

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(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)

PROPOSED RIGHTS ISSUE OF A SHARES AND H SHARES

This announcement is made pursuant to the Inside Information Provisions (as defined under the Hong Kong Listing Rules) under Part XIVA of the SFO and Rule 13.09 of the Hong Kong Listing Rules.

The Board is pleased to announce that it proposes to seek the approval of the Shareholders for the Rights Issue Plan and the relevant authorisations for the Rights Issue Plan. The Rights Issue Plan will comprise the issue of both the A Rights Shares and the H Rights Shares. The Rights Issue Plan will be subject to, amongst others, the approval by the Shareholders at the General Meeting, the approval of the A Shareholders at the A Shareholders Class Meeting and the approval of the H Shareholders at the H Shareholders Class Meeting, respectively.

The Rights Issue Plan is proposed to be allotted to all Shareholders on the basis of up to three (3) Rights Shares for every ten (10) existing Shares, on the same basis for the A Shares and the H Shares, subject to final determination by the Board as authorised by Shareholders at the General Meeting in consultation with the sponsor institution(s) (financial adviser(s)) prior to the Rights Issue, having regard to the market conditions. The A Share Rights Issue Plan and H Share Rights Issue Plan will proceed on a sale-on-best-effort basis without any underwriting arrangements. The Rights Issue Price will be determined by the Board as authorised by Shareholders at the General Meeting in consultation with the sponsor institution(s) (financial adviser(s)) prior to the publication of the issuance announcement, on a discount to market trading prices of A Shares having regard to the prevailing market conditions of the A Shares and H Shares. The Rights Issue Prices of the A Rights Shares and the H Rights Shares shall be consistent after exchange rate adjustment, which may be higher or lower than market trading price of the H Shares at that time. As at March 30, 2021, the closing prices of the A Shares and the H Shares are RMB9.67 and HK\$5.20, respectively.

On the basis of 6,993,655,803 Shares of the Company (comprising 5,966,575,803 A Shares and 1,027,080,000 H Shares) in issue as at the date of this announcement and assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Record Date, the Company expects to allot, on the assumption of up to three (3) Rights Shares for every ten (10) existing Shares, no more than 2,098,096,740 Rights Shares (comprising no more than 1,789,972,740 A Rights Shares and no more than 308,124,000 H Rights Shares) in total.

It is currently expected that the gross proceeds of the Rights Issue Plan will be no more than RMB16.8 billion. The final amount of gross proceeds shall be determined by the actual Rights Issue Price and the actual number of Rights Shares to be issued. After deducting relevant issuance fees, it is expected that the net proceeds raised from the Rights Issue will entirely be applied to increase the capital base of the Company, replenish the Company's working capital, optimize its asset and liability structure, serve the real economy to expand business scale and enhance the Company's market competitiveness and risk resistance.

A circular containing the notices convening the General Meeting and the H Shareholders Class Meeting will be delivered to the H Shareholders as soon as practicable in accordance with the relevant requirements of the Articles of Association.

Prior to the commencement of the H Share Rights Issue Plan, the Company will make a further announcement and issue the H Share Rights Issue Prospectus, which will contain all relevant details of the Rights Issue Plan, including the definitive basis on which the Rights Shares are to be offered, the maximum number of Rights Shares to be issued, the Rights Issue Price, the period of closure of the register of members for the H Shares and the Record Date, trading arrangements of the H Rights Shares, the arrangements for excess H Rights Shares and the expected timetable of the Rights Issue Plan.

As the Rights Issue Plan is subject to, among other things, approval by the Shareholders at the General Meeting, the Rights Issue Plan may or may not materialise. The H Share Rights Issue Plan is conditional upon the fulfillment of the conditions set out under the section headed "Conditions of the H Share Rights Issue Plan". If the conditions are not fulfilled, the H Share Rights Issue Plan will not proceed. Shareholders and investors are advised to exercise caution when dealing in the H Shares.

INTRODUCTION

The Board is pleased to announce that it proposes to seek the approval of the Shareholders for the Rights Issue Plan and the relevant authorisations for the Rights Issue Plan. The Rights Issue Plan will comprise the issue of both the A Rights Shares and the H Rights Shares. After deducting relevant issuance fees, it is currently expected that the net proceeds raised from the Rights Issue will entirely be applied to increase the capital base of the Company, replenish the Company's working capital, optimize its asset and liability structure, serve the real economy to expand business scale and enhance the Company's market competitiveness and risk resistance.

