆	馳與棉疆	Class 35: Advertising and sales	Registered	79502327	2024/06/28	2035/2/20
7	驰与棉疆	馳與棉疆	Class 36: Financial and property management	Registered	79498840	2024/06/28	2035/2/20
8		HICENDGO	Class 36: Financial and property management	Registered	76445811	2024/01/17	2034/7/13
9		HICEND	Class 36: Financial and property management	Registered • Trademark renewal approved	6790881	2008/06/19	2030/4/27

2. *Software Copyrights*

Details of the software copyrights owned by Hicend Futures Co., Ltd. are as follows:

No.	Full Name of Software	Registration No.	Version No.	Registration Date	Method of Rights Acquisition	Rights Holder
1	HicendGo Intelligent Trading Terminal Software	2022SR1470458	V1.0	November 4, 2022	Original acquisition	Hicend Futures Co., Ltd.
2	Hicend Futures Tonghuashun Version Software	2022SR0355019	V1.0	March 16, 2022	Original acquisition	Hicend Futures Co., Ltd.
3	Shanghai Securities Futures Software	2021SR0920117	V1.0	June 21, 2021	Original acquisition	Hicend Futures Co., Ltd.
4	Hicend Futures Mobile Trading Software	2019SR0650419	V5.2.3	June 24, 2019	Original acquisition	Hicend Futures Co., Ltd.

3. Domain Names

(1) Details of the domain names owned by Hicend Futures Co., Ltd. are as follows:

No.	Domain Names	Website Filing/ Licence No.	Registration Date	Domain Expiry Date
1	dongsimu.com.cn	Hu ICP Bei 09005854-5	2023/7/11	2033/7/11
2	hicendgo.com	Hu ICP Bei 09005854-2	2022/2/28	2032/2/28
3	hicend.com.cn	Hu ICP Bei 09005854-1	2008/6/2	2029/6/2
4	hicend.com	Hu ICP Bei 09005854-1	2008/6/2	2029/6/2
5	hicend.net	Hu ICP Bei 09005854-1	2008/6/2	2029/6/2
6	hicend.cn	Hu ICP Bei 09005854-1	2008/6/2	2029/6/2

(2) Details of the domain names owned by Shanghai Hicend Risk Management Co., Ltd. are as follows:

No.	Domain Names	Website Filing/ Licence No.	Registration Date	Domain Expiry Date
1	hicendrm.com.cn	Hu ICP Bei 2026010471-2	2021/6/1	2027/6/1

As of the Valuation Benchmark Date, the subsidiary, Xinjiang Qianhai Alliance Asset Management Co., Ltd., had 3 registered trademarks, 1 software copyright and 1 domain name, that were off-balance sheet intangible assets; these will be included in the scope of this valuation. The specific details are as follows:

1. Trademarks

Details of the trademarks owned by Xinjiang Qianhai Alliance Asset Management Co., Ltd. are as follows:

No.	Trademark Design	Trademark Name	International Classification	Trademark Status	Application/ Registration No.	Application Date	Validity period
1		Graphic	Class 9: Scientific instruments	Registered	25222700	2017/07/07	2028/10/13
2		Graphic	Class 9: Scientific instruments	Registered	18827069	2016/01/08	2028/4/20
3		QIANHAI ALLIANCE ASSET MANAGEMENT	Class 36: Financial and property management	Registered	18814691	2016/01/07	2027/12/20

2. Software Copyright

Details of the software copyright owned by Xinjiang Qianhai Alliance Asset Management Co., Ltd. are as follows:

No.	Full Name of Software	Software Abbreviation	Version No.	Registration No.	Registration Date	Method of Rights Acquisition
1	Qianhai Alliance Asset Management APP Software	Qianhai Alliance Asset Management	V1.0	2019SR0996282	September 26, 2019	Original acquisition

3. Domain Names

Details of the domain names owned by Xinjiang Qianhai Alliance Asset Management Co., Ltd. are as follows:

No.	Domain Names	Website Filing/ Licence No.	Registration Date	Domain Name Expiry Date
1	qhlhfund.com	Xin ICP Bei 17000219-1	2015/1/22	2027/1/22

(V) Type and Quantity of Off-Balance-Sheet Assets Declared by the Appraised Entity

Upon verification, save for the declared patents, copyrights, domain names and trademarks, the Appraised Entity has no other matters relating to off-balance-sheet assets declared.

(VI) Types, Quantity and Carrying Amount of Assets Associated with Conclusions Cited from Reports Issued by Other Institutions

This asset valuation report does not cite the conclusions of reports issued by other institutions.

IV. TYPE OF VALUE AND ITS DEFINITION

Considering that the purpose of this valuation is to acquire assets through the issuance of shares and cash payments, and that the valuation work imposes no special restrictions or requirements on market conditions or the use of the valuation object, the value type is determined to be market value, based on factors such as the valuation purpose, market conditions and the specific conditions of the valuation subject.

Market value is the estimated amount for which a valuation subject should exchange on the Valuation Benchmark Date between a willing buyer and a willing seller in an arm's length transaction, wherein the parties had each acted knowledgeably, prudently and without compulsion.

An “arm’s length transaction” is a transaction between parties who do not have a specific or special relationship, i.e., a transaction between parties who are assumed to be unrelated and acting independently.

V. VALUATION BENCHMARK DATE

The Valuation Benchmark Date for this engagement is March 31, 2026.

The Valuation Benchmark Date was determined by the asset valuers and the client after consultation. They consider the needs of the economic behavior, the convenience of obtaining year-end accounting information, and the changes in interest rates and exchange rates around the Valuation Benchmark Date.

VI. BASIS OF VALUATION

The bases of valuation followed in this asset valuation are as follows:

(I) Basis of Economic Behavior

1. Announcement of 東方證券股份有限公司 on Resolution of the 16th Meeting (Extraordinary Meeting) of the Sixth Session of the Board;
2. Board Document of Bailian Group Co., Ltd., namely the Resolution on Approving the Merger and Restructuring of 東方證券股份有限公司 and Shanghai Securities (Bailian Group Board (2026) No.10);
3. Resolution of the Second Extraordinary General Meeting for the Year 2026 of Shanghai Securities Co., Ltd.

(II) Legal and Regulatory Basis

1. *Asset Valuation Law of the People’s Republic of China* (《中華人民共和國資產評估法》) (adopted at the 21st Session of the Standing Committee of the 12th National People’s Congress on July 2, 2016);
2. *Company Law of the People’s Republic of China* (《中華人民共和國公司法》) (amended at the 7th Meeting of the Standing Committee of the 14th National People’s Congress on December 29, 2023);
3. *Securities Law of the People’s Republic of China* (《中華人民共和國證券法》) (as revised at the 15th Session of the Standing Committee of the 13th National People’s Congress on December 28, 2019);

4. *Administrative Measures for the Financial Supervision of the Asset Valuation Industry* (《資產評估行業財政監督管理辦法》) (issued by Order No. 86 of the Ministry of Finance, and amended by Order No. 97 of the Ministry of Finance);
5. *Land Administration Law of the People's Republic of China* (《中華人民共和國土地管理法》) (amended at the 12th Meeting of the Standing Committee of the 13th National People's Congress on August 26, 2019);
6. *Urban Real Estate Administration Law of the People's Republic of China* (《中華人民共和國城市房地產管理法》) (amended at the 12th Session of the Standing Committee of the 13th National People's Congress on August 26, 2019);
7. *Law on State-owned Assets of Enterprises of the People's Republic of China* (《中華人民共和國企業國有資產法》) (adopted at the 5th Session of the Standing Committee of the 11th National People's Congress on October 28, 2008);
8. *Interim Regulations on the Supervision and Administration of State-owned Assets of Enterprises* (《企業國有資產監督管理暫行條例》) (Order No. 378 of the State Council, as amended by Order No. 709 of the State Council);
9. *Administrative Measures for the Valuation of State-owned Assets* (《國有資產評估管理辦法》) (Order No. 91 of the State Council, as amended by Order No. 732 of the State Council in 2020);
10. *Notice on the Issuance of the Detailed Rules for the Implementation of the Administrative Measures for the Valuation of State-owned Assets* (《關於印發〈國有資產評估管理辦法施行細則〉的通知》) (Guo Zi Ban Fa [1992] No. 36);
11. *Interim Measures for the Administration of the Valuation of State-owned Assets of Enterprises* (《企業國有資產評估管理暫行辦法》) (Order No. 12 of the State-owned Assets Supervision and Administration Commission of the State Council);
12. *Notice on Relevant Issues Concerning Strengthening the Administration of the Valuation of State-owned Assets of Enterprises* (《關於加強企業國有資產評估管理工作有關問題的通知》) (Guo Zi Wei Chan Quan [2006] No. 274);
13. *Measures for the Supervision and Administration of State-owned Equity of Listed Companies* (《上市公司國有股權監督管理辦法》) (Order No. 36 of the SASAC, CSRC and Ministry of Finance);
14. *Notice on Matters Concerning the Review of Valuation Reports on State-owned Assets of Enterprises* (《關於企業國有資產評估報告審核工作有關事項的通知》) (Guo Zi Chan Quan [2009] No. 941);

15. *Guidelines for the Filing of Valuation Projects of State-owned Assets of Enterprises* (*Guo Zi Fa Chan Quan* (《企業國有資產評估項目備案工作指引》)) [2013] No. 64);
16. *Handbook for the Review of Valuation Reports of State-owned Assets of Shanghai Municipal Enterprises* (《上海市企業國有資產評估報告審核手冊》) (Hu Guo Zi Wei Ping Gu [2018] No. 353);
17. *Interim Measures for the Administration of the Valuation of State-owned Assets of Shanghai Municipal Enterprises* (《上海市企業國有資產評估管理暫行辦法》) (Hu Guo Zi Wei Ping Gu [2019] No. 366);
18. *Operation Manual for the Approval and Filing of the Valuation of State-owned Assets of Shanghai Municipal Enterprises* (《上海市企業國有資產評估核準備案操作手冊》) (Hu Guo Zi Wei Ping Gu [2020] No. 100);
19. *Enterprise Income Tax Law of the People's Republic of China* (《中華人民共和國企業所得稅法》) (as amended for the second time at the 7th Session of the Standing Committee of the 13th National People's Congress on December 29, 2018);
20. *Notice on Comprehensively Promoting the Pilot Programme of Replacing Business Tax with Value-Added Tax* (《關於全面推開營業稅改徵增值稅試點的通知》) (Cai Shui [2016] No. 36);
21. *Announcement on Relevant Policies for Deepening the Value-Added Tax Reform* (《關於深化增值稅改革有關政策的公告》) (Announcement [2019] No. 39 of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs);
22. *Value-Added Tax Law of the People's Republic of China* (《中華人民共和國增值稅法》) (adopted at the 13th Meeting of the Standing Committee of the 14th National People's Congress on December 25, 2024);
23. *Implementing Regulations for the Value-Added Tax Law of the People's Republic of China* (《中華人民共和國增值稅法實施條例》) (Order No. 826 of the State Council);
24. *Trademark Law of the People's Republic of China* (《中華人民共和國商標法》) (as amended for the fourth time at the 10th Meeting of the Standing Committee of the 13th National People's Congress on April 23, 2019);
25. *Patent Law of the People's Republic of China* (《中華人民共和國專利法》) (as amended for the fourth time at the 22nd Meeting of the Standing Committee of the 13th National People's Congress on October 17, 2020);
26. *Copyright Law of the People's Republic of China* (《中華人民共和國著作權法》) (as amended for the third time at the 23rd Meeting of the Standing Committee of the 13th National People's Congress on November 11, 2020);

27. *Civil Code of the People's Republic of China* (《中華人民共和國民法典》) (adopted at the Third Session of the 13th National People's Congress on May 28, 2020);
28. *Vehicle Purchase Tax Law of the People's Republic of China* (《中華人民共和國車輛購置稅法》) (adopted at the 7th Session of the Standing Committee of the 13th National People's Congress on December 29, 2018);
29. Other laws and regulations relevant to the valuation work.

(III) Basis of Valuation Standards

1. Basic Standards for Asset Valuation (Cai Zi [2017] No. 43);
2. Code of Ethics for Asset Valuers (Zhong Ping Xie [2017] No. 30);
3. Practice Standards for Asset Valuation – Asset Valuation Engagement Contract (Zhong Ping Xie [2017] No. 33);
4. Practice Standards for Asset Valuation – Utilising the Work of Experts and Related Reports (Zhong Ping Xie [2017] No. 35);
5. Practice Standards for Asset Valuation – Intangible Assets (Zhong Ping Xie [2017] No. 37);
6. Practice Standards for Asset Valuation – Real Property (Zhong Ping Xie [2017] No. 38);
7. Practice Standards for Asset Valuation – Machinery and Equipment (Zhong Ping Xie [2017] No. 39);
8. Practice Standards for Asset Valuation – Asset Valuation Report (Zhong Ping Xie [2018] No. 35);
9. Practice Standards for Asset Valuation – Asset Valuation Procedures (Zhong Ping Xie [2018] No. 36);
10. Practice Standards for Asset Valuation – Asset Valuation File (Zhong Ping Xie [2018] No. 37);
11. Practice Standards for Asset Valuation – Business Valuation (Zhong Ping Xie [2018] No. 38);
12. Practice Standards for Asset Valuation – Asset Valuation Methods (Zhong Ping Xie [2019] No. 35);

13. Practice Standards for Asset Valuation – Intellectual Property (Zhong Ping Xie [2023] No. 14);
14. Guidelines for Valuation Reports on State-owned Assets of Financial Enterprises (Zhong Ping Xie [2017] No. 43);
15. Guidelines for Business Quality Control of Asset Valuation Institutions (Zhong Ping Xie [2017] No. 46);
16. Guiding Opinions on Types of Value for Asset Valuation (Zhong Ping Xie [2017] No. 47);
17. Guiding Opinions on Legal Ownership of Valuation Subjects (Zhong Ping Xie [2017] No. 48);
18. Guiding Opinions on the Valuation of Patent Assets (Zhong Ping Xie [2017] No. 49);
19. Guiding Opinions on the Valuation of Copyright Assets (Zhong Ping Xie [2017] No. 50);
20. Guiding Opinions on the Valuation of Trademark Assets (Zhong Ping Xie [2017] No. 51);
21. Guiding Opinions on the Valuation of Investment Properties (Zhong Ping Xie [2017] No. 53).

(IV) Basis of Asset Ownership

1. Enterprise Property Rights Registration Form/Property Rights Registration Certificate of a State-invested Enterprise;
2. Real Property Title Certificates or Building Title Certificates;
3. Contract for the Grant of State-owned Land Use Rights or State-owned Land Use Certificate;
4. Patent application notices;
5. Copyright certificates;
6. Trademark registration certificates;
7. Vehicle license;
8. Purchase contracts or accounting vouchers for major assets;
9. Fixed asset ledgers, accounting books, etc.;

10. Title certificates for external investments;
11. Other asset title certification documents.

(V) Basis of Pricing for Valuation

1. The central parity rate of exchange on the Valuation Benchmark Date as announced by the State Administration of Foreign Exchange under the People's Bank of China;
2. Quotation Handbook for Mechanical and Electrical Products, published by China Machine Press;
3. Online vehicle price information from sources such as China Automobile Network;
4. Price information for equipment available for query online;
5. Historical annual financial statements and audit reports of the Appraised Entity;
6. Financial data and capital market information from the iFinD information system (同花順諮詢系統);
7. On-site inspection records and other relevant valuation information collected by the asset valuers.

(VI) Other Reference Materials

1. Accounting statements, books and vouchers as at the Valuation Benchmark Date, and asset valuation declaration forms provided by the Appraised Entity and its management;
2. Handbook of Commonly Used Methods and Parameters for Asset Valuation (2011 edition, China Machine Press);
3. *Provisions on the Standards for Compulsory Scrapping of Motor Vehicles* (《機動車強制報廢規定》) (Order No. 12 of 2012 of the Ministry of Commerce, the National Development and Reform Commission, the Ministry of Public Security and the Ministry of Environmental Protection);
4. Statistical and analytical data on the national macro-economy, industries, regional markets and enterprises;
5. Technical statistical data of Shanghai Orient Appraisal Co., Ltd.;
6. Other relevant reference materials.

VII. VALUATION METHODS

(I) Overview of Valuation Methods

In accordance with the Basic Standards for Asset Valuation and the Practice Standards for Asset Valuation – Asset Valuation Methods, the valuation methods for determining the value of assets comprise three basic methods, namely the market approach, the income approach and the asset-based approach, and their derivative methods.

In accordance with the Practice Standards for Asset Valuation – Enterprise Value, an enterprise value valuation engagement may adopt any of three basic methods: the income approach, the market approach and the asset-based approach.

The income approach determines the value of a valuation subject by capitalising or discounting its expected income. The use of the income approach for enterprise value valuation places emphasises on the enterprise's overall expected profitability.

The market approach determines the value of a valuation subject by comparing it with comparable listed companies or comparable transaction cases. The valuation data were directly selected from the market, and the valuation results are therefore highly persuasive.

The asset-based approach determines the value of a valuation subject based on the balance sheet of the Appraised Entity as at the Valuation Benchmark Date, by reasonably valuing each on-balance-sheet asset and liability of the enterprise as well as each identifiable off-balance-sheet asset and liability. The use of the asset-based approach for enterprise value valuation may involve situations where not every asset and liability can be fully identified and individually valued.

(II) Selection of Valuation Methods

In accordance with the Practice Standards for Asset Valuation – Enterprise Value, “when performing an enterprise value evaluation engagement, the applicability of the three basic methods – the income approach, the market approach and the asset-based approach – shall be analysed based on the valuation purpose, valuation subject, type of value, data collection, etc., to select the valuation method.” “Where it is suitable to adopt different valuation methods for the evaluation of enterprise value, asset valuation professionals shall use two or more valuation methods for the valuation.”

The basic idea of the asset-based approach is to reconstruct or replace the asset being valued under current conditions. A potential investor, in deciding whether to invest in an asset, would not be willing to pay a price exceeding the current acquisition and construction cost of that asset. This valuation project meets the conditions required for valuation using the asset-based approach, namely that the Target Equities, is or is assumed to be in continuing use, and that usable historical operating data is available. Therefore, asset-based approach is suitable for this valuation.

The income approach determines asset value by estimating the present value of expected future income from the asset. Its applicability presupposes that the future income of the enterprise can be reasonably quantified, and that expected cash flows are sustained, stable and predictable. However, as the Appraised Entity is a securities company, its operating results are highly positively correlated with the prosperity of the capital market, and its performance is significantly influenced by multiple factors, including secondary market trading volume, equity index fluctuations, the benchmark interest rate level and the shape of the yield curve. Given the notably strong cyclical nature of the securities industry, enterprises often face relatively high volatility of performance during bull-to-bear market transitions, resulting in a certain degree of uncertainty in future cash flows. Under such circumstances, it is difficult to reliably quantify and predict medium-to-long-term future income through reasonable and professional judgment, and the fundamental prerequisite of the income approach on “predictability of future income” cannot be satisfied. Therefore, the income approach is not considered suitable for this valuation.

The two commonly used specific methods under the market approach are the listed company comparison method and the transaction case comparison method. The market approach requires a well-developed, fair and active public market with sufficient market data and comparable transaction cases. Currently, many listed companies in the same industry as the Appraised Entity with similar product types, business structures and operating models, and information of listed companies with similar product types, business structures and operating models is available. Therefore, the market approach is suitable for this valuation.

Based on the above analysis, it has been determined that the asset-based approach and the market approach will be used for this valuation.

(III) Introduction to the Asset-Based Approach

Specifically, the asset-based approach is a method of determining the value of the entire shareholders' equity interests by summing the appraised values of the various constituent assets of the enterprise and subtracting the appraised value of its liabilities.

The valuation methods for various major assets and liabilities are as follows:

1. Monetary Funds

Monetary funds include cash, bank deposits, and other monetary funds. For RMB cash and bank deposits, and other monetary funds, the appraised value is determined based on the verified amounts; for foreign currency cash and bank deposits, the appraised value is determined by multiplying the verified book amount of the foreign currency by the exchange rate between RMB and the foreign currency as at the Valuation Benchmark Date.

2. *Clearing Settlement Funds*

Clearing settlement funds represented funds deposited by Shanghai Securities or by Shanghai Securities on behalf of its clients with the relevant clearing agents for securities or futures trading in order to satisfy the funding requirements for clearing and settlement. The valuation personnel verified the relevant accounting books and vouchers, reconciled the statements for clearing settlement funds issued by designated financial institutions, and sent confirmations for the clearing settlement fund deposit accounts. Such funds are held in a highly secure manner and carry no redemption risk, and no provision for credit impairment is required. The appraised value of the clearing settlement funds is determined based on the carrying amount after verification.

3. *Margin Accounts Receivable*

Margin accounts receivable represented the funds lent by Shanghai Securities to its clients in its margin financing and securities lending business.

Based on the book principal and interest receivable of the margin accounts receivable as at the Valuation Benchmark Date, the valuation personnel verified the margin financing business sub-ledgers, customer credit account data, applicable interest rates, expected risk losses and other relevant information, and the verification results showed that the amounts in the accounts, statements and vouchers were consistent.

Pursuant to *Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments* (《企業會計準則第22號—金融工具確認和計量》), margin accounts receivable are financial assets measured at amortized cost, and the enterprise makes provisions for credit losses using the expected credit loss method. Credit risk is assessed according to the three-stage model: for margin account receivable contracts for which credit risk has not increased significantly and no credit impairment has occurred, 12-month expected credit losses are measured based on risk factors such as customers' maintenance margin ratios, adequacy of collateral, customers' credit ratings and market condition; for contracts for which credit risk has increased significantly or credit impairment has occurred, lifetime expected credit losses are measured.

$$\text{Expected credit loss} = \text{probability of default} \times \text{loss given default} \times \text{exposure at default}$$

Having verified the margin accounts receivable to be free of errors, the valuation personnel calculated the assessed risk losses using the expected credit loss method with reference to historical information and the information obtained through current inspection.

For margin account receivable contracts, as customers' maintenance margin ratios meet the required standards, collateral is sufficient and the business risk control system is sound, the probability of default and actual loss is extremely low. Taking into account the expected credit loss measurement requirements under *Accounting Standard for Business Enterprises No. 22* (《企業會計準則第22號》), the risk characteristics of the margin financing and securities lending business, and the historical loss levels of the securities industry, the assessed risk loss rate for such contracts is determined to be controlled within 0.25%.

For certain amounts for which the possibility of future recovery is relatively low and the customers' willingness to cooperate in repayment is also relatively low, impairment loss is considered to be provided at 100% in this valuation.

The "impairment provision" account on the books is calculated at nil value.

4. *Derivative Financial Assets*

Derivative financial assets are financial derivatives such as options. For this valuation, the daily settlement price announced by the stock exchange on the Valuation Benchmark Date was used as the basis for fair valuation, and the appraised value was calculated and determined based on the actual quantity of positions held and the contract multiplier.

5. *Financial Assets Held under Resale Agreements*

Financial assets held under resale agreements primarily are financing assets arising from bond pledged repo financing transactions. For this valuation, the ending balance and receipts of this investment were verified, and the valuation was conducted based on the verified book value.

6. *Refundable Deposits*

Refundable deposits represent trading deposits, performance deposits and other similar funds deposited by the Appraised Entity in accordance with relevant regulations. For this valuation, the valuation personnel reviewed the requirements for deposit payment, obtained the period-end statements from the stock exchanges, China securities depository and clearing institutions and other relevant institutions, and conducted sample checks on large-amount inflows and outflows. By comparing the book data with the institutional statements, the valuation personnel confirmed that the accounts were consistent with the actual amounts. The appraised value was determined based on the verified book amount.

7. *Accounts receivable*

Accounts receivable represented amounts receivable arising from the operations of the Appraised Entity, including securities settlement receivables, fee and commission receivables, bond investment receivables and settlement guarantee funds.

On the basis that the accounts receivable had been verified as correct, the appraised value of each item was determined based on its estimated recoverable amount after deducting the valuation risk loss. For amounts due from related parties and other receivables where there were sufficient grounds to believe that they could be fully recovered, the valuation risk loss rate was 0%. For items where there was conclusive evidence indicating that the amount could not be recovered or where the aging was exceptionally long, the valuation risk loss rate was 100%. For accounts receivable where part of the amount was highly likely to be unrecoverable and the specific amount of such unrecoverable accounts receivable was difficult to determine, the appraised value of the accounts receivable was derived by specifically analyzing the amount, aging and reasons for the arrears,

recovery status and other relevant information based on historical data and information obtained through current investigations, and by estimating the valuation risk loss as a deduction with reference to the accounting method for allowance for bad debts. The “allowance for bad debts” item on the books was calculated at nil value.

8. *Financial Assets Held for Trading*

Financial assets held for trading comprise shares and equity interests, bonds, funds and other investments.

(1) *Financial Assets Held for Trading – Stock and Equity*

Financial assets held for trading – stock and equity investments included tradable shares, NEEQ shares and participating equity investments.

1) Tradable shares

For the tradable shares, the appraised value of the stock investment in this valuation is determined by multiplying the price per share by the number of shares held.

Appraised value of tradable shares = price per share × number of shares held

The price per share is based on the closing price on the Valuation Benchmark Date.

2) NEEQ shares

- ① For NEEQ-listed companies that have been delisted, where the overall operations of the company are poor or contact with the company could not be established for an extended period, it was determined that there would be essentially no recoverable value in the future. In this valuation, consistent with the book value, these were appraised at nil. For companies that remain in normal operation, the appraised value was determined based on the net assets per the most recent available financial statements, combined with the shareholding ratio.
- ② For shares transferred through market-making transactions, for shares with a relatively high quarterly turnover rate and higher market liquidity, which also have a fair market price, the valuation was based on the closing price as at the Valuation Benchmark Date. For shares with a relatively low quarterly turnover rate, the appraised value was determined based on the average transaction price over the one-year period preceding the Valuation Benchmark Date, among other methods.

- ③ For shares transferred through centralized competitive bidding, for companies with extremely poor overall operations, where the appraised value is expected to have essentially no recoverable value in the future, the valuation is consistent with the book value and is appraised at nil. Other companies were valued using methods such as the net asset apportionment method or the market approach, depending on their actual operating conditions.

3) Participating equity investments

For equity investments in unlisted enterprises in which the Appraised Entity held equity interests, where the enterprises were in normal operation, the market approach was adopted after analysing their financial positions, given the relatively low shareholding percentages held by the Appraised Entity; where the enterprises were in an abnormal operating condition and had been out of contact for a prolonged period, and were expected to have virtually no recoverable value, such investments were appraised at nil.

(2) *Financial Assets Held for Trading – Bonds*

This item mainly comprised Exchange-traded bonds, interbank bonds and others held by the Appraised Entity as at the Valuation Benchmark Date. The valuation personnel inspected the original vouchers and accounting vouchers, verified the account statements of the secondary securities trading market accounts of the Appraised Entity as at the Valuation Benchmark Date, and confirmed that the names and quantities of bonds held were consistent among the accounts, statements and documents. For this valuation, the unit price of the bond was determined based on the valuation full price on the Valuation Benchmark Date.

(3) *Financial Assets Held for Trading – Funds*

With respect to financial assets held for trading – funds, these primarily comprised money market funds and other fund products held by the Appraised Entity as at the Valuation Benchmark Date. The valuation personnel inspected the original vouchers and accounting vouchers, verified the fund account statements of the Appraised Entity as at the Valuation Benchmark Date, and confirmed that the fund names and quantities held were consistent among the accounts, statements and documents.

For net-asset-value-based fund products with a publicly available net asset value per unit, the valuation personnel determined the appraised value by multiplying the net asset value per unit as at the Valuation Benchmark Date, as queried obtained the iFind financial terminal, by the number of units held.

For net-asset-value-based fund products without a publicly available net asset value per unit, the appraised value was determined by multiplying the net asset value per unit as at the Valuation Benchmark Date, as verified with the Appraised Entity, by the number of units held.

(4) Financial Assets Held for Trading – Others

Financial assets held for trading – other primarily comprised collective wealth management products, securities firms’ asset management plans and other items. The valuation personnel inspected the original vouchers and accounting vouchers, verified the investment account statements of the Appraised Entity as at the Valuation Benchmark Date, and confirmed that the names and quantities held were consistent with the accounts, statements and vouchers.

For market-oriented investment products and other items, the valuation was determined by verifying information such as investment certificates and based on the ending net asset value and the number of shares held, or based on the ending balance statements and ending valuation statements.

9. Other Debt Investments

Other debt investments primarily consisted of investments in interbank medium-term notes, enterprise bonds, treasury bonds and other items. For other debt investments, the valuation was determined by multiplying the ChinaBond end-of-day full-price valuation as at the Valuation Benchmark Date by the quantity held.

10. Other Equity Instrument Investments

Other equity instrument investments comprised equity assets such as securities eligible for trading under Shanghai-Hong Kong Stock Connect, A shares of companies listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange, shares of companies quoted on the NEEQ, and infrastructure REITs. For products with an active public trading market, such as listed A-shares, Shanghai-Hong Kong Stock Connect eligible securities and infrastructure REITs, the appraised value was determined based on the market trading price as at the Valuation Benchmark Date in conjunction with the number of shares held; for NEEQ stocks, the valuation methodology adopted in the valuation remains consistent with that applied to financial assets held for trading.

11. Long-term Equity Investments

The list of long-term equity investments at book value is as follows:

No.	Name of Investee	Company Type	Shareholding Percentage	Book value (RMB)
1	Hicend Futures Co., Ltd.	Limited liability company (solely owned by a legal person not invested or controlled by natural persons)	100%	1,526,861,000.00

No.	Name of Investee	Company Type	Shareholding Percentage	Book value (RMB)
1-1	Shanghai Hicend Risk Management Co., Ltd.	Limited liability company (solely owned by a legal person not invested or controlled by natural persons)	100%	500,000,000.00
2	Xinjiang Qianhai Alliance Asset Management Co., Ltd.	Limited liability company (solely owned by a legal person not invested or controlled by natural persons)	100%	526,637,709.01

Note 1: Shanghai Securities has increased the registered capital of Xinjiang Qianhai Alliance Asset Management Co., Ltd. from RMB200.00 million to RMB400.00 million, and subsequent industrial and commercial change registration will be handled in accordance with the *Regulations of the People's Republic of China on the Registration and Administration of Market Entities* (中華人民共和國市場主體登記管理條例).

Note 2: Shanghai Securities, in its capacity as the manager and on behalf of the asset-backed special scheme, holds 100% of the equity interests in Shanghai Bailian Jinshan Shopping Centre Co., Ltd.* (上海百聯金山購物中心有限公司) and Shanghai Bailian Chuansha Shopping Centre Co., Ltd.* (上海百聯川沙購物中心有限公司), and acts as the nominee shareholder of the two project companies. Shanghai Securities does not participate in their operation, management or decision-making. Accordingly, the above two companies are not included in the scope of consolidation of the consolidated financial statements.

For the overall valuation of wholly-owned long-term equity investments, the entire shareholders' equity value of the investee is first determined, and the value of the equity interests attributable to the shareholder is then calculated by multiplying such value by the corresponding shareholding ratio. The specific valuation methods adopted for the value of the entire shareholders' equity in this valuation are as follows:

In respect of Hicend Futures Co., Ltd., taking into account the cyclical fluctuations of the futures industry and the susceptibility of profitability to external market conditions and policy environment, forecasts of future earnings would involve a considerable number of uncertain assumptions, making it difficult to arrive at stable and reliable forecast results. Accordingly, the income approach was not adopted in this valuation. Given that there are comparable listed companies in the capital market that operate in the same industry as Hicend Futures Co., Ltd., and that the financial statements and other core data of such listed companies are publicly available, the market approach is considered appropriate for this valuation. After comprehensive consideration, the asset-based approach and market approach were selected for the valuation. The valuation results derived under the asset-based approach were adopted as the final valuation conclusion.

In respect of Shanghai Hicend Risk Management Co., Ltd., a subsidiary of Hicend Futures Co., Ltd., given that it operates in the same futures industry as its parent company, the income approach is not considered suitable for its valuation. There are few comparable equity transaction cases and few domestically listed companies that are comparable to Shanghai Hicend Risk Management Co., Ltd.. Therefore, the market approach is also not applicable. For this valuation, the asset-based approach has been adopted.

For Xinjiang Qianhai Alliance Asset Management Co., Ltd., both the asset-based approach and the market approach (recent transaction price method) were adopted. Given that its most recent equity transfer was completed in October 2025, the most recent equity acquisition price was ultimately selected, and the valuation conclusion was determined by taking into account the profit or loss during the period as well as changes arising from capital contributions and capital reductions.

12. Real Property

According to the *Asset Valuation Practice Standards – Real Property* (《資產評估執業準則—不動產》), real property refers to land, buildings and other fixtures attached to land. Real property is generally accounted for under accounts such as investment property, property, plant and equipment, construction in progress and intangible assets.

When performing real property appraisals, the applicability of the three basic appraisal methods, namely the market approach, the income approach and the cost approach, as well as derivative methods such as the hypothetical development method and the benchmark land price correction method, shall be analyzed based on specific circumstances to select the appraisal method(s).

With effect from May 1, 2016, the replacement of business tax with value-added tax has been implemented nationwide, whereby the construction industry, real estate industry, financial industry, lifestyle services industry and others changed from paying business tax to paying value-added tax. As value-added tax is a tax excluded from the price, the appraised values of the real property involved in the valuation object of this valuation are all exclusive of value-added tax.

- ▲ **Market Approach:** Adhering to the principle of comparability, comparable transaction cases are selected as references, and the market value of the real property being appraised is derived after making adjustments for the transaction conditions, transaction dates and real property conditions of the references.

Wherein: adjustment for transaction conditions refers to the adjustment of the price of a reference under its actual transaction conditions to its value under normal transaction conditions. Transaction date adjustment refers to the adjustment of the price of a reference on its transaction date to the value as at the Valuation Benchmark Date. Real property condition adjustment refers to the adjustment of the price under the condition of the reference to the value under the condition of the appraised object, which can be categorized into location condition adjustment, rights condition adjustment and physical condition adjustment.

- ▲ **Income Approach:** The market value of the real property subject to valuation is determined by discounting the net rental income of the real property over its future income period to the present value using an appropriate discount rate.

Wherein: the future income period is determined based on the remaining economic life of the building, the remaining term of use of the corresponding land use rights, and the provisions of relevant laws and regulations; net rental income refers to future net income determined based on

objective and fair market rent after deducting relevant expenses and taxes to be borne. Where there are lease restrictions, the rent agreed in the lease shall be adopted during the lease term, and the normal and objective rent shall be adopted outside the lease term.

- ▲ Cost Approach: The market value of the real property as the subject of valuation is derived by separately valuing the houses and buildings, structures, and the corresponding land use rights, and then aggregating their values.

Analysis indicates that the transaction market for the appraised property is highly active and liquid, with a large number of recent, normal, and market-based transaction cases for residential, commercial, and office properties, thereby meeting the requirements for valuation using the market approach. At the same time, although there are properties available for lease in the vicinity of the appraised property, the rent-to-price ratio is relatively low, making it difficult to reflect its true market value; therefore, the income approach is not suitable for this valuation. The cost approach reflects the replacement cost at the price level as at the Valuation Benchmark Date and is unable to capture the value of the real properties under their best use and prevailing market supply and demand conditions. Accordingly, the cost approach is also not considered appropriate for this valuation. Additionally, since the appraised property mainly comprised existing commercial real estate development with no plans for future redevelopment, the hypothetical development approach is also not suitable. In summary, given the above considerations, the market approach was mainly selected for this valuation.

The market approach refers to a method whereby, under certain market conditions, several real estate transaction cases with similar conditions or the same utility value are selected and compared with the appraised subject in terms of transaction conditions, transaction dates, real estate conditions and other factors, and the real estate in the transaction cases is corrected and adjusted, thereby determining the value of the appraised subject.

Formula:

Value of the appraised subject = transaction price of comparable case × transaction condition adjustment coefficient × market condition adjustment coefficient × real estate condition adjustment coefficient × area of the appraised subject

Meanwhile, for the properties that were verified upon review to have not paid the land premium, such land premium has been deducted from the final appraised value.

13. Equipment Assets

In accordance with the *Asset Valuation Practice Standards – Machinery and Equipment* (《資產評估執業準則－機器設備》), when performing a machinery and equipment valuation engagement, the applicability of the three basic asset valuation methods, namely the cost approach, the market approach and the income approach, shall be analyzed and the valuation method(s) shall be selected based on factors such as the valuation purpose, valuation object, value type and data collection. Based on the analysis of the characteristics and purposes of various types of equipment involved, as well as the status of data collection, the cost approach was primarily adopted for this valuation.

Based on the analysis of the characteristics and purposes of various types of equipment involved in the Appraised Entity, as well as the status of data collection, the replacement cost method was primarily adopted for the valuation.

- ▲ Cost Approach: An asset valuation method that determines the value of the valuation object based on the concept of rebuilding or replacing the equipment of the valuation object under current conditions, i.e., based on the objective and necessary costs at the general level of social productivity, less relevant depreciation (physical depreciation, functional obsolescence and economic obsolescence).

Replacement cost is generally the current replacement cost, which includes direct costs, indirect costs, financing costs, taxes and fees, and reasonable profit.

$$\begin{aligned}\text{Appraised Value} &= \text{Replacement Cost} - \text{Physical Depreciation} - \text{Functional} \\ &\quad \text{Obsolescence} \\ &= \text{Replacement Cost} \times \text{Composite Newness Rate}\end{aligned}$$

(1) Electronic and other equipment

A. Determination of Replacement Cost

The replacement cost of machinery and equipment consists of the equipment purchase price, transportation and miscellaneous expenses, installation and commissioning fees, preliminary engineering and other expenses, financing costs, etc. (or is determined by the necessary and reasonable costs, profit, relevant taxes and fees, etc. incurred during purchase or construction). For

electronic and other equipment with a low value that does not require installation (or for which installation is the responsibility of the vendor) and involves low transportation costs, the replacement cost is determined by direct reference to the current prevailing market purchase price excluding tax.

Pursuant to the relevant provisions of the *Provisional Regulations of the People's Republic of China on Value-Added Tax* (《中華人民共和國增值稅暫行條例》) (Order of the State Council of the People's Republic of China No. 538) effective from January 1, 2009, the *Implementation Rules for the Provisional Regulations of the People's Republic of China on Value-Added Tax* (《中華人民共和國增值稅暫行條例實施細則》) (Order of the Ministry of Finance and the State Taxation Administration No. 50), the *Circular of the Ministry of Finance and the State Taxation Administration on Several Issues Concerning the Nationwide Implementation of Value-Added Tax Transformation Reform* (《財政部、國家稅務總局關於全國實施增值稅轉型改革若干問題的通知》) (Cai Shui [2008] No. 170), and the *Circular of the Ministry of Finance and the State Taxation Administration on Issues Concerning the Deduction of Input Value-Added Tax on Fixed Assets* (《關於固定資產進項稅額抵扣問題的通知》) (Cai Shui [2009] No. 113), with effect from January 1, 2009, input tax incurred by general VAT taxpayers for the purchase or self-production of fixed assets may be deducted from output tax on the basis of special value-added tax invoices, customs import value-added tax special payment documents and transportation cost settlement vouchers. Therefore, the replacement costs of the equipment meeting the above conditions in this valuation were all exclusive of value-added tax.

Formula for calculating full replacement cost:

Full replacement cost of equipment (excluding VAT) = Equipment purchase price (excluding VAT) + Transportation and miscellaneous expenses (excluding VAT) + Installation and commissioning fees (excluding VAT) + Preliminary engineering and other expenses (excluding VAT) + Cost of capital

For electronic and other equipment with a low value, which do not require installation (or for which installation is the responsibility of the vendor) and have low transportation costs, the replacement cost is determined with reference to the current market purchase price excluding tax.

① Determination of equipment purchase price

For small and medium-sized equipment, the value is determined by inquiring about the equipment price quotation information as at the Valuation Benchmark Date; for equipment without direct market price quotation information, the value is primarily determined by reference to the current market purchase price of similar equipment.

② Determination of transportation and miscellaneous expenses, installation and commissioning fees, preliminary engineering and other expenses

Upon review, this valuation does not involve transportation and miscellaneous expenses, installation and commissioning fees, preliminary engineering and other expenses.

③ Determination of cost of capital

Upon review, this valuation does not involve cost of capital.

B. Determination of the composite newness rate

$$\triangle \quad \text{Composite Newness Rate} = \text{Theoretical Newness Rate} \times \text{Adjustment Factor K}$$

Where: Theoretical Newness Rate = Remaining Service Life $\div$ (Years Used + Remaining Service Life) $\times$ 100%

$$\text{Adjustment Factor K} = K_1 \times K_2 \times K_3 \times K_4 \times K_5$$

The various adjustment factors are primarily determined after conducting inspections and gaining an understanding of the original manufacturing quality of the equipment (K_1), the operational status and failure frequency of the equipment (K_2), the maintenance and upkeep status (including major repairs, etc.) (K_3), the utilization rate of the equipment (K_4), and the environmental conditions of the equipment (K_5).

$$\triangle \quad \text{The composite newness rate of general simple equipment is determined directly by using the theoretical newness rate or observed values.}$$

C. Determination of appraised value

$$\text{Appraised Value} = \text{Full Replacement Cost} \times \text{Composite Newness Rate}$$

(2) *Transportation equipment*

A. Determination of Replacement Cost

The replacement cost was determined based on the market price of the vehicles as at the Valuation Benchmark Date, and by including vehicles purchase tax, registration and licence plate handling fees for new vehicles and other relevant costs in accordance with the *Vehicles Purchase Tax Law of the People's Republic of China* (《中華人民共和國車輛購置稅法》) and relevant local documents:

B. Determination of the composite newness rate

In accordance with the relevant provisions of the *Provisions on the Standards for Compulsory Retirement of Motor Vehicles* (《機動車強制報廢標準規定》) (Order No. 12 [2012] of the Ministry of Commerce, the National Development and Reform Commission, the Ministry of Public Security, and the Ministry of Environmental Protection), the remaining economic service life and remaining economic mileage of the transportation equipment are determined by extrapolation based on the “Reference Table for Economic Service Life of Vehicles” in the “Manual of Common Parameters for Asset Valuation”. The result calculated based on service life is used as the basic newness rate of the

vehicles, while the actual mileage of the vehicles is quantified as the correction factor for utilisation of vehicles. The composite newness rate is then reasonably determined after correcting the basic newness rate in combination with various other influencing factors.

