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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)

**DESPATCH OF CIRCULAR
IN RELATION TO
(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
AND
SHAREHOLDING INFORMATION UPDATE**

References are made to the announcement of 東方證券股份有限公司 (the "**Company**") dated May 6, 2026 (the "**First Announcement**") and the announcement of the company dated July 27, 2026 (the "**Update Announcement**"), each in relation to, among other things, the Proposed Transaction. Unless otherwise specified or the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the First Announcement and the Update Announcement.

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, will be despatched to the Shareholders on July 30, 2026.

The EGM and the Class Meetings are proposed to be convened at Multi-Purpose Function Room, 15/F, No. 119 South Zhongshan Road, Huangpu District, Shanghai, the PRC on August 24, 2026 at 2:00 p.m. Details of the EGM and the H Shares Class Meeting are set out in the respective notices of the EGM and the H Shares Class Meeting issued and to be despatched together with the Circular on July 30, 2026.

SHAREHOLDING INFORMATION UPDATE

As disclosed in the Update Announcement, certain information in relation to the shareholding structure of the Company in the section headed “2. Effects on the Shareholding Structure of the Company” was provided as at July 24, 2026, being the latest practicable date prior to the publication of the Update Announcement for the purposes of ascertaining such information.

Following publication of the Update Announcement, the Company wishes to provide updated information in respect of the relevant holdings in the Company as at July 27, 2026, being the date of the Update Announcement.

For illustrative purposes, set out below is the shareholding structure of the Company (the shareholding percentages are calculated after excluding any treasury A Shares):¹

(i) as at July 27, 2026; and

Shareholding as at July 27, 2026

Shareholder	Number of A Shares Held	Approximate % of Issued A Shares	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)	152,289,544	2.06%	1,106,400	0.11%	153,395,944	1.82%
6. Sub-total (1+2+3+4+5)	<u>2,539,047,116</u>	<u>34.27%</u>	<u>1,106,400</u>	<u>0.11%</u>	<u>2,540,153,516</u>	<u>30.11%</u>
Other Vendors and their subsidiaries						
7. Guotai Haitong and its subsidiaries ^(Note 3)	49,846,271	0.67%	24,911,600	2.43%	74,757,871	0.89%
8. SIG and its subsidiaries	–	–	–	–	–	–
9. Sub-total (7+8)	<u>49,846,271</u>	<u>0.67%</u>	<u>24,911,600</u>	<u>2.43%</u>	<u>74,757,871</u>	<u>0.89%</u>

Shareholding as at July 27, 2026

Shareholder	Number of A Shares Held	Approximate % of Issued A Shares	Number of H Shares Held	Approximate % of Issued H Shares	Total Number of Shares Held	Approximate % of the Total Issued Shares ^(Note 1)
Other Shareholders						
10. Associated companies of Other Vendors ^(Note 4)	9,595,671	0.13%	6,583,200	0.64%	16,178,871	0.19%
11. Other A Share public shareholders	4,809,447,325	64.92%	–	–	4,809,447,325	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)	<u>4,819,042,996</u>	<u>65.05%</u>	<u>1,001,144,428</u>	<u>97.47%</u>	<u>5,820,187,424</u>	<u>69.00%</u>
14. Sub-total (6+9+13)	<u>7,407,936,383</u>	<u>100%</u>	<u>1,027,162,428</u>	<u>100%</u>	<u>8,435,098,811</u>	<u>100%</u>
15. Treasury A Shares ^(Note 1)	61,546,481		–		61,546,481	
Total	<u>7,469,482,864</u>		<u>1,027,162,428</u>		<u>8,496,645,292</u>	

- (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 July 27, 2026 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 Chengtou 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)	152,289,544	1.57%	1,106,400	0.11%	153,395,944	1.43%
6. Sub-total (1+2+3+4+5)	<u>3,784,062,004</u>	<u>39.02%</u>	<u>1,106,400</u>	<u>0.11%</u>	<u>3,785,168,404</u>	<u>35.30%</u>
Other Vendors and their subsidiaries						
7. Guotai Haitong and its subsidiaries ^(Note 3)	507,327,939	5.23%	24,911,600	2.43%	532,239,539	4.96%
8. SIG and its subsidiaries	586,133,179	6.04%	–	–	586,133,179	5.47%
9. Sub-total (7+8)	<u>1,093,461,118</u>	<u>11.28%</u>	<u>24,911,600</u>	<u>2.43%</u>	<u>1,118,372,718</u>	<u>10.43%</u>

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)
Other Shareholders						
10. Associated companies of Other Vendors ^(Note 4)	9,595,671	0.10%	6,583,200	0.64%	16,178,871	0.15%
11. Other A Share public shareholders	4,809,447,325	49.60%	–	–	4,809,447,325	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>4,819,042,996</u>	<u>49.70%</u>	<u>1,001,144,428</u>	<u>97.47%</u>	<u>5,820,187,424</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:

- 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.
- 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:
 - Shenenergy holds 2,262,428,700 A Shares (representing 26.82% of the total issued Shares);
 - Shanghai Jinqiao holds 124,328,872 A Shares (representing 1.47% of the total issued Shares);
 - 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);
 - 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);
 - 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);
 - 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);
 - 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 July 27, 2026, 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 20,979,713 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 19,684,548 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 "7. Shareholdings and Dealings in the Securities of the Company and the Whitewash Applicant Vendors" in Appendix IX to the Circular 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 153,395,944 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 49,846,271 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 8,974,188 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 134,328 A Shares (representing 0.002% 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 9,595,671 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 date of this announcement 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.*

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. Completion of the Proposed Transaction is conditional upon, among other things, the approvals, consent and/or registrations by the applicable competent authorities and the Whitewash Waiver being granted by the Executive and approved by the Takeovers Code Independent Shareholders. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
ZHOU Lei
Chairman

Shanghai, PRC
July 29, 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.