It is expected that the H Share Rights Issue Plan will be conditional upon, among other matters, the fulfillment of the following matters (See the section headed "Conditions of the H Share Rights Issue Plan" for details):

- (i) Shareholders' approval by special resolution at the General Meeting, the A Shareholders Class Meeting and the H Shareholders Class Meeting in accordance with relevant provisions of the Articles of Association; and
- (ii) the approval of the CSRC and other relevant regulatory authorities.

Details of the Proposed A Share Rights Issue Plan and H Share Rights Issue Plan

The Rights Issue Plan will comprise an offer of the A Rights Shares to the Qualified A Shareholders and an offer of the H Rights Shares to the Qualified H Shareholders, respectively, on the preliminary terms set out below, which are subject to, among other things, the finalisation of the Rights Issue Plan and the actual market conditions.

Type and nominal value of the Rights Shares:	The A Shares and the H Shares, each with a nominal value of RMB1.00 per Share.
Method of issuance:	The issuance will be conducted by way of issuing Shares to existing Shareholders.
Base, proportion and number of the Rights Issue:	<p>The A Share Rights Issue is proposed to be based on the total number of A Shares after the trading hours on the A Share Record Date, and the allotment will be made to all A Shareholders on the basis of up to three (3) Rights Shares for every ten (10) existing Shares, with fractions of less than one (1) Rights Share to be dealt with according to the relevant regulations of the SSE and the Shanghai branch of CSDC. The H Share Rights Issue is proposed to be based on the total number of qualified H Shares on the H Share Record Date, and the allotment will be made to all H Shareholders for Rights Issue on the basis of up to three (3) Rights Shares for every ten (10) existing Shares. The Rights Issue proportion of both A Shares and H Shares are the same. The Rights Issue Prices shall be consistent after exchange rate adjustment. The final proportion of Rights Issue and the number of Rights Shares shall be subject to final determination by the Board as authorised by Shareholders at the General Meeting in consultation with the sponsor institution(s) (financial adviser(s)) prior to the issuance, having regard to the market conditions. The A Share Rights Issue Plan and H Share Rights Issue Plan will proceed on a sale-on-best-effort basis without any underwriting arrangements.</p>

The number of A Rights Shares and H Rights Shares shall be determined respectively based on the total number of A Shares as at the A Share Record Date and the total number of H Shares held by Qualified H Shareholders as at the H Share Record Date. On the basis of 6,993,655,803 Shares of the Company (comprising 5,966,575,803 A Shares and 1,027,080,000 H Shares) in issue as at the date of this announcement and assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Record Date, the Company expects to allot and issue, on the assumption of up to three (3) Rights Shares for every ten (10) existing Shares, no more than 2,098,096,740 Rights Shares (comprising no more than 1,789,972,740 A Rights Shares and no more than 308,124,000 H Rights Shares) in total. Prior to the implementation of the Rights Issue Plan, if the total share capital of the Company changes as a result of share bonus, capitalization of capital reserve and other reasons, the number of Rights Shares will be adjusted accordingly in accordance with the total share capital after the change. The final proportion of Rights Issue and the number of Rights Shares shall be subject to final determination by the Board as authorised at the General Meeting in consultation with the sponsor institution(s) (financial adviser(s)) prior to the issuance, having regard to the market conditions.

It is currently expected that the gross proceeds of the Rights Issue Plan will be no more than RMB16.8 billion. The final amount of gross proceeds shall be determined based on the actual Rights Issue Price and the actual number of Rights Shares to be issued.

**Pricing Principle and
Rights Issue Price:**

1. Pricing Principle
 - (1) Taking into account valuation indicators such as share prices, P/E ratios and P/B ratios of the Company in the secondary market as well as the Company's development and shareholders' interests;
 - (2) Considering capital requirements of projects to be financed with the proceeds; and
 - (3) Following the principle to determine through negotiations between the Board and the sponsor institution(s) (financial adviser(s)).

2. Rights Issue Price

The Rights Issue Price will be determined by the Board as authorised by Shareholders at the General Meeting in consultation with the sponsor institution(s) (financial adviser(s)) prior to the publication of the issuance announcement, on a discount to market trading prices of A Shares having regard to the prevailing market conditions of the A Shares and H Shares. The Rights Issue Prices of the A Rights Shares and the H Rights Shares shall be consistent after exchange rate adjustment, which may be higher or lower than market trading price of the H Shares at that time. As at March 30, 2021, the closing price for each A Share and H Share is RMB9.67 and HK\$5.20, respectively.