C. Determination of appraised value

$$\text{Appraised Value} = \text{Replacement Cost} \times \text{Composite Newness Rate}$$

Meanwhile, the Shanghai vehicle licence plate quotas were appraised based on the average auction transaction price of Shanghai non-commercial passenger vehicle quotas for entities in the month of the Valuation Benchmark Date, as announced in the historical tender and auction results for Shanghai non-commercial passenger vehicle quotas for entities.

14. Construction in progress

Construction in progress mainly represent renovation works for leased properties. Collect approval documents related to the construction projects, and understand the payment progress and the composition of the book value. Verify the reasonableness of preliminary expenses and other expense outlays; and calculate financing costs based on the sum of preliminary expenses and construction costs over a reasonable construction period. Upon verification, as the construction period of the construction in progress on the books was relatively short, the valuation was conducted based on the verified book value.

15. Right-of-use assets

The valuation personnel confirmed that the assets were authentic and valid and that the book measurement was accurate by verifying relevant contracts, payment vouchers, the location, quantity, commencement date and expiry date of the right-of-use assets, the amortization process and other matters, and performed the valuation based on the verified book value.

16. Intangible assets – other intangible assets

Intangible assets primarily consist of computer application software and patents, copyrights, trademarks, and domain names. According to the *Asset Valuation Practice Standards – Intangible Assets* (《資產評估執業準則—無形資產》), the valuation methods for determining the value of intangible assets include the three basic methods, namely the market approach, the income approach, and the cost approach, as well as their derivative methods. After gaining a full understanding of the relevant circumstances of the valuation subjects involved and the status of data collection, and analyzing the applicability of the three basic methods mentioned above, a reasonable valuation method was selected.

- ▲ Income approach: On the basis of obtaining information related to the intangible assets of the Appraised Entity, the expected income that can be generated is estimated based on the historical implementation and future application prospects of such intangible assets or similar intangible assets, combined with the operating conditions of the enterprise

implementing or intending to implement such intangible assets; the market value of the intangible assets of the Appraised Entity is then derived by discounting such income using a discount rate consistent with the basis of the expected income.

- ▲ Cost Approach: Based on the total inputs for the formation of the intangible assets, and considering the degree of correlation between the value and the cost of the intangible assets, the replacement cost is determined by calculating its reasonable costs, profit and relevant taxes and fees, and the market value of the intangible assets of the Appraised Entity is obtained after considering its depreciation factors.
 - ▲ Market Approach: On the basis of understanding that an active market exists for the intangible assets of the Appraised Entity or similar intangible assets, transaction information such as market transaction prices, transaction times and transaction conditions of comparable transaction cases of similar intangible assets with a basis for comparison is collected, and the market value of the intangible assets of the Appraised Entity is obtained after making necessary adjustments to the transaction information.
- (1) Patents: Upon verification by the valuation personnel with the enterprise, the patent technologies owned by the Appraised Entity were of average technological advancement, could bring limited benefits to it, and had not formed the concept of excess earnings from intangible assets. It was relatively difficult to predict their contribution to future profits using the excess earnings method or the intangible asset royalty method. In addition, the enterprise had not sold such patents externally, and there were no market price cases for reference. Therefore, the replacement cost method was adopted in this valuation for the patent asset group.
 - (2) Trademarks: The trademarks are merely identifiers that distinguish the products of the enterprise from those of other enterprises, and had not formed the concept of excess earnings from intangible assets. It was relatively difficult to predict the contribution of registered trademarks to future profits using the excess earnings method or the intangible asset royalty method. Therefore, the replacement cost method was adopted in this valuation for the trademarks.
 - (3) Software copyrights: Based on the understanding obtained from the management of the enterprise, the software of the enterprise mainly serves its internal operation and management, and constitutes auxiliary supporting assets. Such assets are not sold externally on a standalone basis and do not directly generate independent cash flows. The income approach was not adopted in this valuation, and as there were no comparable transaction cases of the same type in the open market and reliable reference prices could not be obtained, the replacement cost method was adopted in this valuation for the software copyright asset group.
 - (4) Domain names: The replacement cost method was adopted in this valuation.
 - (5) Purchased software on the books

For software purchased within six months (inclusive), as inquiry with software suppliers or online searches showed that there was no significant change between the current tax-exclusive price and the original purchase price of the software, the appraised value was determined based on the original book value.

For software purchased more than six months ago but less than five years (inclusive) ago, as software iteration and updates are relatively rapid, it was no longer possible to inquire with software suppliers or accurately search online for the current tax-exclusive price. Therefore, the appraised value was determined based on the original purchase price, as adjusted by the Producer Price Index for Industrial Producers published by the National Bureau of Statistics and after taking into account an appropriate rate of newness.

For software purchased more than five years ago, as software iteration and updates are relatively rapid, it was no longer possible to inquire with software suppliers or accurately search online for the current tax-exclusive price. Therefore, the original purchase price was adjusted by the Producer Price Index for Industrial Producers published by the National Bureau of Statistics was adopted (prior to 2011, as the relevant indices were not published, the values were recognized directly at their original carrying value), and the appraised value was determined by taking into account a certain residual value rate.

17. Deferred income tax assets

Deferred income tax assets represented deferred income tax assets arising from bad debt provisions, impairment provisions, lease liabilities, accrued but unpaid wages, changes in fair value and other items. During the verification process, the valuers checked whether the balances of the detailed ledgers were consistent with those of the general ledger and the financial statements, and whether they were consistent with the details of the assets proposed for valuation. They also reviewed accounting records in respect of the amounts involved, timing of occurrence and business nature of the relevant items, so as to verify the authenticity and completeness of the deferred income tax assets. On the basis that the verification results were found to be correct, the appraised value was determined with reference to the verified amount of temporary differences and the actual tax rate of the enterprise.

18. Other assets

Other assets represent prepayments for software-related project engineering costs, long-term deferred expenses and other items, the appraised value of which was determined based on the verified book value.

19. Liabilities

On the basis of checking and verification, the appraised value was determined based on the liability items and the liability amount that the Appraised Entity actually needs to assume after the implementation of the economic act for the valuation purpose.

(IV) Introduction to the Market Approach

1. Overview

In accordance with the *Practice Standards for Asset Valuation – Enterprise Value* (《資產評估執業準則－企業價值》), the market approach in the evaluation of enterprise value is a valuation method that determines the value of a valuation subject by comparing it with comparable listed companies or comparable transaction cases. The two common methods used in the market approach are the listed company comparison method and the transaction case comparison method.

The listed company comparison method is a specific method that involves obtaining and analysing the operating and financial data of comparable listed companies, calculating valuation multiples, and determining the value of the valuation subject based on a comparative analysis with the Appraised Entity.

The transaction case comparison method is a specific method that involves obtaining and analysing data from sale, acquisition and merger cases of comparable enterprises, calculating valuation multiples, and determining the value of the valuation subject based on a comparative analysis with the Appraised Entity.

2. Formula

Value of all shareholders' equity = Value of operating assets + Value of excess assets + Value of non-operating assets and liabilities

Value of operating assets = Relevant indicator of the Appraised Entity × Corresponding valuation multiple of comparable enterprises × Adjustment factor

Based on the adequacy and reliability of the operating and financial data obtained for comparable enterprises, as well as the number of comparable enterprises for which data could be collected, the listed company comparison method on a consolidated basis is specifically adopted for this valuation.

The principal business of the Appraised Entity is securities-related financial business, and the vast majority of its proprietary assets comprise operating financial assets essential for carrying on its securities business. Non-operating assets are insignificant in overall scale and have a limited impact on the enterprise value. Accordingly, non-operating assets (liabilities) and excess assets were not considered for either the listed companies or the Appraised Entity in this valuation.

3. Valuation Procedures

- (1) Identify comparable reference enterprises

In an appropriate trading market, analyse listed companies that are in the same industry as the Appraised Entity or are affected by the same economic factors, are engaged in the same or similar business, and have a similar time span, to serve as candidate comparable enterprises. After considering factors such as the business structure, operating model, enterprise scale, stage of business development, growth potential, operating risks and financial risks of the candidate comparable enterprises, screen them for suitability and finally select an appropriate number of reference enterprises that are comparable to the Appraised Entity.

- (2) Make necessary adjustments for the differences between the Appraised Entity and the comparable reference enterprises

Utilise the operating business and financial information of comparable enterprises obtained from public and lawful channels to compare with and analyse against the actual situation of the Appraised Entity, and make necessary adjustments for differences.

- (3) Select and determine valuation multiples

Valuation multiples typically include profitability multiples, asset multiples, revenue multiples and other specific multiples, such as the price-to-earnings ratio (P/E), price-to-book ratio (P/B), price-to-sales ratio (P/S), or enterprise value multiples (such as EV/EBIT, EV/EBITDA, etc.). After comparing and analysing the correlation between various valuation multiples and the market value of the Appraised Entity, the price-to-book ratio (P/B) valuation multiple was selected for this valuation. The following factors were fully considered during the selection process: the selected valuation multiple is conducive to the reasonable determination of the value of the valuation subject; the data basis and calculation methods for calculating the valuation multiple are consistent; and when applying the valuation multiple, reasonable adjustments are made, to the extent possible, for the differences between the comparable companies and the Appraised Entity.

The Appraised Entity operates in the securities industry, and its operating performance is materially affected by a number of factors, including trading volume in the secondary market, fluctuations in equity indices, the prevailing level of interest rates and the shape of the yield curve. Given the cyclical nature of the securities industry, enterprises in the industry are often exposed to a relatively high degree of earnings volatility during transitions between bull and bear markets, and the relevant parameters of profit-based and revenue-based indicators may fluctuate significantly. Accordingly, it is not appropriate to adopt profit-based and revenue-based indicators for the purpose of this valuation. Considering that securities companies are typical capital-intensive financial institutions and that their core operations are conducted on the basis of net capital, the price-to-book ratio (P/B) is considered an appropriate value indicator.

After comparative analysis of the correlation between various value ratios and the market value of the Appraised Entity, the price-to-book ratio (P/B) was selected as the value ratio for this valuation.

(4) Estimate the enterprise value

After adjusting and calculating the valuation multiples of the comparable companies, the entire shareholders' equity interests of the Appraised Entity is calculated in conjunction with its corresponding financial data or indicators.

The listed company comparison method was adopted for this valuation. In calculating the value of the entire shareholders' equity interests, since the comparable companies are listed companies while the Appraised Entity is an unlisted company, the impact of a discount for lack of marketability needed to be considered in calculating the entire shareholders' equity interests.

(5) Determine the valuation conclusion

After calculating the value of all shareholders' equity using the valuation multiple, the final appraised value is determined.

VIII. IMPLEMENTATION PROCESS AND STATUS OF THE VALUATION PROCEDURES

We implemented the valuation procedures for this project in accordance with the China Asset Valuation Standards and the relevant national principles and regulations on asset valuation. The entire valuation procedure was mainly divided into the following four stages:

(I) Valuation Preparation Stage

1. Upon accepting the engagement for this project, we understood and reached agreement with the client on matters such as the valuation purpose, Valuation Benchmark Date and scope of valuation subjects, entered into an engagement contract, and prepared an asset valuation plan for this project.
2. We cooperated with the enterprise in conducting asset verification, guided and assisted the enterprise in the declaration of the assets under valuation, and prepared the various documents and materials required for the asset valuation.

(II) On-site Valuation Stage

According to the overall schedule of this project, the on-site valuation inspection stage was from late April to mid-June 2026. After selecting the applicable valuation methods for this valuation, the following on-site valuation procedures were mainly carried out:

1. Verification and validation of the assets and related information declared by the enterprise within the scope of valuation:

- (1) We received briefings from the relevant personnel of the client and the Appraised Entity on the general profile of the enterprise and the history and current status of the assets included in the scope of valuation, and gained an understanding of the enterprise's relevant internal policies and systems, operating conditions, asset utilisation status, etc.;
 - (2) We verified the contents of the detailed asset valuation declaration forms provided by the enterprise and checked them against the enterprise's relevant financial records, and, in coordination with the enterprise, made adjustments or supplements for the issues identified;
 - (3) We conducted on-site inspections and sample counts of physical assets based on the detailed asset valuation declaration forms;
 - (4) We reviewed and collected the title documents of the assets included in the scope of valuation, checked the title materials provided by the Appraised Entity, and verified the title status of the assets. We compiled a list of assets with title defects and requested the Appraised Entity to verify and confirm whether title to these assets is vested in the enterprise and whether there are any title disputes;
 - (5) For assets such as equipment and buildings, we gained an understanding of the management systems and their actual implementation, and reviewed and collected relevant technical data, contract documents, etc. For general equipment, information was primarily obtained through market research and by querying relevant price information; for buildings, information was obtained by researching market condition data, information on real estate transaction cases, etc.
 - (6) For the intangible assets involved, we gained an understanding of their cost composition, historical and future earnings, the market conditions of the corresponding products, and other relevant information; we reviewed and collected legal documents, ownership validity documents, or other supporting materials for the intangible assets; we investigated the characteristics, asset portfolio, usage status, geographical and field scope of implementation, profitability and revenue models of the intangible assets; we determined whether they can continue to function and bring economic benefits to the rights holder; we gained an understanding of the statutory protection period, income-generating period and protection measures for the intangible assets; and we investigated the legal, administrative regulations or other restrictions imposed during the implementation of the intangible assets;
 - (7) For the liabilities within the scope of valuation, we mainly obtained an understanding of the actual debts to be borne by the Appraised Entity.
2. We gained an understanding of the historical operating conditions, current operating status and current conditions of the industry in which the Appraised Entity operates, in order to judge the possible future development trends of the enterprise. The details are as follows:

- (1) We gained an understanding of the legal situation relating to the ongoing operations of the Appraised Entity, mainly in respect of its articles of association, investment and capital contribution agreements, place of business and operating capacity;
- (2) We gained an understanding of the accounting system implemented by the Appraised Entity, its depreciation policy for fixed assets, its inventory cost recognition and accounting method for inventory issued, etc., the applicable tax rates and tax payment status, and its debt, borrowings and cost of debt in recent years;
- (3) We gained an understanding of the Appraised Entity's business type, business model and historical operating results, including the revenue proportion of its main operating businesses, the distribution of its major customers, and related party transactions with affiliated enterprises;
- (4) We obtained financial information such as audited balance sheets, income statements and cash flow statements for recent years, as well as detailed statements of product revenue, costs and expenses;
- (5) We gained an understanding of the allocation and actual utilisation of the enterprise's assets, analysed the excess assets (if relevant) and non-operating assets and liabilities, and reached a consensus with the enterprise's management;
- (6) Through interviews with the management of the Appraised Entity, we gained an understanding of the enterprise's core operational strengths and weaknesses; its business plans and operational strategies for the coming years, such as market demand, pricing strategies, sales plans, cost and expense control, and financing arrangements, as well as the revenue and cost composition of its future main operating businesses and their trends; the conditions of its major market competitors; and the operational risks it faces, such as national policy risks, market (industry) competition risks, product (technology) risks and financial (debt) risks;
- (7) We gained an understanding of the basic information of comparable enterprises that are in the same industry as the Appraised Entity or are affected by the same economic factors.

(III) Valuation Conclusion Consolidation Stage

We analysed, summarised and organised the valuation data collected during the on-site valuation and inspection stage to form a basis for the valuation estimate. We adopted proper calculation formulas and reasonable valuation parameters based on the chosen valuation methods to derive preliminary estimation results. After confirming that there were no duplicate or omitted valuations within the scope of the assets being valued, we summarised the preliminary valuation conclusions and conducted rationality analysis thereon.

(IV) Report Preparation Stage

Based on the aforementioned work, we prepared a preliminary asset valuation report and held consultations with the client on the contents of the preliminary valuation report. After fully considering the feedback received, we revised and improved the asset valuation report. Upon completion of the internal review procedures of the valuation institution, we provided the formal asset valuation report to the client.

IX. VALUATION ASSUMPTIONS

In this valuation, the asset valuers have followed the following valuation assumptions and restrictive conditions:

(I) Basic Assumptions

1. Transaction Assumption

It is assumed that, under the transaction assumption, all the assets under valuation are in the process of being transacted, and the asset valuers conduct the valuation of the assets by simulating the market based on the transaction terms and other relevant conditions of the assets under valuation. The transaction assumption is the most fundamental premise for conducting an asset valuation.

2. Open Market Assumption

The open market assumption is an assumption regarding the market conditions into which an asset is intended to be placed and the influences to which the asset will be subject under such market conditions. An open market refers to fully developed and well-established market conditions, namely a competitive market with willing buyers and sellers, where buyers and sellers are in an equal position, both having the opportunity and time to obtain sufficient market information. Transactions between buyers and sellers are conducted under voluntary, informed, non-compulsory or unrestricted conditions. The open market assumption is based on the premise that the assets can be openly bought and sold in the market.

3. Going Concern Assumption

In the going concern assumption, it is assumed that the Appraised Entity, under its existing asset and resource conditions, can legally continue its production and business operations as they are within the foreseeable future operating period, and that its operating conditions will not undergo any material adverse changes.

4. Existing Use Assumption

In the existing use assumption, it is assumed that the assets will continue to be used for their current purposes. It is first assumed that the assets within the scope of the valuation are currently in use. It is further assumed that they will continue to be used for their current purposes and in their current manner, without considering any change in use or highest and best use conditions of the assets.

(II) General Assumptions/Conditions

1. This valuation assumes that after the Valuation Benchmark Date, there will be no unforeseeable material adverse changes in the external economic environment, such as the current relevant national laws, macroeconomic, financial and industrial policies, and that there will be no other material impacts caused by force majeure and unforeseeable factors.
2. This valuation has not considered the impact on the valuation conclusion of any mortgage or guarantee matters that the Appraised Entity and its assets may be subject to in the future, nor the additional price that may be paid due to extraordinary circumstances.
3. It is assumed that there are no significant changes in the socio-economic environment where the Appraised Entity is located, nor in the fiscal and tax policies it is subject to, such as taxes and tax rates, and that financial policies such as credit policies, interest rates and exchange rates remain basically stable.
4. The present and future business operations of the Appraised Entity are legal and compliant, and are in accordance with the relevant provisions of its business licence and articles of association.

(III) Special Assumptions/Conditions for Market Approach Valuation

1. It is assumed that the relevant financial data of the comparable enterprises are true and reliable.
2. It is assumed that, unless otherwise specified, all transactions are fair transactions conducted openly, on an equal basis and voluntarily.
3. The asset valuation professionals have selected the comparison dimensions and indicators based solely on publicly disclosed information about comparable listed companies, and have not considered the impact of other non-public matters of the comparable listed companies on the value of the Appraised Entity.
4. The potential impact of extraordinary circumstances on the valuation conclusion has not been considered.

The valuation conclusion in this asset valuation report is valid as at the Valuation Benchmark Date under the above assumptions/conditions. In the event of a significant change in these assumptions/conditions, the asset valuers signing this report and this valuation institution shall not be liable for any different valuation conclusion that may be derived as a result of such change in assumptions/conditions.

X. VALUATION CONCLUSION

In accordance with the relevant national regulations on asset valuation, we have performed the necessary valuation procedures based on the principles of independence, impartiality and objectivity. Subject to the valuation purpose, valuation assumptions and limiting conditions described in this report, we have arrived at the valuation conclusion for the market value of the entire shareholders' equity interests of the Appraised Entity as at the Valuation Benchmark Date.

(I) Relevant Valuation Results

1. Asset-Based Approach Valuation

Using the asset-based approach to value the entire equity interest of the shareholders, the valuation result for the Appraised Entity as at the Valuation Benchmark Date is as follows:

As at the Valuation Benchmark Date, the book value of the “owners’ equity of the parent company” of the Appraised Entity on a standalone basis was RMB19,742.3754 million, the appraised value was RMB20,886.4990 million, representing valuation appreciation of RMB1,144.1236 million, with an appreciation rate of 5.80%. Of which, the book value of total assets was RMB81,361.0526 million, the appraised value was RMB82,505.1762 million, representing valuation appreciation of RMB1,144.1236 million, with an appreciation rate of 1.41%. The book value of liabilities was RMB61,618.6772 million, and the appraised value was RMB61,618.6772 million, with no increase or decrease in value.

In addition, the “equity attributable to owners of the parent company” of the Appraised Entity on a consolidated basis was RMB20,120.7707 million, with an appraised value of RMB20,886.4990 million, representing valuation appreciation of RMB765.7283 million and an appreciation rate of 3.81%.

2. Market Approach Valuation

Using the market approach to evaluate the value of the entire shareholders' equity interests of the enterprise, the valuation result as at the Valuation Benchmark Date is as follows:

As at the Valuation Benchmark Date, the book value of the “owners’ equity of the parent company” of the Appraised Entity on a standalone basis was RMB19,742.3754 million, the appraised value was RMB25,119.8400 million, representing valuation appreciation of RMB5,377.4646 million, with an appreciation rate of 27.24%.

The “equity attributable to owners of the parent company” of the Appraised Entity on a consolidated basis was RMB20,120.7707 million, with an appraised value of RMB25,119.8400 million, representing valuation appreciation of RMB4,999.0693 million and an appreciation rate of 24.85%.

(II) Analysis of Differences in Valuation Results and Final Valuation Conclusion

1. Analysis of Differences in Valuation Results from Different Methods

The value of the entire shareholders’ equity interests derived from the market approach in this valuation is RMB25,119.8400 million, which differs by RMB4,233.3410 million from the value of RMB20,886.4990 million calculated under the asset-based approach, with a difference rate of 16.85%.

The differences in the valuation results from different valuation methods are mainly attributable to the different perspectives from which various valuation methods consider asset value. The asset-based approach estimates value from the perspective of the current reconstruction of each asset of the enterprise, whereas the market approach estimates value from the perspective of current comparable market prices, leading to differences in the valuation results from different methods.

2. Selection of Valuation Conclusion

According to the *Practice Standards for Asset Valuation – Enterprise Value* (《資產評估執業準則—企業價值》), when multiple valuation methods are used for the same valuation subject, a valuation conclusion should be formed using either a qualitative or quantitative approach by taking into account the valuation purpose and the quality and quantity of data used in different valuation methods.

Given that Shanghai Securities operates in the securities industry, its principal value, in addition to tangible resources such as fixed assets and working capital, should also include the contribution of important intangible resources such as customer resources, business networks, service capabilities, management advantages and brand advantages. The valuation result under the asset-based approach only values individual tangible assets and identifiable intangible assets, and cannot fully reflect the value contribution of combinations of individual assets to the entire company, nor can it fully measure the overall effect value of the enterprise that may be generated by the mutual matching and organic combination of individual assets. The value connotation of the valuation result under the market approach includes the value of all unidentifiable intangible assets of the enterprise, so the valuation result under the market approach is higher than that under the asset-based approach. Taking into account the purpose of this valuation, the market approach can more objectively and reasonably reflect the overall value of the valuation subject. Therefore, the valuation result under the market approach is adopted as the final valuation conclusion.

Based on the above analysis, we have selected the valuation result under the market approach as the valuation conclusion for the value of the entire shareholders' equity interests of the Appraised Entity. Upon valuation, the value of the entire shareholders' equity interests of the Appraised Entity is RMB25,119.8400 million.

The valuation conclusion is based on the valuation work described above.

(III) Changes in the Valuation Conclusion Compared with the Book Value and Explanation of Reasons

For the valuation conclusion using the market approach, an analysis of the main valuation appreciation/depreciation is as follows:

Summary of Valuation Results (Company on a Standalone Basis)

Valuation Benchmark Date: March 31, 2026

Unit: RMB'0,000

Item	Book Value	Appraised Value (Note)	Gain/(Loss) (Note)	Gain Rate (%) (Note)
	A	B	C = B-A	D = C/A*100%
Monetary funds	1,818,921.26	—	—	—
Settlement provisions	356,753.40	—	—	—
Margin accounts receivable	1,281,360.22	—	—	—
Derivative financial assets	1,416.26	—	—	—
Refundable deposits	29,280.10	—	—	—
Accounts receivable	87,966.90	—	—	—
Financial Assets Held under Resale				
Agreements	42,123.00	—	—	—
Financial investments:				
Of which: financial assets held				
for trading	2,032,538.20	—	—	—
other debt				
investments	1,876,145.12	—	—	—
other equity				
instrument				
investments	340,918.31	—	—	—
Long-term equity investments	205,349.87	—	—	—
Investment property	4,068.36	—	—	—
Fixed assets	18,400.50	—	—	—
Construction in progress	2,346.76	—	—	—
Right-of-use assets	13,684.34	—	—	—
Intangible assets	6,206.47	—	—	—
Deferred income tax assets	4,091.62	—	—	—
Other assets	14,534.58	—	—	—
Total assets	8,136,105.26	—	—	—
Total liabilities	6,161,867.72	—	—	—
Net assets	1,974,237.54	2,511,984.00	537,746.46	27.24

Note: Under the market approach, no separate valuation was performed on items other than net assets.

Summary of Valuation Results (Consolidated Basis)

Valuation Benchmark Date: March 31, 2026

Unit: RMB'0,000

Item	Book Value	Appraised Value (Note)	Gain/(Loss) (Note)	Gain Rate (%) (Note)
	A	B	C = B-A	D = C/A*100%
Monetary funds	3,252,636.43	—	—	—
Settlement provisions	425,870.31	—	—	—
Margin accounts receivable	1,281,360.22	—	—	—
Derivative financial assets	2,678.82	—	—	—
Refundable deposits	645,238.32	—	—	—
Accounts receivable	102,103.57	—	—	—
Financial Assets Held under Resale				
Agreements	42,166.00	—	—	—
Financial investments:				
Of which: financial assets held				
for trading	2,149,182.04	—	—	—
other debt				
investments	1,876,145.12	—	—	—
other equity				
instrument				
investments	341,058.31	—	—	—
Investment property	4,068.36	—	—	—
Fixed assets	19,491.20	—	—	—
Construction in progress	2,441.82	—	—	—
Right-of-use assets	14,842.24	—	—	—
Intangible assets	7,999.53	—	—	—
Goodwill	26,371.78	—	—	—
Deferred income tax assets	4,674.71	—	—	—
Other assets	120,993.39	—	—	—
Total assets	10,319,322.17	—	—	—
Total liabilities	8,307,245.10	—	—	—
Net assets	2,012,077.07	—	—	—
Less: non-controlling interests	0.00	—	—	—
Net assets attributable to the parent				
company	2,012,077.07	2,511,984.00	499,906.93	24.85

Note: Under the market approach, no separate valuation was performed on items other than “net assets attributable to the parent company”.

The valuation conclusion of this valuation was determined using the market approach. The reasons for the appreciation are as follows:

The company possesses the value of important intangible resources not reflected in its book value, such as customer resources, business networks, service capabilities, management advantages and brand advantages. Therefore, the valuation under the market approach represents certain appreciation.

(IV) Other Factors Relating to the Valuation Conclusion

Given that the Appraised Entity is an unlisted company and the valuation subject is the value of the entire shareholders' equity interests, the impact of control and liquidity was not considered in the asset-based approach valuation process. In the market approach valuation process, the impact of control was not considered, while the impact of liquidity was considered. The final valuation conclusion did not consider the impact of control, but did consider the impact of liquidity.

(V) Validity Period of the Valuation Conclusion

In accordance with current valuation standards, the valuation conclusion disclosed in this report is based on the premise that there are no significant changes to the valuation assumptions stated herein, and may normally be used only when the date of implementation of the economic activity is no more than one year from the Valuation Benchmark Date. That is, the valuation conclusion is valid from the Valuation Benchmark Date of March 31, 2026 to March 30, 2027.

The conclusion of this valuation report shall not be used to implement the economic activity after the expiry of the aforementioned validity period.

(VI) Other Notes on the Valuation Conclusion

During the validity period of the valuation conclusion after the Valuation Benchmark Date, if the quantity of assets involved in the valuation subject and the pricing standards change, the client may proceed according to the following principles:

1. When the quantity of assets changes, the amount of assets shall be adjusted accordingly based on the original valuation method;
2. When the asset pricing standards change and have a significant impact on the asset valuation result, the client shall promptly engage a qualified asset valuation institution to re-determine the appraised value;
3. The client shall give due consideration to any changes in the quantity of assets and pricing standards after the Valuation Benchmark Date when implementing the economic activity.

XI. EXPLANATION OF SPECIAL MATTERS

When using this valuation report, users should pay attention to the potential impact of the following special matters on the valuation conclusion and give them full consideration when making their own decisions and implementing the economic activity based on this report:

(I) Incomplete or defective title and other key information

1. Defects in title to self-owned properties of Shanghai Securities Co., Ltd. relating to its principal business:

- (1) The property of Shanghai Securities Co., Ltd. recorded in its books as being located at No. 3 Linping North Road (being the address shown on the title certificate, while the actual address has been changed to No. 19 Linping North Road), with a book value of RMB6,227,473.67, has a gross floor area of 5,617.00 square meters. The title certificate number is “Hu Fang Hong Zi No. 10814”. The property recorded in its books as being located at No. 80 Yanchang West Road, with a book value of RMB1,821,147.84, has a gross floor area of 1,538.62 square meters. The title certificate number is “Hu Fang Di Pu Zi (2001) No. 025487”. The aforesaid properties were acquired by Shanghai Securities Co., Ltd. by way of succession to the assets of Shanghai Finance Securities Company upon its establishment in 2001. The registered title holder shown on the property title certificates for both properties is Shanghai Finance Securities Company* (上海財政證券公司). As of the date of this report, the change of rights holder has not yet been completed. This valuation has not taken into account the possible impact of the relevant defects in title on the valuation conclusion. In addition, the land on which the two properties are situated is subject to allocated land use rights. In valuing the aforesaid properties, a deduction for the land grant premium has been taken into account. Users of this report are advised to pay attention to the above.
- (2) Shanghai Securities Co., Ltd. has a property recorded in its books located at the northwestern part of the first and second floors of Building No. 14, Cuiwei Zhongli, Haidian District, Beijing, with a book value of RMB6,006,406.52 and a gross floor area of 2,291.29 square meters. The title certificate number is “Jing (2023) Hai Bu Dong Chan Quan No. 0060470”. According to the real estate title certificate of the property, no application has been made for land registration in respect of the corresponding land, and no land grant premium has been paid. In this valuation, the deduction of the land premium has been considered when valuing the aforementioned real estate properties. Users of this report are advised to pay attention to the above matter.

Except for the matters described above, the ownership documentation for the assets appraised in this valuation is generally complete. The asset valuer has not identified any other obvious material defects in title of the Appraised Entity. The client and the Appraised Entity have also expressly confirmed that there are no material defects in title.

(II) Explanation of Other Key Information Not Provided by the Clients:

There was no such matter.

(III) Uncertainties such as Pending Matters and Legal Disputes Existing as at the Valuation Benchmark Date:

The principal litigation and arbitration matters involving the entity being valued are as follows:

Plaintiff/Defendant	Cause of Action/ Plaintiff's Claims	Case Progress
Plaintiff: Shanghai Securities; Defendant: Shanghai Jiaqi Industrial Co., Ltd. (上海嘉啟實業有限公司) (hereinafter referred to as "Jiaqi Industrial")	Cause of action: dispute over a house lease contract; Plaintiff's principal claims: (1) terminate the house lease contract relationship between the plaintiff and the defendant; (2) the defendant shall vacate and return the leased premises in its current condition; (3) the defendant shall pay the plaintiff the overdue rent, property occupation fees, liquidated damages, litigation costs, etc.	On January 28, 2026, the Shanghai Pudong New Area People's Court issued the Civil Judgment (2025) Hu 0115 Min Chu No. 107361, ruling that: (1) the house lease contract relationship between the plaintiff and the defendant is confirmed to have been terminated on November 12, 2025; (2) the defendant shall, within ten days of the effective date of the judgment, pay the plaintiff rent in arrears of RMB5,707,119.58, overdue liquidated damages, property occupation fees, termination liquidated damages, and vacate the leased premises; (3) the plaintiff shall forfeit the lease security deposit of RMB454,938.74. On February 10, 2026, dissatisfied with the aforesaid judgment, Jiaqi Industrial filed an appeal with the Shanghai First Intermediate People's Court regarding this case. The case is still in the course of trial.

This valuation does not take into account the impact of the above litigation and arbitration matters on the valuation results, and users of this report are hereby reminded to pay attention to this.

Except for the matters described above, the appraiser has not been informed of any other significant pending issues, legal disputes or other uncertainties existing as of the Valuation Benchmark Date. The Clients and the entity being valued have also explicitly confirmed that there are no other significant pending issues, legal disputes or other uncertainties.

(IV) Significant Use of Expert Work and Relevant Reports:

1. Use of professional reports:

In the course of performing this valuation engagement, we obtained the following professional reports through legal channels and have prudently referred to and utilised their relevant content:

- (1) The audit report (KPMG Huazhen Shen Zi No. 2625311) issued by KPMG Huazhen LLP (Special General Partnership) on special purpose consolidated financial statements;

The types of book assets and the book values of Shanghai Securities Co., Ltd. in this Asset Valuation Report are extracted from the special purpose consolidated financial statements audited by KPMG Huazhen LLP with a standard unqualified opinion (report number: KPMG Huazhen Shen Zi No. 2625311). The opinion in the said audit report is: “We have audited the financial statements of Shanghai Securities Co., Ltd., which comprise the consolidated and parent company balance sheets as at December 31, 2024, December 31, 2025 and March 31, 2026, and the consolidated and parent company income statements, consolidated and parent company cash flow statements, and consolidated and parent company statements of changes in owners’ equity for the years ended December 31, 2024 and 2025, and for the three-month period ended March 31, 2026, as well as the related notes to the financial statements. In our opinion, the accompanying financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance of the People’s Republic of China, and present fairly the consolidated and parent company financial position of Shanghai Securities Co., Ltd. as at December 31, 2024, December 31, 2025 and March 31, 2026, and their consolidated and parent company results of operations and cash flows for the years ended December 31, 2024 and 2025, and for the three-month period ended March 31, 2026.”

- (2) The audit report (KPMG Huazhen Shen Zi No. 2625249) issued by KPMG Huazhen LLP (Special General Partnership) on special purpose consolidated financial statements;

The types of book assets and the book values of Hicend Futures Co., Ltd. in this Asset Valuation Report are extracted from the special purpose consolidated financial statements audited by KPMG Huazhen LLP with a standard unqualified opinion (report number: KPMG Huazhen Shen Zi No. 2625249). The opinion in the said audit report is: “We have audited the financial statements of Hicend Futures Co., Ltd., which comprise the consolidated and parent company balance sheets as at December 31, 2024, December 31, 2025 and March 31, 2026, and the consolidated and parent company income statements, consolidated and parent company cash flow statements, and consolidated and parent company statements of changes in owners’ equity for the years ended December 31, 2024 and 2025, and for the three-month period ended March 31, 2026, as well as the related notes to the financial statements. In our opinion, the accompanying financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance of the People’s Republic of China, and present fairly the consolidated and parent company financial position of Hicend Futures as at

December 31, 2024, December 31, 2025 and March 31, 2026, and their consolidated and parent company results of operations and cash flows for the years ended December 31, 2024 and 2025, and for the three-month period ended March 31, 2026.”

- (3) The audit report (KPMG Huazhen Shen Zi No. 2625261) issued by KPMG Huazhen LLP (Special General Partnership) on special purpose consolidated financial statements;

The types of book assets and the book values of Xinjiang Qianhai Alliance Asset Management Co., Ltd. in this Asset Valuation Report are extracted from the special purpose consolidated financial statements audited by KPMG Huazhen LLP with a standard unqualified opinion (report number: KPMG Huazhen Shen Zi No. 2625261). The opinion in the said audit report is: “We have audited the financial statements of Xinjiang Qianhai Alliance Asset Management Co., Ltd. (hereinafter referred to as “Qianhai Alliance Asset Management”), which comprise the consolidated and parent company balance sheets as at December 31, 2025 and March 31, 2026, and the consolidated and parent company income statements, consolidated and parent company cash flow statements, and consolidated and parent company statements of changes in owners’ equity for the year ended December 31, 2025 and for the three-month period ended March 31, 2026, as well as the related notes to the financial statements. In our opinion, the accompanying financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance of the People’s Republic of China, and present fairly the consolidated and parent company financial position of Qianhai Alliance Asset Management as at December 31, 2025 and March 31, 2026, and their consolidated and parent company results of operations and cash flows for the year ended December 31, 2025 and for the three-month period ended March 31, 2026.”

The asset valuation professionals have analyzed and made judgments on the financial statements based on the requirements for the use of financial statements under the appraisal methods adopted; however, it is not the responsibility of the asset valuation professionals to express a professional opinion on whether the relevant financial statements fairly reflect the financial position, operating results for the period, and cash flows of the enterprise as at the Valuation Benchmark Date.

In accordance with the relevant provisions of the current valuation standards, we only assume responsibility for any improper citation in respect of our use of the relevant professional reports.

(V) Significant Subsequent Events:

Between the Valuation Benchmark Date and the issuance date of this asset valuation report, the clients and the Appraised Entity have explicitly informed us that there are no material subsequent events. We also confirm that during the period from the Valuation Benchmark Date to the issuance date of this asset valuation report, there have been no material changes in the valuation parameters and valuation assumptions, and that the equity value of the Appraised Entity has not undergone any material change.

(VI) Explanation of Relevant Circumstances of Limitations on Valuation Procedures, Remedial Measures Adopted by the Valuation Institution, and the Impact on the Valuation Conclusion:

There was no such matter.