Target subscribers for the Rights Issue:

In the Rights Issue, the target subscribers for the A Rights Shares will be all Qualified A Shareholders who registered with the Shanghai branch of CSDC after the trading hours on the A Share Rights Issue Record Date, and the target subscribers for the H Rights Shares will be all Qualified H Shareholders as determined on the H Share Rights Issue Record Date. The Record Date of the Rights Issue will be otherwise determined after the approval of the Rights Issue Plan by CSRC.

Distribution arrangement for accumulated undistributed profits of the Company prior to the Rights Issue Plan:

The accumulated undistributed profits of the Company prior to the completion of the Rights Issue Plan shall be shared by all Shareholders on a pro-rata basis of shareholding after completion of the Rights Issue Plan.

Time of issuance:

The Rights Shares will be issued to all Shareholders at a suitable timing within the stipulated period after the approval from CSRC for the Rights Issue is obtained.

Method of Sale:

A Share Rights Issue Plan and H Share Rights Issue Plan will proceed on a sale-on-best-effort basis.

Use of proceeds:

The total proceeds from the Rights Issue will not exceed RMB16.8 billion (the exact size of the issue will depend on the market conditions at the time of the issue).

After deducting relevant issuance fees, the net proceeds raised from the Rights Issue will entirely be applied to increase the capital base of the Company, replenish the Company's working capital, optimize its asset and liability structure, serve the real economy to expand business scale and enhance the Company's market competitiveness and risk resistance.

All the proceeds raised from the Rights Issue Plan, after deduction of issuance expenses, shall be used for (1) investment banking business: not exceeding RMB6 billion; (2) wealth management and securities finance business: not exceeding RMB6 billion; (3) sales and trading business: not exceeding RMB3.8 billion; and (4) replenishing working capital: not exceeding RMB1 billion.

Without changing the use of proceeds, the Board may make appropriate adjustments to the order and amount of proceeds used for the above projects according to the actual needs of the projects. During the period from the approval at the meeting of the Board for the Rights Issue Plan until the proceeds are actually raised, the Company may first use its own funds for the projects in accordance with its operating condition and development plan, and when the proceeds are available, its own funds used will be replenished by the proceeds so raised in accordance with the procedures required by the relevant regulations.

Effective period of the resolutions: The effective period of the resolutions on the proposed Rights Issue Plan shall be 12 months starting from the date on which the resolution is approved at the General Meeting of the Company, the A Shares Class Meeting and the H Shares Class Meeting.

Listing of shares to be issued: Upon completion of the A Share Rights Issue, the A Shares allocated will be listed on the SSE in accordance with relevant requirements.

Upon completion of the H Share Rights Issue, the H Shares allocated will be listed on the Hong Kong Stock Exchange in accordance with relevant requirements.

Qualified H Shareholders

Subject to, among other things, approval by the Shareholders at the General Meeting, the Company will send the H Share Rights Issue Prospectus to the Qualified H Shareholders (and to the extent permitted by the relevant laws, to the Excluded Shareholders for information purposes only). To qualify for the H Share Rights Issue Plan, a Shareholder must:

- (i) be registered as a H Shareholder of the Company on the H Share Record Date; and
- (ii) not be an Excluded Shareholder.

Before the commencement of the H Share Rights Issue Plan, the Company will announce the date by which the H Shareholders must lodge any transfer documents in relation to the existing H Shares (together with the relevant H Share certificates) with the Company's share registrar in Hong Kong, in order for the transferee to become a H Shareholder of the Company on or before the H Share Record Date.

The PRC Southbound Trading Investors will not be excluded from participation in the H Share Rights Issue.

PRC Southbound Trading Investors

The Directors have made the relevant enquiries and were advised that the PRC Southbound Trading Investors may participate in the H Share Rights Issue Plan through CSDC. CSDC will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their Nil-paid H Rights Shares on the Hong Kong Stock Exchange under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect; and/or (ii) subscribe (in full or in part) for their pro-rata entitlement in respect of H Rights Shares held on the H Share Record Date at the Rights Issue Price under the H Share Rights Issue Plan in accordance with the relevant laws and regulations. However, CSDC will not support applications by such PRC Southbound Trading Investors for excess H Rights Shares under the H Share Rights Issue Plan through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. In addition, according to the PRC legal adviser of the Company, the PRC Southbound Trading Investors (or the relevant CSDC participants as the case may be) whose stock accounts in the CSDC are credited with Nil-paid H Rights Shares can only sell those Nil-paid H Rights Shares on the Hong Kong Stock Exchange via CSDC under Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect and can neither purchase any Nil-paid H Rights Shares nor transfer such Nil-paid H Rights Shares to other PRC Southbound Trading Investors.

Save and except for the PRC Southbound Trading Investors and Qualified H Shareholders who have been exempted by or have obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations, according to the PRC legal adviser of the Company, other Shareholders in the PRC are not entitled to participate in the H Share Rights Issue Plan.

H Share Record Date

The H Share Record Date and the trading arrangements for the Nil-paid H Rights Shares will be fixed by the Board and once so fixed, a further announcement will be made by the Company. The H Share Rights Issue Plan is conditional upon the fulfillment of the conditions set out under the section headed "Conditions of the H Share Rights Issue Plan" in this announcement. The H Share Record Date will not precede the date of the General Meeting, the date of the A Shares Class Meeting, the date of the H Shares Class Meeting, or the date on which all relevant PRC governmental and regulatory approvals are granted to the Company in relation to the Rights Issue Plan.

Trading of the H Rights Shares

Dealings in the H Rights Shares in both their nil-paid and fully-paid forms registered with the share registrar of the Company in Hong Kong will be subject to the payment of stamp duty in Hong Kong. A further announcement will be made by the Company regarding the trading arrangements for the H Rights Shares (in nil-paid and fully-paid forms) after such arrangements have been finalised by the Board.

Status of the H Rights Shares

The H Rights Shares, when allotted and fully paid, will rank pari passu in all respects with the H Shares then in issue. Holders of fully-paid H Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the H Rights Shares.

Rights of Overseas Shareholders

The H Share Rights Issue Prospectus will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will make enquiries regarding the feasibility of extending the H Share Rights Issue Plan to the Overseas Shareholders. If, based on the advice received from the relevant legal advisers, the Board considers that it is necessary or expedient not to offer the H Rights Shares to certain Overseas Shareholders (who are thus Excluded Shareholders) on account either of the legal restrictions under the laws of the place of his/her/their registered address(es) or the requirements of the relevant regulatory body or stock exchange in that place, the H Share Rights Issue Plan will not be made available to the Excluded Shareholders.

The Company will send copies of the H Share Rights Issue Prospectus to the Excluded Shareholders for their information only, but the Company will not send any provisional allotment letters or excess application forms to the Excluded Shareholders.

Arrangements will be made for the H Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in the market in their nil-paid form, as soon as practicable after the commencement of the dealings in the Nil-paid H Rights Shares, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid on a pro rata basis to the Excluded Shareholders, and the Company will pay individual amounts of more than HK\$100 to the relevant Excluded Shareholders, provided that the Company will retain individual amounts of HK\$100 or less for its own benefit.

Application for Excess H Rights Shares

Qualified H Shareholders of the Company (other than the PRC Southbound Trading Investors) may apply, by way of excess application, for any H Rights Shares to which unsold entitlements of the Excluded Shareholders relate and for any H Rights Shares provisionally allotted to the Qualified H Shareholders but not accepted.

Application for excess H Rights Shares may be made by completing the excess application form to be despatched to the Qualified H Shareholders together with the H Share Rights Issue Prospectus and lodging the same with a separate remittance for such excess H Rights Shares. The Board will allocate the excess H Rights Shares at its discretion on a fair and equitable basis but will give preference to topping-up odd lots to whole board lots. The remaining excess H Rights Shares (if preference will be given) or all excess H Rights Shares (if no preference will be given) will be allocated to Qualified H Shareholders who have applied for excess H Rights Shares on a pro rata basis with reference to their number of excess H Rights Shares applied for.

Conditions of the H Share Rights Issue Plan

It is expected that the H Share Rights Issue Plan will be conditional upon the fulfillment of the following matters:

- (i) the approval of the Rights Issue Plan by the Shareholders at the General Meeting;
- (ii) the approval of the Rights Issue Plan at the H Shares Class Meeting and the A Shares Class Meeting, respectively;
- (iii) the approval of the Rights Issue Plan by the CSRC and other relevant regulatory authorities;
- (iv) the Listing Committee of the Hong Kong Stock Exchange having granted to approval for the listing of, and permission to deal in, the H Rights Shares in their nil-paid and fully-paid forms, either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any) by no later than the date of the delivery of the H Share Rights Issue Prospectus; and
- (v) the delivery to the Hong Kong Stock Exchange and filing and registration of all documents in relation to the H Share Rights Issue Plan as required by law to be filed by and registered with the Companies Registry in Hong Kong.