(VII) Nature and Amount of Guarantees, Leases, Contingent Liabilities (or Contingent Assets) and Other Matters and Their Relationship to the Valuation Subject:

Major lease matters of the Appraised Entity are as follows:

No.	Lessee	Lessor	Address of Property	Leased Area (m ²)	Lease Term
1	Shanghai Securities	Bailian Group Co., Ltd.	No. 366 Renmin Road, Huangpu District, Shanghai (Portion: 1/F to 13/F)	13,142.46	March 1, 2022 to February 29, 2028
2	Shanghai Securities	Bailian Group Co., Ltd.	Units 101 and 102, Podium, Building E, SOHO, No. 366 Renmin Road, Huangpu District	820.16	October 1, 2024 to February 29, 2028
3	Shanghai Securities	Shanghai Dingding Real Estate Development Co., Ltd.	Rooms 2901, 2902, 2903 and 2905, Building C, Bund SOHO, No. 88 Zhongshan East 2nd Road, Huangpu District	1,492.15	October 18, 2021 to October 17, 2027
4	Shanghai Securities	Shanghai Bailian Commercial Internet Co., Ltd.	Room 223, 2nd Floor, Building 5, No. 1 and No. 21 Guangfu Road, Jing'an District	263.00	February 1, 2026 to January 31, 2027
			Rooms 221 and 222, 2nd Floor, Building 5, No. 1 and No. 21 Guangfu Road, Jing'an District	548.00	
5	Shanghai Securities	Xirun (Shenzhen) Real Estate Co., Ltd.	Units 2901-B and 2901-D, 29th Floor, Tower T1, Qianhai China Resources Financial Center, No. 197 Guiwan 4th Road, Nanshan District, Shenzhen	1,166.91	October 1, 2025 to September 30, 2030
6	Shanghai Securities	Chen Huizhu	Office Building, Building 1, No. 388 Nianjiabang Road, Zhoupu Town, Pudong New Area, Shanghai	503.37	September 1, 2021 to August 31, 2026
7	Shanghai Securities. Chongqing Branch	Chongqing Chengda Real Estate Co., Ltd.	Nos. 1, 2 and 8, 12th Floor, Office Building, Chengda-Jinjia International Building, No. 10 Guihua Street Branch Road, Jiangbei District, Chongqing	941.35	November 1, 2022 to October 31, 2027

No.	Lessee	Lessor	Address of Property	Leased Area (m ²)	Lease Term
8	Shanghai Securities Nanchang Minde Road Securities Branch (currently “Shanghai Securities Jiangxi Branch”)	Jiangxi Cultural Relics Exchange Center	3-4/F, No. 349 Minde Road, Donghu District, Nanchang City, Jiangxi Province	660.00	January 1, 2023 to December 31, 2027
9	Shanghai Securities Shenzhen Branch	Xirun (Shenzhen) Real Estate Co., Ltd.	Unit 2901-C, 29th Floor, Tower T1, Qianhai China Resources Financial Center, No. 197 Guiwan 4th Road, Nanshan District, Shenzhen	500.00	October 1, 2025 to September 30, 2030
10	Shanghai Securities Beijing Branch	BBMG Corporation	Rooms 1201-1204 and 1221-1224, 12th Floor, Tower A, Jinyu Building, No. A129 Xuanwumen West Street, Xicheng District, Beijing	988.00	July 11, 2025 to July 10, 2026 (renewed to July 10, 2027)
11	Shanghai Securities Hongkou District Xinshi Road Securities Branch	Xi Rujun, Pan Ji, Xi Mengjie	Room 103 and Room 203, No. 228 Xinshi Road, Hongkou District, Shanghai	657.47	December 15, 2023 to December 14, 2029
12	Shanghai Securities Baoshan Youyi Road Securities Branch	Shanghai Baoshan International Automobile Logistics Co., Ltd.	Rooms 105, 106, 107, 306, 312 and 313, No. 1506 Youyi Road, Baoshan District, Shanghai	851.14	July 1, 2023 to June 30, 2028
13	Shanghai Securities Changning District Dingxi Road Securities Branch	Shanghai Shenang Shuimu Culture and Technology Service Co., Ltd.	Rooms 305-310, North Half of Building 12, No. 1122 Dingxi Road, Changning District, Shanghai	528.95	January 1, 2017 to June 30, 2029
14	Shanghai Securities Miaojing Road Securities Branch	Shanghai Zhengchuan Industrial Co., Ltd.	No. 815 (Nos. 804-845), Miaojing Road, Chuansha Town	600.00	January 1, 2023 to December 31, 2027
15	Shanghai Securities Qingpu Securities Branch	China Construction Bank Corporation Shanghai Yangtze River Delta Integration Demonstration Zone Branch	No. 566 Chengzhong East Road, Qingpu District, Shanghai	890.00	January 1, 2026 to December 31, 2030
16	Shanghai Securities Huangpu District Yan'an East Road Securities Branch	Shanghai Xingtai Donghai Building Management Co., Ltd.	Units A1, B and F1, 13th Floor, Phase II, No. 618 Yan'an East Road, Huangpu District, Shanghai	514.33	January 1, 2022 to March 31, 2026 (renewed to March 31, 2031)

No.	Lessee	Lessor	Address of Property	Leased Area (m ²)	Lease Term
17	Shanghai Securities Taizhou Donghuan Avenue Securities Branch	Luo Liping	1st Floor, Nos. 222 and 224, Donghuan Avenue, Baiyun Subdistrict, Jiaojiang District, Taizhou City, Zhejiang Province	100.12	July 20, 2025 to July 19, 2026 (renewed to July 19, 2027)
		Li Zaixing, Zhang Yingfang	Shops 4001-4004, 4049, 4076, 4077 and 4104-4106, Grand Hyatt Mansion, Donghuan Avenue, Baiyun Subdistrict, Jiaojiang District, Taizhou City, Zhejiang Province	439.19	July 20, 2025 to July 19, 2026 (renewed to July 19, 2027)
18	Shanghai Securities Wenzhou Yueqing Bole East Road Securities Branch	Ye Jiejie	Room 202, No. 6 Bole East Road, Chengnan Subdistrict, Yueqing City	1,205.46	September 6, 2021 to October 5, 2031
19	Shanghai Securities Jiaxing Zhongshan West Road Securities Branch	Jiaxing Jingfang Property Co., Ltd.	11th Floor, West Side, Xingye Building, No. 299 Zhongshan West Road, Jiaxing Economic and Technological Development Zone, Zhejiang Province	728.38	August 1, 2021 to July 31, 2027
20	Shanghai Securities Ruian Luoyang Avenue Securities Branch	Ye Youyi	No. 1102-1112 even numbers, first floor, and No. 1096-1102 even numbers, second floor, Luoyang Avenue, Anyang Subdistrict, Ruian City; Room 202, Unit 1, Building 3, Jingdu Garden	912.23	February 1, 2025 to December 31, 2027
21	Shanghai Securities Yueqing Liushi Liuqing South Road Securities Branch	Yueqing Xinye Real Estate Development Co., Ltd.	Rooms 204, 105 and 205, Building 10, Renmin Yipin Garden, Liushi Town, Yueqing City, Wenzhou City, Zhejiang Province	535.94	September 16, 2019 to December 31, 2028
22	Shanghai Securities Ruian Tangxia Avenue Securities Branch	Hongxu Group Co., Ltd.	Two shops on 1st Floor and eight rooms on 2nd Floor, North End, Hongxu Company Comprehensive Building, Tangxia Avenue, Tangxia Town, Ruian City	620.00	March 11, 2021 to March 10, 2027
23	Shanghai Securities Wenzhou Yongjia Huancheng West Road Securities Branch	Pan Jing	The entire 1st to 5th floors of No. 332 Huancheng West Road, Shangtang Town, Yongjia County, Wenzhou City, Zhejiang Province	265.66	February 8, 2025 to February 7, 2028
		Quan Shuangyue	The entire 1st to 5th floors of No. 334 Huancheng West Road, Shangtang Town, Yongjia County, Wenzhou City, Zhejiang Province	265.68	February 8, 2025 to February 7, 2028
24	Qianhai Alliance Asset Management	Xirun (Shenzhen) Real Estate Co., Ltd.	Units 2801 and 2901-A, Tower T1, Qianhai China Resources Financial Center, No. 197 Guiwan 4th Road, Nanshan District, Shenzhen	3,754.91	August 1, 2024 to July 31, 2027

This valuation has considered the impact of the above leasing matters on the valuation results. Users of this report are advised to pay attention thereto.

Based on on-site inspection, the valuers found no other relevant matters other than the matters disclosed above. However, due to the limitations of the asset valuers' verification methods and the concealed nature of guarantees, contingent liabilities (assets) and other matters, the valuation institution cannot issue a definitive opinion on the completeness of the above-mentioned matters.

(VIII) Defective Circumstances in the Economic Behavior Corresponding to this Asset Valuation that May Have a Significant Impact on the Valuation Conclusion:

There was no such matter.

(IX) Other Matters Requiring Explanation:

1. In this asset valuation report, for all tables or text where amounts are expressed in units of ten thousand yuan, any rounding differences between the total and the sum of the individual components are due to rounding.
2. The valuation conclusion for the properties in this report is exclusive of value-added tax and inclusive of deed tax, without taking into consideration other relevant taxes incurred during the real estate transaction process.
3. In valuing the assets within the scope of this valuation, we have not considered the impact of the valuation appreciation of certain assets on income tax.
4. This valuation report is solely for the purpose of the valuation corresponding to the economic behavior agreed upon in the client's contract and does not constitute investment advice or a decision-making recommendation for other market investors regarding the relevant subject matter.

When using this asset valuation report, users of the report shall pay due attention to the impact of the aforementioned special matters on the valuation conclusion.

XII. EXPLANATION OF RESTRICTIONS ON THE USE OF THE VALUATION REPORT

- (I) This asset valuation report is to be used only for the valuation purpose and economic behavior specified herein.
- (II) If the client or other users of the asset valuation report fail to use this asset valuation report in accordance with the provisions of laws and administrative regulations and the scope of use specified in this asset valuation report, this valuation institution and the asset valuers shall not be held liable.

- (III) Except for the client, other users of the asset valuation report as agreed in the asset valuation engagement contract, and users of the asset valuation report as stipulated by laws and administrative regulations, no other institution or individual may become a user of this report.
- (IV) Users of the asset valuation report shall correctly understand and use the valuation conclusion. The valuation conclusion is not equivalent to the realisable price of the valuation subject and shall not be deemed a guarantee of the realisable price of the valuation subject.
- (V) If this valuation project involves state-owned assets, and the filing and approval procedures of the state-owned assets management authorities need to be performed according to relevant regulations, this valuation report can only be officially used after being filed with the state-owned assets supervision and administration department, and the valuation conclusion is only applicable to the economic behavior specified in this report.
- (VI) This asset valuation report contains certain appendices and valuation schedules. All appendices and valuation schedules also form an important part of this report and are valid only when used together with the main text of this report. For any use outside the scope of use, such as where this report is presented to a person who is not a user of the asset valuation report or where a person who is not a user of the asset valuation report obtains this report through other means, this valuation institution and the asset valuers shall not assume any obligation or responsibility in this regard, shall not provide further consultation as a result of this report, nor provide testimony or attend hearings in court or other legal proceedings, and reserve the right to pursue non-users of the asset valuation report for any losses caused thereby.
- (VII) The right to interpret the contents of this asset valuation report belongs to this valuation institution. Unless otherwise expressly provided by national laws and regulations, no other entity or department has the right of interpretation. If all or part of the contents of the valuation report are excerpted, quoted or disclosed in public media, the relevant content must be reviewed by this valuation institution, and the written consent of this valuation institution and the asset valuers signing this report must be obtained, except where otherwise provided by laws and regulations or otherwise agreed by the relevant parties.

XIII. VALUATION REPORT DATE

The valuation report date is the date on which the valuation conclusion is formed. The date of this asset valuation report is July 3, 2026.

Valuation Institution	Shanghai Orient Appraisal Co., Ltd.	
Legal Representative	Xu Feng	
Signing Asset Valuers	Zhu Linyun	Zhang Yue
		
Valuation Report Date	July 3, 2026	

ASSET VALUATION REPORT
(REPORT APPENDIX)

Project Name **Asset Valuation Report on the Value of the Entire Shareholders' Equity Interests of Shanghai Securities Co., Ltd. in connection with the Proposed Acquisition of 100% Equity Interests in Shanghai Securities Co., Ltd. by 東方證券股份有限公司 by way of Issue of Shares and Payment of Cash**

Report No. Dong Zhou Ping Bao Zi [2026] No. 1500

No. **Appendix Name**

1. Announcement of 東方證券股份有限公司 on Resolution of the 16th Meeting (Extraordinary Meeting) of the Sixth Session of the Board
2. Board Document of Bailian Group Co., Ltd., namely the Resolution on Approving the Merger and Restructuring of 東方證券股份有限公司 and Shanghai Securities (Bailian Group Board (2026) No.10)
3. Resolution of the Second Extraordinary General Meeting for the Year 2026 of Shanghai Securities Co., Ltd.
4. Business licences of the client and the Appraised Entity
5. Enterprise property rights registration forms of the client and the Appraised Entity
6. Special audit report of the Appraised Entity
7. Real estate title certificates and other title certificates of the Appraised Entity
8. Letters of undertaking from the valuation client and relevant parties
9. Asset valuation engagement contract
10. Business licence of Shanghai Orient Appraisal Co., Ltd.
11. Qualification certification materials of Shanghai Orient Appraisal Co., Ltd. for conducting securities business and asset valuation
12. Asset valuation qualification certificate of Shanghai Orient Appraisal Co., Ltd.
13. Qualification documents of the asset valuers responsible for the valuation engagement
14. Letters of undertaking from the asset valuation institution and asset valuers
15. Explanation of significant differences between the book value of assets and the valuation conclusion
16. Asset valuation summary table or detailed schedules

EXPLANATION OF SIGNIFICANT DIFFERENCES BETWEEN THE BOOK VALUE OF ASSETS AND THE VALUATION CONCLUSION

Shanghai Orient Appraisal Co., Ltd. has been engaged by your company to conduct a valuation of the market value of the entire shareholders' equity interests of Shanghai Securities Co., Ltd. as at March 31, 2026 in connection with the proposed acquisition of 100% equity interests in Shanghai Securities Co., Ltd. by 東方證券股份有限公司 through share issuance and payment of cash. The valuation was performed in accordance with the provisions of laws, administrative regulations and asset valuation standards, adhering to the principles of independence, objectivity and impartiality, using the asset-based approach and the market approach, and following necessary valuation procedures. The explanation of significant differences between the book value of assets and the valuation conclusion is as follows:

As of the Valuation Benchmark Date, the book value of the "owners' equity of the parent company" of the Appraised Entity on a standalone basis was RMB19,742.3754 million, the appraised value was RMB25,119.8400 million, representing valuation appreciation of RMB5,377.4646 million, with an appreciation rate of 27.24%.

The "equity attributable to owners of the parent company" of the Appraised Entity on a consolidated basis was RMB20,120.7707 million, with an appraised value of RMB25,119.8400 million, representing valuation appreciation of RMB4,999.0693 million and an appreciation rate of 24.85%.

The valuation conclusion of this valuation was determined using the market approach. The reasons for the appreciation are as follows:

The company possesses the value of important intangible resources not reflected in its book value, such as customer resources, business networks, service capabilities, management advantages and brand advantages. Therefore, there is a certain degree of appreciation under the market approach.

FURTHER EXPLANATORY NOTES TO THE VALUATION REPORT

I. VALUATION UNDER THE ASSET-BASED APPROACH

(I) Valuation of Assets Other than Real Estate and Equipment Assets

As at the Valuation Benchmark Date of March 31, 2026, the valuation results of each item of assets other than real estate and equipment assets are set out as follows:

1. *Monetary Funds*

The book value of monetary funds was RMB18,189.2126 million, comprising cash on hand, bank deposits and other monetary funds.

(1) *Cash on Hand*

Cash on hand is entirely denominated in Renminbi. The appraised value is determined based on the verified book value.

(2) *Bank Deposits*

The valuation of bank deposits is carried out by reconciling with bank statement balances, with appraised values determined separately for Renminbi accounts and foreign currency accounts. For Renminbi accounts, the appraised value is determined based on the verified book value. For foreign currency accounts, the appraised value is calculated on the basis of the verified original currency amount and translated at the exchange rate on the Valuation Benchmark Date.

(3) *Other Monetary Funds*

Other monetary funds mainly represent funds deposited on bank prepayment platforms and third-party payment and custody platforms operated by securities firms, the appraised value is determined based on the verified book values.

The appraised value of the monetary funds was RMB18,189.2126 million.

2. *Settlement Provisions*

The book value of settlement provisions was RMB3,567.5340 million. This represents funds deposited by Shanghai Securities or by Shanghai Securities on behalf of its clients with relevant clearing agents to facilitate the settlement and clearing of securities or futures transactions. The valuation personnel verified the relevant accounting books and vouchers, reconciled the statements for settlement provisions issued by designated financial institutions, and sent confirmations for the settlement provisions deposit accounts. The appraised value is determined based on the verified book value.

The appraised value of the settlement provisions was RMB3,567.5340 million.

3. *Margin Accounts Receivable*

The book value of margin accounts receivable was RMB12,813.6022 million. This represents the funds advanced to clients under Shanghai Securities' margin financing and securities lending business.

Based on the book principal and interest receivable of the margin accounts receivable as at the Valuation Benchmark Date, the valuation personnel verified the margin financing business sub-ledgers, customer credit account data, applicable interest rates, expected risk losses and other relevant information.

Having verified the margin accounts receivable to be free of errors, the valuation personnel calculated the valuation risk loss by reference to historical data and current investigations, using the expected credit loss methodology applied in accounting. The appraised value was determined by deducting the valuation risk loss from the aggregate balance of margin accounts receivable. The original impairment provision recorded in the books was set to zero.

The appraised value of the margin accounts receivable was RMB12,813.6022 million.

4. *Derivative Financial Assets*

The book value of derivative financial assets was RMB14.1626 million, representing financial derivatives such as options. The appraised value was determined based on the closing price published by the stock exchange on the Valuation Benchmark Date as the fair value pricing basis, taking into account the actual quantity of positions held and the contract multiplier.

The appraised value of derivative financial assets was RMB14.1626 million.

5. *Financial Assets Held under Resale Agreements*

The book value of financial assets held under resale agreements was RMB421.2300 million, primarily representing bond-pledged repurchase financing assets. The closing balance and corresponding repurchase receipts of such assets have been verified, and the appraised value was determined based on the verified book value.

The appraised value of financial assets held under resale agreements was RMB421.2300 million.

6. *Refundable Deposits*

The book value of refundable deposits was RMB292.8010 million, representing trading deposits, performance deposits and other similar funds deposited in accordance with regulations. The valuation personnel reviewed the requirements for deposit payment, the book data as at the Valuation Benchmark Date and the bank statements, and conducted sample checks on large-value inflow and outflow transactions, with the appraised value determined on the basis of the book value after verification.

The appraised value of refundable deposits was RMB292.8010 million.

7. *Accounts Receivable*

The book value of accounts receivable was RMB879.6690 million, which primarily consisted of securities clearing receivables, debt investment receivables, fees and commissions, and settlement guarantee funds arising from the Appraised Entity's operations.

Based on verifying the consistency of the subsidiary ledger, general ledger, and valuation declaration form, the valuation personnel examined relevant supporting documents such as invoices and contracts, and verified the original accounting records for material or long-outstanding items by making inquiries with the relevant accounting personnel or sending confirmation letters to the debtors, thereby confirming the authenticity of the book value. Based on the verified accounts receivable, the valuation personnel estimated the bad debt losses for valuation purposes, and determined the appraised value based on the expected recoverable amount, with the original provision for bad debts assessed as nil.

For items that the valuation personnel considers to have little to no risk of loss, such as accounts receivable arising from securities clearing, management fees and custody fees receivable by the Appraised Entity in its capacity as manager or custodian, performance fees, seat commissions, taxes and fees paid on behalf of others, deposits and guarantees paid to external parties in the ordinary course of business and operations of the Appraised Entity, and prepayments for expenses and asset acquisitions, the appraised value was determined based on the verified book value, with no bad debt losses estimated.

For items that are expected to be wholly irrecoverable, such as bond default payments, litigation fees and creditor's rights liquidation receivables, a full provision for bad debt losses was estimated.

For the portion of receivables for which provision for doubtful debts was made in the books based on aging analysis, the estimated bad debt losses after aging analysis of different periods are as follows: a bad debt loss rate of 2% for accounts receivable aged within 1 year (including 1 year); 30% for accounts receivable aged between 1 and 2 years (including 2 years); 50% for accounts receivable aged between 2 and 3 years (including 3 years); and 100% for accounts receivable aged over 3 years.

The appraised value of the accounts receivable was RMB879.6690 million.

8. *Financial Assets Held for Trading*

The book value of financial assets held for trading was RMB20,325.3820 million, comprising stocks and equity, bonds, funds and other investments. The appraised value was RMB20,329.5427 million. Shanghai Securities measures its financial assets held for trading at fair value through profit or loss. Based on the audited financial statements of Shanghai Securities, such financial assets held for trading were recorded at a book value of RMB20,325.3820 million as at March 31, 2026, compared to an appraised value of RMB20,329.5427 million, representing a difference of RMB4.1607 million, or approximately 0.02%, which was primarily attributable to certain NEEQ-listed shares and unlisted equity investments held by Shanghai Securities being classified as level 3 financial assets, for which the valuation parameters and merits adopted by management for fair value measurement differed slightly from those adopted in the valuation.

(1) Financial Assets Held for Trading – Stocks and Equity

① Asset

The book value of financial assets held for trading – stocks and equity investments was RMB1,899.5554 million, which comprised tradable shares, NEEQ shares and non-controlling equity investments. The valuation personnel reviewed the account statements of the secondary securities trading market accounts of the Appraised Entity as at the Valuation Benchmark Date and the title documents of the relevant investee companies, and verified the names of the stocks, the number of shares held and the shareholding ratios in the equity investments as at the Valuation Benchmark Date.

② Valuation Methods

- A. For the tradable A-shares held as at the Valuation Benchmark Date, appraised value of the stock investments is primarily determined by multiplying the closing price on the Valuation Benchmark Date by the number of shares held.

Appraised value of tradable shares = closing price as at the Valuation Benchmark Date × number of shares held

- B. For the NEEQ-listed shares held as at the Valuation Benchmark Date, the valuation was conducted based on the actual circumstances of the relevant stocks, as set out below:
- a. NEEQ-listed companies that have been delisted: where the overall operations of the company are poor and contact with the company could not be established for an extended period, it was determined that there would be essentially no recoverable value in the future, the value was appraised at nil; for companies that remain in normal operation, the appraised value was determined based on the net assets per the most recent available financial statements, combined with the shareholding ratio.

- b. Shares transferred through market-making transactions: for shares with relatively high turnover, active trading and a fair market value, the valuation was based on the closing price as at the Valuation Benchmark Date; for shares with a relatively low turnover rate, the appraised value was determined based on methods such as the average transaction price over the one-year period preceding the Valuation Benchmark Date.
 - c. Shares transferred through centralized competitive bidding: for shares of companies with poor overall operations and with essentially no recoverable value in the future, the value was appraised at nil. For other companies, the appraised value was determined based on methods such as the net asset apportionment method or the market approach, depending on their actual operating conditions.
- C. For equity investments in unlisted enterprises, where the enterprises were in normal operation, the market approach was adopted after analysing their financial positions, given the relatively low shareholding percentages held by the Appraised Entity; where the enterprises were in an abnormal operating condition and had been out of contact for a prolonged period, and were expected to have virtually no recoverable value, such investments were appraised at nil.

③ Valuation Conclusion

In summary, the appraised value of the financial assets held for trading – stocks and equity was RMB1,903.7161 million.

(2) *Financial Assets Held for Trading – Bonds*

① Asset

The book value of financial assets held for trading – bonds was RMB10,591.5117 million, which primarily comprised the exchange-traded bonds and interbank bonds held by Shanghai Securities as at the Valuation Benchmark Date. The valuation personnel verified the account statements of the secondary securities trading market accounts of the Appraised Entity as at the Valuation Benchmark Date, and confirmed that the names and quantities of bonds held were consistent among the accounts, statements and documents.

② Valuation Methods

For bond investments, the appraised value is determined by multiplying the bond unit price by the number of bonds held.

$$\text{Appraised Value of Bonds} = \text{Unit Price of Bonds} \times \text{Number of Bonds Held}$$

The bond unit price is determined based on the full valuation price as at the Valuation Benchmark Date.

③ Valuation Conclusion

The appraised value of financial assets held for trading – bonds was RMB10,591.5117 million.

(3) *Financial Assets Held for Trading – Funds*

① Asset

The book value of financial assets held for trading – funds was RMB3,995.7273 million, which primarily comprised money market funds and other types of fund products held by Shanghai Securities as at the Valuation Benchmark Date.

The valuation personnel inspected the original vouchers and accounting vouchers, verified the fund account statements of the Appraised Entity as at the Valuation Benchmark Date, and confirmed that the fund names and quantities held were consistent among the accounts, statements and documents.

② Valuation Methods

For money market funds, the valuation personnel reviewed the balance statements and other relevant documents, and conducted confirmation procedures on the balances of the relevant financial assets by sending confirmation letters. The fund names and the number of units held were confirmed to be consistent with the accounting records and statements. The valuation was determined based on the verified carrying balance.

For net-asset-value-based fund products with a publicly available net asset value per unit, the valuation personnel determined the appraised value by multiplying the net asset value per unit as at the Valuation Benchmark Date, as queried from the iFind financial terminal, by the number of units held.

For net-asset-value-based fund products without a publicly available net asset value per unit, the appraised value was determined by multiplying the net asset value per unit as at the Valuation Benchmark Date, as verified with the Appraised Entity, by the number of units held.

③ Valuation Conclusion

The appraised value of financial assets held for trading – funds was RMB3,995.7273 million.

(4) Financial Assets Held for Trading – Others

For financial assets held for trading – others, the book value was RMB3,838.5876 million, which primarily comprised collective wealth management products and securities firms' asset management plans. The valuation personnel inspected the original vouchers and accounting vouchers, verified the investment account statements of the Appraised Entity as at the Valuation Benchmark Date, and confirmed that the names and quantities held were consistent with the accounts, statements and vouchers.

For market-oriented investment products and other items, the valuation was determined by verifying information such as investment certificates and based on the net asset value as at the end of the period multiplied by the number of units held, or based on the period-end balance of the account statements and the period-end valuation statements.

The appraised value of financial assets held for trading – others was RMB3,838.5876 million.

9. Other Debt Investments

The book value of other debt investments was RMB18,761.4512 million, which primarily consisted of the interbank medium-term notes, corporate bonds and government bonds invested by Shanghai Securities. The appraised value was determined by multiplying the full valuation price provided by China Central Depository & Clearing Co., Ltd. as at the Valuation Benchmark Date by the number of bonds held.

Appraised value of bonds = full valuation price (as provided by China Central Depository & Clearing Co., Ltd.) × number of bonds held

The appraised value of other debt investments was RMB18,761.4512 million.

10. Other Equity Instrument Investments

The book value of other equity instrument investments was RMB3,409.1831 million, which represented equity financial assets designated as at fair value through other comprehensive income, comprising stocks eligible for the Shanghai-Hong Kong Stock Connect, A-shares listed on the SSE and the SZSE, shares of companies listed on the NEEQ, and other equity assets such as infrastructure REITs.

- (1) For products with an active public trading market, such as listed A-shares, the appraised value was determined based on the market trading price as at the Valuation Benchmark Date in conjunction with the number of shares held.
- (2) For Shanghai-Hong Kong Stock Connect securities and infrastructure REITs, the appraised value is determined based on the verified unit price per share multiplied by the number of shares held.

- (3) For NEEQ-listed stocks that are already under ST or have been delisted, a valuation of zero is assessed based on their operating conditions and the progress of the verification procedures.
- (4) For other NEEQ-listed stocks with some degree of market trading, the market approach and the net asset segmentation method are adopted for valuation in this assessment.

The valuation of other equity instrument investments amounted to RMB3,410.2232 million.

11. Long-term Equity Investments

The book value of long-term equity investments is RMB2,053.4987 million. The list of long-term equity investments in this assessment is as follows:

Unit: RMB'0,000

No.	Name of Investee	Shareholding Percentage	Investment Cost	Book Value
1	Hicend Futures Co., Ltd.* (海證期貨有限公司)	100%	152,686.10	152,686.10
2	Xinjiang Qianhai Alliance Asset Management Co., Ltd.* (新疆前海聯合基金管理有限公司)	100%	52,663.77	52,663.77

The long-term equity investments represent the equity interests in the wholly-owned subsidiaries of Shanghai Securities. The appraised value of long-term equity investments is determined based on the valuation of the total shareholders' equity of the investee entities. The specific valuation methods are set out as follows:

For its subsidiary, Hicend Futures Co., Ltd., considering the cyclical fluctuation characteristics of the futures industry, where profitability is susceptible to external market conditions and policy environments, future earnings forecasts involve numerous uncertain assumptions, making it difficult to form stable and reliable earnings projection results. Therefore, the income approach was not adopted in this valuation. Considering that there are listed peer companies comparable to Hicend Futures in the capital market, and that core financial data such as financial statements of listed companies are publicly available, the market approach is considered suitable for this valuation. After comprehensive consideration, both the asset-based approach and the market approach were selected for the valuation, with the final valuation conclusion ultimately based on the results calculated under the asset-based approach.

For Shanghai Hicend Risk Management Co., Ltd., a subsidiary of Hicend Futures Co., Ltd., considering that it operates in the same futures industry as its parent company, the income approach is not suitable for valuation. At present, there are few equity transaction cases comparable to

Shanghai Hicend Risk Management Co., Ltd., and there are also few similar domestic listed companies. Therefore, the market approach is not suitable for this valuation. The asset-based approach was selected for its valuation.

For Qianhai Alliance Asset, both the asset-based approach and the market approach (recent transaction price method) were adopted in this valuation. Given that its most recent equity transfer was completed in October 2025, the appraised value was ultimately determined based on the most recent equity acquisition price, adjusted for profit or loss during the period and changes in capital contributions and capital reductions.

The specific valuation conclusions are set out as follows:

Unit: RMB'0,000

No.	Name of Investee	Investment Date	Investment Cost	Book Value	Appraised Value
1	Hicend Futures Co., Ltd.* (海證期貨有限公司) ^(Note)	2007/8/1	152,686.10	152,686.10	193,971.41
2	Xinjiang Qianhai Alliance Asset Management Co., Ltd.* (新疆前海聯合基金管理有限公司)	2025/10/18	52,663.77	52,663.77	56,270.27

Note: Hicend Futures Co., Ltd. has a wholly-owned subsidiary, Shanghai Hicend Risk Management Co., Ltd.* (上海海證風險管理有限公司), the value of which has been included in the appraised value of Hicend Futures Co., Ltd.

The appraised value of long-term equity investments was RMB2,502.4168 million, representing an appreciation of RMB448.9181 million. This was primarily attributable to the following factors: on the one hand, long-term equity investments are accounted for using the cost method, and the book value represents the initial investment cost; for certain subsidiaries, profits generated after the initial investment resulted in their net asset book value as at the Valuation Benchmark Date exceeding the initial investment cost. On the other hand, the appreciation also arose from the valuation of Qianhai Alliance Asset under the market approach.

12. Construction in Progress

The book value of construction in progress was RMB23.4676 million, primarily representing renovation works on leased properties. The valuation personnel reviewed the relevant approval documents for the construction projects, ascertained the payment progress and the composition of the book value, and verified the reasonableness of preliminary and other expenses. The appraised value was determined based on the verified book value.

The appraised value of construction in progress was RMB23.4676 million.

13. *Right-of-Use Assets*

The book value of right-of-use assets was RMB136.8434 million, primarily representing properties leased from the property owners. The valuation personnel reconciled the general ledger, subsidiary ledger, financial statements and the details of right-of-use assets, reviewed the relevant original vouchers and lease contract, and analysed the accuracy and reasonableness of their accounting treatments. The appraised value was determined based on the verified book value.

The appraised value of right-of-use assets was RMB136.8434 million.

14. *Intangible Assets*

(1) *Overview*

The book value of intangible assets was RMB62.0647 million, including software recognised in the books, as well as unrecorded intangible assets such as patents, software copyrights, domain names, trademarks and copyrights.

(2) *Valuation Methods*

① Recorded Software

- A. For software purchased within six months (inclusive), the current tax-exclusive price was compared with the original purchase price of software. Given that the current tax-exclusive price did not differ materially from the original purchase price of software, the appraised value was determined based on the original book value.

- B. For software purchased more than six months but less than five years (inclusive), due to rapid iteration and update of software, it is no longer feasible to obtain price quotations from software suppliers or check the current tax-exclusive prices via online channels. The appraised value was determined based on the original purchase price, adjusted by the Purchasing Price Index for Industrial Producers published by the National Bureau of Statistics, with a certain degree of newness ratio taken into account. The formula is as follows:

$$\text{Appraised Value} = \text{Verified Original Purchase Price} \times \text{Purchasing Price Index for Industrial Producers Adjustment from the Month of Original Purchase to the Valuation Benchmark Date} \times \text{Newness Ratio}$$
$$\text{Newness Ratio} = (\text{Economic Useful Life} - \text{Service Life}) \div \text{Economic Useful Life}$$

- C. For software purchased more than five years, the appraised value was determined based on the original purchase price, adjusted by the Purchasing Price Index for Industrial Producers published by the National Bureau of Statistics (for periods prior to 2011, for which the index was not available, the original book value was directly adopted), with an appropriate residual value rate taken into account. The formula is as follows:

$$\text{Appraised Value} = \text{Verified Original Purchase Price} \times \text{Purchasing Price Index for Industrial Producers Adjustment from the Month of Original Purchase to the Valuation Benchmark Date} \times \text{Residual Value Rate}$$

- D. For intangible assets that have been extinguished, the appraised value was nil.

② Unrecorded Software Copyrights

The unrecorded software mainly supports the corporate's internal operations and management and is considered ancillary support assets. Such assets are not sold separately to external parties and do not generate independent cash flows directly, making the income approach inappropriate. Furthermore, as no reliable market reference prices are available from public sources, the market approach was also not applicable. Accordingly, the replacement cost approach was adopted for the valuation of off-balance-sheet software copyrights.

The software copyrights were valued based on replacement cost, and the valuation aggregates R&D labor, material costs, and other costs to determine the replacement value. This is then combined with the cost-to-profit ratio and adjusted by a certain degree of newness ratio to arrive at the asset valuation.

③ Unrecorded Patents

For this valuation, the replacement cost method is applied to the portfolio of unrecorded patent assets. Based on replacement cost, the valuation aggregates R&D labor, material costs, and other costs to determine the replacement value. This is then combined with the cost-to-profit ratio and adjusted by a certain degree of newness ratio to arrive at the asset valuation.

④ Unrecorded Trademarks

As at the Valuation Benchmark Date, Shanghai Securities and its consolidated subsidiaries owned a total of 35 trademarks. Among them, Shanghai Securities owned 23 trademarks as at the Valuation Benchmark Date, which were not recorded in the books and are included in the scope of this valuation.

Trademarks serve as identifiers distinguishing a corporate's products from those of others, and have a relatively weak correlation with excess returns from intangible assets. It is difficult to forecast their future profit contribution. Therefore, the replacement cost approach was adopted for the valuation of trademarks, based on the corporate's brand advertising expenditure over the past five years, discounted annually at a reasonable declining rate, with the addition of registration and application fees for the trademarks.

⑤ Unrecorded Domain Names

As at the Valuation Benchmark Date, Shanghai Securities and its consolidated subsidiaries owned a total of 20 domain names that are registered and actively used within China. Among them, Shanghai Securities owned 12 domain names as at the Valuation Benchmark Date, which were not recorded in the books and are included in the scope of this valuation.

Domain name fees vary by suffix, with domestic categories generally including .com, .cn, .net, etc., covering initial registration fees and subsequent annual renewal fees. Given that the domain names owned by Shanghai Securities are primarily used as external corporate promotion platforms and generate limited excess returns to the corporate's actual operations, the replacement cost approach was adopted, with the appraised value determined based on the initial registration fee and advisory fees paid to external intermediaries for the application process.

(3) Valuation Conclusion

In summary, the appraised value of intangible assets was RMB136.7570 million, representing an appreciation of RMB74.6923 million. The main reason for the valuation appreciation is that unrecorded intangible assets were included in the valuation scope for this assessment, resulting in an increase in value. Additionally, certain intangible assets such as software that had been fully amortized on the books remained in actual use, and were revalued to reflect their reasonable worth, thereby contributing to the valuation appreciation.

15. *Deferred Income Tax Assets*

The book value of deferred income tax assets was RMB40.9162 million, primarily arising from provisions for bad debts, impairment provisions, lease liabilities, accrued wages, fair value changes and other factors. During the verification process, the valuation personnel reviewed the accounting records of the amounts, timing, and business nature of the temporary differences. On the basis of verification, the appraised value was determined by applying the corporate's effective tax rate to the verified temporary differences.

The appraised value of deferred income tax assets was RMB39.6160 million, representing a decrease of RMB1.3002 million from the book value. This decrease was primarily attributable to the revaluation of the market value of certain investment products in this valuation.

16. *Other Assets*

The book value of other assets was RMB145.3458 million, representing prepayments for software engineering and long-term deferred expenses, and other items. The appraised value was determined based on the verified book value.

The appraised value of other assets was RMB145.3458 million.

(II) **Valuation of Real Estate Assets**

The valuation results for investment properties and fixed assets – houses and buildings are set out as follows:

Unit: RMB'0,000

Item	Book Value	Appraised Value	Gain/ (Loss)	Gain Rate (%)
Investment Property	4,068.36	19,352.47	15,284.11	375.68
Fixed assets – houses and buildings	9,535.38	53,161.38	43,626.00	457.52
Total appraised value of real estate assets	13,603.73	72,513.85	58,910.11	433.04

Under the market approach, the Valuer selected a total of 66 comparable transaction cases that were considered to be relevant to the appraisal subject in terms of property use, geographical location, market environment and overall comparability. The valuation conclusion was reached after conducting a detailed analysis of these comparable transaction cases.

In applying the market approach to appraise the investment properties, houses and buildings, the Valuer generally undertakes the following steps: (i) collecting and selecting comparable transaction cases; (ii) making appropriate adjustments to the transaction prices of the comparable transaction cases, including establishing a comparable pricing basis and making adjustments for transaction

circumstances, transaction dates and property-specific conditions. The principal adjustment factors include transaction circumstances, market conditions, locational characteristics, transportation accessibility, surrounding supporting facilities, environmental conditions, floor level and orientation, building scale, building structure, fit-out and decoration standards, property condition, layout characteristics, and ownership and property rights attributes; and (iii) deriving a benchmark price based on the adjusted transaction prices of the comparable transaction cases and, taking into account the area of the appraisal subject, determining the market value of the appraisal subject.

The basic formula under this method is as follows: Value of the Appraisal Subject = Transaction Price of the Comparable Transaction case × Adjustment Coefficient for Transaction Circumstances × Adjustment Coefficient for Transaction Date × Adjustment Coefficient for Property-Specific Conditions × Area of the Appraisal Subject.

1. Investment Properties

(1) Scope of Valuation

The scope of valuation for investment properties covers seven investment properties of Shanghai Securities located in Shanghai, with an original book value of RMB84.1252 million and a net book value of RMB40.6836 million. Details are set out as follows:

No.	Title Certificate No.	Property Name	Date of Completion	Gross Floor Area (m^2)
1	Hu Fang Di Jing Zi (2010) No. 001306	South Part, 1st Floor, No. 27 Xiangyang North Road, Shanghai	1997	664.99
2	Hu Fang Di Jing Zi (2010) No. 001305	South Part, 2nd Floor, No. 27 Xiangyang North Road, Shanghai	1997	873.99
3	Hu Fang Di Jing Zi (2010) No. 001308	South Part, 3rd Floor, No. 27 Xiangyang North Road, Shanghai	1997	873.99
4	Hu Fang Di Jing Zi (2010) No. 001307	South Part, 4th Floor, No. 27 Xiangyang North Road, Shanghai	1997	873.99
5	Hu Fang Di Shi Zi (1997) No. 000689	Zhongcheng Building, No. 818 Dongfang Road	1994	1,150.53
6	–	3-4/F, No. 6, Lane 113, Changshu Road	1994	522.00
7	Hu Fang Di Hong Zi (2005) No. 009632	Building (Commercial Premises) Nos. 100-108 Guangling 4th Road	1998	1,412.46

(2) *Valuation Methods*

① Rationale for Selection of Valuation Method

According to the “*Asset Valuation Practice Standards – Real Property*” (《資產評估執業準則—不動產》), when conducting real estate valuation engagements, the applicability of the three fundamental asset valuation methods – namely the market approach, the income approach, and the cost approach – as well as derivative methods such as the hypothetical development method and the benchmark land price adjustment method, shall be analyzed based on the valuation purpose, the subject of valuation, the type of value, and the availability of data, among other factors, in order to select the appropriate valuation method.

For this valuation, the market approach is adopted for the investment properties. The reasons are as follows:

- A. The real estate market in which the properties of Shanghai Securities are located is highly active and liquid. There are numerous recent, normal, and market-based transaction cases for residential, commercial, and office properties, satisfying the requirements for valuation by the market approach.
- B. Although there are properties available for lease in the vicinity of the subject properties, the rent-to-price ratio is relatively low and fails to reflect the true market value. Therefore, the income approach is not suitable.
- C. The cost approach reflects the replacement cost at the price level of the Valuation Benchmark Date and cannot capture the value under the highest and best use or the market supply and demand conditions. Thus, the cost approach is also not appropriate.
- D. The properties of Shanghai Securities are existing commercial real estate, and there are currently no plans for redevelopment in the future. Therefore, the hypothetical development method is not suitable.

② Introduction to the Valuation Method

The market approach is a method that compares the subject of valuation with similar real estate properties that have been recently transacted as at the Valuation Benchmark Date, and makes appropriate adjustments to the transaction prices of the comparable properties to arrive at the value of the subject. Its essence is to determine the value of the subject by reference to the market transaction prices of real estate.

The general steps for applying the market approach are as follows: first, collect and select transaction cases; then make appropriate adjustments to the transaction prices of the comparable cases, including establishing a comparable price basis, transaction condition adjustments, transaction date adjustments, and real estate condition adjustments; finally, derive the adjusted benchmark prices based on the adjusted transaction prices of the comparable cases, which serve as the market value of the subject property.

The basic formula of this method is as follows:

Value of Subject = Transaction Price of Comparable Case × Transaction Condition Adjustment Factor × Transaction Date Adjustment Factor × Real Estate Condition Adjustment Factor × Area of the Appraised Subject

Meanwhile, for the properties that were verified upon review to have not paid the land premium, such land premium has been deducted from the final appraised value.

(3) Analysis of Valuation Increase/(Decrease)

As at the Valuation Benchmark Date, the book value of investment properties was RMB40.6836 million, while the appraised value was RMB193.5247 million, representing an appreciation of RMB152.8411 million. The primary reason for the appreciation in the valuation of investment properties is that the investment properties were acquired at an early stage (between 2001 and 2009), and real estate prices have increased since their initial recognition, resulting in an appreciation in the valuation of the investment properties. Investment properties are accounted for using the cost model and are presented in the statement of financial position at cost less accumulated depreciation and impairment losses. As a result, the book value differ from the appraised value as set out above which were determined based on fair value.

2. Fixed Assets – Houses and Buildings

(1) Scope of Valuation and Overview of the Subject

The scope of valuation for fixed assets – houses and buildings covers 62 business premises, office buildings and residential properties of Shanghai Securities located in Shanghai, Beijing, Chongqing and Wenzhou. The original book value was RMB227.8712 million, and the net book value was RMB95.3538 million. Among the 62 houses and buildings, a total of 48 properties are related to the principal business activities, with a net book value of RMB90.7036 million; the remaining 14 properties are primarily employee dormitories and other properties not related to the principal business activities, with a net book value of RMB4.6501 million.

For details of the major property defects involved, please refer to Item XI. “EXPLANATION OF SPECIAL MATTERS” in the main text of the Asset Valuation Report.

(2) Valuation Methods

The houses and buildings were valued using the market approach. An introduction to and the selection of the specific valuation approach are set out in the section on the valuation methods of investment properties above. Meanwhile, for the properties that were verified upon review to have not paid the land premium, the effect of deducting such land premium on the valuation conclusion was taken into account.

As at the Valuation Benchmark Date, the book value of fixed assets – houses and buildings was RMB95.3538 million, and the appraised value was RMB531.6138 million, representing an appreciation of RMB436.2600 million. The primary reason for the appreciation in the valuation of fixed assets – houses and buildings is that Shanghai Securities acquired these fixed assets at an early stage (between 2001 and 2018). Since their initial recognition, real estate prices have increased, resulting in an appreciation of these houses and buildings.

(III) Valuation of Equipment Assets

1. Scope of Valuation

The equipment assets within the scope of valuation are divided into two categories: transportation equipment, electronic equipment and other equipment. The original book value of the equipment was RMB298.9147 million, and the net book value was RMB88.6513 million. The equipment is mainly located in the office premises and business departments of the enterprise, as set out in the table below:

Unit: RMB'0,000

Equipment Name	Quantity (Unit)	Original Book Value	Net Book Value
Transportation Equipment	25	822.17	150.06
Electronic Equipment and Other Equipment	11,588	29,069.30	8,715.06
Total	11,613	29,891.47	8,865.13

The major equipment items are set out as follows:

- (1) The transportation equipment consists of vehicles acquired between 2009 and 2024 and are currently in normal use.
- (2) The electronic equipment and other equipment primarily include core switches, network load balancers, EMC storage, HP servers, virtualization system storage NetApp FAS8060, laptop computers, and other equipment, which were acquired between 1994 and 2026. All equipment is currently in normal use.

2. Verification and Inspection

Upon verification of equipment invoices and on-site inspection, the title to the fixed assets and equipment is held by the Appraised Entity. The equipment has been well maintained and is in good condition. The in-use equipment and instruments have reliable performance and stable quality, and are all in normal operating condition.

3. Valuation Methods

(1) Selection of Valuation Methods

In accordance with the “*Asset Valuation Practice Standards – Machinery and Equipment*” (《資產評估執業準則—機器設備》), when performing a machinery and equipment valuation engagement, the applicability of the three basic asset valuation methods, namely the cost approach, the market approach and the income approach, shall be analyzed and the valuation method(s) shall be selected based on factors such as the valuation purpose, valuation object, value type and data collection.

The cost approach is a valuation method that determines the market value of the valuation object in its current condition by calculating the full cost required to reconstruct or acquire a new, identical or substantially similar asset in brand-new condition and bring it to a usable state under current market circumstances as of the Valuation Benchmark Date, less all forms of depreciation (physical depreciation, functional obsolescence and economic obsolescence) accrued as of the Valuation Benchmark Date.

The market approach is a valuation method that estimates the market value of the equipment asset in its current condition by utilizing recent transaction prices of identical or similar equipment assets in currently active trading markets, through applying direct comparison or analogous analysis methods.

The income approach is a valuation method for determining the market value of the equipment asset in its current condition through the reasonable projection of its future income using an appropriate discount rate.

Given that the domestic second-hand equipment trading market is still at a developing stage and equipment transactions are not active, comparable cases are difficult to obtain, and therefore the market approach is not suitable for this valuation. Since the equipment assets are used as a whole for business operations, it is difficult to quantify the independent profitability of each piece of equipment individually, and therefore the income approach is not suitable for this valuation. The Appraised Entity maintains relatively complete information on its equipment assets, with abundant sources of market price information, and the various depreciation factors can be measured with relative reliability, thus satisfying the conditions for applying the cost approach. In light of the valuation purpose, economic behaviour and type of value, the replacement cost approach was adopted for the valuation of the equipment assets.

The valuation formula under the replacement cost approach is as follows:

Appraised Value = Full Replacement Cost – Physical Depreciation – Economic obsolescence – Functional Obsolescence

= Full Replacement Cost × Composite Newness Rate

(2) *Determination of Replacement Cost*

Formula for calculating full replacement cost of equipment:

Full replacement cost of equipment = Equipment purchase price + Transportation and miscellaneous expenses + Foundation fees + Installation and commissioning fees + Other reasonable expenses – Deductible VAT

For transportation equipment, the replacement cost is determined based on the market price of the transportation equipment as at the Valuation Benchmark Date, plus the purchase tax for the transportation equipment and the registration and licence plate fees for new vehicles.

The market price inquiry for the vehicles was conducted based on mainstream industry information platforms, including China Automobile Network, Pacific Auto (which is affiliated with Pacific Online Limited, a company listed on the Hong Kong Stock Exchange (stock code: 0543)), and Autohome (which is listed on the New York Stock Exchange (stock code: ATHM) and the Hong Kong Stock Exchange (stock code: 2518)). Given the high degree of marketization in the domestic automobile distribution sector, the quoted prices from different platforms are generally consistent for vehicles with similar specifications and configurations, with minimal price discrepancies. The Valuer selected vehicles with highly similar parameters by reference to the core conditions of the subject vehicles, including model, configuration and vehicle condition, and collected the relevant quotations to determine a reasonable market price.

In the case of the assessment of the registration and licence plate fees for the non-Shanghai-C passenger vehicle licence plates in Shanghai, such fees are valued based on the average successful bid price for non-operational passenger vehicle licence plate auctions in Shanghai in the month of the Valuation Benchmark Date, without applying the newness rate, and are included in the appraised value in full.

(3) *Determination of the Newness Rate*

① Composite Newness Rate

Composite Newness Rate = Theoretical Newness Rate × Adjustment Factor K

Where: Theoretical Newness Rate = Remaining Service Life ÷ (Years Used + Remaining Service Life) × 100%; Adjustment Factor K = K1 × K2 × K3 × K4 × K5.

The various adjustment factors are primarily determined after conducting inspections and gaining an understanding of the original manufacturing quality of the equipment (K1), the operational status and failure frequency of the equipment (K2), the maintenance and upkeep status (including major repairs, etc.) (K3), the utilization rate of the equipment (K4), and the environmental conditions of the equipment (K5).

② Newness Rate for General Equipment and Electronic and Machinery Equipment of Relatively Low Value

For general equipment and electronic and machinery equipment of relatively low value, the newness rate is directly determined by the useful life method. The calculation formula is as follows:

$$\text{Newness Rate} = \text{Remaining Service Life} \div (\text{Years Used} + \text{Remaining Service Life}) \times 100\%$$

The remaining service life is determined by the professional valuers based on the actual operating condition of the equipment.

③ Newness Rate for Transportation Equipment

For the vehicles, the newness rate based on service life is used as the basic newness rate of the vehicles, while the actual mileage of the vehicles is quantified as the correction factor for utilisation rate of the vehicles. The composite newness rate is then reasonably determined after correcting the basic newness rate in combination with various other influencing factors. The calculation formula is as follows:

$$\text{Composite Newness Rate} = \text{Useful Life Newness Rate} \times K1 \times K2 \times K3 \times K4 \times K5$$

As the annual depreciation of the vehicles follows a declining trend, the “declining balance depreciation method” is adopted to calculate the useful life newness rate.

4. Valuation Conclusion and Analysis of Changes in Value

As of the Valuation Benchmark Date, the valuation results for the equipment assets are as follows:

Unit: RMB'0,000

Asset Name	Net Book Value	Net Appraised Value	Appreciation	Gain Rate (%)
Transportation Equipment	150.06	374.67	224.61	149.67
Electronic and Other Equipment	8,715.06	11,241.60	2,526.54	28.99
Total	8,865.13	11,616.27	2,751.14	31.03

Based on the comprehensive analysis of the above factors, the net book value of fixed assets and equipment is RMB88.6513 million, while the appraised value is RMB116.1627 million, representing an appreciation of RMB27.5114 million and a gain rate of 31.03%. The main reason is that the actual economic useful life of certain equipment is longer than their accounting depreciation period.

(IV) Valuation of Liabilities

As at the Valuation Benchmark Date of March 31, 2026, the valuation results of the liabilities of Shanghai Securities are as follows:

Unit: RMB'0,000

No.	Item	Book value	Appraised Value	Gain/ (Loss)	Gain Rate (%)
1	Short-term debt instruments	411,555.88	411,555.88	—	—
2	Placements from banks and other financial institutions	400,262.81	400,262.81	—	—
3	Contract liabilities	376.66	376.66	—	—
4	Derivative financial liabilities	257.04	257.04	—	—
5	Financial assets sold under repurchase agreements	1,309,597.51	1,309,597.51	—	—
6	Employee benefits payable	50,878.71	50,878.71	—	—
7	Taxes and surcharges payable	4,559.18	4,559.18	—	—
8	Accounts payable	110,319.80	110,319.80	—	—
9	Accounts payable to brokerage clients	1,949,091.53	1,949,091.53	—	—
10	Bonds payable	1,909,608.52	1,909,608.52	—	—

No.	Item	Book value	Appraised Value	Gain/ (Loss)	Gain Rate (%)
11	Lease liabilities	14,295.08	14,295.08	–	–
12	Provisions	179.64	179.64	–	–
13	Other liabilities	885.38	885.38	–	–
14	Total Liabilities	6,161,867.72	6,161,867.72	–	–

1. Short-term Debt Instruments

The book value of short-term debt instruments was RMB4,115.5588 million, which primarily consisted of short-term corporate bonds and income certificates issued by Shanghai Securities. The valuation personnel verified the accounting records, sampled original vouchers and other relevant documents to ascertain the authenticity of the transactions, as well as the settlement counterparties and amounts. The appraised value was determined based on the verified book value.

The appraised value of short-term debt instruments was RMB4,115.5588 million.

2. Placements from Banks and Other Financial Institutions

The book value of placements from banks and other financial institutions was RMB4,002.6281 million, which primarily consisted of funds borrowed from banking and financial institutions through interbank lending and margin lending for securities refinancing. The valuation personnel verified the accounting records, sampled original vouchers, contracts, and other relevant documents to ascertain the authenticity of the transactions, as well as the applicable interest rates and amounts. The appraised value was determined based on the verified book value.

The appraised value of placements from banks and other financial institutions was RMB4,002.6281 million.

3. Contract Liabilities

The book value of contract liabilities was RMB3.7666 million, primarily representing advances received from fund evaluation, bond underwriting and investment advisory services. The valuation personnel investigated and understood the nature of these contract liabilities and reconciled them with the subsidiary ledger. The appraised value was determined based on the verified book value.

The appraised value of contract liabilities was RMB3.7666 million.

4. *Derivative Financial Liabilities*

The book value of derivative financial liabilities was RMB2.5704 million, representing financial derivatives such as options. The appraised value was determined based on the average transaction price published by the stock exchange on the Valuation Benchmark Date as the fair value pricing basis, taking into account the actual quantity of positions held and the contract multiplier.

The appraised value of derivative financial liabilities was RMB2.5704 million.

5. *Financial Assets Sold Under Repurchase Agreements*

The book value of financial assets sold under repurchase agreements was RMB13,095.9751 million, primarily representing bond-pledged repurchase, margin trading and securities lending income right financing and others. The valuation personnel reviewed the relevant contracts and agreements, conducted sample checks on original vouchers and verified the liability ledgers. Upon verification, the liability was confirmed to be genuine and valid, representing actual debts to be borne, and the appraised value was determined based on the verified book value.

The appraised value of financial assets sold under repurchase agreements was RMB13,095.9751 million.

6. *Employee Benefits Payable*

The book value of employee benefits payable was RMB508.7871 million, primarily representing salaries, pension contributions and medical insurance contributions payable to employees. The valuation personnel verified the accrual rates and supporting basis for the relevant expenses, confirmed the accuracy of the book value, and determined the appraised value based on the verified book value.

The appraised value of employee benefits payable was RMB508.7871 million.

7. *Taxes and Surcharges Payable*

The book value of taxes and surcharges payable was RMB45.5918 million, primarily representing value-added tax, income tax and other surcharges payable. The valuation personnel verified the tax returns and tax payment certificates, confirmed the accuracy of the book value, and determined the appraised value based on the verified book value.

The appraised value of taxes and surcharges payable was RMB45.5918 million.

8. *Accounts Payable*

The book value of accounts payable was RMB1,103.1980 million, primarily representing guarantee deposits payable and fund settlement payables. On the basis of verifying the accounting records, the valuation personnel examined original accounting vouchers and other relevant materials to confirm the existence of the liabilities. The accounts payable were confirmed to be genuine, and the appraised value was determined based on the verified book value.

The appraised value of accounts payable was RMB1,103.1980 million.

9. *Accounts Payable to Brokerage Clients*

The book value of accounts payable to brokerage clients was RMB19,490.9153 million, primarily representing funds deposited by clients with Shanghai Securities for securities trading. The valuation personnel reconciled the general ledger and subsidiary ledger to ensure consistency between accounts and physical records, and the appraised value was determined based on the verified book value.

The appraised value of accounts payable to brokerage clients was RMB19,490.9153 million.

10. *Bonds Payable*

The book value of bonds payable was RMB19,096.0852 million, primarily representing corporate bonds issued by Shanghai Securities. The valuation personnel reviewed the offering documents, original accounting vouchers and other relevant materials of the bonds payable, and conducted sample checks on interest calculation schedules and accrual vouchers as at the Valuation Benchmark Date. The appraised value was determined based on the verified book value.

The appraised value of bonds payable was RMB19,096.0852 million.

11. *Lease Liabilities*

The book value of lease liabilities was RMB142.9508 million, primarily representing the present value of lease payments not yet paid as at the commencement date of the lease, calculated by the lessee. The valuation personnel reviewed the relevant contracts and payment vouchers to confirm the lease arrangements, and determined the appraised value based on the verified book value.

The appraised value of lease liabilities was RMB142.9508 million.

12. *Provisions*

The book value of provisions was RMB1.7964 million, primarily representing estimated losses arising from labor disputes, securities lending impairment and others. The valuation personnel reviewed the recognition and accrual process of the relevant liabilities, verified the relevant case documents, and determined the appraised value based on the verified book value.

The appraised value of provisions was RMB1.7964 million.

13. Other Liabilities

The book value of other liabilities was RMB8.8538 million, primarily representing securities settlement payables on behalf of others and accrued annual membership fees for trading venues. The appraised value was determined based on the verified book value.

The appraised value of other liabilities was RMB8.8538 million.

(V) Valuation Conclusion under the Asset-Based Approach

Using the asset-based approach to assess the total equity value of the enterprise's shareholders, the valuation results of the assessed entity as of the Valuation Benchmark Date are as follows:

As at the Valuation Benchmark Date, the book value of the parent company's standalone owners' equity of the assessed entity was RMB19,742.3754 million, and the appraised value was RMB20,886.4990 million, representing an appreciation of RMB1,144.1236 million with an appreciation rate of 5.80%. Among which, the book value of total assets was RMB81,361.0526 million, and the appraised value was RMB82,505.1762 million, representing an appreciation of RMB1,144.1236 million with an appreciation rate of 1.41%. The book value of liabilities was RMB61,618.6772 million, and the appraised value was RMB61,618.6772 million, with no increase or decrease.

For the detailed valuation results under the asset-based approach, please refer to the table below:

Unit: RMB'0,000

Item	Book Value	Appraised Value	Gain/ (Loss)	Gain Rate (%)
Monetary funds	1,818,921.26	1,818,921.26	—	—
Settlement provisions	356,753.40	356,753.40	—	—
Margin accounts receivable	1,281,360.22	1,281,360.22	—	—
Derivative financial assets	1,416.26	1,416.26	—	—
Financial Assets Held under				
Resale Agreements	42,123.00	42,123.00	—	—
Refundable deposits	29,280.10	29,280.10	—	—
Accounts receivable	87,966.90	87,966.90	—	—
Financial investments:				
Of which: financial assets held				
for trading	2,032,538.20	2,032,954.27	416.07	0.02

Item	Book Value	Appraised Value	Gain/ (Loss)	Gain Rate (%)
other debt investments	1,876,145.12	1,876,145.12		
other equity instrument investments	340,918.31	341,022.32	104.01	0.03
Long-term equity investments	205,349.87	250,241.68	44,891.81	21.86
Investment property	4,068.36	19,352.47	15,284.11	375.68
Fixed assets	18,400.50	64,777.64	46,377.14	252.04
Construction in progress	2,346.76	2,346.76	–	–
Right-of-use assets	13,684.34	13,684.34	–	–
Intangible assets	6,206.47	13,675.70	7,469.23	120.35
Deferred income tax assets	4,091.62	3,961.60	-130.02	-3.18
Other assets	14,534.58	14,534.58	–	–
Total assets	8,136,105.26	8,250,517.62	114,412.36	1.41
Total liabilities	6,161,867.72	6,161,867.72	–	–
Net assets	1,974,237.54	2,088,649.90	114,412.36	5.80

II. VALUATION UNDER THE MARKET APPROACH

(I) Introduction to the Application of the Market Approach

1. Definition of the Market Approach

The market approach is a valuation method that determines the value of the subject of valuation by comparing it with comparable listed companies or comparable transaction cases. In essence, the market approach is a valuation technique that determines the value of the subject enterprise or equity interest by analysing and comparing transaction information or public information of the comparable companies of similar cases that have been transacted in an active trading market.

The two commonly used methods under the market approach are the listed company comparison method and the transaction case comparison method.

The listed company comparison method refers to a specific method of determining the value of the subject of valuation by obtaining and analyzing the operating and financial data of comparable listed companies, calculating appropriate valuation multiples, and conducting comparative analysis with the enterprise under valuation. The comparable enterprises under the listed company comparison method should be listed companies that are traded normally in the public market, and the valuation conclusion should consider the impact of liquidity on the value of the subject of valuation.

The transaction case comparison method refers to a specific method of determining the value of the subject of valuation by obtaining and analyzing data on the sale, acquisition, and merger cases of comparable enterprises, calculating appropriate valuation multiples, and conducting comparative analysis with the enterprise under valuation. When applying the transaction case comparison method, the impact of differences between the subject of valuation and the transaction cases on value should be considered.

2. Characteristics of the Market Approach

- (1) Valuation data are directly sourced from the market, and the valuation process is straightforward and intuitive;
- (2) The valuation approach is market-oriented, and the valuation results are highly persuasive.

3. Conditions Precedent for the Application of the Market Approach

- (1) There must be a well-developed and active capital market;
- (2) There are three or more comparable enterprises that are identical or similar to the enterprise under valuation, and such comparable enterprises should be in the same industry as the enterprise under valuation or be subject to the same economic factors;
- (3) The value-influencing factors of the comparable enterprises and the enterprise under valuation are clearly identifiable, quantifiable and supported by readily available data.

4. Market Approach Valuation Models

(1) Listed Company Comparison Method

The listed company comparison method refers to a specific method of determining the value of the subject of valuation by obtaining and analyzing the operating and financial data of comparable listed companies, calculating appropriate valuation multiples, and conducting comparative analysis with the entity under valuation.

When adopting the listed company comparison method, certain valuation multiples are generally selected based on the market conditions in which the subject of valuation operates, such as price-to-book ratio (P/B), price-to-earnings ratio (P/E), price-to-sales ratio (P/S), or enterprise value multiples (such as EV/EBIT, EV/EBITDA, etc.), for comparison with comparable listed companies. By comparing the relevant factors of various indicators between the subject of valuation and the comparable listed companies, adjustments are made for differences in the factors affecting the indicators to derive the valuation multiple of the subject of valuation, based on which the equity value of the entity under valuation is calculated.

(2) Transaction Case Comparison Method

The transaction case comparison method refers to a specific method of determining the value of the subject of valuation by obtaining and analyzing data on the sale, acquisition, and merger cases of comparable enterprises, calculating appropriate valuation multiples, and conducting comparative analysis with the entity under valuation.

The application of the transaction case comparison method is similar to that of the listed company comparison method. Generally, certain valuation multiples are selected based on the market conditions in which the subject of valuation operates for comparison with comparable companies. By comparing the relevant factors of various indicators between the subject of valuation and the comparable companies, adjustments are made for differences in the factors affecting the indicators to derive the valuation multiple of the subject of valuation, based on which the equity value of the target company is calculated.

Given that (i) there are currently a considerable number of comparable listed companies in the A-share capital market, which offers a larger pool of available samples relative to recent transaction cases, and (ii) and that where the comparable companies are listed entities, the operating and financial data of the comparable companies can be obtained more fully and reliably, the listed company comparable approach has been adopted for this valuation.

(II) Valuation Technical Approach

The basic valuation approach of the listed company comparison method adopted for this valuation is as follows:

1. Identification of Comparable Reference Companies

In the appropriate trading market, listed companies that belong to the same industry as the entity under valuation or are subject to the same economic factors, and that engage in the same or similar business activities, are identified as candidate comparable enterprises. After analyzing factors such as the business structure, operating model, enterprise scale, asset allocation and utilization, operating stage, growth potential, operating risk, and financial risk of the comparable enterprises, an applicability screening of the candidate comparable enterprises is conducted, and an appropriate number of reference companies comparable to the entity under valuation are ultimately selected.

2. Making Necessary Adjustments for Differences Between the Entity Under Valuation and the Comparable Reference Companies

Utilizing operational and financial information of comparable reference companies obtained from public and legitimate channels, comparisons and analyses are made against the actual circumstances of the entity under valuation, with necessary adjustments for differences.

3. *Selection and Determination of Valuation Multiples*

Valuation multiples typically include earnings multiples, asset multiples, revenue multiples, and other specific multiples, such as price-to-earnings ratio (P/E), price-to-book ratio (P/B), price-to-sales ratio (P/S), or enterprise value multiples (EV/EBIT, EV/EBITDA, etc.). The following factors are fully considered during the selection process: the selected valuation multiple should facilitate the reasonable determination of the value of the subject of valuation; the data scope and calculation methodology for computing the valuation multiple should be consistent; and when applying the valuation multiple, reasonable adjustments should be made as far as possible for differences between the comparable reference companies and the entity under valuation.

The entity under valuation belongs to the securities industry, and its performance is significantly influenced by multiple factors including secondary market trading volume, equity index fluctuations, interest rate benchmarks, and yield curve shapes. Given that the securities industry exhibits cyclical characteristics, enterprises often face high performance volatility during bull-bear market transitions, with significant fluctuations in profit and revenue-related indicators. Therefore, profit and revenue-based indicators are not suitable for valuation purposes. Considering that securities companies are typical capital-intensive financial institutions whose core operations rely on net capital, the price-to-book ratio (P/B) is deemed appropriate as the valuation indicator.

Following a comparative analysis of the correlation between various valuation multiples and the market value of the entity under valuation, the price-to-book ratio (P/B) is selected as the valuation multiple for this valuation.

4. *Estimation of Enterprise Value*

After adjusting and calculating the valuation multiples of the comparable reference companies, and in conjunction with the corresponding financial data or indicators of the entity under valuation, the total equity value of the shareholders of the entity under valuation is calculated.

As this valuation adopts the listed company comparison method, and since the comparable companies are listed companies while the entity under valuation is a non-listed company, the impact of lack of marketability discount must be considered when calculating the total equity value of shareholders.

No control premium has been taken into account in this valuation for the reasons set out below:

- (a) There is currently no relatively reliable control premium data for the securities industry in China.
- (b) China's financial industry is a heavily regulated industry. Compared with minority shareholders, the additional benefits that major shareholders may obtain through control are strictly constrained, and the impact of a control premium on valuation is extremely limited. Based on the results of certain empirical studies, the control premium observed in the financial industry is relatively low.

- (c) Not taking into account a control premium is consistent with market practice in securities company restructuring case.

5. *Determination of Valuation Conclusion*

After calculating the total equity value of shareholders using valuation multiples, the final appraised value is determined based on factors such as industry characteristics and the actual operating conditions of the enterprise.

(III) Valuation Formula under the Market Approach

Total Equity Value of Shareholders = Value of Operating Assets + Value of Excess Assets + Value of Non-Operating Assets (Liabilities)

Value of Operating Assets = Relevant Indicator of the Subject Enterprise $\times$ Corresponding Valuation Multiple of Reference Enterprise $\times$ Adjustment Factor

As the price-to-book ratio (P/B) is selected as the valuation multiple for this valuation, the specific calculation process is as follows:

Value of Operating Assets of Target Company = P/B of Target Company $\times$ Owners' Equity of Target Company (Parent Company Basis)

Where: P/B of Target Company = Weighted Average of Adjusted P/B of Comparable Enterprises

$= \sum \text{P/B of Comparable Enterprise} \times \text{P/B Adjustment Factor of Comparable Enterprise} \times \text{Weight}$

P/B Adjustment Factor of Comparable Enterprise = $\prod \text{Adjustment Factors of Influencing Factor } A_i$

Adjustment Factor of Influencing Factor A_i = Coefficient of Target Company / Coefficient of Comparable Enterprise

(IV) Market Approach Valuation Process

1. *Selection of Comparable Enterprises*

This valuation selects comparable enterprises from among domestic listed companies. The total number of comparable listed companies in the domestic “Shenyin Wanguo Industry Classification – Non-Bank Financials – Securities II – Securities III” industry is 50. The selection criteria for comparable companies in this market approach valuation are as follows:

- (1) Operating income scale of comparable companies should be as close as possible to that of the entity under valuation: The income scale of the entity under valuation in 2025 is RMB3.425 billion. This valuation selects comparable companies with income scale of RMB2-5 billion. Within the pool of 50 comparable companies, 33 are excluded, leaving 17 companies;
- (2) Total assets, net assets, and net profit scale should be as close as possible to those of the entity under valuation: As of the Valuation Benchmark Date, the total assets of the entity under valuation are RMB103.2 billion, the net assets attributable to owners of the parent are RMB20.1 billion, and the full-year net profit attributable to owners of the parent in 2025 is RMB1.323 billion. This valuation selects comparable listed companies with total asset scale of RMB60-150 billion, net asset scale of RMB10-30 billion as at the Valuation Benchmark Date, and net profit for 2025 of RMB0.5-2 billion. 7 companies are excluded, leaving 10 companies;
- (3) No major mergers, acquisitions, reorganizations, or significant penalties in the past two years: In the past two years, Cinda Securities underwent reorganization, and Huaxi Securities was subject to a penalty suspending its sponsorship qualification. These are therefore excluded, leaving 8 companies;
- (4) Listing period of no less than three years: All 8 remaining companies have been listed for more than 3 years, leaving 8 companies;
- (5) Operating income structure should be as close as possible to that of the entity under valuation: In 2025, the ratio of net fee and commission income to operating income for Shanghai Securities was 33.91%, and the ratio of investment income to operating income was 47.92%, with the combined proportion of net fee and commission income and investment income to operating revenue of 81.82%. Based on the business revenue structure of Shanghai Securities, 4 companies with the largest deviation from the aforesaid combined revenue proportion and business revenue structure ratio were excluded, leaving 4 comparable companies.

Based on the above criteria, the following four companies are selected as comparable enterprises:

Stock Code	Stock Name
002797.SZ	First Capital
601990.SH	Nanjing Securities
600906.SH	Caida Securities
601236.SH	Hongta Securities

2. Overview of Comparable Enterprises

(1) First Capital (002797.SZ)

Company Name: First Capital Securities Co., Ltd. (第一創業證券股份有限公司)

Registered Address: 20th Floor, Investment Banking Tower, No. 115 Fuhua First Road, Futian District, Shenzhen, Guangdong Province

Business Scope: Securities brokerage; securities investment advisory; financial advisory services related to securities trading and securities investment activities; securities underwriting (excluding corporate bonds other than stocks and private bonds of small and medium-sized enterprises); securities proprietary trading; securities asset management; distribution of securities investment funds; intermediary introduction business for futures companies; margin trading and securities lending; distribution of financial products. Securities investment fund custody. (Items that require approval in accordance with the law can only be carried out after approval by the relevant departments. The specific business items are subject to the approval documents or permits of the relevant departments)

① Overview of Principal Business Activities

First Capital Securities Co., Ltd. (hereinafter referred to as “First Capital”) was established in January 1998 and was listed on the Shenzhen Stock Exchange on May 11, 2016, with stock code “002797”. As of the end of 2025, First Capital had a registered capital of RMB4.202 billion, with 29 branches and 32 business departments nationwide, and 4 wholly-owned subsidiaries. Its business scope covers six major segments: asset management business, fixed income business, investment banking business, securities brokerage and credit business, private equity fund management and alternative investment business, and proprietary investment and trading business. The company possesses comprehensive operating qualifications and has a sound foundation for business development.

② Key Financial Data (Consolidated Financial Statements)

Unit: RMB'0,000

Item	March 31, 2026	December 31, 2025	December 31, 2024
Total Assets	6,018,798.56	5,742,847.55	5,274,245.69
Liabilities	4,192,302.67	3,956,702.24	3,593,037.80
Owners' Equity	1,826,495.89	1,786,145.30	1,681,207.89
Equity attributable to owners of the parent company	1,767,652.42	1,729,019.75	1,630,576.93

Item	January to March 2026	For the year 2025	For the year 2024
Operating Income	84,719.87	368,598.32	353,160.53
Operating Profit	26,584.90	116,435.34	109,146.05
Net Profit	21,440.40	90,753.99	96,331.63
Net profit attributable to owners of the parent company	19,722.48	84,140.89	90,362.92

Note: The key financial data of comparable companies are sourced from the corresponding periodic reports, and the same applies hereinafter.

(2) *Nanjing Securities (601990.SH)*

Company Name: Nanjing Securities Co., Ltd. (南京證券股份有限公司)

Registered Address: No. 389 Jiangdong Middle Road, Jianye District, Nanjing, Jiangsu Province

Business Scope: Securities brokerage; securities investment advisory; financial advisory services related to securities trading and securities investment activities; securities underwriting and sponsorship; securities proprietary trading; margin trading and securities lending; securities asset management; distribution of securities investment funds; distribution of financial products; intermediary introduction business for futures companies. (Items that require approval in accordance with the law can only be carried out after approval by the relevant departments.) Permitted projects: Securities investment fund custody. (Items that require approval in accordance with the law can only be carried out after approval by the relevant departments. The specific business projects shall be subject to the approval results.)

① Overview of Principal Business Activities

Nanjing Securities Co., Ltd. (hereinafter referred to as “Nanjing Securities”) was founded in December 1990. On June 13, 2018, it was listed on the Main Board of the Shanghai Stock Exchange with stock code “601990”. As of the end of 2025, Nanjing Securities had a share capital of RMB4.400 billion, with 21 branches and 107 business departments, and 4 subsidiaries. As a major shareholder, it participates in Fuanda Fund Management Co., Ltd. (富安達基金管理有限公司), forming a relatively complete securities and financial industry chain covering securities, futures, funds, private equity investment, equity custody and trading, and alternative investment, thereby establishing a diversified and stable profit structure.

② Key Financial Data (Consolidated Financial Statements)

Unit: RMB'0,000

Item	March 31, 2026	December 31, 2025	December 31, 2024
Total Assets	9,523,742.23	9,122,211.54	6,976,812.63
Liabilities	7,126,924.32	6,783,242.73	5,154,480.89
Owners' Equity	2,396,817.91	2,338,968.81	1,822,331.73
Equity attributable to owners of the parent company	2,361,283.08	2,303,626.41	1,787,206.50
	January to		
Item	March 2026	For the year 2025	For the year 2024
Operating Income	72,309.81	280,573.36	314,748.44
Operating Profit	37,667.45	134,286.15	128,688.76
Net Profit	29,485.37	108,231.44	100,897.71
Net profit attributable to owners of the parent company	29,292.95	107,765.35	100,164.49

(3) Caida Securities (600906.SH)

Company Name: Caida Securities Co., Ltd. (財達證券股份有限公司)

Registered Address: 20th, 22nd to 32nd Floors, Tower 1, Xingshi Plaza, No. 87 Shenglinan Street, Qiaoxi District, Shijiazhuang, Hebei Province

Business Scope: Securities brokerage; securities investment advisory; securities underwriting and sponsorship; securities proprietary trading; securities asset management; margin trading and securities lending; distribution of securities investment funds; financial advisory services related to

securities trading and securities investment activities; distribution of financial products. (The above businesses are operated with permits.) Intermediary introduction business for futures companies. (Items that require approval in accordance with the law can only be carried out after approval by the relevant departments.)

① Overview of Principal Business Activities

Caida Securities Co., Ltd. (hereinafter referred to as “Caida Securities”) was established in April 2002 and was listed on the Main Board of the Shanghai Stock Exchange on May 7, 2021, with stock code “600906”. As of the end of 2025, Caida Securities had a share capital of RMB3.245 billion, with 25 branches and 91 business departments, and holds controlling interests in 4 subsidiaries. It has formed diversified business segments including wealth management and institutional business, investment banking business, asset management business, and securities investment business. Through its subsidiaries, it engages in futures, private equity funds, alternative investment, and other businesses, forming a comprehensive full-chain financial services system with mutual coordination and support.

② Key Financial Data (Consolidated Financial Statements)

Unit: RMB’0,000

Item	March 31, 2026	December 31, 2025	December 31, 2024
Total Assets	6,105,518.69	5,466,595.69	5,224,869.54
Liabilities	4,853,981.13	4,240,172.45	4,030,321.22
Owners’ Equity	1,251,537.56	1,226,423.24	1,194,548.32
Equity attributable to owners of the parent company	1,251,060.99	1,225,948.94	1,194,091.67
Item	January to March 2026	For the year 2025	For the year 2024
Operating Income	73,452.25	270,010.65	244,390.08
Operating Profit	33,216.11	98,350.04	87,834.63
Net Profit	25,341.05	74,726.04	68,669.05
Net profit attributable to owners of the parent company	25,338.78	74,708.39	68,654.07

(4) *Hongta Securities (601236.SH)*

Company Name: Hongta Securities Co., Ltd. (紅塔證券股份有限公司)

Registered Address: No. 155 Beijing Road (Annex 1), Guandu District, Kunming, Yunnan Province

Business Scope: Securities brokerage; securities proprietary trading; securities underwriting and sponsorship; securities investment advisory; financial advisory services related to securities trading and securities investment activities; securities asset management; margin trading and securities lending; distribution of securities investment funds; intermediary introduction business for futures companies; distribution of financial products.

① Overview of Principal Business Activities

Hongta Securities Co., Ltd. (hereinafter referred to as “Hongta Securities”) was established in January 2002 and was listed on the Main Board of the Shanghai Stock Exchange on July 5, 2019, with stock code “601236”. As of the end of 2025, Hongta Securities had a share capital of RMB4.717 billion, with 2 brokerage business branches, 55 securities business departments, 1 asset management business branch, 1 fixed income business branch, and 3 wholly-owned subsidiaries. Hongta Securities’ business segments comprise three major segments: proprietary investment business, wealth management business, and institutional services business. Its principal business coverage includes equity proprietary investment, fixed income proprietary investment, innovation and derivatives investment, NEEQ market-making investment, direct equity investment and alternative investment, wealth management business, margin trading and securities lending, asset management business, public fund management business, private equity management business, investment banking business, asset securitization business, stock pledge business, research and institutional sales business, and futures institutional business.

② Key Financial Data (Consolidated Financial Statements)

Unit: RMB’0,000

Item	March 31, 2026	December 31, 2025	December 31, 2024
Total Assets	6,226,653.76	6,197,058.47	5,907,072.59
Liabilities	3,644,732.54	3,649,178.84	3,441,224.58
Owners’ Equity	2,581,921.22	2,547,879.63	2,465,848.01
Equity attributable to owners of the parent company	2,557,285.82	2,523,135.45	2,441,991.59

Item	January to March 2026	For the year 2025	For the year 2024
Operating Income	44,362.51	243,397.25	202,189.44
Operating Profit	22,937.04	157,307.17	84,251.97
Net Profit	19,486.49	122,243.11	76,227.86
Net profit attributable to owners of the parent company	19,595.27	121,355.35	76,401.82

3. Standardisation of Financial Statements of the Entity Under Valuation and Comparable Enterprises

In order to facilitate a smooth comparative analysis, it is necessary to first establish a foundation for comparison by integrating the relevant financial data of comparable enterprises and the entity under valuation onto a mutually comparable basis. For the potential financial data discrepancies that may arise from these differences, the valuation professionals need to make certain adjustments and corrections, primarily in two aspects: accounting policy differences and special item adjustments.

There are essentially no differences in accounting policies between the comparable companies and the entity under valuation; therefore, no adjustments were made in this regard.

4. Calculation of Valuation Multiples

Following the above analysis process, the calculation of valuation multiples is as follows:

(1) Market Capitalization of Listed Companies

Total Equity Value of Shareholders (Market Capitalization of Listed Company) = Average Forward-Adjusted Closing Price over the 120 Trading Days Prior to the Valuation Benchmark Date × Total Share Capital as of March 31, 2026.

(2) Net Assets Attributable to Owners of the Parent Company as of the Valuation Benchmark Date

Net Assets Attributable to Owners of the Parent Company = Equity Attributable to Owners of the Parent Company as of March 31, 2026.

5. Calculation of Financial Indicators of Comparable Enterprises

The quality of a company's financial indicators directly affects its enterprise value. Generally, corporate financial indicators are classified into five categories: scale indicators, risk management capability indicators, operating efficiency indicators, profitability indicators, and growth capability indicators.

(1) Scale Indicators

Scale indicators measure the development scale of an enterprise. For this valuation, total assets, net assets attributable to owners of the parent company, net capital, net profit attributable to owners of the parent company, and number of business departments are calculated as candidate indicators to measure enterprise scale.

(2) Risk Management Capability Indicators

Risk management capability indicators measure an enterprise's ability to identify, assess, respond to, and monitor various risks. For this valuation, net capital/debt ratio, capital leverage ratio, liquidity coverage ratio, net stable funding ratio, net assets/debt ratio, net capital/net assets ratio, and net capital/sum of various risk capital reserves are calculated as candidate indicators to measure enterprise risk management capability.

(3) Operating Efficiency Indicators

Operating efficiency indicators measure the operating and management capabilities of the enterprise under valuation. For this valuation, total asset turnover ratio and net asset turnover ratio are calculated as candidate indicators to measure operating efficiency.

(4) Profitability Indicators

Profitability indicators measure the operating profit-making ability of an enterprise. For this valuation, revenue profit margin, expense profit margin, return on equity, and return on assets are calculated as candidate indicators to measure profitability.

(5) Growth Capability Indicators

Growth capability indicators measure the growth potential of the enterprise under valuation in terms of business development. After comprehensive analysis, for this valuation, the growth rate of net assets attributable to owners of the parent company, compound annual growth rate of operating revenue, and compound annual growth rate of net profit attributable to owners of the parent company are selected as indicators to measure the growth capability of the enterprise under valuation in terms of business development.

(6) Calculation Results of Various Indicators

The detailed data of various indicators for comparable enterprises and the enterprise under valuation in recent years are shown in the table below:

Unit: RMB'0,000

Item	Specific Indicator	Subject Under Valuation Shanghai Securities	Case 1 First Capital	Case 2 Nanjing Securities	Case 3 Caida Securities	Case 4 Hongta Securities
Valuation	Stock Code	–	002797.SZ	601990.SH	600906.SH	601236.SH
Multiple	Total Market Capitalization	–	3,046,361.78	3,542,360.32	2,243,885.05	3,882,482.33
	Net assets attributable to owners of the parent company as at the Valuation Benchmark Date	2,012,077.07	1,767,652.42	2,361,283.08	1,251,060.99	2,557,285.82
	P/B Ratio	–	1.72	1.50	1.79	1.52
Overall	Transaction Index	100.00	100.00	100.00	100.00	100.00
Transaction Conditions	Transaction Conditions	Normal Market Transaction	Normal Market Transaction	Normal Market Transaction	Normal Market Transaction	Normal Market Transaction

Item	Specific Indicator	Subject Under Valuation Shanghai Securities	Case 1 First Capital	Case 2 Nanjing Securities	Case 3 Caida Securities	Case 4 Hongta Securities
Scale	Total Assets	10,319,322.17	6,018,798.56	9,523,742.23	6,105,518.69	6,226,653.76
	Net assets attributable to owners of the parent company	2,012,077.07	1,767,652.42	2,361,283.08	1,251,060.99	2,557,285.82
	Net capital	1,688,572.75	1,199,620.53	2,038,941.83	1,218,379.96	2,138,700.75
	Net profit attributable to owners of the parent company	132,349.49	84,140.89	107,765.35	74,708.39	121,355.35
	Number of Business Departments	72	32	107	91	55
Risk Management Capability	Net capital/debt ratio	40.18%	49.78%	43.03%	53.83%	79.86%
	Capital leverage ratio	27.22%	27.23%	30.52%	30.83%	47.12%
	Liquidity coverage ratio	422.39%	236.82%	398.84%	553.61%	854.19%
	Net stable funding ratio	246.11%	206.80%	283.65%	211.57%	243.52%
	Net assets/debt ratio	46.98%	72.18%	49.23%	54.90%	95.18%
	Net capital/net assets ratio	85.53%	68.97%	87.40%	98.05%	83.90%
	Net capital/sum of various risk capital reserves	314.27%	288.27%	614.44%	318.77%	574.57%
Operating Efficiency	Total asset turnover ratio	0.04	0.07	0.03	0.05	0.04
	Net asset turnover ratio	0.18	0.21	0.13	0.22	0.10
Profitability	Revenue profit margin	38.64%	22.83%	38.41%	27.67%	49.86%
	Expense profit margin	73.57%	35.49%	75.01%	46.57%	136.73%
	Return on equity	6.86%	5.01%	5.27%	6.17%	4.89%
	Return on assets	1.78%	2.08%	1.66%	1.84%	2.59%
	Growth rate of net assets attributable to owners of the parent company	5.32%	6.04%	28.90%	2.67%	3.32%
Growth Capability	Compound annual growth rate of operating revenue	59.74%	12.17%	11.79%	17.99%	42.78%
	Compound annual growth rate of net profit attributable to owners of the parent company	64.52%	28.04%	18.62%	35.13%	215.82%

Note: For this valuation, period-based ratio adjustment indicators are selected using full-year data for the complete year prior to the Valuation Benchmark Date, while point-in-time ratio adjustment indicators are selected using data as of the Valuation Benchmark Date. This ensures a consistent time dimension for both comparable listed companies and the entity under valuation, thereby maintaining consistency in the difference adjustment logic.

6. Adjustment of Valuation Multiples

Based on the calculated valuation multiples and financial metrics of the comparable companies, the above multiples of the comparable companies were subject to necessary adjustments. Different adjustment frameworks were applied to adjust the adjustment coefficients of the comparable companies, as detailed below:

Unit: RMB'0,000

		Subject Under				
Item		Valuation Shanghai Securities	Case 1 First Capital	Case 2 Nanjing Securities	Case 3 Caida Securities	Case 4 Hongta Securities
Valuation Multiple PB		–	1.72	1.50	1.79	1.52
Transaction	Transaction Index	100	100	100	100	100
Date	Scoring Coefficient	100	100	100	100	100
Adjustment						
Transaction	Transaction Conditions	Normal Market	Normal Market	Normal Market	Normal Market	Normal Market
Condition		Transaction	Transaction	Transaction	Transaction	Transaction
Adjustment	Scoring Coefficient	100	100	100	100	100
Scale	Total Assets	10,319,322.17	6,018,798.56	9,523,742.23	6,105,518.69	6,226,653.76
Adjustment	Scoring Coefficient	100	96	99	96	96
	Net assets attributable to owners of the parent company	2,012,077.07	1,767,652.42	2,361,283.08	1,251,060.99	2,557,285.82
	Scoring Coefficient	100	100	101	98	101
	Net capital	1,688,572.75	1,199,620.53	2,038,941.83	1,218,379.96	2,138,700.75
	Scoring Coefficient	100	98	101	98	102
	Net profit attributable to owners of the parent company	132,349.49	84,140.89	107,765.35	74,708.39	121,355.35
	Scoring Coefficient	100	98	99	98	100
	Number of Business Departments	72	32	107	91	55
	Scoring Coefficient	100	92	107	104	97
	Scale Adjustment Coefficient	100	97	101	99	99
Risk	Net capital/debt ratio	40.18%	49.78%	43.03%	53.83%	79.86%
Management	Scoring Coefficient	100	103	101	105	113
Capability	Capital leverage ratio	27.22%	27.23%	30.52%	30.83%	47.12%
Adjustment	Scoring Coefficient	100	100	101	101	104
	Liquidity Coverage Ratio	422.39%	236.82%	398.84%	553.61%	854.19%
	Scoring Coefficient	100	96	100	103	109
	Net stable funding ratio	246.11%	206.80%	283.65%	211.57%	243.52%
	Scoring Coefficient	100	98	102	98	100
	Net assets/debt ratio	46.98%	72.18%	49.23%	54.90%	95.18%
	Scoring Coefficient	100	103	100	101	105
	Net capital/net assets ratio	85.53%	68.97%	87.40%	98.05%	83.90%
	Scoring Coefficient	100	94	101	104	99
	Net capital/sum of various risk capital reserves	314.27%	288.27%	614.44%	318.77%	574.57%
	Scoring Coefficient	100	100	103	100	103
	Risk Management Capability	100	99	101	102	105
	Adjustment Coefficient					

		Subject Under				
Item		Valuation	Case 1	Case 2	Case 3	Case 4
		Shanghai	First	Nanjing	Caida	Hongta
		Securities	Capital	Securities	Securities	Securities
Operating	Total asset turnover ratio	0.04	0.07	0.03	0.05	0.04
Capability	Scoring Coefficient	100	115	99	106	101
Adjustment	Net asset turnover ratio	0.18	0.21	0.13	0.22	0.10
	Scoring Coefficient	100	107	91	109	84
	Operating Capability Adjustment Coefficient	100	111	95	108	93
Profitability	Revenue profit margin	38.64%	22.83%	38.41%	27.67%	49.86%
Adjustment	Scoring Coefficient	100	97	100	98	102
	Expense profit margin	73.57%	35.49%	75.01%	46.57%	136.73%
	Scoring Coefficient	100	97	100	98	104
	Return on equity	6.86%	5.01%	5.27%	6.17%	4.89%
	Scoring Coefficient	100	94	95	98	93
	Return on assets	1.78%	2.08%	1.66%	1.84%	2.59%
	Scoring Coefficient	100	101	100	100	103
	Profitability Adjustment Coefficient	100	97	99	98	101
Growth	Growth rate of net assets attributable to	5.32%	6.04%	28.90%	2.67%	3.32%
Capability	owners of the parent company					
Adjustment	Scoring Coefficient	100	100	108	99	99
	Compound annual growth rate of	59.74%	12.17%	11.79%	17.99%	42.78%
	operating revenue					
	Scoring Coefficient	100	97	97	97	99
	Compound annual growth rate of net	64.52%	28.04%	18.62%	35.13%	215.82%
	profit attributable to owners of the					
	parent company					
	Scoring Coefficient	100	98	98	99	108
	Growth Capability Adjustment Coefficient	100	99	101	98	102

Adjustments have been made to the differences in financial indicators between the comparable listed companies and Shanghai Securities with reference to an appropriate step interval in this valuation. The relevant step interval parameters were determined by the Valuer based on their long-term professional experience and comprehensive assessment of the characteristics of the securities industry. In establishing the step intervals, the Valuer has taken into account the impact of various financial indicators and operating metrics on the value of a securities company, the adjustment framework is set out as follows:

(1) Transaction Date Adjustment

In calculating the market value of the comparable companies for this valuation, the average closing price over the 120 trading days prior to the Valuation Benchmark Date was adopted. This indicator has effectively smoothed out short-term share price fluctuations and is representative of the market value level as at the Valuation Benchmark Date. In view of the consistency between the selected pricing benchmark and the Valuation Benchmark Date, no adjustment for transaction date is required.

(2) Transaction Condition Adjustment

The transaction prices of the comparable companies are actual transaction prices, which may represent fair and normal market values, or may reflect special prices under specific conditions or terms. Since the valuation requires the value of the subject asset to be objective and fair, any abnormal transaction prices of the comparable companies should be adjusted to normal prices. Such adjustments to the transaction prices of the comparable companies are referred to as transaction condition adjustments.

In conducting transaction condition adjustments, any price deviations of the comparable companies arising from special factors in the transaction process should be eliminated, and the transaction prices of the comparable companies should be adjusted to normal prices.

The transaction prices of the listed companies are all normal market transaction prices under active and open market trading, and therefore no transaction condition adjustment is required.

(3) Scale Adjustment

The scale of total assets directly reflects the overall asset volume and risk resilience of an institution. A higher level of total assets generally indicates a broader business presence, more adequate resource reserves and stronger overall market competitiveness.

Net assets attributable to owners of the parent company reflects the thickness of the true shareholders' equity, capital strength and financial soundness of an enterprise. A larger scale of net assets generally indicates better asset quality and stronger debt-servicing capacity.

Net capital is a core risk control and compliance indicator for financial institutions, which directly measures the actual deployable proprietary capital and serves as the capital base for conducting various businesses. A more abundant net capital generally implies greater room for business expansion, stronger risk resilience and more sustainable operating capacity.

Net profit attributable to owners of the parent company is a core reflection of an enterprise's profitability, earning capacity and operational efficiency. A higher net profit generally indicates stronger profit-generating capacity, better return on investment and more favourable future cash flow expectations.

Business departments serve as the core vehicle for offline customer acquisition, service delivery and channel expansion. A greater number of business departments generally implies broader offline service network coverage, stronger customer reach, and higher regional market penetration, which can continuously empower business scale and revenue growth.

In summary, the adjustments for total assets, net assets attributable to owners of the parent company, net capital, net profit attributable to owners of the parent company and the number of business departments under this valuation are all positive adjustments, meaning that a higher value of the relevant indicator would result in an upward adjustment, and vice versa.

(4) Risk Management Capability Adjustment

Risk management capability is a systematic and dynamic capability that enables an enterprise to identify, assess, respond to and monitor various risks in line with its strategic and operational objectives, while continuously optimising its mechanisms and balancing risk and return.

The net capital/debt ratio reflects the coverage level of proprietary capital over liabilities of a securities company. A higher ratio indicates that net capital provides stronger protection against debt, resulting in lower overall debt risk, a more stable financial structure, and a higher margin of safety in operations.

The capital leverage ratio reflects the level of support that proprietary capital provides to the total assets of a securities company. A higher ratio indicates more sufficient coverage of assets by proprietary capital, stronger risk resilience and greater financial security.

The liquidity coverage ratio measures the ability of a securities company's liquid assets to cover net cash outflows over the next 30 days. A higher ratio indicates more adequate short-term debt service reserves, stronger capacity to withstand liquidity crises and redemption risks, and a higher margin of safety in terms of funding.

The net stable funding ratio reflects the medium-to-long-term liquidity position of an enterprise, ensuring that it maintains sufficient and stable long-term funding to match long-term assets and mitigating the risk of medium-to-long-term liquidity exhaustion. A higher ratio indicates greater stability in the securities company's funding sources, lower risk of long-term funding gaps, more reasonable maturity matching between assets and liabilities, and a thicker liquidity safety buffer.

The net assets/debt ratio measures the ability of shareholders' equity to cover all liabilities. A higher ratio implies a higher proportion of proprietary capital, a relatively lighter debt burden, and stronger long-term debt-servicing capacity and financial soundness.

The net capital/net assets ratio reflects the proportion of regulatory capital within the total net assets attributable to owners of the parent company. A higher ratio indicates that a larger portion of net assets consists of highly liquid, regulatory-compliant core capital, signifying higher-quality capital and a more solid foundation for business operations and risk management.

The net capital/total risk capital reserves is a core risk control matching indicator for financial institutions. A higher ratio indicates that net capital can adequately cover the risk capital reserves calculated for the corresponding businesses, demonstrating a higher degree of regulatory compliance, stronger risk resilience, and greater compliance headroom and sustainability for business operations, as well as higher market recognition.

In summary, for the seven indicators – net capital/debt ratio, capital leverage ratio, liquidity coverage ratio, net stable funding ratio, net assets/debt ratio, net capital/net assets ratio, and net capital/the sum of various risk capital provisions – are subject to upward adjustment when their values increase, and downward adjustment when their values decrease.

(5) Operating Capability Adjustment

Operating capability refers to the effectiveness with which an enterprise achieves its financial objectives through the allocation and combination of internal human resources and production factors, subject to the constraints of the external market environment. In other words, it represents the ability of an enterprise to utilise its various assets to generate profits.

The total asset turnover ratio reflects the efficiency of the overall asset operation and turnover of an enterprise. A higher ratio indicates more sufficient utilisation of assets, faster operational turnover, greater revenue generation per unit of assets, and superior overall operational efficiency and asset management capability, leading to enhanced operating performance.

The net assets turnover ratio reflects the operating efficiency of assets corresponding to shareholders' equity. A higher ratio indicates stronger turnover capability of proprietary capital, more efficient utilisation of shareholders' capital to generate operating revenue, superior capital operation vitality and business operation efficiency, and stronger core capital revenue-generating capacity.

The adjustments for total asset turnover ratio and net assets turnover ratio are positive adjustments, meaning that a higher turnover ratio would result in an upward adjustment, and vice versa.

(6) Profitability Adjustment

Profitability refers to the ability of an enterprise to generate profits, also known as the ability to increase the value of its funds or capital. It is typically reflected by the amount and level of earnings generated by the enterprise over a given period.

The revenue profit margin indicator reflects the ability to generate profits from each unit of operating revenue. A higher ratio indicates greater profit margins on products or businesses, stronger efficiency in converting revenue into profits, superior quality of earnings from core operations, and more prominent profit stability and growth potential.

The expense profit margin reflects the relationship between profits and operating expenses. A higher ratio indicates that more profit can be generated per unit of cost and expense input, demonstrating superior cost control capability, better input-output efficiency, and stronger operational management capabilities, thereby enhancing the intrinsic value of the enterprise.

The return on equity measures the profitability of shareholders' proprietary capital. A higher ratio indicates more efficient utilisation of shareholders' equity, stronger capability to generate returns for investors, and is a core metric for evaluating the overall operating performance of an enterprise, reflecting higher investment value.

The return on assets reflects the profitability efficiency of total assets. A higher ratio indicates stronger operating capability and profitability of the enterprise's total assets, more sufficient asset utilisation and superior revenue-generating performance, resulting in outstanding overall operating performance.

In summary, higher values of the revenue profit margin, expense profit margin, return on equity and return on assets would result in upward adjustments, and vice versa.

(7) Growth Capability Adjustment

Growth capability indicators are metrics that measure the growth capability of the business development of the Appraised Entity. Based on a comprehensive analysis, the growth rate of net assets attributable to owners of the parent company, the compound annual growth rate of operating revenue, and the compound annual growth rate of net profit attributable to owners of the parent company were selected as the indicators for measuring the growth capability of the business development of the Appraised Entity.

The growth rate of net assets attributable to owners of the parent company reflects the growth rate of shareholders' equity attributable to the owners of the parent company. A higher growth rate indicates a stronger capital accumulation capability of the enterprise, continuous expansion of proprietary capital scale, steady consolidation of the financial foundation, progressive enhancement of long-term development resilience and risk resistance, and significant potential for intrinsic value growth.

The compound annual growth rate of operating revenue reflects the long-term growth trend of operating revenue. A higher growth rate indicates better market expansion capability and business scale expansion effectiveness of the enterprise, continuous improvement in market share and business volume, stronger growth potential and market competitiveness in business development, and positive support to valuation.

The compound annual growth rate of net profit attributable to owners of the parent company measures the long-term growth level of distributable profits to shareholders. A higher growth rate indicates sufficient profit growth momentum, sustainable profitability, favourable future earnings expectations, and greater investment return potential, significantly enhancing the valuation of the enterprise.

In summary, higher values of the growth rate of net assets attributable to owners of the parent company, the compound annual growth rate of operating revenue, and the compound annual growth rate of net profit attributable to owners of the parent company would result in upward adjustments, and vice versa.

7. *Estimation of Discount for Lack of Marketability*

As the selected listed companies' values are calculated based on the prices of their freely tradable shares, and Shanghai Securities is a non-listed company, the operating equity value derived from the adjusted valuation multiples needs to take into account a discount for lack of marketability.

In 2026, the discount for lack of marketability ratio published by the China Appraisal Society is as follows:

No.	Name of the Industry	Mergers and Acquisitions of Non Listed Companies		Listed Companies		Discount for Lack of Marketability Ratio	Remark
		Number of Sample Observations	Average P/E Ratio	Number of Sample Observations	Average P/E Ratio		
1	Mining Industry	12	21.31	64	29.76	28.39%	–
2	Production and Supply of Electricity, Heat, Gas and Water	117	22.29	109	28.49	21.75%	–
3	Real Estate Industry	47	36.49	28	52.63	30.66%	–
4	Construction Industry	45	26.47	55	35.40	25.22%	–
5	Transportation and Warehousing Industry	57	17.70	93	23.98	26.20%	–
6	Banking Industry	41	0.52	42	0.61	14.55%	PB Basis
7	Securities and Futures Industry	36	26.56	52	34.51	23.04%	–
8	Other Financial Services	74	21.74	12	28.65	24.12%	Insurance, Trust and Others
9	Social Services Industry	660	35.86	144	54.26	33.92%	Business Services, Entertainment, Accommodation, Catering, Leasing and Others
10	Agriculture, Forestry, Animal Husbandry and Fishery Industry	17	42.21	23	59.23	28.73%	–
11	Wholesale and Retail Trade	144	30.38	102	42.52	28.55%	–
12	Information Technology Services	84	43.90	165	68.07	35.51%	–
13	Manufacture of Computers, Communication and Electronic Equipment	23	42.27	353	63.22	33.14%	–

No.	Name of the Industry	Mergers and Acquisitions of Non Listed Companies		Listed Companies		Discount for Lack of Marketability Ratio	Remark
		Number of Sample Observations	Average P/E Ratio	Number of Sample Observations	Average P/E Ratio		
14	Manufacture of Machinery, Equipment and Instruments	90	34.88	693	48.31	27.80%	Machinery, General Equipment, Specialised Equipment and Instruments
15	Manufacture of Metals and Non- metallic Materials	43	33.14	208	46.33	28.48%	Steel, Non- ferrous Metals, Cement, Metal Products and Others
16	Manufacture of Petroleum, Chemical, Rubber and Plastic Products	49	28.86	331	41.18	29.91%	–
17	Manufacture of Food and Beverages	18	26.16	137	37.87	30.93%	Liquor, Beverages, Food Manufacturing and Agricultural and Sideline Food Processing
18	Manufacture of Pharmaceutical and Biological Products	11	26.23	191	40.61	35.42%	–
19	Other Manufacturing Industries	53	30.12	334	43.29	30.42%	Textiles, Garments, Papermaking, Printing, Furniture and Others
20	Total/Average	1,621	–	3,136	–	–	

Sources: Equity Exchanges, Wind Information, CVSource

For the purposes of this valuation, the discount for lack of marketability ratio was determined based on the average discount for lack of marketability ratio of the securities and futures industry in 2026, which was set at 23.04%.

(V) Calculation of Total Shareholders' Equity under the Market Approach

Unit: RMB'0,000 times

Item	Case 1 First Capital	Case 2 Nanjing Securities	Case 3 Caida Securities	Case 4 Hongta Securities
Price-to-Book (P/B) Ratio	1.72	1.50	1.79	1.52
Transaction Date Adjustment	100/100	100/100	100/100	100/100
Transaction Condition Adjustment	100/100	100/100	100/100	100/100
Scale Adjustment	100/97	100/101	100/99	100/99
Risk Management Capability Adjustment	100/99	100/101	100/102	100/105
Operating Capability Adjustment	100/111	100/95	100/108	100/93
Profitability Adjustment	100/97	100/99	100/98	100/101
Growth Capability Adjustment	100/99	100/101	100/98	100/102
Adjusted Price-to-Book (P/B) Ratio	1.69	1.55	1.71	1.54
Weighting	1/4	1/4	1/4	1/4
Adjusted Price-to-Book Ratio × Weighting	0.42	0.39	0.43	0.39
Weighted Adjusted Price-to-Book (P/B) Ratio				1.62
Net Assets Attributable to Owners of the Parent Company of the Subject Entity				2,012,077.07
Discount for Lack of Marketability				752,028.00
Appraised Values of Total Shareholders' Equity (Rounded)				2,511,984.00

Note: For the data under each adjustment framework set out in the above table, the numerator represents the scoring coefficient for Shanghai Securities, which has been uniformly set at 100 as Shanghai Securities has been adopted as the benchmark for the purpose of the scoring in this valuation. The denominator represents the scoring coefficient for the comparable listed companies, which has been derived for indicator differences between the comparable listed companies and Shanghai Securities. The relevant data are extracted from the tables set out on pages I-141 to I-142.

The appraised value of the total shareholders' equity of Shanghai Securities is RMB25,119.84 million, calculated based on the following formula:

The appraised value of the total shareholders' equity of Shanghai Securities = weighted adjusted price-to-book (P/B) ratio × net assets attributable to owners of the parent company of the subject entity – discount for lack of marketability

That is: RMB25,119.84 million = 1.62 × RMB20,120.77 million – RMB7,520.28 million

Discount for lack of marketability = Weighted adjusted price-to-book (P/B) ratio × net assets attributable to owners of the parent company of the subject entity × illiquidity discount rate

That is: RMB7,520.28 million = 1.62 × RMB20,120.77 million × 23.04%

Note: Due to rounding differences in the calculation process, slight discrepancies may exist between the individual totals and the calculated results.

Under the market approach valuation, the weighted average price-to-book ratio (P/B ratio) of the four A-share listed comparable companies as at the Valuation Benchmark Date was 1.63 times (being 1.62 times after adjustment). In determining the final valuation under the market approach, an adjustment for lack of liquidity was applied, while no control premium was taken into account. As a result, the final valuation corresponds to a P/B ratio of 1.25 times for the Target Equities as at the Valuation Benchmark Date, being March 31, 2026.

(VI) Conclusion under the Market Approach

The total shareholders' equity of the enterprise was valued under the market approach, and the valuation results as at the Valuation Benchmark Date are set out as follows:

As at the Valuation Benchmark Date, the book value of owners' equity in the parent company's stand-alone financial statements of the Appraised Entity was RMB19,742.3754 million, and the appraised value was RMB25,119.8400 million, representing an appreciation of RMB5,377.4646 million and a gain rate of 27.24%.

As at the Valuation Benchmark Date, the equity attributable to owners of the parent company of the Appraised Entity's consolidated financial statements was RMB20,120.7707 million, and the appraised value was RMB25,119.8400 million, representing an appreciation of RMB4,999.0693 million and a gain rate of 24.85%.

APPENDIX II
LETTER OF CONFIRMATION ISSUED BY THE VALUER

Set out below is the full text of the letter issued by Shanghai Orient Appraisal Co., Ltd. to the Board, which has been prepared for inclusion in this announcement.

July 27, 2026

東方證券股份有限公司

Orient Securities Building, No. 119 South Zhongshan Road, Huangpu District, Shanghai

Dear Sirs,

We refer to the Asset Valuation Report issued by us on the Target Equities in respect of Shanghai Securities Company Limited (“**Shanghai Securities**”) dated July 3, 2026.

We have reviewed the financial information of Shanghai Securities as at June 30, 2026 and confirm that there have been no material changes in the valuation assumptions and bases adopted in the Asset Valuation Report during the period from March 31, 2026 (being the Valuation Benchmark Date) to June 30, 2026. Accordingly, there was no material difference to the appraised value of 100% equity interests in Shanghai Securities as of June 30, 2026 from the Valuation Benchmark Date as set out in the Asset Valuation Report.

Shanghai Orient Appraisal Co., Ltd.

Xu Feng

Legal Representative

APPENDIX III
LETTER OF CONFIRMATION ISSUED BY THE HONG KONG
INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Gram Capital, the Hong Kong Independent Financial Adviser to the Independent Board Committee and the Takeovers Code Independent Shareholders in respect of the Proposed Transaction, the Specific Mandate and the Whitewash Waiver for the purpose of inclusion in this announcement.

Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

July 27, 2026

The Board of Directors

東方證券股份有限公司
Orient Securities Building
No. 119 South Zhongshan Road
Huangpu District
Shanghai
PRC

Dear Sir/Madam,

Reference is made to the asset valuation report (the “**Asset Valuation Report**”) prepared by Shanghai Orient Appraisal Co., Ltd. (the “**Valuer**”), which was contained in Appendix I to the announcement of 東方證券股份有限公司 dated July 27, 2026 (the “**Announcement**”). Capitalised terms used in this report shall have the same respective meanings as defined in the Announcement unless the context otherwise requires.

This report constitutes our report on qualification and experience of the Valuer to prepare the Asset Valuation Report as required under Rule 11.1(b) of the Takeovers Code.

We performed due diligence on the qualification, experience and expertise of the Valuer and experience of the persons in charge of the Asset Valuation Report. We have conducted reasonable checks to assess the relevant qualification, experience and expertise of the Valuer, including reviewing the supporting documents on the qualification of the Valuer and discussing with the Company and the Valuer on the Valuer’s qualifications and experience, and the bases and assumptions adopted in arriving the appraised value on the Target Equities set out in the Asset Valuation Report (the “**Bases & Assumptions**”). Based on the information provided by the Valuer, we noted that:

- The Valuer complies with the requirements of the Securities Law of the PRC and completed filing with the securities regulatory authority of the State Council of the PRC and the relevant competent authority of the State Council of the PRC, and is qualified to engage in securities service business (including conduct valuation of unlisted companies in the PRC).

- The two signatories of the Asset Valuation Report (being personnel engaged in the Asset Valuation Report) are filed as public valuers under China Appraisal Society, one of them has over 20 years of experience and the other one has around 9 years of experience in providing assets and enterprises valuation services to listed companies in the PRC and conduct valuation of unlisted companies in the PRC.

On the basis of the foregoing, we are of the opinion that (a) the Valuer and the personnel engaged in the Asset Valuation Report are (i) suitably qualified and experienced with sufficient knowledge, skills and understanding necessary to prepare the Asset Valuation Report competently; and (ii) meet the regulatory requirements which apply in the circumstances in which the Asset Valuation Report is required; and (b) the Bases & Assumptions have been made with due care and objectivity, and on a reasonable basis.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

APPENDIX IV
MATERIAL INFORMATION WITH TAKEOVERS CODE IMPLICATIONS

Set out below are the relevant parts containing material information relating to the requirements under the Takeovers Code, as extracted from the overseas regulatory announcement published by the Company on July 27, 2026 in relation to the Report (Draft) on the Issuance of Shares and Payment of Cash Consideration for the Acquisition of Assets and Related Party Transaction of the Company (《東方證券股份有限公司發行股份及支付現金購買資產暨關聯交易報告書(草案)》) in respect of the Proposed Transaction, and other overseas regulatory announcements published on the same date in relation to the Proposed Transaction. The following financial data are prepared in accordance with CASBE.

I. Summary of the Report (Draft) on the Issuance of Shares and Payment of Cash Consideration for the Acquisition of Assets and Related Party Transaction of the Company

Significant Matters — II. Impact of the Proposed Transaction on the Company — (III) Impact on the Key Financial Indicators of the Company

The comparison of the key financial indicators of the Company before and after the Proposed Transaction is set out as follows:

Unit: RMB'0,000

Item ^(Note 1)	March 31, 2026/January to March 2026		December 31, 2025/For the year ended December 31, 2025	
	(A)	(B)	(C)	(D)
	Before the Proposed Transaction (Unaudited) ^(Note 2)	After the Proposed Transaction (Pro Forma-unaudited) ^(Note 3)	Before the Proposed Transaction (Audited) ^(Note 4)	After the Proposed Transaction (Pro Forma-unaudited) ^(Note 5)
Total assets	51,647,509.95	62,497,091.80	48,687,598.68	58,804,837.33
Total liabilities	43,164,920.68	51,654,683.30	40,418,716.23	48,208,295.56
Shareholders' equity	8,482,589.27	10,842,408.50	8,268,882.46	10,596,541.77
Equity attributable to shareholders of the Company	8,482,282.51	10,842,101.75	8,268,565.67	10,596,224.98
Gearing ratio (%) ^(Note 6)	74.96	73.45	75.66	74.00
Operating income	409,017.92	462,619.55	1,535,819.03	1,888,701.77
Operating expenses	208,208.74	242,531.77	874,692.95	1,062,550.29
Total profit	200,605.76	219,495.19	664,414.00	830,821.33
Net profit attributable to shareholders of the Company	158,711.99	174,434.36	563,355.95	699,623.75
Basic earnings per share (RMB/share)	0.19	0.16	0.65	0.64

Notes:

- (1) Based on the Company's audited financial report for 2025, the Company's first quarterly report for the year 2026 (as published on the website of the Hong Kong Stock Exchange on April 29, 2026) ("**Company's First Quarterly Report**"), and unaudited pro forma consolidated financial statements of the enlarged Group under CASBE for the year ended December 31, 2025 and the three months ended March 31, 2026 prepared in relation to the Proposed Transaction pursuant to the requirements in the Standards on the Contents and Formats of Information Disclosures by Companies Publicly Offering Securities No.26 – Material Asset Restructuring of Listed Companies (公開發行證券的公司信息披露內容與格式準則第26號 – 上市公司重大資產重組) issued by CSRC, which have been reviewed by KPMG Huazhen ("**CASBE Pro Forma Report**"). The CASBE Pro Forma Report is prepared on a basis consistent in all material respects with the accounting policies adopted by the Group as set out in the published audited consolidated financial statements of the Group prepared in accordance with the CASBE for the year ended December 31, 2025.
- (2) These financial indicators of the Company are extracted from the Company's first quarterly report for the year 2026 (as published on the website of the Hong Kong Stock Exchange on April 29, 2026).
- (3) These pro forma financial indicators of the Company are prepared based on (a) the unaudited first quarterly report of the Company; and (b) the audited financial statements of Shanghai Securities for the three months ended March 31, 2026 (details of which are set out in Section II to this Appendix IV below).
- (4) These financial indicators of the Company are extracted from the Company's audited financial report for the year 2025 (as published on the website of the Shanghai Stock Exchange on March 27, 2026).
- (5) These pro forma financial indicators of the Company are prepared based on (a) the Company's audited financial report for the year 2025; and (b) the audited financial statements of Shanghai Securities for the year 2025 (details of which are set out in Section II to this Appendix IV below).
- (6) Gearing ratio = (Total liabilities – Accounts payable to brokerage clients – Accounts payable to underwriting clients)/(Total assets – Accounts payable to brokerage clients – Accounts payable to underwriting clients).

In accordance with the above table, upon completion of the Proposed Transaction, the Company's total assets, net assets and operating income will further grow, and risk resilience, overall competitiveness will be further enhanced.

Based on the Company's audited financial report for 2025, the unaudited financial statements for January to March 2026, and the CASBE Pro Forma Report, the pro forma earnings per share of the enlarged Group for such periods are slightly lower than the Company's historical level for the same periods. To protect the interests of investors and mitigate the risk of dilution of earnings per share, the Company has formulated measures to address such dilution. Meanwhile, through the integration of resources from both parties, the Company will achieve complementary advantages, expand its asset scale and capital strength, further enhance its comprehensive financial service capabilities and its competitiveness in areas such as wealth management, investment banking and institutional services, consolidate its overall competitive advantages and industry position, and improve the quality and efficiency of financial services to the real economy as well as its capacity to support economic and social development.

Significant Matters — IV. Principle Opinions of Relevant Parties on this Restructuring and Share Reduction Plans

Shenergy, being the largest shareholder of the Company, has given its in-principle consent to the Proposed Transaction, and undertakes that, from the date of disclosure of the plan for the Proposed Transaction until the completion of the Proposed Transaction: (1) it shall not reduce its shareholdings in the Company and has no plan to do so; and (2) in the event of any ex-rights matters including bonus issues, capitalisation issues or rights issues, the newly issued shares shall also be subject to the non-disposal undertaking. The Proposed Transaction will not result in any change in the largest shareholder of the Company, being Shenergy.

All Directors and members of senior management of the Company undertake that, should they hold any Shares of the Company during the aforementioned period, they will not reduce their holdings of the relevant shares, nor do they have any plan to reduce their holdings of the Company.

Significant Matters — V. Arrangements for the Protection of the Interests of Minority Shareholders in the Proposed Transaction — (V) Dilution of Earnings per Share Caused by the Proposed Transaction and the Corresponding Remedial Measures

1. Impact of the Proposed Transaction on the Earnings Per Share of the Company

Based on the Company's audited financial report for 2025, the Company's First Quarterly Report, and the CASBE Pro Forma Report, the comparison of the net profit and earnings per share of the Company before and after the Proposed Transaction is set out as follows:

Unit: RMB'0,000

Item	January to March 2026		For the year of 2025	
	Before the Proposed Transaction (Actual-unaudited) ^(Note 1)	After the Proposed Transaction (Pro Forma-unaudited) ^(Note 2)	Before the Proposed Transaction (Actual-audited) ^(Note 3)	After the Proposed Transaction (Pro Forma-unaudited) ^(Note 4)
Operating income	409,017.92	462,619.55	1,535,819.03	1,888,701.77
Net profit	158,701.96	174,424.32	563,365.18	699,632.98
Net profit attributable to owners of the parent company	158,711.99	174,434.36	563,355.95	699,623.75
Basic earnings per share (RMB/share)	0.19	0.16	0.65	0.64

Notes:

- (1) These financial indicators of the Company are extracted from the Company's first quarterly report for the year 2026 (as published on the website of the Hong Kong Stock Exchange on April 29, 2026).
- (2) These pro forma financial indicators of the Company are prepared based on (a) the unaudited first quarterly report of the Company; and (b) the audited financial statements of Shanghai Securities for the three months ended March 31, 2026 (details of which are set out in Section II to this Appendix IV below).
- (3) These financial indicators of the Company are extracted from the Company's audited financial report for the year 2025 (as published on the website of the Shanghai Stock Exchange on March 27, 2026).
- (4) These pro forma financial indicators of the Company are prepared based on (a) the Company's audited financial report for the year 2025; and (b) the audited financial statements of Shanghai Securities for the year 2025 (details of which are set out in Section II to this Appendix IV below).

Based on the Company's audited financial report for 2025, the unaudited financial statements for January to March 2026, and the CASBE Pro Forma Report, the pro forma earnings per share of the enlarged Group for such periods are slightly lower than the Company's historical level for the same periods, while its business scale will be expanded and its operational capabilities and risk resilience will be significantly enhanced. In accordance with the requirements of the Opinions of the General Office of the State Council on Further Strengthening the Protection of the Legitimate Rights and Interests of Small and Medium Investors in the Capital Market (Guobanfa [2013] No. 110) (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》(國辦發[2013]110 號)), the Several Opinions of the State Council on Further Promoting the Healthy Development of the Capital Market (Guofa [2014] No. 17) (《國務院關於進一步促進資本市場健康發展的若干意見》(國發[2014]17 號)), and the Guiding Opinions on Matters Concerning the Dilution of Immediate Returns in Initial Public Offerings, Refinancing, and Major Asset Restructurings (CSRC Announcement [2015] No. 31) (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》(證監會公告[2015]31 號)), and to safeguard the right to information of minority investors and protect their interests, the Company has conducted a thorough analysis of the dilution of earnings per share arising from the Proposed Transaction and has formulated measures to address such dilution.

2. Remedial Measures for the Dilution of Earnings per Share Caused by the Proposed Transaction

On July 27, 2026, the Company convened the 17th Meeting of the Sixth Board of Directors, at which it considered and approved the resolution on the dilution of earnings per share caused by the Proposed Transaction, remedial measures, and undertakings of relevant parties. To protect the interests of investors, mitigate the risk of dilution of earnings per share, and enhance the Company's ability to return value to its shareholders, the Company has formulated measures to compensate for the dilution of earnings per share, as detailed below:

(1) Effectively integrate the Target Equities and fully realise the synergistic effects

Upon completion of the Proposed Transaction, the Company and Shanghai Securities are expected to achieve business complementarity and mutual empowerment. The Company will steadily advance the integration process across various aspects, including business operations, customer resources, internal management and financial control. Through deep integration of business, customers and channels, the Company will achieve complementary advantages, effectively realise business synergies and economies of scale, and endeavour to enhance its overall competitiveness.

(2) Continuously optimize corporate governance and provide institutional safeguards for the Company

The Company has established a relatively comprehensive corporate governance structure and daily operational management policies. Upon completion of the Proposed Transaction, the Company will continue to optimize its internal management systems and internal control framework, strengthen daily operations, compliance management and risk control, improve incentive and accountability mechanisms, enhance operational efficiency, and reduce operational risks. At the same time, the Company will effectively safeguard its overall interests and protect the lawful rights and interests of all shareholders, particularly minority investors, thereby providing institutional safeguards for the Company's sustainable and steady development.

(3) Strictly implement the profit distribution policy and strengthen the investor return mechanism

Upon completion of the Proposed Transaction, the Company will, in accordance with the relevant requirements of the Guidelines for 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》) and the *Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No.1 – Standardized Operation* (《上海證券交易所上市公司自律監管指引第1號 – 規範運作》), and following the provisions on profit distribution under the Articles of Association of the Company, and taking into account its actual circumstances and the wishes of its investors, continue to refine its profit distribution policy and strengthen its investor return mechanism, so as to better protect the interests of the Company's shareholders and investors.

3. Commitments of the Company's Largest Shareholder, Directors and Senior Management to Ensure the Due Implementation of the Remedial Measures for Dilution of Earnings per Share

To effectively protect the legitimate rights and interests of small and medium investors, the Company's largest Shareholder (being Shenergy), the Directors and senior management of the Company have issued the Commitment on the Dilution of Earnings per Share and Measures to Cover Such Dilution for This Restructuring in accordance with the relevant regulations of the CSRC. For details, please refer to "Section I. Overview of the Transaction" – "VI. Material Commitments Made by Parties Related to the Transaction" in the *Report (Draft) on the Issuance of Shares and Payment of Cash Consideration for the Acquisition of Assets and Related Party Transaction of the Company* (《東方證券股份有限公司發行股份及支付現金購買資產暨關聯交易報告書(草案)》) published by the Company on July 27, 2026 ("Report") on the Shanghai Stock Exchange.

Section I Overview of the Proposed Transaction – III. Nature of the Proposed Transaction

- (I) The Proposed Transaction Does Not Constitute a Major Asset Restructuring Under the Administrative Measures for the Material Asset Reorganisations of Listed Companies (《上市公司重大資產重組管理辦法》) issued by the CSRC (“**Administration Measures for Restructurings**”)

In the Proposed Transaction, the Company intends to acquire 100% equity interests in Shanghai Securities. The consideration for the Target Equities is RMB25,120.00 million. The specific financial data and transaction consideration of the Proposed Transaction are as follows:

Unit: RMB’0,000

(1)	(2)	(3)	(4)	(5)	(6)
Item	Company	Shanghai Securities	Consideration for the Proposed Transaction	Higher of Shanghai Securities’ Financial Data (Column (3)) and Consideration for the Proposed Transaction (Column (4))	Indicator Percentage
Total assets	48,687,598.68	9,586,580.72	2,512,000.00	9,586,580.72	19.69%
Net assets (equity attributable to the parent company’s owners)	8,268,565.67	1,980,506.64	2,512,000.00	2,512,000.00	30.38%
Operating revenue	1,535,819.03	342,520.47	—	—	22.30%

Note 1: The total assets and net assets of the Company and Shanghai Securities are audited financial data as of the end of 2025; operating revenue is audited financial data for the year 2025.

As shown in the table above, total assets, net assets, and operating revenue of Shanghai Securities each accounted for less than 50% of the respective indicators in the audited consolidated financial statements of the Company for the most recent fiscal year.

According to the relevant provisions of the Administration Measures for Restructurings, the Proposed Transaction does not constitute a major asset restructuring.

(II) The Proposed Transaction Constitutes a Connected Transaction Under SSE Listing Rules

According to the relevant provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》) (“SSE Listing Rules”), prior to the Proposed Transaction, the counterparty, SIG, is a company where the Company’s connected natural persons serve/have served as directors or senior management personnel, and is therefore a connected party of the Company. Other counterparties do not have a connected relationship with the Company.

Upon completion of the Proposed Transaction, the counterparties Bailian Group and SIG and entities under their control will hold more than 5% of the Company’s total issued share capital, and will thereby become connected persons of the Company under SSE Listing Rules.

Therefore, the Proposed Transaction constitutes a connected transaction under SSE Listing Rules and will be conducted in accordance with the principles and relevant regulations applicable to connected transactions under SSE Listing Rules.

(III) The Proposed Transaction Does Not Constitute Reorganisation and Listing Under Administration Measures for Restructurings

Within the thirty-six months prior to the Proposed Transaction, the Company had no controlling shareholder and no actual controller; its largest shareholder was Shenergy. The Proposed Transaction will not result in any change in the Company’s control or largest shareholder.

According to the relevant provisions of Article 13 of the Administration Measures for Restructurings, the Proposed Transaction does not constitute reorganisation and listing.

(IV) Source of Funds for Cash Consideration in the Proposed Transaction

The cash consideration for the Proposed Transaction will be sourced from the Company’s own funds.

Section 4 Basic Information of Shanghai Securities – VII. Development of Principal Business in the Recent Three Years – (I) Securities Industry Overview – 4. Competitive Landscape of the Securities Industry – (3) Core Competitiveness of Shanghai Securities

1. Unique Geographical Advantage

Headquartered in Shanghai, Shanghai Securities directly benefits from the strategic and policy dividends of the development of Shanghai as an international financial centre, the financial opening in the free trade zone, the registration-based IPO system on the Sci-Tech Innovation Board (STAR Market), and cross-border investment facilitation. Shanghai Securities enjoys proximity to local state-owned asset platforms and the ability to serve regional listed and pre-listed companies more easily. The Yangtze River Delta integration strategy continuously empowers Shanghai Securities’ development.

2. *Sound and Efficient Channel Advantage*

Shanghai Securities' own business network and customer base are a major pillar of its sustainable competitiveness. As of the end of 2025, Shanghai Securities had built a sales network covering major economic regions across the country, including 35 branches and outlets in Shanghai. Various businesses develop in synergy, creating a diversified revenue structure. In recent years, Shanghai Securities' industry ranking by net profit has steadily improved, and its core operating indicators have moved into the upper-mid tier of the industry.

3. *Scarcity Advantage in Fund Evaluation*

Shanghai Securities is one of the four securities firms in China with a formal fund evaluation business qualification, and has published over 60 issues of fund ratings. Leveraging this license, Shanghai Securities has built an integrated institutional service closed loop of "research + data + trading + capital". As of the end of 2025, Shanghai Securities' fund evaluation service platform served 64 mutual fund managers and approximately 600 private fund managers. In terms of the private fund ecosystem, Shanghai Securities has established relationships with numerous managers with tens of billions of RMB in assets under management.

4. *Stable and Progressive Operating Model*

Shanghai Securities has always taken "integrity and professionalism" as its core values, placing equal emphasis on standardised operations and diversified development while spreading operational risks through the synergistic development of multiple segments. On the investment side, it adheres to value investing and a multi-asset allocation strategy. On the customer service side, it is transitioning from traditional channels to buy-side advisory. This stable and progressive operating model enables Shanghai Securities to maintain its competitiveness and development resilience.

5. *Distinctive Advantage in Industry-Finance Synergy*

Focusing on a number of national strategies, Shanghai Securities has developed industry-finance synergy service model across multiple sectors that distinguishes itself from traditional securities firms, and has gradually established a distinctive business system that serves the real economy with professional financial services.

6. *Leading Positioning in Fintech*

Shanghai Securities has positioned fintech as a strategic pillar. It has achieved fully in-house research and development for over 20 core platforms, with the in-house development rate, launch rate and cost control rate each reaching 100%. The "Shangzhen (尚臻)" series of AI product matrices covers diverse scenarios. Shanghai Securities is among the first securities firms in the industry to achieve localised deployment of the DeepSeek model, and has built a "1+1+3+N" large model service system and independently developed nine AI agents which have been deployed. Shanghai Securities' data governance has passed the national DCMM (Data Management Capability Maturity Model) Level 4 certification, and its core system reliability reached 99.999%.

7. Prudent and Comprehensive Risk Control Mechanism

On the compliance front, Shanghai Securities has established a compliance management organisational system covering the Board through all levels, incorporating its subsidiaries into unified management, and advances compliance performance throughout the entire process, achieving full coverage of compliance management. It continues to optimise the vertical management of compliance personnel and improve mechanisms for selection, assessment, promotion and exchange, with the effectiveness of compliance management continuously enhanced. On the risk management front, Shanghai Securities has established a four-tier comprehensive risk management framework and implements dynamic monitoring with net capital as the core, ensuring that key indicators are better than regulatory standards. It covers various types of risks, achieving a full-process closed loop. Shanghai Securities embeds risk management into its daily operations, establishes a normalised stress testing mechanism, and strengthens its risk culture, ensuring business innovation and the steady development of its business.

Section 4 Basic Information of Shanghai Securities – VII. Development of Principal Business in the Recent Three Years – (II) Development of Principal Business

The breakdown of Shanghai Securities’ operating revenue by business segment during 2024, 2025 and the three months ended March 31, 2026 (the “Reporting Period”) is set out below:

Unit: RMB’0,000

Item	January to March 2026		2025		2024	
	Amount	%	Amount	%	Amount	%
Wealth Management Business	54,922.38	106.60%	184,588.40	53.89%	162,677.03	56.92%
Securities Trading and Investment Business	-8,801.81	-17.08%	137,404.04	40.12%	103,053.97	36.06%
Asset Management Business	2,297.04	4.46%	6,750.76	1.97%	7,619.14	2.67%
Investment Banking Business	573.74	1.11%	4,051.42	1.18%	3,475.64	1.22%
Others	2,530.54	4.91%	9,725.85	2.84%	8,980.35	3.14%
Total	51,521.88	100.00%	342,520.47	100.00%	285,806.13	100.00%

Note: Pursuant to the Implementation Q&A on Accounting Treatment for Standard Warehouse Receipt Transactions issued by the Ministry of Finance on July 8, 2025, Shanghai Securities has implemented this accounting policy since January 1, 2025, and has retrospectively adjusted the financial statement data for the comparative periods.

1. Wealth Management Business

(1) Business Overview and Operating Performance

The wealth management business of Shanghai Securities comprises securities brokerage, credit business, and futures brokerage, among others. The futures brokerage business is conducted by Hicend Futures Co., Ltd.* (海證期貨有限公司) (“**Hicend Futures**”), a wholly-owned subsidiary of Shanghai Securities. During the Reporting Period, Shanghai Securities recorded operating revenue from its wealth management business of RMB1,626.7703 million, RMB1,845.8840 million and RMB549.2238 million, respectively.

Shanghai Securities has established a relatively comprehensive wealth management business system, with a strong customer base and professional service capabilities. As of March 31, 2026, Shanghai Securities operated 9 securities branches and 72 securities outlets nationwide, with a presence covering key provinces and municipalities including Shanghai, Zhejiang, Jiangsu, Beijing, Guangdong, Tianjin, and Liaoning. The Company has established an operating network centered on Shanghai and extending to the Yangtze River Delta, Beijing-Tianjin-Hebei region, Pearl River Delta, middle reaches of the Yangtze River, and the Chengdu-Chongqing economic circle. The specific distribution is as follows:

Region	Province/ Municipality	Securities Branch	Number of Securities Outlets	Percentage of Securities Outlets
Yangtze River Delta	Shanghai	Shanghai Branch, Shanghai Lingang New Area Branch	33	45.83%
	Jiangsu	Jiangsu Branch	7	9.72%
	Zhejiang	Zhejiang Branch	21	29.17%
Beijing-Tianjin-Hebei	Beijing	Beijing Branch	3	4.17%
	Tianjin	–	1	1.39%
Pearl River Delta	Guangdong	Shenzhen Branch	5	6.94%
Middle Reaches of Yangtze River	Jiangxi	Jiangxi Branch	–	–
Chengdu-Chongqing Economic Circle	Chongqing	Chongqing Branch	–	–
Other Regions	Liaoning	–	1	1.39%
	Hainan	–	1	1.39%
	Fujian	Fujian Branch	–	–
Total		9	72	100.00%

① Securities Brokerage Business

During the Reporting Period, Shanghai Securities' securities brokerage business maintained a steady and positive growth momentum, with a continuous expansion in customer scale. As at the end of each period during the Reporting Period, the numbers of qualified customers of Shanghai Securities' securities brokerage business were 1,701,624, 1,880,585 and 1,955,301, respectively, representing a consecutive annual increase in customer base. As at the end of 2025, the total customer assets exceeded RMB400.0 billion, and the average assets per account reached RMB0.2353 million, indicating a continuous increase in customer assets. Details of the number of customers and asset size of Shanghai Securities' securities brokerage business as at the end of each period during the Reporting Period are set out below:

Item	March 31, 2026	December 31, 2025	December 31, 2024
Number of qualified customers as at period end	1,955,301	1,880,585	1,701,624
Including: number of qualified institutional customers	1,964	1,929	1,941
Number of qualified individual customers	1,953,337	1,878,656	1,699,683
Total client assets (RMB100 million)	4,119.72	4,425.62	3,539.06
Average assets per account (RMB10,000)	21.07	23.53	20.80

A. Agency Services for Buying and Selling of Securities

With the continuous enhancement of its online customer acquisition capabilities, Shanghai Securities integrated digital tools with offline service resources to promote the coordinated development of its agency services for buying and selling of securities both online and offline, with trading volume and client assets continuing to grow. Details are as follows:

Item	March 31, 2026/January to March 2026	December 31, 2025/2025	December 31, 2024/2024
Trading volume for its agency services (RMB100 million)	13,156.65	41,165.51	25,020.20
Including: individual clients	10,580.31	34,938.81	22,242.91
institutional clients	2,576.33	6,226.70	2,777.29
Custodied securities market value (RMB100 million)	3,781.00	4,129.22	3,295.01
Client margin balance (RMB100 million)	194.91	190.93	168.43

Note: Agency securities trading volume is calculated based on the trading volume of stocks, funds and bonds traded on behalf of clients.

B. Distribution of Financial Products

Shanghai Securities has established the distribution system comprehensively covering mutual funds, private funds and various asset management products, thereby forming a multi-tiered, full-product front-end business presence. At the same time, Shanghai Securities has focused on strengthening its middle – and back-office infrastructure and enhancing its refined operation capabilities. By establishing a unified identity management system and integrating client data across all channels, among other measures, it has developed comprehensive client profiles and, on that basis, achieved client segmentation, categorization and precise targeting, ultimately driving the continuous enhancement of client value and operating efficiency.

During the Reporting Period, the sales of major financial products of Shanghai Securities amounted to RMB59.297 billion, RMB75.817 billion and RMB30.596 billion, respectively. Details are as follows:

Item	January to March 2026	2025	2024
Sales of mutual fund products (RMB100 million)	298.89	158.00	180.02
Sales of non-publicly offered fund products (RMB100 million)	7.07	600.17	412.95
Including: sales of private fund products (RMB100 million)	3.43	8.10	1.11
Total	305.96	758.17	592.97

Note: Non-publicly offered fund products primarily include private fund products, asset management products and income certificates.

② Credit Business

Shanghai Securities possesses multiple credit business qualifications, including margin financing and securities lending, stock pledged repurchase, and agreed repurchase, forming a multi-product, multi-variety business chain. During the Reporting Period, the credit business of Shanghai Securities is centered on margin financing and securities lending. It did not carry out agreed repurchase transactions and did not originate any new stock pledged repurchase business.

As of the end of 2025, the balance of margin financing and securities lending of Shanghai Securities reached RMB13.149 billion, representing a year-on-year increase of 40.36%, which was higher than the 36.26% increase in the outstanding balance of margin financing and securities lending for the overall market. As of March 31, 2026, Shanghai Securities had a margin financing and securities lending balance of RMB12.186 billion. The average maintenance margin ratio of clients was 264.39%, indicating that the risks generally remained under control. The client numbers and business scale of the margin financing and securities lending business as at the end of each period during the Reporting Period are as follows:

Item	March 31, 2026	December 31, 2025	December 31, 2024
Number of margin financing and securities lending clients	31,619	31,224	29,704
Number of margin financing and securities lending transactions	560,955	2,073,632	1,328,974
Ending balance of margin financing and securities lending (RMB'0,000)	1,218,601.95	1,314,922.53	936,793.22
Outstanding balance of margin financing and securities lending for the overall market (RMB100 million)	26,086.57	25,406.82	18,645.83
Market share of margin financing and securities lending	0.4671%	0.5175%	0.5024%
Ending value of collateral (RMB'0,000)	3,307,346.18	3,662,779.32	2,502,360.18
Ending maintenance margin ratio	264.39%	271.36%	257.14%

Note 1: The period-end balance of margin financing and securities lending was sourced from the regulatory returns on margin financing and securities lending business of securities firms.

Note 2: Market share of margin financing and securities lending = the Company's outstanding balance of margin financing and securities lending at the end of the period/the outstanding balance of margin financing and securities lending for the overall market, and the outstanding balance of margin financing and securities lending for the overall market was sourced from Wind statistics.

Note 3: The ending maintenance margin ratio represents the average ratio of the value of the Company's client collateral to their margin financing and securities lending obligations. The value of client collateral excludes that of clients without outstanding obligations.

③ Futures Brokerage Business

Futures brokerage business refers to the business activities in which a futures company, upon accepting clients' instructions, acts in its own name to execute futures, options, and other derivatives transactions on behalf of clients and handle settlement, delivery, and other related procedures.

The futures business of Shanghai Securities is operated by its wholly-owned subsidiary Hicend Futures. Hicend Futures has obtained membership qualifications of the Shanghai Futures Exchange, Dalian Commodity Exchange, Zhengzhou Commodity Exchange, Shanghai International Energy Exchange and Guangzhou Futures Exchange, as well as the trading and clearing membership qualification of the China Financial Futures Exchange. Leveraging its continuous investment in investment research, customer service and information technology, Hicend Futures has continuously improved its integrated customer service system, optimised customer experience and further enhanced its ability to serve the real economy, so as to meet customers' comprehensive service needs in relation to futures and derivatives, including investment and trading, hedging, risk management and wealth management. As of March 31, 2026, Hicend Futures had 15 branches and outlets, including six branches and nine outlets, primarily located in Shanghai, Shandong, Zhejiang, Fujian and Jiangsu.

During the Reporting Period, details of the number of clients of Hicend Futures and the scale of client equity were as follows:

Item	March 31, 2026/January to March 2026	December 31, 2025/For the year of 2025	December 31, 2024/For the year of 2024
Number of clients	89,341	80,307	63,849
Including: number of institutional clients	2,464	2,378	2,190
Number of individual clients	86,877	77,929	61,659
Ending equity scale (RMB100 million)	199.26	148.59	120.29
Average daily equity scale (RMB100 million)	171.76	134.23	111.06
Average equity scale per account (RMB10,000)	22.30	18.50	18.84

Futures brokerage business is the principal source of revenue of Hicend Futures, and the level of activity has continued to increase in recent years. During the Reporting Period, the transaction amount of Hicend Futures' futures brokerage business amounted to RMB6,830.98 billion, RMB7,394.16 billion and RMB2,735.984 billion, respectively, among which the transaction amount of its futures brokerage business for January to March 2026 increased by 63.54% year-on-year. Benefiting from the sound development of its futures brokerage business, the market share of Hicend Futures also continued to increase. During the Reporting Period, the proportion of Hicend Futures' revenue to the revenue of the futures industry was 0.89%, 0.97% and 1.17%, respectively.

(2) Principal Operating Model

The wealth management business of Shanghai Securities provides comprehensive wealth management services to retail and institutional clients, covering agency services for buying and selling of securities, distribution of financial products, margin financing and securities lending, and futures brokerage.

During the Reporting Period, the fee income from agency services for buying and selling of securities was recognized based on the commission rates agreed in the relevant agreements, with revenue recognized on the date when the trading instruction was executed. Revenue from distribution of financial products was primarily recognized at the point of client subscription or purchase confirmation. The margin financing and securities lending business provides clients with margin financing and securities lending services based on its own funds and securities. Revenue is derived from margin interest and securities lending fees, of which margin interest is recognized on a time-apportioned basis during the holding period based on the actual amount of funds utilized and the agreed term interest rate, while securities lending fees are recognized on a time-apportioned basis during the borrowing period based on the actual quantity of securities borrowed and the agreed fee rate. Interest accrual ceases when the relevant obligations are settled.

The futures brokerage business is conducted by Hicend Futures. During the Reporting Period, related fee income was recognized on the date when the trading instruction was executed, and interest income from margin deposits was recognized daily based on the agreed interest rate.

(3) Quality Management and Risk Control

Shanghai Securities has established management systems and supporting operational guidelines covering all categories of wealth management business, with special emergency response plans formulated for contingencies such as significant market fluctuations and client defaults. It has formed a quality management and risk control system comprising self-management and control by business lines, centralized risk control management, and compliance and audit supervision.

For the futures brokerage business, Hicend Futures has formulated core systems including the Risk Management Measures, with a Risk Control Committee established under the management level responsible for making decisions on risk limits and major matters, has implemented a tiered risk management mechanism, and has built a quality management and risk control system comprising overall coordination by the committee, self-control by business lines, and functional-level risk control.

2. Securities Trading and Investment Business

(1) Business Overview and Operating Performance

The securities trading and investment business of Shanghai Securities primarily comprises fixed income business and equity investment business, covering investments in bonds, stocks, funds, and other securities and their derivatives. During the Reporting Period, Shanghai Securities recorded operating revenue from its securities trading and investment business of RMB1,030.5397 million, RMB1,374.0404 million and negative RMB88.0181 million, respectively.

① Fixed Income Business

Fixed income business refers to the business in which a securities company utilizes its own funds to invest in cash bonds, including interest rate bonds, credit bonds and convertible bonds and exchangeable bonds, and to hedge interest rate risks through the use of derivatives, with a view to generating investment returns through dynamic allocation and trading operations.

During the Reporting Period, the profile of Shanghai Securities' fixed income business was as follows:

Unit: RMB100 million

Item	January to March 2026		2025		2024	
	Amount	%	Amount	%	Amount	%
Bonds	294.61	99.65%	317.75	99.58%	330.99	99.13%
Including: standardized bonds	289.96	98.08%	313.24	98.16%	328.87	98.50%
Convertible bonds/exchangeable bonds	4.65	1.57%	4.51	1.41%	2.12	0.64%
Funds	1.03	0.35%	1.35	0.42%	2.90	0.87%
Including: mutual funds	–	–	0.22	0.07%	1.60	0.48%
Real Estate Investment Trusts (“REITs”)	1.03	0.35%	1.13	0.35%	1.30	0.39%
Total	295.64	100.00%	319.11	100.00%	333.89	100.00%

Note: The asset structure is calculated based on the arithmetic average of the position costs at the end of each month during each period. Standardized bonds mainly refer to the bond assets accounted for under other comprehensive income.

② Equity Investment Business

Equity investment business refers to the business in which a securities company utilizes its own funds to conduct equity investments, with investment targets primarily comprising stocks, funds and others listed and traded on stock exchanges. The equity investment business of Shanghai Securities comprises equity business and market-making business. Among them, the equity business primarily involves investments in equity long positions, exchange-traded financial derivatives, fund of funds (“FOFs”) and other assets of an equity nature; the market-making business currently mainly covers the National Equities Exchange and Quotations (“NEEQ”) and the Beijing Stock Exchange (“BSE”).

Shanghai Securities’ equity business is grounded in fundamental research, with an emphasis on balanced allocation and the implementation of multiple strategies, and flexibly applies tools such as stock index futures to enhance portfolio resilience. During the Reporting Period, details of the holding structure of Shanghai Securities’ equity investment business were as follows:

Unit: RMB100 million

Item	January to March 2026		2025		2024	
	Amount	%	Amount	%	Amount	%
Stocks	50.77	83.24%	44.80	78.95%	33.64	73.08%
Funds	3.81	6.25%	4.92	8.67%	4.44	9.64%
Collective asset management plans	6.41	10.51%	7.02	12.38%	7.71	16.75%
Convertible bonds	—	—	—	0.00%	0.24	0.53%
Total	60.99	100.00%	56.75	100.00%	46.03	100.00%

Note: The asset structure is calculated based on the arithmetic average of the position costs at the end of each month during each period.

In the implementation of multiple strategies in its equity business, Shanghai Securities expanded the application of derivatives, which provided supplementary returns to its equity business. Shanghai Securities deployed capital in March 2025. From commencement to the end of 2025, the annualized rate of return reached 8.68%.

In terms of market-making business, Shanghai Securities successfully obtained the qualification for market making trading business on the BSE in 2025, becoming the first securities company to obtain such approval in 2025 and formally commence market making business, thereby further strengthening the competitive edge of its non-directional strategies and broadening its diversified sources of income. In the evaluation of BSE market makers for the fourth quarter of 2025, Shanghai Securities ranked seventh among the 21 participating securities companies.

(2) Principal Operating Model

The fixed-income business of Shanghai Securities uses interest rate bonds and medium – and high-grade credit bonds as core holdings, and convertible bonds, exchangeable bonds, REITs and other instruments with embedded rights as flexible allocations, and conducts investment operations through the integrated use of bond spot trading, derivatives hedging and “fixed-income+” strategies. Investment returns are derived from interest income during the holding period, gains from price differences arising from the disposal of bonds and other assets, and derivatives hedging gains and losses, of which interest income is recognized during the holding period using the effective interest method, and gains from price differences are recognized at the point of derecognition of the assets based on the difference between the net disposal proceeds and the carrying amount.

The equity investment business of Shanghai Securities covers active investment based on fundamental research and market-making trading centered on liquidity provision, with investment scope covering A-shares, BSE stocks and other equity instruments in the multi-level capital market.

During the Reporting Period, in respect of the active investment business, investment returns are derived from dividend income during the holding period and gains from price differences arising from the disposal of securities. For market-making business, Shanghai Securities primarily obtains bid-ask spread income by continuously providing two-way quotes to the market.

(3) Quality Management and Risk Control

Shanghai Securities has formulated a series of management systems covering proprietary investment products across all categories, including credit bonds, interest rate bonds, interest rate derivatives and stocks, with supporting operational guidelines, implementation rules, and compliance and risk control requirements. These comprehensively regulate operations across the entire process, including proprietary investment decision-making, trade execution, research and analysis, and credit assessment, and guard against risks such as uncontrolled scale expansion, decision-making errors, operational risks and insider trading.

3. Asset Management Business

(1) Business Overview and Operating Performance

Shanghai Securities’ asset management business primarily includes brokerage asset management and mutual fund management business, of which the mutual fund management business is conducted by Xinjiang Qianhai Alliance Asset Management Co., Ltd.* (新疆前海聯合基金管理有限公司) (“**Qianhai Alliance Asset Management**”), a wholly-owned subsidiary of Shanghai Securities. During the Reporting Period, Shanghai Securities’ asset management business recorded operating revenue of RMB76.1914 million, RMB67.5076 million and RMB22.9704 million, respectively.

① Securities Asset Management Business

Securities asset management business refers to the business activities in which a securities company, as manager, raises funds on a non-public basis or accepts entrustment of property, establishes asset management plans, and conducts investment activities for the benefit of investors in accordance with laws, regulations and contractual agreements.

In terms of product mix and business structure, since Shanghai Securities initiated and established its first collective wealth management product in 2007, it has gradually developed a complete product line covering various types including fixed income, “fixed income+”, FOF, equity and asset-backed securities (“ABS”), establishing the “Shangzhen” asset management brand.

As of March 31, 2026, the number of existing products under Shanghai Securities’ securities asset management business was 101, and the aggregate size increased to RMB32.351 billion. By business model, the product portfolio covers three categories: collective asset management, single asset management, and special asset management. Among these, single asset management accounted for 65.21% of the aggregate size, while collective asset management and special asset management accounted for 25.82% and 8.97%, respectively. By product structure, Shanghai Securities’ asset management business has established an overall development pattern with fixed income as the core foundation, FOF as the key growth driver, and ABS as the differentiator. Within this structure, fixed-income products accounted for 58.36% of the aggregate size, FOF products accounted for 32.37%, and ABS accounted for 8.97%.

As of March 31, 2026, the outstanding scale of assets under entrusted management of the principal institutional clients of Shanghai Securities reached RMB22.502 billion. The sources of funds were mainly outsourced funds from banks and peer institutions, with the Company, Shanghai Pudong Development Bank Co., Ltd., Qingyin Wealth Management Co., Ltd., Chongqing Rural Commercial Bank Co., Ltd. and Guangxi Beibu Gulf Bank Co., Ltd. among its important cooperating institutions.

As of the end of each Reporting Period, details of the assets under management and the number of products managed under Shanghai Securities’ securities asset management business were as follows:

Item		March 31, 2026	December 31, 2025	December 31, 2024
Assets under management (RMB100 million)	Collective asset management plans	83.52	82.22	132.52
	Single asset management plans	210.97	206.33	218.39
	Special asset management plans	29.02	21.02	21.04
Total		323.51	309.57	371.95
Number of products managed	Collective asset management plans	57	58	52
	Single asset management plans	42	43	42
	Special asset management plans	2	1	1
Total		101	102	95

② Mutual Fund Management Business

Mutual fund management business refers to the management and operation activities carried out by the mutual fund management companies and their practitioners in respect of publicly offered securities investment funds, including fund raising, investment operation, operational clearing, net asset value calculation, information disclosure and investor services.

Shanghai Securities conducts its mutual fund management business through Qianhai Alliance Asset Management, its wholly-owned subsidiary, with product offerings covering diversified categories including equity, fixed income and FOF. Based on the needs of different investors and the characteristics of different products, Qianhai Alliance Asset Management adopts differentiated investment strategies. Among these, equity investments primarily adopt a value investment strategy, while fixed income investments are subject to portfolio management based on macroeconomic and credit analysis. As of March 31, 2026, Qianhai Alliance Asset Management had mutual fund assets under management of RMB19.078 billion, including RMB17.121 billion of non-money-market mutual funds, and operated a total of 28 mutual funds products. As of the end of each Reporting Period, the assets under management and the number of products managed by Qianhai Alliance Asset Management were as follows:

Item		March 31, 2026	December 31, 2025	December 31, 2024
Assets under management (RMB100 million)	Money market funds	19.57	19.8	7.51
	Bond	161.27	81.45	81.18
	Equity	9.93	7.62	8.8
	FOF	0.01	0.01	0.02
Total		190.78	108.88	97.51
Number of products managed	Money market funds	3	3	2
	Bond	12	12	11
	Equity	12	12	12
	FOF	1	1	1
Total		28	28	26

According to the Excess Return Rankings of Fund Companies in Equity and Fixed-income Assets (《基金公司權益及固定收益類資產超額收益排行榜》) published by Guotai Haitong on April 3, 2026, as of March 31, 2026, Qianhai Alliance Asset Management's equity funds recorded an excess return rate of 77.37% over the past seven years, outperforming the median level of its peers, while its fixed-income funds recorded an excess return rate of 6.38% over the past three years, ranking third among its peers.

(2) Principal Operating Model

① Securities Asset Management Business

Shanghai Securities' securities asset management business provides qualified investors with asset management services covering fixed income, FOF, equity, asset securitization and other categories through the issuance and management of collective asset management plans, single asset management plans and special asset management plans.

Revenue from the securities asset management business is derived from management fees and excess performance remuneration. Management fees are accrued daily during the term and recognized periodically at a certain percentage of the net asset value of the products, asset size or outstanding principal balance of the special plans. Performance remuneration is recognized in respect of the excess return portion on the product open day, dividend distribution date or termination date of collective and single asset management plans, based on the performance benchmark and accrual rate agreed in the product contracts.

② Mutual Fund Business

Shanghai Securities conducts its mutual fund business through its wholly-owned subsidiary Qianhai Alliance Asset Management.

Revenue from the mutual fund business is derived from management fees. Management fees are accrued daily during the term and recognized periodically at a certain percentage of the net asset value or asset size of the funds under management.

(3) Quality Management and Risk Control

① Securities Asset Management Business

Shanghai Securities has established an asset management business management system covering all categories, including fixed income, FOF, and equity, with supporting operational guidelines and implementation rules covering the entire process. It has formed a quality and risk control system for its asset management business comprising self-management and control by business lines, centralized risk control management, and compliance and audit supervision.

② Publicly Offered Fund Business

Qianhai Alliance Asset Management has established a mutual-fund business policy framework covering the entire process of investment research, trade execution, operations and clearing, and compliance and risk control, with supporting specific operating rules. It has also established a strict business segregation firewall system to guard against various operating risks.

4. Investment Banking Business

(1) Business Overview and Operating Performance

The investment banking business of securities companies is divided into securities underwriting and sponsorship business and financial advisory business. Shanghai Securities' investment banking business is mainly bond underwriting under securities underwriting and sponsorship business. During the Reporting Period, the operating revenue of Shanghai Securities' investment banking business amounted to RMB34.7564 million, RMB40.5142 million and RMB5.7374 million, respectively.

In its investment banking business, Shanghai Securities is one of the earliest securities companies in China to conduct bond underwriting business, and its bond investment banking business mainly focuses on the underwriting of non-listed enterprise bonds and corporate bonds.

In recent years, the underwriting scale of Shanghai Securities' bond business has continued to increase. In 2024, it completed 15 lead underwriting projects, with a lead underwriting issuance size of RMB6.369 billion. In 2025, it completed 33 bond lead underwriting projects, representing a year-on-year increase of 120% in the number of lead underwriting issuances, with the lead underwriting issuance size reaching RMB11.337 billion, representing a year-on-year increase of 78%. It also completed a number of benchmark projects in areas such as technology finance and green finance.

(2) Principal Operating Model

Shanghai Securities' investment banking business is centered on bond issuance and underwriting, providing clients with investment banking services including the formulation of bond financing plans, issuance application, sales and marketing, and duration management.

Revenue from this business is derived from underwriting fees and financial advisory fees. Underwriting fees are recognized upon completion of the bond issuance and fulfilment of the underwriting obligations, based on the rates agreed in the underwriting agreements entered into with the issuers. Financial advisory fees are recognized in instalments according to the agreed terms under the financial advisory agreements entered into with clients.

(3) Quality Management and Risk Control

Shanghai Securities has formulated an investment banking business management system, with supporting operational guidelines, quality control procedures, and compliance and risk control requirements.

5. Others

(1) Business Overview and Operating Performance

Shanghai Securities' other businesses mainly comprise fund evaluation business and risk management business, among which the risk management business is carried out by Shanghai Hicend Risk Management Co., Ltd.* (上海海證風險管理有限公司) ("**Hicend Risk Management**"), a wholly-owned subsidiary of Hicend Futures. During the Reporting Period, Shanghai Securities generated operating revenue from its other businesses of RMB89.8035 million, RMB97.2585 million and RMB25.3054 million, respectively.

① Fund Evaluation Business

Fund evaluation business is a licensed business that is subject to filing with the Asset Management Association of China. Shanghai Securities was among the first batch to obtain such qualification on May 18, 2010, and is one of the four securities companies in China qualified to conduct fund rating and single-indicator ranking business. It has continued to operate in a regulated manner for more than 15 years.

② Risk Management Business

Risk management business refers to the professional risk management services, including warehouse receipt services, basis trading and over-the-counter derivatives transactions, provided by risk management companies wholly owned or controlled by futures companies and their practitioners to real-economy enterprises and institutional clients in respect of operational risks such as commodity price fluctuations, inventory turnover and capital liquidity.

To improve the business coverage of its futures business, Hicend Futures established its wholly-owned subsidiary, Hicend Risk Management, to conduct commodity risk management and over-the-counter derivatives business.

(2) Principal Operating Model

① Fund Evaluation Business

Revenue from this business is mainly derived from research service fees, which are recognized in installments according to the agreed terms under the service agreements entered into with institutional clients.

② Risk Management Business

Shanghai Securities conducts commodity risk management and over-the-counter derivatives business through Hicend Risk Management, a wholly-owned subsidiary of Hicend Futures. During the Reporting Period, Hicend Risk Management provided clients with customized commodity options, swaps and forward hedging solutions. Revenue from this business consists of gains from price differences in spot trading, warehouse receipt service fees and premiums from over-the-counter derivatives. Among them, gains from price differences in spot trading are recognized when control of the commodities is transferred; warehouse receipt service fees are recognized in installments based on the scale of funds occupied and the

service term under the service agreements entered into with clients; and premiums from over-the-counter derivatives are recognized at the time of contract signing based on the notional principal amount and contract structure agreed in the agreements.

(3) Quality Management and Risk Control

① Fund Evaluation Business

Shanghai Securities has formulated a series of management systems related to its fund evaluation business, together with supporting operational guidelines and implementation rules, to regulate operations across the entire process in terms of client acquisition and maintenance, product introduction assessment, delivery of research services, and fund evaluation and rating.

② Risk Management Business

Hicend Risk Management has formulated a series of management systems and supporting operating rules covering all categories of risk management business, including warehouse receipt services, basis trading and over-the-counter derivatives. These regulate business operations across all aspects, including client admission, business approval, trade execution, contract management, operations and clearing, duration management and information reporting. For high-risk special businesses, it has established dedicated control mechanisms such as risk limit management, stress testing and risk disposal, to guard against various risks including market risk, credit risk, operational risk, compliance risk and liquidity risk.

Section 6 Valuation of the Target Equities — IX. Analysis by the Board of Directors of the Company on the Reasonableness of the Valuation and Fairness of the Pricing of the Target Equities in the Proposed Transaction

In accordance with the relevant laws, regulations, and normative documents, the Board of Directors of the Company has carefully reviewed the Asset Valuation Report and related documents and conducted an examination of the valuation matters involved in respect of the Proposed Transaction. The Board has expressed its opinion confirming the independence of the Valuer, the reasonableness of the valuation assumptions, the relevance between the valuation methods and the valuation purpose, and the fairness of the valuation pricing. The valuation consideration of the Proposed Transaction has taken into account the historical operating results and financial position of Shanghai Securities, the development prospects of the industry in which they operate, their competitive position within the industry and their operating conditions, and is therefore reasonable. The valuation results are substantially consistent with the pricing of the Proposed Transaction, and there is no material discrepancy. The valuation results and the transaction pricing of the Proposed Transaction are in line with the principle of market-based pricing, have fully taken into account the interests of the Company and its minority shareholders, and the transaction pricing is fair.

Section 6 Valuation of the Target Equities — X. Independent Opinions Expressed by the Independent Non-executive Directors of the Company on the Independence of the Valuer, the Reasonableness of the Valuation Assumptions, and the Fairness of the Transaction Pricing

Acting with diligence and a responsible attitude, and based on an independent, prudent, and objective standpoint, the independent non-executive Directors have expressed their opinions confirming the independence of the Valuer, the reasonableness of the valuation assumptions, the relevance between the valuation methods and the valuation purpose, and the fairness of the transaction pricing for the Proposed Transaction.

Section 8 Compliance Analysis of the Proposed Transaction – I. The Proposed Transaction complies with Article 11 of the Administration Measures for Restructurings

- (1) The Proposed Transaction complies with national industrial policies and the relevant PRC laws and administrative regulations relating to environmental protection, land administration, anti-monopoly, foreign investment, outbound investment and other matters;
- (2) The Proposed Transaction will not result in the Company failing to satisfy the conditions for listing of its shares;
- (3) The pricing of the assets involved in the Proposed Transaction is fair and there is no circumstance that would prejudice the lawful interests and rights of the Company and its shareholders;
- (4) The ownership of the assets involved in the Proposed Transaction is clear, there is no legal impediment to the transfer or assignment of such assets, and the treatment of the relevant creditor's rights and liabilities is lawful;
- (5) The Proposed Transaction is conducive to enhancing the Company's sustainable operation capability, and will not result in a situation where the Company's principal assets would become cash or where it would be left without specific operating business after completion of the Proposed Transaction;
- (6) The Proposed Transaction is conducive to enabling the Company to remain independent from its de facto controller and its associates in terms of business, assets, finance, personnel and organisation, and is in compliance with the relevant requirements of the CSRC in relation to the independence of listed companies; and
- (7) The Proposed Transaction is conducive to the formation or maintenance of a sound and effective corporate governance structure of the Company.

Section 8 Compliance analysis of the Proposed Transaction – II. The Proposed Transaction does not constitute reorganisation and listing under Article 13 of the Administration Measures for Restructurings

During the 36 months prior to the Proposed Transaction, the Company had no controlling shareholder and no de facto controller, and its largest shareholder was Shenergy. The Proposed Transaction will not result in any change in control of the Company or any change in its largest shareholder.

Section 8 Compliance analysis of the Proposed Transaction – III. The Proposed Transaction complies with Article 43 of the Administration Measures for Restructurings

- (1) The Company's financial and accounting report for the most recent year was audited by a certified public accountant who issued an unqualified audit opinion;
- (2) Neither the Company nor its incumbent directors and senior management is under investigation by the judicial authorities for any suspected criminal offence, nor under investigation by the CSRC for any suspected violation of laws or regulations; and
- (3) There is no circumstance in which the Proposed Transaction contravenes any other conditions prescribed by the CSRC.

Section 8 Compliance analysis of the Proposed Transaction – IV. The Proposed Transaction complies with Article 44 of the Administration Measures for Restructurings

- (1) The Proposed Transaction is conducive to improving the asset quality of the Company and enhancing its sustainable operation capability, will not result in any material adverse change in its financial position, and will not give rise to material adverse horizontal competition or related party transactions that would materially impair independence or be manifestly unfair;
- (2) The assets to be acquired by the Company are operating assets with clear title, and the procedures for transfer of title can be completed within the agreed timeframe;
- (3) The assets to be acquired in the Proposed Transaction have synergistic effects with the Company's existing principal business; and
- (4) The Proposed Transaction does not involve any phased issue of shares by the Company as consideration for the acquisition of assets.

Section 8 Compliance analysis of the Proposed Transaction – V. The Proposed Transaction complies with Article 46 of the Administration Measures for Restructurings

The Pricing Benchmark Date for the issue of A Shares for the acquisition of assets in the Proposed Transaction is the date of publication of the resolution of the 16th meeting of the sixth session of the board of directors of the Company approving matters relating to the Proposed Transaction (being May 7, 2026). The issue price of the Shares to be issued in the Proposed Transaction was determined at RMB10.49 per Share based on the weighted average trading price of the Company's A Shares during the 120 trading days immediately preceding the Pricing Benchmark Date. During the period from the Pricing Benchmark Date to the date of completion of this issue, if the Company carries out any ex-rights or ex-dividend adjustments, such as dividend distribution, bonus issue, capitalisation issue or rights issue, the issue price of the shares to be issued in the Proposed Transaction will be adjusted accordingly in accordance with the relevant laws and the requirements of the regulatory authorities.

The Company's profit distribution plan for 2025 is as follows: based on the total share capital of the Company as at the record date for the relevant dividend distribution, a cash dividend of RMB2.00 (tax inclusive) will be distributed for every 10 shares to A Shareholders and H Shareholders whose names appear on the register of members on the record date for such dividend distribution. Pursuant to the

relevant provisions, including the Self-regulatory Guidance for Listed Companies of the Shanghai Stock Exchange No. 7 – Share Repurchases (《上海證券交易所上市公司自律監管指引第 7 號 – 回購股份》), the Company's A Shares held in its special securities account for repurchased shares (being treasury A Shares) do not participate in the dividend distribution. Accordingly, the issue price for the shares to be issued by the Company for the acquisition of assets in the Proposed Transaction has been adjusted to RMB10.29 per share.

Section 8 Compliance analysis of the Proposed Transaction – VI. The Proposed Transaction complies with Article 47 of the Administration Measures for Restructurings

According to the Agreement on the Purchase of Assets by the Company by Way of Issuance of Shares and Payment of Cash (《東方證券股份有限公司發行股份及支付現金購買資產協議》) and the undertakings given by the counterparties to the Proposed Transaction, the counterparties have undertaken not to transfer the shares of the Company obtained in the Proposed Transaction within 12 months from the date of completion of the share issue. Upon expiry of the above lock-up period, any transfer and dealing in the shares of the Company by the counterparties will be conducted in accordance with the laws, regulations and the rules of the Shanghai Stock Exchange then in force.

Section 8 Compliance analysis of the Proposed Transaction – VII. The Proposed Transaction complies with Article 48 of the Administration Measures for Restructurings

Upon completion of the Proposed Transaction, the shareholding of the counterparties Bailian Group, SIG and their respective controlling entities in the Company will exceed 5% of the total share capital of the Company. Bailian Group, SIG and their respective controlling entities will prepare and disclose the corresponding short-form report on changes in equity interests in accordance with the Administration Measures for the Takeover of Listed Companies (《上市公司收購管理辦法》).

Section 8 Compliance analysis of the Proposed Transaction – VIII. The Proposed Transaction complies with Article 11 of the Administration Measures for the Registration of Securities Issuance

As of the date of signing of the Report, the Company is not subject to any of the following circumstances prescribed under Article 11 of the Administrative Measures for the Registration of Securities Issuance by Listed Companies (《上市公司證券發行註冊管理辦法》) (“Administration Measures for the Registration of Securities Issuance”), which would prohibit an issuance of shares to specified subscribers:

1. the use of proceeds raised in the previous fund-raising exercise has been changed without proper authorisation and such change has not been rectified, or such change has not been approved by the shareholders' general meeting;
2. the preparation and disclosure of the financial statements for the most recent year fail to comply in material respects with the CASBE or the relevant information disclosure rules; the financial and accounting report for the most recent year has been issued with an adverse opinion or a disclaimer of opinion by the auditors; or the financial and accounting report for the most recent year has been issued with a qualified audit opinion, and the material adverse impact of the matters giving rise to such qualified opinion on the listed company has not yet been eliminated, except where this issuance involves a major asset reorganisation;

3. any incumbent director or senior management have been subject to an administrative penalty imposed by the CSRC within the most recent three years, or has been publicly censured by a stock exchange within the most recent year;
4. the listed company or any of its incumbent directors or senior management are under investigation by the judicial authorities for any suspected criminal offence, or under investigation by the CSRC for any suspected violation of laws or regulations;
5. the controlling shareholder or de facto controller has, within the most recent three years, committed any material unlawful act that has seriously prejudiced the interests of the listed company or the lawful interests and rights of investors;
6. any material unlawful act that has seriously prejudiced the lawful interests and rights of investors or the public interest has occurred within the most recent three years.

Section 8 Compliance analysis of the Proposed Transaction – IX. The Proposed Transaction complies with the provisions of Article 4 of the Regulatory Guidance for Listed Companies No. 9 – Regulatory Requirements for the Planning and Implementation of Major Asset Restructurings by Listed Companies (《上市公司監管指引第 9 號-上市公司籌劃和實施重大資產重組的監管要求》)

The transaction complies with the provisions of Article 4 of the Regulatory Guidance for Listed Companies No. 9 – Regulatory Requirements for the Planning and Implementation of Major Asset Restructurings by Listed Companies. The specific analysis is as follows:

1. Shanghai Securities is a non-bank financial institution principally engaged in securities business. As at the date of signing of this report, the relevant principal businesses conducted by Shanghai Securities have obtained the approvals, ratifications, filings or licences from the CSRC and its local offices and other regulatory authorities. Save for the above, the principal businesses of Shanghai Securities do not involve any other approval or filing matters relating to project approval, environmental protection, industry access, land use, planning, construction and other matters. The Company has disclosed in this report and its summary the decision-making and approval procedures that have been performed and remain to be performed in respect of the Proposed Transaction, and has given special risk warnings on the risk that approval may not be obtained.
2. The Target Equities of the Proposed Transaction are the 100% equity interests of Shanghai Securities. The counterparties to the Proposed Transaction legally hold the complete rights to the Target Equities, and there are no restrictions or prohibitions on its transfer. Shanghai Securities has no issues of capital contribution inadequacy or circumstances affecting its legal existence.
3. Upon the completion of the Proposed Transaction, Shanghai Securities will become a wholly-owned subsidiary of 東方證券股份有限公司. The Proposed Transaction is conducive to maintaining the integrity of the listed company's assets and to the continued independence of the listed company in terms of business, assets, finance, personnel, and structure.
4. The Proposed Transaction is conducive to enhancing the listed company's ability to sustain its operations and will not cause any material adverse changes to its financial condition. It is conducive to the listed company's focus on its core business and strengthening its resilience. It is also

conducive to enhancing the listed company's independence and will not give rise to new horizontal competition that has a material adverse effect, nor will it lead to related-party transactions that seriously affect independence or are manifestly unfair.

In summary, the Proposed Transaction complies with the relevant provisions of Article 4 of the Regulatory Guidance for Listed Companies No. 9 – Regulatory Requirements for the Planning and Implementation of Major Asset Restructurings by Listed Companies.

Section 8 Compliance analysis of the Proposed Transaction – X. The Proposed Transaction complies with the provisions of Article 6 of the Regulatory Guidance for Listed Companies No. 9 – Regulatory Requirements for the Planning and Implementation of Major Asset Restructurings by Listed Companies

As of the date of signing of the Report, the Target Equities are not subject to any non-operating fund occupation by their shareholders and their associates, or by the owners of the assets and their associates.

Section 8 Compliance analysis of the Proposed Transaction – XI. The relevant parties are not subject to any circumstance under Article 12 of the Regulatory Guidance for Listed Companies No. 7 – Regulation of Abnormal Trading in Shares in Connection with Major Asset Restructurings of Listed Companies (《上市公司監管指引第7號 – 上市公司重大資產重組相關股票異常交易監管》) or Article 30 of the Self-Regulatory Guidelines No. 6 for Listed Companies of the Shanghai Stock Exchange – Major Asset Restructuring (《上海證券交易所上市公司自律監管指引第6號 – 重大資產重組》) that would prohibit them from participating in any major asset restructuring of a listed company

As of the date of signing of the Report, none of the relevant parties involved in the Proposed Transaction is under administrative investigation or judicial investigation for suspected insider dealing in relation to the Proposed Transaction, and none of them has, within the most recent 36 months preceding the date of signing of the Report, been subject to any administrative penalty imposed by the CSRC or been held criminally liable by the judicial authorities in accordance with law for suspected insider dealing in relation to a major asset restructuring.

Section 12 Risk factors – I. Risks relating to the Proposed Transaction

(1) Risk that the Proposed Transaction may be suspended, terminated or cancelled

In view of the complexity of the Proposed Transaction, there is a certain time gap between the signing of the agreements relating to the Proposed Transaction and its final implementation, changes in policies relating to the securities market, material unforeseen events or force majeure and other factors may affect the timetable of the Proposed Transaction and even whether it can be successfully completed, and may therefore result in the risk that the Proposed Transaction may be suspended, terminated or cancelled. At the same time, there is also a risk that the Proposed Transaction may be suspended, terminated or cancelled under applicable laws as a result of abnormal fluctuations in the listed company's share price or abnormal trading, which may give rise to suspected insider dealing.

During the course of the Proposed Transaction, the board of directors of the Company will publish announcements on the progress of the relevant work in a timely manner so that investors may understand the progress of the Proposed Transaction and make corresponding judgments.

(2) Risk of failure to obtain approvals

The relevant resolutions in relation to the Proposed Transaction have been considered and approved at the 16th meeting and the 17th meeting of the sixth session of the board of directors of the Company. As of the date of signing of the Report, the Proposed Transaction scheme is still subject to the relevant approvals, authorisations and registration. For details, please refer to “Highlights of material matters – III. Decision-making procedures and approval procedures completed and yet to be completed for the Proposed Transaction” – “(2) Decision-making and approval procedures yet to be completed for the Proposed Transaction” in this report. Whether the Proposed Transaction can obtain the relevant approvals, authorisations and registration, and the timing for obtaining them, remain uncertain. Investors are reminded to pay attention to the investment risks.

(3) Risk of goodwill impairment

The Proposed Transaction constitutes a business combination not under common control, and any excess of the purchase consideration over the fair value of the identifiable net assets of the acquiree obtained in the combination shall be recognised as goodwill. According to the CASBE Pro Forma Report, assuming that the Company had consolidated the Target Equities from January 1, 2025, the carrying amount of goodwill of the Company as of March 31, 2026 would have been RMB4,875.4599 million, representing 4.50% and 0.78% of the corresponding net assets and total assets, respectively. Under the prevailing accounting standards, the goodwill arising from the Proposed Transaction will not be amortised, but will be subject to impairment testing in each future accounting year. If the profitability of Shanghai Securities deteriorates materially in the future or the market changes adversely beyond expectation, the relevant goodwill may be subject to impairment. If a substantial impairment provision for goodwill is required in the future, the financial indicators of the Company may be adversely affected. Investors are reminded to pay attention to the relevant risks.

(4) Valuation risk of the Target Equities

For the purpose of the Asset Valuation Report, both the asset-based approach and the market approach were adopted for Shanghai Securities, and the valuation result under the market approach was selected as the final valuation conclusion. Based on the valuation under the market approach, as of March 31, 2026, the valuation of the 100% equity interests of Shanghai Securities was RMB25,119.84 million, representing an appreciation of 24.85% over the book value of owners’ equity attributable to the parent company as shown in the consolidated financial statements. This valuation result was determined based on factors such as the prevailing market environment, industry conditions and the operating conditions of Shanghai Securities. If the market changes adversely beyond expectation in the future, there may be a risk of a decline in the appraised value of the Target Equities. Investors are reminded to pay attention to the relevant risks.

(5) Risk of dilution of earnings per share as a result of the Proposed Transaction

Based on the Company’s audited financial report for 2025, the unaudited financial statements for January to March 2026, and the CASBE Pro Forma Report, the pro forma earnings per share of the enlarged Group for such periods are slightly lower than the Company’s historical level for the same periods. If the operating performance of Shanghai Securities falls short of expectations in the future, indicators of the Company’s immediate returns, including earnings per share, will face a further risk of dilution.

Section 12 Risk factors – II. Risks relating to the Target Equities

(1) Risk of cyclical fluctuations in the macro economy and the capital market

The securities market is closely related to macroeconomic policies and the international political environment, and is highly cyclical and volatile. The current international situation is complex, external uncertainties are increasing, and the domestic economy is at a critical stage of transformation and upgrading towards high-quality development, and the overall operation of the securities market has exhibited characteristics of periodic fluctuations. If drastic changes in the market environment in the future lead to fluctuations in asset prices, the operating conditions of Shanghai Securities may be materially affected.

(2) Operation-related risks

1. Risks relating to the wealth management business

Shanghai Securities' wealth management business includes securities brokerage business, credit business and futures brokerage business. During the Reporting Period, the operating income of Shanghai Securities' wealth management business amounted to RMB1,626.7703 million, RMB1,845.8840 million and RMB549.2238 million, respectively, representing 56.92%, 53.89% and 106.60% of Shanghai Securities' operating income for the relevant period, respectively.

In respect of the risks relating to the securities brokerage business, the main risks include a decline in fee rates, a decline in market trading volume and a decline in sales volume of financial products. As competition in China's securities industry becomes increasingly intense and regulatory requirements become more stringent, business fee rates have continued to decline. At the same time, market trading volume and sales volume of financial products may fluctuate as a result of various factors, including macroeconomic conditions, fiscal and monetary policies, share price volatility and investor sentiment. If fee rates for trading business, the level of activity of the securities market, market trading volume or sales volume of financial products decline in the future and Shanghai Securities fails to take effective responding measures, the revenue of Shanghai Securities' securities brokerage business will face the risk of decline.

In respect of the risks relating to the credit business, Shanghai Securities' credit business currently focuses on margin financing and securities lending business, which principally involves credit risk and interest rate risk. (1) In terms of credit risk, if the maintenance collateral ratio or performance guarantee ratio of Shanghai Securities' credit business customer falls below the forced liquidation line and the customer fails to provide additional collateral or enhance the performance assurance measures in a timely manner, or if the customer fails to perform its contractual obligations to repay liabilities when due, Shanghai Securities will face the risk of credit impairment and loss of funds. At the same time, if the collateral provided by the customer is seized or frozen by a court, Shanghai Securities may also face the risk of being unable to recover its claims in a timely manner. (2) In terms of interest rate risk, the income of the securities company's credit business is mainly derived from net interest income. If market interest rates fluctuate adversely in the future, competition in the credit business market becomes increasingly intense, or customers' bargaining power gradually increases, the spread of the credit business may gradually narrow, thereby adversely affecting the income of Shanghai Securities' credit business.

In respect of the risks relating to the futures brokerage business, the main risks include the risk arising from failure by customers or counterparties to perform contract obligations or provide additional margin in a timely manner, the risk that fluctuations in the market and intensified market competition may cause changes in trading volume and thereby affect revenue from the futures brokerage business, and risks arising from business and product innovation. As market competition intensifies, commission rates in the futures industry have continued to decline. At the same time, there remains a degree of uncertainty as to the fee reduction policies of futures exchanges, and the revenue of Shanghai Securities' futures brokerage business will therefore face the risk of decline.

2. Securities trading and investment business

Shanghai Securities' securities trading and investment business mainly includes fixed-income business and equity investment business. During the Reporting Period, Shanghai Securities' securities trading and investment business recorded operating income of RMB1,030.5397 million, RMB1,374.0404 million and negative RMB88.0181 million, respectively, representing 36.06%, 40.12% and negative 17.08% of Shanghai Securities' operating income for the relevant period, respectively. The securities trading and investment business is mainly exposed to risks including volatility in the securities market, inherent risks in investment products, improper investment decisions and investment failure. Affected by various factors such as domestic and international political developments, the macroeconomic environment, volatility in the securities market and changes in investors' expectations, the trend of the securities market may fluctuate significantly, and the returns generated from Shanghai Securities' securities trading and investment business may also fluctuate significantly accordingly.

3. Asset management business

Shanghai Securities' asset management business primarily includes securities firm asset management and mutual fund management business. During the Reporting Period, the asset management business recorded operating income of RMB76.1914 million, RMB67.5076 million and RMB22.9704 million, respectively, representing 2.67%, 1.97% and 4.46% of Shanghai Securities' operating income for the relevant period, respectively. The performance of the asset management business is affected by a number of factors, including the macro economy, the prosperity of the industry, capital market volatility and investment decision-making capabilities. Changes in the above factors may cause product returns to fall short of expectations or be lower than comparable products in the market, which may reduce investors' willingness to subscribe for and hold the relevant products, resulting in a decline in assets under management and putting pressure on the operating performance of Shanghai Securities' asset management business.

At the same time, asset management business is one of the most widely participated business areas among financial institutions. In addition to securities companies and fund management companies, domestic insurance companies, trust companies and commercial banks also carry out various types of asset management business and the competition in the asset management business is intense. If Shanghai Securities fails to maintain competitive advantages in product design, investment returns, customer services, product innovation and marketing, the market competitiveness and operating performance of its asset management business will be affected.

4. Investment Banking Business

The investment banking business of Shanghai Securities is principally in bond underwriting under its securities underwriting and sponsorship business. During the Reporting Period, the operating revenue generated from the investment banking business amounted to RMB34.7564 million, RMB40.5142 million and RMB5.7374 million, respectively, accounting for 1.22%, 1.18% and 1.11% of Shanghai Securities' operating revenue for the relevant periods, respectively. The performance of the investment banking business is mainly affected by factors such as the macroeconomic and policy environment, capital market conditions, issuance market conditions, the level of industry competition and corporate financing demand. If circumstances such as macroeconomic growth falling short of expectations, significant volatility in capital market conditions, a downturn in issuance market conditions, intensified industry competition or a decrease in corporate financing demand arise in the future, the performance of Shanghai Securities' investment banking business may be adversely affected.

(3) Financial risks

1. Risk of fluctuation in operating results

At present, the operating results of domestic securities companies are significantly affected by fluctuations in the capital market. Shanghai Securities' income and profit are mainly derived from businesses that are highly correlated with the capital market, such as wealth management, securities trading and investment, asset management and investment banking business, and its profitability is readily affected by factors such as the cyclical and volatility of the capital market. During the Reporting Period, Shanghai Securities recorded operating income (audited) of RMB2,858.0613 million, RMB3,425.2047 million and RMB515.2188 million, respectively, and net profit (audited) of RMB953.4613 million, RMB1,323.4949 million and RMB151.3287 million, respectively, showing a certain degree of fluctuation. As the performance of the capital market is affected by numerous factors, including the macroeconomic cycle, industry policies, the stage of market development and investor behaviour, if any material adverse change occurs in these factors in the future, the operating performance of Shanghai Securities may fluctuate significantly.

2. Risk of asset impairment

Shanghai Securities has multiple business lines and holds various financial assets in the course of its operations. Such financial assets are characterised by a wide variety, large scale and differing risk profiles. If the value of the relevant assets changes materially and adversely in the future due to the macro economy downturn, adjustments to industrial policies, changes in regulatory measures, fluctuations in market conditions, defaults on relevant debts or other reasons, Shanghai Securities will face the risk of impairment of financial assets, which may in turn adversely affect its operating performance and financial position.

3. Net capital management risk

The risk control indicator system for securities companies is centred on net capital and liquidity. If Shanghai Securities' risk control indicators change adversely or fail to meet regulatory requirements due to factors such as severe fluctuations in the securities market, unexpected events arising in the course of business operations or force majeure during business operations, the business operations of Shanghai Securities will be restricted, or it may be subject to regulatory penalties, and its existing business qualifications may be partially revoked. If Shanghai Securities fails to adjust its business scale and asset structure in a timely manner so that its risk control indicators continue to comply with regulatory requirements, its operating performance, financial position and reputation may be adversely affected.

4. Liquidity risk

According to regulatory requirements, the liquidity coverage ratio and the net stable funding ratio of securities companies must not be lower than 100%. Although Shanghai Securities continuously tracks liquidity risk and regularly assesses liquidity risks in its liquidity management operations and business operations, if the market environment changes adversely in the short term in the future, or if there is a mismatch in Shanghai Securities' asset-liability structure or maturities, or if customers or counterparties default, and Shanghai Securities is unable to obtain sufficient funds in a timely manner at reasonable cost to repay debts as they fall due, perform other payment obligations and meet funding needs for normal business operations, there may be a risk of insufficient liquidity.

(4) Compliance risk

The operation and management of securities companies must comply with the requirements of the relevant laws, regulations, rules and normative documents, as well as the regulatory policies of the securities regulatory authorities, and corresponding adjustments must be made in response to changes in the relevant laws, regulations and regulatory policies. If Shanghai Securities' operation and management or the professional conduct of its employees breaches laws and regulations or the requirements of the relevant regulatory authorities in the future, resulting in legal sanctions or regulatory measures, the business operations, financial position or reputation of Shanghai Securities may be adversely affected.

(5) Policy risk

China's securities industry is a state-licensed industry, and securities companies are subject to the supervision of the CSRC and other authorities in carrying out their business. China has gradually established a comprehensive, multi-level and relatively complete supervisory and regulatory system for the securities industry, under which industry access, business regulation and day-to-day supervision of the securities industry are strictly regulated. Shanghai Securities' securities business is subject to the strict supervision in areas such as business licensing, business supervision, risk prevention and personnel management. As China's capital market continues to develop, industry regulatory policies and laws and regulations may be adjusted accordingly. If policies and laws and regulations relating to the securities industry, such as business licensing, fiscal and tax policies, foreign exchange administration, interest rate policies and business fee standards, are changed, this may trigger fluctuations in the securities market and changes in the development environment of the securities industry, and in turn affect Shanghai Securities' various businesses to varying degrees.

(6) *Technology risk*

Information technology systems are an important platform for securities companies to carry out their various businesses, and information technology has been widely applied in many aspects of the business and management of securities companies. The normal operation of Shanghai Securities' business activities depends on the proper functioning of its information technology systems. If such systems become abnormal due to external attacks, malfunctions, operational errors or failure of system change operations, this may seriously affect business operations, damage reputation and operations, and may even trigger claims from customers. At the same time, Shanghai Securities' information technology systems may face unforeseen and uncontrollable risks arising from delayed upgrades or the adoption of new technologies.

(7) *Integration risk*

Upon completion of the Proposed Transaction, the Company will integrate the resources of both parties, seek to realise economies of scale, achieve complementary strengths and promote the coordinated development of various businesses. Given the special characteristics of the securities industry, the Proposed Transaction involves a relatively wide range of matters, and the Company will carry out integration in respect of assets, business, personnel and organisational structure. If the synergies between both parties cannot be fully realized following completion of the Proposed Transaction, various potential risks may arise, including slower business development, lower efficiency in the use of funds, instability in personnel structure and lower management efficiency. As a result, the Company may be exposed to a certain degree of integration risk.

(8) *Litigation and arbitration risk*

Shanghai Securities is engaged in a wide range of business activities across a broad geographical area. In the course of its operations, Shanghai Securities may be subject to litigation or arbitration claims arising from reasons such as contractual disputes or third-party liabilities in connection with the conduct of its business, and may be required to compensate for losses or bear liability for breach of contract in accordance with court judgments or arbitral awards. If such litigation or arbitration is of a relatively large scale, it may adversely affect the business development and operating results of Shanghai Securities.

(9) *Risk relating to defects in properties*

As of March 31, 2026, Shanghai Securities owned a total of 48 self-owned properties related to its principal business, all of which had obtained property ownership certificates and were not subject to any mortgage or seizure. Among the above properties, the real estate title certificate of one property records that the corresponding land had not been applied for land registration and that no land grant premium had been paid; additionally, the procedures for changing the title certificates of two properties to the name of Shanghai Securities have not been completed, and the land on which they are located is designated as allocated land use rights. If Shanghai Securities is fined by the relevant authorities, or if any of such properties is required to be demolished or confiscated, as a result of the aforesaid defects in the properties, the normal operations of Shanghai Securities may be adversely affected to a certain extent.

(10) Talent loss risk

Talent in the securities industry typically demonstrates a high degree of professionalism, strong service awareness, strong execution capabilities and outstanding innovation capabilities. Talent is one of the core competitive factors for the development of securities companies. In recent years, with the rapid development of China's securities industry, securities companies have faced complex challenges relating to talent loss in key areas such as wealth management, securities trading and investment, asset management, and investment banking. In the face of increasingly intense industry competition, if Shanghai Securities experiences talent loss and an insufficient talent pipeline, this may lead to a loss of client resources and a slowdown in business development, thereby adversely affecting the operation, management and business development of Shanghai Securities.

Section 12 Risk Factors — III. Other Risks

The fluctuation in the share price of the Company is affected not only by its operational performance and development prospects, but also by various factors such as adjustments in national macroeconomic policies, financial regulatory policies, fluctuations in the capital markets, and investor expectations. In addition, given that the work relating to the Proposed Transaction will take some time to complete, the share price of the Company may be subject to fluctuations during this period due to the factors mentioned above.

In addition, the possibility of adverse effects arising from other uncontrollable factors, such as political, policy, economic factors and natural disasters, cannot be ruled out. Investors are advised to pay attention to the relevant risks.

Section 13. Other Important Matters – VI. Dividend Policy and Relevant Arrangements of the Company upon Completion of the Proposed Transaction – (II) Profit Distribution Policy upon Completion of the Proposed Transaction

Upon completion of the Proposed Transaction, the Company will, in accordance with the requirements of the No. 3 Guideline for the Supervision of Listed Companies-Cash Dividend Distribution of Listed Companies (《上市公司監管指引第3號 – 上市公司現金分紅》) and other relevant laws, regulations and normative documents, and taking into account its actual circumstances, extensively solicit opinions and suggestions from all parties, particularly independent directors and minority shareholders, continuously improve its profit distribution policy, enhance the transparency in the implementation of the distribution policy, and strike a balance between ensuring the sustainable development of the Company and providing reasonable investment returns to shareholders, so as to better protect the interests of the shareholders and investors of the Company.

Section 14 Conclusive Opinions on the Proposed Transaction — I. Opinions of the Independent Directors under PRC laws

In accordance with the relevant provisions of the Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "Company Law"), the Securities Law of the People's Republic of China (《中華人民共和國證券法》) (the "Securities Law"), the Administration Measures for Restructurings, the SSE Listing Rules and other applicable laws and regulations, as well as the articles of association, the Company has convened the third meeting of the Independent Directors' Special Committee of the Sixth Board of Directors in 2026 (comprising all of the independent non-executive Directors), which considered and approved the Proposed Transaction, and issued the following review opinions in respect of the relevant matters:

1. The scheme of the Proposed Transaction complies with the relevant requirements of the Company Law, the Securities Law, the Administration Measures for Restructurings, the Regulatory Guidance for Listed Companies No. 9 – Regulatory Requirements for the Planning and Implementation of Major Asset Restructurings by Listed Companies (《上市公司監管指引第9號 – 上市公司籌劃和實施重大資產重組的監管要求》), the Administrative Measures for the Registration of Securities Issuance by Listed Companies (《上市公司證券發行註冊管理辦法》), as well as other applicable laws and regulations. The Company meets all the conditions for implementing the Proposed Transaction as prescribed by the relevant laws and regulations.
2. The Report (Draft) on the Issuance of Shares and Payment of Cash Consideration for the Acquisition of Assets and Related Party Transaction of the Company and its summary prepared by the Company in connection with the Proposed Transaction are true, accurate and complete. The Report has set out in detail the statutory procedures required for the implementation of the Proposed Transaction and has fully disclosed the relevant risks associated with the Proposed Transaction.
3. The Agreement on the Purchase of Assets by the Company by Way of Issuance of Shares and Payment of Cash (《東方證券股份有限公司發行股份及支付現金購買資產協議》) with conditions precedent, which the Company intends to enter into with the counterparties to the Proposed Transaction, complies with the provisions of the relevant laws and regulations. The agreement sets out the agreements relating to, among other things, the Proposed Transaction plan, the transfer price and payment for the Target Equities, the lock-up period for the issuance of shares, the transitional arrangements, the delivery of the Target Equities, the treatment of creditors' rights and debts and employee arrangements, representations and warranties, confidentiality obligations, force majeure, liability for breach of contract, and the effectiveness and termination of the agreement.

4. In accordance with the relevant provisions of the SSE Listing Rules, prior to the Proposed Transaction, the counterparty SIG is a related party of the Company by virtue of a related natural person of the Company serving or having served as a director or senior management personnel of such entity. There is no related party relationship between the Company and the other counterparties. Upon completion of the Proposed Transaction, Bailian Group and SIG (and the entities controlled by it) will hold more than 5% of the total share capital of the Company, thereby becoming related parties of the Company. Accordingly, the Proposed Transaction constitutes a related party transaction.
5. Pursuant to the relevant provisions of the Administrative Measures for the Material Asset Reorganisations of Listed Companies, the Transaction does not constitute a material asset restructuring nor a restructuring listing.
6. In accordance with the relevant laws, regulations, and normative documents, including the Regulatory Guidance for Listed Companies No. 7 – Regulation of Abnormal Trading in Shares in Connection with Major Asset Restructurings of Listed Companies (《上市公司監管指引第7號 – 上市公司重大資產重組相關股票異常交易監管》) and the Self-Regulatory Guidelines No. 6 for Listed Companies of the Shanghai Stock Exchange – Major Asset Restructuring (《上海證券交易所上市公司自律監管指引第6號 – 重大資產重組》), none of the parties involved in the Proposed Transaction is subject to the circumstances where they are prohibited from participating in any material asset restructuring of listed companies.
7. In accordance with the relevant laws, regulations, and the articles of association, the Company has fulfilled the requisite statutory procedures at the current stage in connection with the Proposed Transaction, and such statutory procedures are complete, lawful, and valid. The legal documents submitted by the Company in connection with the Proposed Transaction are lawful and valid.
8. The valuation agency engaged for the Proposed Transaction, Shanghai Orient Appraisal Co., Ltd. (being the Valuer), complies with the relevant requirements of the Securities Law. Other than normal business dealings, the Valuer and its valuers in charge have no related party relationship with the Company, the counterparties to the Proposed Transaction or any of the parties involved, nor do they have any actual or anticipated interest or conflict that would affect the provision of their services. The selection process for the valuation agency is compliant and the valuation agency is independent. The valuation assumptions underlying the valuation report issued by the Valuer for the Proposed Transaction are in accordance with the relevant PRC laws and regulations, follow general market practices and asset valuation standards, and are consistent with the actual condition of the valuation object, and are therefore reasonable. The purpose of this valuation is to determine the market value of the Target Equities as of the Valuation Benchmark Date, so as to provide a reference for the value of the Proposed Transaction. The scope of assets actually valued by the Valuer is consistent with the scope of assets entrusted for valuation. During the valuation process, the Valuer has implemented appropriate valuation procedures, adhered to the principles of independence, objectivity, scientific rigour and fairness, adopted valuation methods that are compliant and consistent with the actual condition of the Target Equities, and selected reliable reference data and materials. The valuation method adopted is appropriate, the valuation conclusion is reasonable, and there is a strong correlation between the valuation method and the valuation purpose. The valuation has implemented necessary valuation procedures, the selection of valuation methods is well-justified, and the valuation principles and models adopted are in line with the actual circumstances of the Target Equities. The valuation basis and conclusions are reasonable. The valuation results objectively and fairly reflect the actual circumstances of the Target Equities as of the Valuation Benchmark Date, and

the valuation results are fair. The transaction price of the Target Equities in the Proposed Transaction is determined through negotiation among the parties to the Proposed Transaction based on the valuation results set forth in the valuation report issued by the asset valuation agency and filed with the competent state-owned assets regulatory authority. The Proposed Transaction price is fair and reasonable, and there are no circumstances that prejudice the interests of the Company and its minority shareholders.

9. Pursuant to the Administrative Measures for the Material Asset Reorganisations of Listed Companies and other relevant provisions, we have reviewed the consolidated financial statements of Shanghai Securities for the years 2024 and 2025 and the three months ended March 31, 2026 prepared in accordance with CASBE and the audit report issued by KPMG Huazhen LLP and the CASBE Pro Forma Report, the Accountants' Report on the historical financial information of Shanghai Securities prepared in accordance with IFRS Accounting Standards and the report from KPMG on the unaudited pro forma financial information, and the Asset Valuation Report issued by the Valuer. Upon review, we approved the aforesaid reports issued by the intermediaries.
10. The Company has analyzed the impact of the Proposed Transaction on its earnings per share dilution, and has formulated relevant mitigating measures accordingly. The Company's largest shareholder, directors, and senior management personnel have also made corresponding undertakings to confirm these measures are practicable and feasible.
11. Except for engaging intermediaries such as the independent financial advisers, legal counsel, the accounting firms performing audits and reviews, valuation agencies and financial advisers in accordance with relevant laws and regulations and market practices, the Company has not directly or indirectly engaged any other third-party institutions or individuals for compensation in connection with the Proposed Transaction, and the Company's engagement conduct is lawful and compliant, which is in compliance with the relevant provisions of the Opinions on Strengthening the Prevention and Control of Professional Integrity Risks of Securities Companies Engaging Third Parties in Investment Banking Business (《關於加強證券公司在投資銀行類業務中聘請第三方等廉潔從業風險防控的意見》).
12. The Independent Directors' Special Committee has considered and approved the matters relating to the Proposed Transaction and has agreed to submit the relevant proposals to the Board of Directors of the Company for consideration.

Section 14 Conclusive Opinions on the Proposed Transaction – II. Opinion of the Independent Financial Adviser in the PRC

As the PRC independent financial adviser to the Company in connection with the Proposed Transaction, Zheshang Securities Co., Ltd.* (浙商證券股份有限公司) (“**Zheshang Securities**”) is of the opinion that, in accordance with the provisions of relevant laws and regulations including the Company Law, the Securities Law, the Administration Measures for Restructurings, the Administrative Measures for the Business of Financial Advisers for Mergers and Acquisitions and Restructurings of Listed Companies (《上市公司併購重組財務顧問業務管理辦法》), the Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 26 – Material Asset Restructuring of Listed Companies (《公開發行證券的公司信息披露內容與格式準則第26號 – 上市公司重大資產重組》), the Regulatory Guidelines for Listed Companies No. 9 – Regulatory Requirements for the Planning and Implementation of Material Asset Restructuring of Listed Companies (《上市公司監管指引第9號 – 上市公司籌劃和實施重大資產重組的監管要求》), and the Review Rules for Material Asset Restructuring of Listed Companies of the Shanghai Stock Exchange (《上海證券交易所上市公司重大資產重組審核規則》), as well as the requirements of the CSRC and the stock exchanges, and having conducted due diligence and prudent review of the information disclosure documents such as the restructuring report, and having fully communicated with the Company, its legal counsel, the accounting firms performing audits and reviews and valuation agencies:

1. The Proposed Transaction complies with the provisions of relevant laws, regulations, and normative documents, including the Company Law, the Securities Law, and the Administration Measures for Restructurings. The Proposed Transaction complies with the requirements of relevant national laws and regulations, has obtained the necessary approvals and authorizations at the current stage, and has fulfilled the requisite information disclosure procedures.
2. The Proposed Transaction complies with national industrial policies and the provisions of relevant laws and administrative regulations relating to environmental protection, land administration, anti-monopoly, foreign investment, and outbound investment;
3. The Proposed Transaction does not fall under the circumstances stipulated in Articles 12 and 13 of the Administration Measures for Restructurings, and therefore does not constitute major asset restructuring or reorganisation and listing. The Proposed Transaction will not result in the Company failing to meet the conditions for listing;

4. The pricing of the assets involved in the Proposed Transaction and the pricing of the shares to be issued are fair and reasonable¹, and there are no circumstances which are prejudicial to the lawful rights and interests of the Company and its shareholders; necessary valuation procedures have been performed in the course of this valuation in compliance with the principles of independence, objectivity, scientific approach and fairness, and the valuation methods adopted for the Target Equities are appropriate, the underlying valuation assumptions are reasonable, and the values adopted for the material valuation parameters are reasonable;
5. The title to the Target Equities involved in the Proposed Transaction is clear, and the Proposed Transaction does not involve the handling or alteration of claims and debts. Subject to the fulfilment of relevant legal procedures and conditions precedent, there is no legal impediment to the transfer or assignment of the assets. The asset delivery arrangements stipulated in the Proposed Transaction will not expose the Company to the risk of failing to obtain the Target Equities in a timely manner after the completion of the Proposed Transaction, and the default liabilities relating to the asset delivery arrangements are valid and enforceable;
6. The Proposed Transaction is conducive to enhancing the Company's continuing operating capabilities, and there is no circumstance that would result in the Company's primary assets being cash or having no specific business operations after the Proposed Transaction;
7. Upon completion of the Proposed Transaction, the Company will continue to maintain independence in respect of its business, assets, financial affairs, personnel and institutions, in compliance with the relevant provisions of the CSRC regarding the independence of Listed Companies²; The Proposed Transaction will facilitate the Company in maintaining a sound and effective corporate governance structure;
8. The Proposed Transaction constitutes a related party transaction under SSE Listing Rules. It is necessary in nature, and the procedures duly performed in connection therewith comply with applicable regulatory provisions. Provided that all relevant parties fully discharge their respective undertakings and obligations, there exists no circumstance that would prejudice the lawful rights and interests of the Company and its disinterested shareholders. The Proposed Transaction will not give rise to any new competition in the same industry with material adverse effects, nor any related party transaction that would seriously impair independence or be manifestly unfair;
9. A standard unqualified audit report has been issued by a certified public accountant in respect of the Company's financial report for the most recent financial year. Neither the Company nor its incumbent Directors and senior management are currently under investigation by judicial authorities for suspected offences, or by CSRC for suspected violations of laws and regulations;

¹ This opinion is prepared in accordance with applicable PRC laws and regulations. For the opinions to be issued pursuant to the requirements under the Takeovers Code, please refer to the letter from the Independent Board Committee to the Takeovers Code Independent Shareholders and the letter from the Hong Kong Independent Financial Adviser to the Independent Board Committee and the Takeovers Code Independent Shareholders containing their respective recommendations in respect of the Proposed Transaction, the Specific Mandate and the Whitewash Waiver, which will be included in the Circular.

² Article 11 of the Administration Measures for Restructurings (https://www.gov.cn/gongbao/2025/issue_12166/202507/content_7032496.html) and Article 71 of the *Code of Corporate Governance for Listed Companies (Revised in October 2025)*(《上市公司治理準則(2025年10月修訂)》)(https://www.gov.cn/zhengce/zhengceku/202510/content_7044852.htm)

10. As of the date of issuance of the independent financial adviser's report, there exists no non-operational fund occupation of Shanghai Securities by its shareholders and their related parties, or by the asset owners and their related parties;
11. The Company has disclosed the risk of possible dilution of earnings per share in connection with the Proposed Transaction. The remedial measures for the dilution to be adopted by the Company to prevent and address the corresponding risks are practicable and feasible. All Directors and senior management of the Company have issued relevant undertakings, which comply with the requirements of relevant laws, regulations, and normative documents, including the Opinions of the General Office of the State Council on Further Strengthening the Protection of the Lawful Rights and Interests of Small and Medium-sized Investors in the Capital Market (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》), the Several Opinions of the State Council on Further Promoting the Healthy Development of the Capital Market (《國務院關於進一步促進資本市場健康發展的若干意見》) and the Guiding Opinions on Matters regarding the Dilution of Current Return by Initial Offering, Refinancing and Material Asset Reorganisation (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》), and are conducive to protecting the interests of all Shareholders, in particular the lawful rights and interests of small and medium-sized investors;
12. In the Proposed Transaction, Zheshang Securities has not directly or indirectly engaged any third party for compensation. In the Proposed Transaction, in addition to engaging independent financial advisers, legal advisers, audit firms, valuation review firms, valuer, financial advisers and other intermediaries in accordance with relevant regulatory requirements and market practice, the Company has also engaged Clifford Chance/Shanghai office of Clifford Chance, UBS AG Hong Kong Branch, Orient Capital (Hong Kong) Limited, Gram Capital Limited, KPMG and other intermediaries to assist the company with the approval, information disclosure and other matters related to H Shares. Save as the above engagements, the Company has not directly or indirectly engaged any other third party for compensation, which complies with the relevant requirements of the Opinions on Strengthening the Prevention and Control of Integrity Risks in the Engagement of Third Parties by Securities Companies in Investment Banking Business (《關於加強證券公司在投資銀行類業務中聘請第三方等廉潔從業風險防控的意見》).

Section 14 Conclusive Opinions on the Proposed Transaction – III. Opinion of the PRC Legal Counsel

The Company has engaged Grandall Law Firm (Shanghai) as its PRC legal counsel for the Proposed Transaction. Grandall Law Firm (Shanghai) has issued a legal opinion for the Proposed Transaction and expressed its conclusive opinions as of the date of issuance of the legal opinion as follows:

- (1) Each of the parties to the Proposed Transaction validly exists and subsists in accordance with the law and possesses the requisite capacity to undertake the Proposed Transaction;
- (2) The terms of the Proposed Transaction proposal comply with the provisions of the Securities Law, the Administration Measures for Restructurings and other PRC laws and regulations, and are lawful and valid;

- (3) The contents and form of the agreements relating to the Proposed Transaction are in compliance with the provisions of the laws and regulations of the PRC and are legally valid. Upon the effectiveness of the Agreement on the Purchase of Assets by the Company by Way of Issuance of Shares and Payment of Cash, it shall be legally binding on all parties to the transaction;
- (4) Save for the approvals and authorisations yet to be obtained in respect of the Proposed Transaction, the Proposed Transaction has completed the approval and authorisation procedures required at the present stage, and the approvals and authorisations already obtained are lawful and valid. Upon obtaining the outstanding authorisations and approvals in accordance with the law, the Proposed Transaction may be implemented in accordance with the law;
- (5) The Proposed Transaction does not constitute a material asset restructuring of the Company, nor does it constitute reorganisation and listing. The Proposed Transaction satisfies the substantive requirements under PRC laws and regulations, including the Administration Measures for Restructurings and the Registration Administrative Measures;
- (6) The title to the Target Equities involved in the Proposed Transaction is clear. There is no material dispute over title, and there is no mortgage, guarantee or any other restriction on rights;
- (7) The Proposed Transaction constitutes a related party transaction and save for the consideration and approval at the general meeting, the Company has duly performed the necessary review and approval procedures in accordance with the law;
- (8) the Company has performed its statutory information disclosure and reporting obligations at the present stage in relation to the Proposed Transaction in compliance with the relevant requirements of laws and regulations. Subject to the progress of the Proposed Transaction, the Company will be required to continue to fulfil the relevant information disclosure and reporting obligations in accordance with the Administration Measures for Restructurings and other applicable provisions;
- (9) The PRC securities service institutions participating in the Proposed Transaction possess the requisite qualifications to provide the relevant securities services in respect of the Proposed Transaction;
- (10) the Company has, in accordance with the requirements of PRC laws and regulations, formulated relevant systems in relation to the registration and administration of persons having access to inside information, and has, during the period of the Proposed Transaction, strictly complied with the provisions of the *Administrative Measures of the Company on the Registration of Persons Having Access to Inside Information and Confidentiality* (《東方證券股份有限公司內幕信息知情人登記及保密管理辦法》), and adopted the necessary confidentiality measures.

II. Selected Information from the Financial Statements and Audit Reports of Shanghai Securities Co., Ltd. for 2024, 2025 and the Three Months Ended 31 March 2026, Prepared in Accordance with CASBE

SHANGHAI SECURITIES CO., LTD.
CONSOLIDATED BALANCE SHEET
December 31, 2024, December 31, 2025, and March 31, 2026
(Amounts expressed in RMB)

	Note VII	March 31, 2026	December 31, 2025	December 31, 2024
Assets				
Cash and bank balances	1	32,526,364,291.20	28,385,781,819.76	22,956,951,078.13
Of which: Customer deposits		30,269,511,641.11	26,137,702,264.19	21,912,183,138.87
Clearing settlement funds	2	4,258,703,142.37	3,879,693,783.75	4,115,607,520.10
Of which: Settlement funds held on behalf of customers		3,139,042,777.11	2,817,392,883.69	3,035,364,963.06
Margin accounts receivable	3	12,813,602,245.29	13,466,170,946.97	9,872,608,594.53
Derivative financial assets	4	26,788,176.80	23,491,229.80	6,586,215.05
Financial assets acquired under resale agreements	5	421,660,000.00	200,179,873.75	368,015,000.00
Accounts receivable	6	1,021,035,691.01	1,207,672,472.18	724,815,699.43
Refundable deposits Financial investment:	7	6,452,383,197.44	5,340,091,483.09	4,094,049,734.92
Of which: Transactional financial assets	8	21,491,820,432.88	15,526,785,414.60	19,337,764,629.87
Other debt investment	9	18,761,451,192.69	22,775,425,392.69	20,838,044,052.97
Other equity instruments investment	10	3,410,583,128.12	3,258,295,094.70	2,017,834,703.73
Fixed assets	11	194,911,991.49	206,412,129.87	224,374,298.15
Construction in progress	12	24,418,203.02	1,382,732.32	3,610,537.45
Investment properties	13	40,683,550.25	41,247,317.69	43,502,387.45
Right-of-use assets	14	148,422,359.67	152,560,046.60	177,521,066.87
Intangible assets	15	79,995,344.48	91,674,028.04	105,228,349.20
Goodwill	16	263,717,782.06	263,717,782.06	14,716,094.21
Deferred income tax assets	30	46,747,116.02	88,393,542.75	20,545,296.04
Other assets	17	1,209,933,882.84	956,832,128.53	613,112,267.18
Total assets		103,193,221,727.63	95,865,807,219.15	85,534,887,525.28
Liabilities and Owners' Equity				
Liabilities				
Short-term borrowings	18	30,022,916.10	44,033,610.81	50,039,183.70
Short-term debt instruments	19	4,115,558,773.05	7,122,692,306.83	3,085,456,534.75
Placements from banks and financial institutions	20	4,002,628,055.57	6,504,541,944.45	4,291,087,683.33
Transactional financial liabilities	21	271,932,069.26	194,559,431.50	327,895,145.03
Derivative financial liabilities	4	30,665,063.53	37,773,722.76	40,474,856.65
Financial assets sold under repurchase agreements	22	13,320,983,913.37	10,625,577,739.04	15,177,707,210.65
Accounts payable to brokerage clients	23	19,574,623,315.61	19,188,924,165.51	17,003,474,562.09
Employee benefits payable	24	572,629,651.70	617,506,168.74	361,396,819.07
Taxes payable	25	78,737,781.39	44,564,460.06	84,152,801.25
Accounts payable	26	21,023,548,479.34	15,781,387,489.97	12,692,588,231.13
Estimated liabilities	27	1,796,361.59	1,923,980.38	–
Bonds payable	28	19,096,085,199.08	15,047,497,301.37	13,164,046,150.02
Lease liabilities	29	155,317,117.11	163,910,003.50	194,158,469.88
Deferred income tax liabilities	30	5,208,754.56	3,876,438.03	6,670,712.53
Contract liabilities	31	3,766,644.29	3,803,619.00	7,406,115.45
Other liabilities	32	788,946,938.22	678,168,471.52	243,052,480.59
Total liabilities		83,072,451,033.77	76,060,740,853.47	66,729,606,956.12

SHANGHAI SECURITIES CO., LTD.
CONSOLIDATED BALANCE SHEET (CONTINUED)
December 31, 2024, December 31, 2025, and March 31, 2026
(Amounts expressed in RMB)

	Note VII	March 31, 2026	December 31, 2025	December 31, 2024
Liabilities and Owners' Equity (Continued)				
Owners' Equity				
Paid-in capital	33	5,326,532,000.00	5,326,532,000.00	5,326,532,000.00
Capital reserve	34	7,776,642,356.71	7,776,642,356.71	7,776,642,356.71
Other comprehensive income	35	693,554,147.63	525,609,710.03	677,714,637.87
Surplus reserve	36	1,204,632,062.60	1,204,632,062.60	1,076,644,549.46
General risk reserve	37	2,456,082,905.08	2,454,851,440.85	2,188,053,741.43
Retained earnings	38	<u>2,663,327,221.84</u>	<u>2,516,798,795.49</u>	<u>1,759,693,283.69</u>
Total equity attributable to owners of the parent company		20,120,770,693.86	19,805,066,365.68	18,805,280,569.16
Minority interests		<u>—</u>	<u>—</u>	<u>—</u>
Total owners' equity		<u>20,120,770,693.86</u>	<u>19,805,066,365.68</u>	<u>18,805,280,569.16</u>
Total liabilities and owners' equity		<u>103,193,221,727.63</u>	<u>95,865,807,219.15</u>	<u>85,534,887,525.28</u>

These financial statements were signed by the following persons:

_____ Legal representative	_____ Accounting chief	_____ Person-in-charge of the accounting department	(Company Seal)
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Date:

SHANGHAI SECURITIES CO., LTD.
BALANCE SHEET OF THE PARENT COMPANY
December 31, 2024, December 31, 2025, and March 31, 2026
(Amounts expressed in RMB)

	Note VIII	March 31, 2026	December 31, 2025	December 31, 2024
Assets				
Cash and bank balances		18,189,212,558.54	17,924,727,084.52	15,361,587,384.93
Of which: Customer deposits		17,245,042,940.22	16,911,624,129.86	14,714,911,141.13
Clearing settlement funds		3,567,533,951.15	3,469,285,984.94	3,356,213,224.05
Of which: Settlement funds held on behalf of customers		2,470,323,587.74	2,428,000,856.49	2,278,797,667.01
Margin accounts receivable		12,813,602,245.29	13,466,170,946.97	9,872,608,594.53
Derivative financial assets		14,162,565.00	5,665,700.00	–
Financial assets acquired under resale agreements		421,230,000.00	199,580,000.00	368,015,000.00
Accounts receivable		879,669,030.20	1,101,154,781.26	660,941,063.21
Refundable deposits Financial investment		292,800,992.32	245,392,368.53	133,751,582.85
Of which: Transactional financial assets		20,325,381,995.51	14,550,390,289.89	18,575,785,087.64
Other debt investment		18,761,451,192.69	22,775,425,392.69	20,838,044,052.97
Other equity instruments investment		3,409,183,128.12	3,256,895,094.70	2,016,434,703.73
Long-term equity investments	1	2,053,498,709.01	2,053,498,709.01	1,026,861,000.00
Fixed assets		184,005,029.94	193,845,598.04	209,573,598.03
Construction in progress		23,467,601.41	248,731.63	2,917,535.11
Investment properties		40,683,550.25	41,247,317.69	43,502,387.45
Right-of-use assets		136,843,353.78	138,867,404.09	173,996,628.87
Intangible assets		62,064,670.74	72,837,867.60	91,276,178.54
Deferred income tax assets		40,916,206.35	85,072,408.26	10,846,697.94
Other assets		145,345,839.82	148,071,713.52	148,247,851.64
Total assets		81,361,052,620.12	79,728,377,393.34	72,890,602,571.49
Liabilities and Owners' Equity				
Liabilities				
Short-term debt instruments		4,115,558,773.05	7,122,692,306.83	3,085,456,534.75
Placements from banks and financial institutions		4,002,628,055.57	6,504,541,944.45	4,291,087,683.33
Transactional financial liabilities		–	99,444,300.00	327,895,145.03
Derivative financial liabilities		2,570,361.00	1,903,140.00	15,477,076.99
Financial assets sold under repurchase agreements		13,095,975,098.30	10,366,367,797.12	15,177,707,210.65
Accounts payable to brokerage clients		19,490,915,345.32	19,092,736,487.61	16,843,450,863.01
Employee benefits payable		508,787,056.02	571,172,457.13	329,883,035.52
Taxes payable		45,591,750.75	27,837,595.09	70,409,516.73
Accounts payable		1,103,197,999.34	1,267,536,141.84	823,449,265.28
Estimated liabilities		1,796,361.59	1,923,980.38	–
Bonds payable		19,096,085,199.08	15,047,497,301.37	13,164,046,150.02
Lease liabilities		142,950,824.43	149,161,105.17	191,188,808.20
Contract liabilities		3,766,644.29	3,803,619.00	7,406,115.45
Other liabilities		8,853,763.31	1,349,662.17	2,505,814.95
Total liabilities		61,618,677,232.05	60,257,967,838.16	54,329,963,219.91

SHANGHAI SECURITIES CO., LTD.
BALANCE SHEET OF THE PARENT COMPANY (CONTINUED)
December 31, 2024, December 31, 2025, and March 31, 2026
(Amounts expressed in RMB)

	Note VIII	March 31, 2026	December 31, 2025	December 31, 2024
Liabilities and Owners' Equity (Continued)				
Owners' equity				
Paid-in capital		5,326,532,000.00	5,326,532,000.00	5,326,532,000.00
Capital reserve		7,763,925,816.68	7,763,925,816.68	7,763,925,816.68
Other comprehensive income		693,554,147.63	525,609,710.03	677,714,637.87
Surplus reserve		1,204,632,062.60	1,204,632,062.60	1,076,644,549.46
General risk reserve		2,423,020,363.32	2,423,020,363.32	2,165,871,994.53
Undistributed profits		<u>2,330,710,997.84</u>	<u>2,226,689,602.55</u>	<u>1,549,950,353.04</u>
Total owners' equity		<u>19,742,375,388.07</u>	<u>19,470,409,555.18</u>	<u>18,560,639,351.58</u>
Total liabilities and owners' equity		<u>81,361,052,620.12</u>	<u>79,728,377,393.34</u>	<u>72,890,602,571.49</u>

These financial statements were signed by the following persons:

_____ Legal representative	_____ Accounting chief	_____ Person-in-charge of the accounting department	(Company Seal)
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Date:

SHANGHAI SECURITIES CO., LTD.
CONSOLIDATED INCOME STATEMENT
2024, 2025, and three-month period ended March 31, 2026
(Amounts expressed in RMB)

	Note VII	Three-month period ended March 31, 2026	2025	2024
Operating income				
Net fee and commission income	39	356,094,635.39	1,161,374,422.12	951,762,902.45
Of which: Net fee income from brokerage business		331,277,726.55	1,061,122,093.66	848,696,715.50
Net fee income from investment banking business		5,711,539.21	40,418,721.31	34,534,565.50
Net fee income from asset management business		17,057,527.20	58,691,896.69	67,851,234.89
Net interest income	40	155,178,991.85	480,657,977.64	452,783,467.18
Of which: Interest income		388,130,446.86	1,401,766,578.52	1,445,574,211.27
Interest expense		232,951,455.01	921,108,600.88	992,790,744.09
Investment gains	41	63,541,247.46	1,641,215,910.55	1,084,248,049.40
(Loss)/gains from changes in fair value	42	(66,854,083.43)	85,682,296.96	303,229,550.29
Foreign exchange (loss)/gains		(833,440.10)	(1,139,357.23)	757,982.94
(Loss)/gains from asset disposal	43	–	(272,887.66)	332,942.56
Other income	44	3,130,787.97	39,597,967.08	44,515,988.73
Other operating income	45	4,960,703.51	18,088,385.28	20,430,448.07
Total operating income		<u>515,218,842.65</u>	<u>3,425,204,714.74</u>	<u>2,858,061,331.62</u>
Operating expenses				
Tax and surcharges	46	8,150,986.63	24,857,076.13	18,725,889.05
Business and administrative expenses	47	322,111,650.68	1,799,037,869.67	1,633,417,325.51
Credit impairment (reversal)/loss	48	(4,069,551.65)	(17,609,744.25)	125,346,555.04
Other operating expenses	49	4,099,712.48	20,909,572.83	17,669,254.78
Total operating expenses		<u>330,292,798.14</u>	<u>1,827,194,774.38</u>	<u>1,795,159,024.38</u>
Operating profit		184,926,044.51	1,598,009,940.36	1,062,902,307.24
Add: Non-operating income	50	17,639.26	22,993,685.09	2,059,633.95
Less: Non-operating expenses	50	<u>3,909,296.64</u>	<u>9,174,422.52</u>	<u>7,951,392.82</u>
Total profit		181,034,387.13	1,611,829,202.93	1,057,010,548.37
Less: Income tax expenses	51	<u>29,705,644.80</u>	<u>288,334,319.97</u>	<u>103,549,253.66</u>
Net profit		<u>151,328,742.33</u>	<u>1,323,494,882.96</u>	<u>953,461,294.71</u>
(i) Classification by continuity of operations Net profit from continuing operation		151,328,742.33	1,323,494,882.96	953,461,294.71
(ii) Classification by ownership Net profit attributable to owners of the parent company		151,328,742.33	1,323,494,882.96	953,461,294.71
Minority interests		–	–	–

SHANGHAI SECURITIES CO., LTD.
CONSOLIDATED INCOME STATEMENT (CONTINUED)
2024, 2025, and three-month period ended March 31, 2026
(Amounts expressed in RMB)

	Note VII	Three-month period ended March 31, 2026	2025	2024
Other comprehensive income after tax		<u>164,375,585.85</u>	<u>(105,709,086.44)</u>	<u>603,153,606.56</u>
(i) Other comprehensive income after tax, net attributable to owners of the parent company	35	164,375,585.85	(105,709,086.44)	603,153,606.56
Other comprehensive income that cannot be reclassified to profit or loss				
– Changes in fair value of other equity instruments investment		116,032,847.19	196,951,094.21	289,983,721.30
Other comprehensive income that will be reclassified to profit or loss				
– Changes in fair value of other debt investment		49,868,287.09	(309,830,373.77)	312,699,040.40
– Credit loss provision of other debt investment		(1,525,548.43)	7,170,193.12	470,844.86
(ii) Other comprehensive income after tax, net attributable to minority shareholders		<u>–</u>	<u>–</u>	<u>–</u>
Total comprehensive income		<u>315,704,328.18</u>	<u>1,217,785,796.52</u>	<u>1,556,614,901.27</u>
Of which:				
Total comprehensive income attributable to owners of the parent company		315,704,328.18	1,217,785,796.52	1,556,614,901.27
Total comprehensive income attributable to minority shareholders		–	–	–

These financial statements were signed by the following persons:

_____ Legal representative	_____ Accounting chief	_____ Person-in-charge of the accounting department	(Company Seal)
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Date:

SHANGHAI SECURITIES CO., LTD.
INCOME STATEMENT OF THE PARENT COMPANY
2024, 2025, and three-month period ended March 31, 2026
(Amounts expressed in RMB)

	Note VIII	Three-month period ended March 31, 2026	2025	2024
Operating income				
Net fee and commission income	2	250,511,076.32	890,473,299.47	704,367,157.06
Of which: Net fee income from brokerage business		235,487,866.64	800,761,915.20	603,155,463.59
Net fee income from investment banking business		5,711,539.21	40,418,721.31	34,534,565.50
Net fee income from asset management business		7,307,103.92	48,213,694.80	65,999,367.81
Net interest income		124,202,186.63	385,760,981.45	359,380,942.36
Of which: Interest income		334,847,231.55	1,223,630,634.66	1,261,753,638.72
Interest expense		210,645,044.92	837,869,653.21	902,372,696.36
Investment gains	3	87,481,751.60	1,504,523,361.43	1,017,294,927.43
(Loss)/gains from changes in fair value		(121,205,573.43)	122,875,058.03	288,581,602.36
Foreign exchange (loss)/gains		(833,440.10)	(1,139,357.23)	757,982.94
(Loss)/gains from asset disposal		–	(272,372.22)	362,289.89
Other income		2,708,341.96	36,973,979.68	38,641,784.22
Other operating income		4,716,327.80	15,632,904.40	16,903,382.95
		<u>347,580,670.78</u>	<u>2,954,827,855.01</u>	<u>2,426,290,069.21</u>
Total operating income		-----	-----	-----
Operating expenses				
Tax and surcharges		6,765,547.57	20,943,951.48	16,053,119.17
Business and administrative expenses		218,954,952.32	1,472,968,902.21	1,335,258,254.17
Credit impairment (reversal)/loss		(3,750,472.34)	(17,626,510.38)	124,991,187.47
Other operating expenses		562,600.54	2,263,620.28	2,255,069.76
		<u>222,532,628.09</u>	<u>1,478,549,963.59</u>	<u>1,478,557,630.57</u>
Total operating expenses		-----	-----	-----

SHANGHAI SECURITIES CO., LTD.
INCOME STATEMENT OF THE PARENT COMPANY (CONTINUED)
2024, 2025, and three-month period ended March 31, 2026
(Amounts expressed in RMB)

	Note VIII	Three-month period ended March 31, 2026	2025	2024
Operating profit		125,048,042.69	1,476,277,891.42	947,732,438.64
Add: Non-operating income		17,639.26	22,990,685.09	106,014.22
Less: Non-operating expenses		<u>3,619,104.02</u>	<u>7,478,804.38</u>	<u>5,765,123.34</u>
Total profit		121,446,577.93	1,491,789,772.13	942,073,329.52
Less: Income tax expenses		<u>13,856,330.89</u>	<u>258,310,482.09</u>	<u>80,250,742.95</u>
Net profit		<u>107,590,247.04</u>	<u>1,233,479,290.04</u>	<u>861,822,586.57</u>
Of which: Net profit from continuing operation		107,590,247.04	1,233,479,290.04	861,822,586.57
Other comprehensive income after tax, net		<u>164,375,585.85</u>	<u>(105,709,086.44)</u>	<u>603,153,606.56</u>
Other comprehensive income that cannot be reclassified to profit or loss				
– Changes in fair value of other equity instruments investment		116,032,847.19	196,951,094.21	289,983,721.30
Other comprehensive income that will be reclassified to profit or loss				
– Changes in fair value of other debt investment		49,868,287.09	(309,830,373.77)	312,699,040.40
– Credit loss provision of other debt investment		<u>(1,525,548.43)</u>	<u>7,170,193.12</u>	<u>470,844.86</u>
Total comprehensive income		<u><u>271,965,832.89</u></u>	<u><u>1,127,770,203.60</u></u>	<u><u>1,464,976,193.13</u></u>

These financial statements were signed by the following persons:

Legal representative

Accounting chief

Person-in-charge of the
accounting department

(Company Seal)

Date:

SHANGHAI SECURITIES CO., LTD.
CONSOLIDATED CASH FLOW STATEMENT
2024, 2025, and three-month period ended March 31, 2026
(Amounts expressed in RMB)

	Note VII	Three-month period ended March 31, 2026	2025	2024
I. Cash flow from operating activities				
Net decrease in financial instruments held for trading purpose		–	4,642,398,279.05	–
Net decrease in receivable from margin clients		634,672,047.84	–	–
Interest, fee and commission income received		909,754,533.81	2,929,280,759.04	2,654,732,662.82
Net increase in placements from financial institutions		–	2,210,000,000.00	–
Net increase in repo transactions		2,696,380,000.00	–	3,237,558,972.68
Net cash received from brokerage clients		400,195,917.22	2,237,136,543.38	6,284,655,382.05
Cash inflows associated with other operating activities	52(4)	6,585,731,051.51	6,806,743,942.56	4,660,857,800.57
Subtotal of cash inflows from operating activities		11,226,733,550.38	18,825,559,524.03	16,837,804,818.12
Net increase in financial instruments held for trading purpose		(6,147,191,434.48)	–	(2,151,792,368.89)
Net increase in receivable from margin clients		–	(3,622,222,590.64)	(1,696,769,265.04)
Net decrease in placements from financial institutions		(2,500,000,000.00)	–	(710,000,000.00)
Net decrease in repo transactions		–	(4,547,549,000.00)	–
Interest, fee and commission expenses paid		(323,502,444.46)	(1,120,247,075.65)	(1,084,608,125.68)
Cash paid to and for employees		(250,117,593.68)	(919,356,513.32)	(808,215,414.35)
Cash paid for taxes		(49,193,472.52)	(523,074,720.25)	(169,157,653.76)
Cash outflows associated with other operating activities	52(5)	(2,269,645,819.71)	(5,434,910,023.95)	(3,254,261,065.58)
Subtotal of cash outflows from operating activities		(11,539,650,764.85)	(16,167,359,923.81)	(9,874,803,893.30)
Net cash (used in)/generated from operating activities	52(1)	(312,917,214.47)	2,658,199,600.22	6,963,000,924.82

SHANGHAI SECURITIES CO., LTD.
CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
2024, 2025, and three-month period ended March 31, 2026
(Amounts expressed in RMB)

	Note VII	Three-month period ended March 31, 2026	2025	2024
II. Cash flows from investing activities				
Cash receipts from disposal of investments		5,711,643,198.50	21,569,016,350.38	29,346,907,665.25
Cash receipts of investment returns		175,798,053.95	854,470,350.99	1,064,833,718.82
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		<u>49,080.45</u>	<u>261,544.74</u>	<u>–</u>
Subtotal of cash inflows from investing activities		<u>5,887,490,332.90</u>	<u>22,423,748,246.11</u>	<u>30,411,741,384.07</u>
Payment for purchase of investments		(2,812,344,025.54)	(26,010,263,889.29)	(27,077,659,596.28)
Payment for purchase and construction of fixed assets, intangible assets and other long-term assets		<u>(36,036,753.13)</u>	<u>(82,058,624.52)</u>	<u>(103,922,142.61)</u>
Net cash paid for acquisition of subsidiaries and other business entities	52(2)	<u>–</u>	<u>(322,339,126.65)</u>	<u>–</u>
Subtotal of cash outflows from investing activities		<u>(2,848,380,778.67)</u>	<u>(26,414,661,640.46)</u>	<u>(27,181,581,738.89)</u>
Net cash generated from/(used in) investing activities		<u>3,039,109,554.23</u>	<u>(3,990,913,394.35)</u>	<u>3,230,159,645.18</u>
III. Cash flows from financing activities				
Proceeds from the issuance of debt securities		6,119,980,000.00	15,996,030,000.00	4,075,160,000.00
Cash received from borrowings		<u>–</u>	<u>86,604,937.81</u>	<u>143,163,476.45</u>
Sub-total of cash inflows from financing activities		<u>6,119,980,000.00</u>	<u>16,082,634,937.81</u>	<u>4,218,323,476.45</u>
Cash repayments of borrowings		(5,116,200,000.00)	(10,188,484,937.81)	(4,123,173,476.45)
Cash payments for distribution of dividends, profits or interest expenses		<u>(107,979,584.80)</u>	<u>(657,251,064.96)</u>	<u>(563,666,767.20)</u>
Repayment of lease liabilities		<u>(24,004,369.31)</u>	<u>(92,461,017.38)</u>	<u>(101,253,062.96)</u>
Subtotal of cash outflows from financing activities		<u>(5,248,183,954.11)</u>	<u>(10,938,197,020.15)</u>	<u>(4,788,093,306.61)</u>
Net cash generated from/(used in) financing activities	52(6)	<u>871,796,045.89</u>	<u>5,144,437,917.66</u>	<u>(569,769,830.16)</u>
IV. Effect of exchange rate changes on cash and cash equivalents		<u>(833,440.10)</u>	<u>(1,139,357.23)</u>	<u>757,982.94</u>

SHANGHAI SECURITIES CO., LTD.
CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
2024, 2025, and three-month period ended March 31, 2026
(Amounts expressed in RMB)

	Note VII	Three-month period ended March 31, 2026	2025	2024
V. Net increase in cash and cash equivalents	52(1)(c)	3,597,154,945.55	3,810,584,766.30	9,624,148,722.78
Add: cash and cash equivalents at the beginning of the period/year		<u>26,727,859,032.67</u>	<u>22,917,274,266.37</u>	<u>13,293,125,543.59</u>
VI. Cash and cash equivalents at the end of the period/year	52(3)	<u><u>30,325,013,978.22</u></u>	<u><u>26,727,859,032.67</u></u>	<u><u>22,917,274,266.37</u></u>

These financial statements were signed by the following persons:

_____ Legal representative	_____ Accounting chief	_____ Person-in-charge of the accounting department	(Company Seal)
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Date:

SHANGHAI SECURITIES CO., LTD.
STATEMENT OF CASH FLOWS OF THE PARENT COMPANY
2024, 2025, and three-month period ended March 31, 2026
(Amounts expressed in RMB)

	Note VIII	Three-month period ended March 31, 2026	2025	2024
I. Cash flows from operating activities				
Net decrease in financial instruments held for trading purpose		–	4,950,778,676.11	–
Net decrease in receivable from margin clients		634,672,047.84	–	–
Interest, fee and commission income received		643,882,883.29	2,212,537,541.85	1,909,873,623.31
Net increase in placements from financial institutions		–	2,210,000,000.00	–
Net increase in repo transactions		2,730,580,000.00	–	3,237,558,972.68
Net cash received from brokerage clients		415,895,217.61	2,306,810,299.98	6,308,904,571.47
Cash inflows associated with other operating activities		233,671,920.25	527,829,072.04	292,950,135.47
		<u>4,658,702,068.99</u>	<u>12,207,955,589.98</u>	<u>11,749,287,302.93</u>
Subtotal of cash inflows from operating activities		–	–	–
Net increase in financial instruments held for trading purpose		(5,917,130,230.42)	–	(1,732,688,154.99)
Net increase in receivable from margin clients		–	(3,622,222,590.64)	(1,696,769,265.04)
Net decrease in placements from financial institutions		(2,500,000,000.00)	–	(710,000,000.00)
Net decrease in repo transactions		–	(4,806,749,000.00)	–
Interest, fee and commission expenses paid		(187,613,571.57)	(749,768,202.51)	(684,350,718.61)
Cash paid to and for employees		(195,162,188.25)	(753,765,642.25)	(673,931,202.57)
Cash paid for taxes		(40,946,553.77)	(460,153,799.58)	(119,231,900.02)
Cash outflows associated with other operating activities		(273,684,159.32)	(877,508,804.40)	(497,375,545.27)
		<u>(9,114,536,703.33)</u>	<u>(11,270,168,039.38)</u>	<u>(6,114,346,786.50)</u>
Subtotal of cash outflows from operating activities		–	–	–
Net cash (used in)/generated from operating activities	4(1)	(4,455,834,634.34)	937,787,550.60	5,634,940,516.43

SHANGHAI SECURITIES CO., LTD.
STATEMENT OF CASH FLOWS OF THE PARENT COMPANY (CONTINUED)
2024, 2025, and three-month period ended March 31, 2026
(Amounts expressed in RMB)

	Note VIII	Three-month period ended March 31, 2026	2025	2024
II. Cash flows from investing activities				
Cash receipts from disposal of investments		5,041,643,198.50	14,619,016,350.38	27,847,188,065.25
Cash receipts of investment returns		161,132,822.18	866,363,997.99	1,069,638,339.33
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		47,235.04	261,288.78	–
Cash received relating to other investing activities		–	–	280.24
		<u> </u>	<u> </u>	<u> </u>
Subtotal of cash inflows from investing activities		5,202,823,255.72	15,485,641,637.15	28,916,826,684.82
		<u> </u>	<u> </u>	<u> </u>
Payment for purchase of investments		(1,016,754,025.54)	(18,676,883,889.29)	(27,071,759,996.28)
Payment for purchase and construction of fixed assets, intangible assets and other long-term assets		(36,929,178.71)	(76,673,368.07)	(98,160,724.51)
Net cash paid for acquisition of subsidiaries and other business entities		–	(326,637,709.01)	–
		<u> </u>	<u> </u>	<u> </u>
Subtotal of cash outflows from investing activities		(1,053,683,204.25)	(19,080,194,966.37)	(27,169,920,720.79)
		<u> </u>	<u> </u>	<u> </u>
Net cash generated from/(used in) investing activities		4,149,140,051.47	(3,594,553,329.22)	1,746,905,964.03
		<u> </u>	<u> </u>	<u> </u>
III. Cash flows from financing activities				
Proceeds from issuance of debt securities		6,119,980,000.00	15,996,030,000.00	4,075,160,000.00
		<u> </u>	<u> </u>	<u> </u>
Subtotal of cash inflows from financing activities		6,119,980,000.00	15,996,030,000.00	4,075,160,000.00
		<u> </u>	<u> </u>	<u> </u>
Repayment of debt		(5,102,200,000.00)	(10,095,890,000.00)	(4,000,000,000.00)
Cash paid for dividends, profit distribution or interests		(107,729,310.83)	(656,543,636.57)	(561,880,303.56)
Repayment of lease liabilities		(21,540,278.89)	(87,241,970.32)	(99,062,007.41)
		<u> </u>	<u> </u>	<u> </u>
Subtotal of cash outflows from financing activities		(5,231,469,589.72)	(10,839,675,606.89)	(4,660,942,310.97)
		<u> </u>	<u> </u>	<u> </u>
Net cash generated from/(used in) financing activities		888,510,410.28	5,156,354,393.11	(585,782,310.97)
		<u> </u>	<u> </u>	<u> </u>

SHANGHAI SECURITIES CO., LTD.
STATEMENT OF CASH FLOWS OF THE PARENT COMPANY (CONTINUED)
2024, 2025, and three-month period ended March 31, 2026
(Amounts expressed in RMB)

	Note VIII	Three-month period ended March 31, 2026	2025	2024
IV. Effect of exchange rate changes on cash and cash equivalents		(833,440.10)	(1,139,357.23)	757,982.94
V. Net increase in cash and cash equivalents	4(3)	580,982,387.31	2,498,449,257.26	6,796,822,152.43
Add: cash and cash equivalents at the beginning of the period/year		21,519,156,131.39	19,020,706,874.13	12,223,884,721.70
VI. Cash and cash equivalents at the end of the period/year	4(4)	22,100,138,518.70	21,519,156,131.39	19,020,706,874.13

These financial statements were signed by the following persons:

_____ Legal representative	_____ Accounting chief	_____ Person-in-charge of the accounting department	(Company Seal)
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Date:

SHANGHAI SECURITIES CO., LTD.
CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
Three-month period ended March 31, 2026
(Amounts expressed in RMB)

		Equity attributable to owners of the parent						Minority interests	Total owners' equity
Note VII		Paid-in capital	Capital reserve	Other comprehensive income		General risk reserve	Undistributed profits		
					Surplus reserve				
Balance at January 1, 2026		5,326,532,000.00	7,776,642,356.71	525,609,710.03	1,204,632,062.60	2,454,851,440.85	2,516,798,795.49	-	19,805,066,365.68
Changes for the period									
(I)	Total comprehensive income	-	-	164,375,585.85	-	-	151,328,742.33	-	315,704,328.18
(II)	Capital contribution and reduction by owners								
1.	Capital contribution by owners	-	-	-	-	-	-	-	-
(III)	Profit distribution								
1.	Appropriation to surplus reserve	-	-	-	-	-	-	-	-
2.	Appropriation to general risk reserve	-	-	-	-	1,231,464.23	(1,231,464.23)	-	-
3.	Distribution to owners	-	-	-	-	-	-	-	-
(IV)	Internal carry-over within owners' equity								
1.	Transfer of other comprehensive income to undistributed profits	-	-	3,568,851.75	-	-	(3,568,851.75)	-	-
Balance at March 31, 2026		5,326,532,000.00	7,776,642,356.71	693,554,147.63	1,204,632,062.60	2,456,082,905.08	2,663,327,221.84	-	20,120,770,693.86

SHANGHAI SECURITIES CO., LTD.
CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (CONTINUED)
2025
(Amounts expressed in RMB)

		Equity attributable to owners of the parent						Minority interests	Total owners' equity
Note VII		Paid-in capital	Capital reserve	Other comprehensive income		General risk reserve	Undistributed profits		
					Surplus reserve				
Balance at January 1, 2025		5,326,532,000.00	7,776,642,356.71	677,714,637.87	1,076,644,549.46	2,188,053,741.43	1,759,693,283.69	-	18,805,280,569.16
Changes for the year									
(I)	Total comprehensive income	-	-	(105,709,086.44)	-	-	1,323,494,882.96	-	1,217,785,796.52
(II)	Capital contribution and reduction by owners								
1.	Capital contribution by owners	-	-	-	-	-	-	-	-
(III)	Profit distribution								
1.	Appropriation to surplus reserve	-	-	-	127,987,513.14	-	(127,987,513.14)	-	-
2.	Appropriation to general risk reserve	-	-	-	-	266,797,699.42	(266,797,699.42)	-	-
3.	Distribution to owners	38	-	-	-	-	(218,000,000.00)	-	(218,000,000.00)
(IV)	Internal carry-over within owners' equity								
1.	Transfer of other comprehensive income to undistributed profits	-	-	(46,395,841.40)	-	-	46,395,841.40	-	-
Balance at December 31, 2025		5,326,532,000.00	7,776,642,356.71	525,609,710.03	1,204,632,062.60	2,454,851,440.85	2,516,798,795.49	-	19,805,066,365.68

SHANGHAI SECURITIES CO., LTD.
CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (CONTINUED)
2024
(Amounts expressed in RMB)

		Equity attributable to owners of the parent						Minority interests	Total owners' equity
Note VII		Paid-in capital	Capital reserve	Other comprehensive income		General risk reserve	Undistributed profits		
					Surplus reserve				
Balance at January 1, 2024		5,326,532,000.00	7,776,642,356.71	69,734,031.00	990,944,990.83	2,008,434,317.48	1,193,377,971.87	-	17,365,665,667.89
Changes for the year									
(I)	Total comprehensive income	-	-	603,153,606.56	-	-	953,461,294.71	-	1,556,614,901.27
(II)	Capital contribution and reduction by owners								
1.	Capital contribution by owners	-	-	-	-	-	-	-	-
(III)	Profit distribution								
1.	Appropriation to surplus reserve	-	-	-	85,699,558.63	-	(85,699,558.63)	-	-
2.	Appropriation to general risk reserve	-	-	-	-	179,619,423.95	(179,619,423.95)	-	-
3.	Distribution to owners	38	-	-	-	-	(117,000,000.00)	-	(117,000,000.00)
(IV)	Internal carry-over within owners' equity								
1.	Transfer of other comprehensive income to undistributed profits	-	-	4,827,000.31	-	-	(4,827,000.31)	-	-
Balance at December 31, 2024		5,326,532,000.00	7,776,642,356.71	677,714,637.87	1,076,644,549.46	2,188,053,741.43	1,759,693,283.69	-	18,805,280,569.16

These financial statements were signed by the following persons:

Legal representative

Accounting chief

Person-in-charge of the
accounting department

(Company Seal)

Date:

SHANGHAI SECURITIES CO., LTD.
STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE PARENT COMPANY
Three-month period ended March 31, 2026
(Amounts expressed in RMB)

Three-month period ended March 31, 2026							
	Paid-in capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profits	Total owners' equity
Balance at January 1, 2026	5,326,532,000.00	7,763,925,816.68	525,609,710.03	1,204,632,062.60	2,423,020,363.32	2,226,689,602.55	19,470,409,555.18
Changes for the period							
(I) Total comprehensive income	-	-	164,375,585.85	-	-	107,590,247.04	271,965,832.89
(II) Capital contribution and reduction by owners							
1. Capital contribution by owners	-	-	-	-	-	-	-
(III) Profit distribution							
1. Appropriation to surplus reserve	-	-	-	-	-	-	-
2. Appropriation to general risk reserve	-	-	-	-	-	-	-
3. Distribution to owners	-	-	-	-	-	-	-
(IV) Internal carry-over within owners' equity							
1. Transfer of other comprehensive income to undistributed profits	-	-	3,568,851.75	-	-	(3,568,851.75)	-
Balance at March 31, 2026	<u>5,326,532,000.00</u>	<u>7,763,925,816.68</u>	<u>693,554,147.63</u>	<u>1,204,632,062.60</u>	<u>2,423,020,363.32</u>	<u>2,330,710,997.84</u>	<u>19,742,375,388.07</u>

SHANGHAI SECURITIES CO., LTD.
STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE PARENT COMPANY (CONTINUED)
2025
(Amounts expressed in RMB)

		2025						
		Paid-in capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profits	Total owners' equity
Balance at January 1, 2025		5,326,532,000.00	7,763,925,816.68	677,714,637.87	1,076,644,549.46	2,165,871,994.53	1,549,950,353.04	18,560,639,351.58
Changes for the year								
(I)	Total comprehensive income	-	-	(105,709,086.44)	-	-	1,233,479,290.04	1,127,770,203.60
(II)	Capital contribution and reduction by owners							
1.	Capital contribution by owners	-	-	-	-	-	-	-
(III)	Profit distribution							
1.	Appropriation to surplus reserve	-	-	-	127,987,513.14	-	(127,987,513.14)	-
2.	Appropriation to general risk reserve	-	-	-	-	257,148,368.79	(257,148,368.79)	-
3.	Distribution to owners	-	-	-	-	-	(218,000,000.00)	(218,000,000.00)
(IV)	Internal carry-over within owners' equity							
1.	Transfer of other comprehensive income to undistributed profits	-	-	(46,395,841.40)	-	-	46,395,841.40	-
Balance at December 31, 2025		5,326,532,000.00	7,763,925,816.68	525,609,710.03	1,204,632,062.60	2,423,020,363.32	2,226,689,602.55	19,470,409,555.18

SHANGHAI SECURITIES CO., LTD.
STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE PARENT COMPANY (CONTINUED)
2024
(Amounts expressed in RMB)

		2024						
		Paid-in capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profits	Total owners' equity
Balance at January 1, 2024		5,326,532,000.00	7,763,925,816.68	69,734,031.00	990,944,990.83	1,993,382,710.81	1,068,143,609.13	17,212,663,158.45
Changes for the year								
(I)	Total comprehensive income	-	-	603,153,606.56	-	-	861,822,586.57	1,464,976,193.13
(II)	Capital contribution and reduction by owners							
1.	Capital contribution by owners	-	-	-	-	-	-	-
(III)	Profit distribution							
1.	Appropriation to surplus reserve	-	-	-	85,699,558.63	-	(85,699,558.63)	-
2.	Appropriation to general risk reserve	-	-	-	-	172,489,283.72	(172,489,283.72)	-
3.	Distribution to owners	-	-	-	-	-	(117,000,000.00)	(117,000,000.00)
(IV)	Internal carry-over within owners' equity							
1.	Transfer of other comprehensive income to undistributed profits	-	-	4,827,000.31	-	-	(4,827,000.31)	-
Balance at December 31, 2024		5,326,532,000.00	7,763,925,816.68	677,714,637.87	1,076,644,549.46	2,165,871,994.53	1,549,950,353.04	18,560,639,351.58

These financial statements were signed by the following persons:

_____ Legal representative	_____ Accounting chief	_____ Person-in-charge of the accounting department	(Company Seal)
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Date:

APPENDIX V
LETTER FROM KPMG HUAZHEN REPORTING ON THE PROFIT FORECAST

The following is the text of a report received from the Company's Reporting Accountants, KPMG Huazhen LLP, for inclusion in this announcement.



The Board of Directors
東方證券股份有限公司

Orient Securities Building
No. 119 South Zhongshan Road
Huangpu District
Shanghai, PRC

Dear Sirs,

東方證券股份有限公司 (the “**Company**”)

Profit Estimate for the year ended December 31, 2025 and the three months ended March 31, 2026

We refer to the estimate of the unaudited pro forma consolidated “total profit”, “net profit attributable to shareholders of the company” and “net profit” of the Company and its subsidiaries (“**the Group**”) and the Target Company (as defined below) and its subsidiaries (together with the Group, collectively refer to “**the Enlarged Group**”) after the Proposed Transaction (as defined below) for the year ended December 31, 2025 and the three months ended March 31, 2026 (together, “**the Profit Estimate**”). The Profit Estimate has been prepared to enable the directors of the Company to issue the Profit Estimate set forth in Appendix IV – Material Information with Takeovers Code Implications of the update announcement on major transaction – the proposed acquisition of 100% equity interests in Shanghai Securities Company Limited* 上海證券有限責任公司 (the “**Target Company**”) by way of issue of consideration A shares under specific mandate and payment of cash (the “**Proposed Transaction**”) dated July 27, 2026 (the “**Update Announcement**”).

Directors’ Responsibilities

The Profit Estimate has been prepared by the directors of the Company (the “**Directors**”) based on the unaudited pro forma consolidated financial statements of the Enlarged Group under China Accounting Standards for Business Enterprises for the year ended December 31, 2025 and the three months ended March 31, 2026 prepared in relation to the Proposed Transaction pursuant to the requirements in the *Standards on the Contents and Formats of Information Disclosures by Companies Publicly Offering Securities No.26 – Material Asset Restructuring of Listed Companies* (公開發行證券的公司信息披露內容與格式準則第26號–上市公司重大資產重組) issued by China Securities Regulatory Commission.

The Directors are solely responsible for the Profit Estimate.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (“**IESBA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM) 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures. We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 “Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness” and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Directors have properly compiled the Profit Estimate in accordance with the bases adopted by the Directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the Directors as set out in the Update Announcement and is presented on a basis consistent in all material respects with the accounting policies adopted by the Group as set out in the published annual report of the Company for the year ended December 31, 2025.

Yours faithfully,

KPMG Huazhen LLP

Certified Public Accountants

Beijing, China

July 27, 2026

** For identification purposes only.*

APPENDIX VI
LETTER FROM UBS REPORTING ON THE PROFIT FORECAST

The following is the text of a letter received from the Company's joint financial adviser, UBS, for inclusion in this announcement.



UBS AG Hong Kong Branch¹
2 International Finance Centre
52/F, 8 Finance Street
Central, Hong Kong
Tel. +852-2971-8888
www.ubs.com

July 27, 2026

The Board of Directors
東方證券股份有限公司
Orient Securities Building
No. 119 South Zhongshan Road
Huangpu District
Shanghai, PRC

Dear Sirs,

We refer to the announcement dated July 27, 2026 (the “**Announcement**”) issued by 東方證券股份有限公司 (HKEX stock code: 03958) (the “**Company**”) in relation to, among other things, the Proposed Transaction. Capitalised terms used in this letter shall have the same meanings as defined in the Announcement unless otherwise specified. We also refer to the unaudited pro forma consolidated “total profit”, “net profit attributable to shareholders of the Company” and “net profit” for the year ended December 31, 2025 and the three months ended March 31, 2026, as set out in Appendix IV – Material Information with Takeovers Code Implications to the Announcement (together, the “**Profit Forecast**”).

The Profit Forecast constitutes a profit forecast pursuant to Rule 10 of the Takeovers Code and is required to be reported on in accordance with Rule 10 of the Takeovers Code. The Profit Forecast has been prepared by the directors of the Company (the “**Directors**”) based on the Company’s audited financial report for 2025 and its unaudited financial statements from January to March 2026, for which the Directors are solely responsible for.

We have reviewed the Profit Forecast and discussed with you and the senior management of the Company the bases upon which the Profit Forecast has been made. We have also discussed with, and considered the letter on the Profit Forecast dated July 27, 2026 issued by, KPMG Huazhen LLP, the PRC reporting accountants of the Company (the “**PRC Reporting Accountants**”) addressed to the Board of Directors, the text of which is set out in Appendix V to the Announcement, which stated that, so far as the accounting policies and calculations are concerned, the Profit Forecast has been properly compiled in accordance with the bases adopted by the Directors and is presented on a basis consistent in all material

¹ UBS AG is incorporated in Switzerland with limited liability.

respects with the accounting policies adopted by the Group as set out in the published annual report of the Company for the year ended December 31, 2025 prepared in accordance with the China Accounting Standards for Business Enterprises (“CASBE”).

We have not independently verified the computations leading to the Profit Forecast. We have assumed that all information, materials and representations provided to us by the Company were true, accurate, complete and not misleading at the time they were supplied or made, and remained so up to the date of the Announcement and that no material fact or information has been omitted from the information and materials supplied. No representation or warranty, whether express or implied, is made by us on the accuracy, truth or completeness of such information, materials or representations. Accordingly, we accept no responsibility, whether expressly or implicitly, on the Profit Forecast as set out in the Announcement.

On the basis of the foregoing and on the basis that the Directors are satisfied that there are no further matters that should be brought to our attention, in our view, the Profit Forecast, for which you as the Directors are solely responsible for, has been compiled and approved by the Directors with due care and consideration.

The work undertaken by us is for the sole purpose of reporting to the Directors under Rule 10 of the Takeovers Code and for no other purposes. We accept no responsibility to any other person in connection with such work.

Yours faithfully,

For and on behalf of
UBS AG Hong Kong Branch

Samson LO
Managing Director

Jun LUO
Managing Director

APPENDIX VII
LETTER FROM ORIENT CAPITAL REPORTING ON THE PROFIT FORECAST

The following is the text of a letter received from the Company's joint financial adviser, Orient Capital, for inclusion in this announcement.



Orient Capital (Hong Kong) Limited
28/F-29/F
100 Queen's Road Central
Hong Kong

27 July 2026

The Board of Directors
東方證券股份有限公司
Orient Securities Building
No. 119 South Zhongshan Road
Huangpu District
Shanghai, PRC

Dear Sirs,

We refer to the announcement dated 27 July 2026 (the “**Announcement**”) issued by 東方證券股份有限公司 (HKEX stock code: 03958) (the “**Company**”) in relation to, among other things, the Proposed Transaction. Capitalised terms used in this letter shall have the same meanings as defined in the Announcement unless otherwise specified. We also refer to the unaudited pro forma consolidated “total profit”, “net profit attributable to shareholders of the Company” and “net profit” for the year ended 31 December 2025 and the three months ended 31 March 2026, as set out in Appendix IV – Material Information with Takeovers Code Implications to the Announcement (together, the “**Profit Forecast**”).

The Profit Forecast constitutes a profit forecast under Rule 10 of the Takeovers Code and is required to be reported on in accordance with Rule 10 of the Takeovers Code. The Profit Forecast has been prepared by the directors of the Company (the “**Directors**”) based on the Company's audited financial report for the year of 2025 and its unaudited financial statements from January to March 2026, for which the Directors are solely responsible for.

We have reviewed the Profit Forecast and discussed with you and the senior management of the Company the bases upon which the Profit Forecast have been made. We have also discussed with, and considered the letter on the Profit Forecast dated 27 July 2026 issued by, KPMG Huazhen LLP, the PRC reporting accountants of the Company (the “**PRC Reporting Accountants**”) addressed to the Board of Directors, the text of which is set out in Appendix V to the Announcement, which stated that, so far as the accounting policies and calculations are concerned, the Profit Forecast has been properly compiled in accordance with the bases adopted by the Directors and is presented on a basis consistent in all material respects with the accounting policies adopted by the Group as set out in the published annual report of the Company for the year ended 31 December 2025 prepared in accordance with the China Accounting Standards for Business Enterprises (“**CASBE**”).

We have not independently verified the computations leading to the Profit Forecast. We have assumed that all information, materials and representations provided to us by the Company were true, accurate, complete and not misleading at the time they were supplied or made, and remained so up to the date of the Announcement and that no material fact or information has been omitted from the information and materials supplied. No representation or warranty, whether express or implied, is made by us on the accuracy, truth or completeness of such information, materials or representations. Accordingly, we accept no responsibility, whether expressly or implicitly, on the Profit Forecast as set out in the Announcement.

On the basis of the foregoing and on the basis that the Directors are satisfied that there are no further matters that should be brought to our attention, in our view, the Profit Forecast, for which you as the Directors are solely responsible for, has been compiled and approved by the Directors with due care and consideration.

The work undertaken by us is for the sole purpose of reporting to the Directors under Rule 10 of the Takeovers Code and for no other purposes. We accept no responsibility to any other person in connection with such work.

Yours faithfully,

For and on behalf of

Orient Capital (Hong Kong) Limited

Name: Chan Ying Wai Freddy

Position: Managing Director