None of the above conditions for completion of the H Share Rights Issue Plan may be waived by the Company or has been satisfied as at the date of this announcement. If the conditions are not fulfilled, the H Share Rights Issue Plan will not proceed.

Conditions of the A Share Rights Issue Plan

It is expected that the A Share Rights Issue Plan will be conditional upon the fulfillment of the following matters:

- (i) the approval of the Rights Issue Plan by the Shareholders at the General Meeting;
- (ii) the approval of the Rights Issue Plan at the A Shares Class Meeting and the H Shares Class Meeting, respectively;
- (iii) the approval of the Rights Issue Plan by the CSRC and other relevant regulatory authorities; and
- (iv) the subscription of the A Rights Shares by the A Shareholders being at least 70% of the A Share Rights Issue Plan.

None of the above conditions for completion of the A Share Rights Issue Plan may be waived by the Company or has been satisfied as at the date of this announcement. If the conditions are not fulfilled, the A Share Rights Issue Plan will not proceed.

Registered Capital and Amendments to the Articles of Association

As a result of the completion of the Rights Issue Plan, the registered capital of the Company will be increased and certain amendments will be made to the Articles of Association in relation to the increase in the registered capital of the Company due to the issuance of the Rights Shares. The Company will duly comply with the relevant PRC laws and regulations and the requirements as set out under the Hong Kong Listing Rules in respect of such amendments to the Articles of Association. Details of such amendments will be provided to the Shareholders in a further announcement in relation to the Rights Issue Plan to be issued by the Company in due course.

Methods of Sale

The H Share Rights Issue Plan will proceed on a sale-on-best-effort basis without any underwriting arrangements. Pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), the Hong Kong Listing Rules and the Articles of Association, there is no requirement for a minimum level of subscription in the H Share Rights Issue.

The A Share Rights Issue Plan will proceed on a sale-on-best-effort basis as required under the applicable PRC laws and regulations. Under the applicable PRC laws and regulations and as classified by the CSRC, the A Share Rights Issue Plan may only proceed if the subscription level of the A Rights Shares is at least 70% of the A Share Rights Issue Plan. The rights to subscribe for the A Shares which are not taken up will lapse and no new A Shares will be issued or allotted pursuant to such rights.

The Largest Shareholders' Undertaking

The Company's largest shareholder, Shenergy Group which held 25.27% of the shareholding in the Company as at the date of this announcement, will undertake to subscribe in full for the Rights Shares available under the Rights Issue Plan in cash before the General Meeting.

Publication of Further Announcement and H Share Rights Issue Prospectus in Relation to the H Share Rights Issue Plan

Prior to the commencement of the H Share Rights Issue Plan, the Company will make a further announcement and issue the H Share Rights Issue Prospectus, which will contain all relevant details of the Rights Issue Plan, including the definitive basis on which the Rights Shares are to be offered, the maximum number of Rights Shares to be issued, the Rights Issue Price, the period of closure of the register of members for the H Shares and the Record Date, trading arrangements of the H Rights Shares, the arrangements for excess H Rights Shares, and the expected timetable of the Rights Issue Plan.

Reasons for the Rights Issue Plan and Use of Proceeds

The reasons for the Rights Issue Plan and the use of proceeds raised are for (1) investment banking business: not exceeding RMB6 billion; (2) wealth management and securities finance business: not exceeding RMB6 billion; (3) sales and trading business: not exceeding RMB3.8 billion; and (4) replenishing working capital: not exceeding RMB1 billion. The Directors are of the view that the Rights Issue Plan is in the interests of the Company and the Shareholders as a whole, and that the Rights Issue Plan is an appropriate fund-raising method to increase the capital base of the Company, replenish the Company's working capital, optimize its asset and liability structure, serve the real economy to expand business scale and enhance the Company's market competitiveness and risk resistance.

Shareholding Structure of the Company

The following table sets out the Company's current shareholding structure and its proposed shareholding structure upon completion of the Rights Issue Plan (assuming the Rights Issue Plan is conducted on the basis of three (3) Rights Shares for every ten (10) existing Shares with full subscription for the A Rights Shares and H Rights Shares and assuming no change in the issued share capital of the Company between the date of this announcement and the Record Date):

Class of Shares	Total number of issued Shares before the Rights Issue Plan as at the date of this announcement	Approximate percentage of the total number of issued Shares	Number of Shares to be issued under the Rights Issue Plan	Total number of issued Shares immediately after the Rights Issue Plan	Approximate percentage of the total number of issued Shares immediately after the Rights Issue Plan
A Shares	5,966,575,803	85.3%	1,789,972,740	7,756,548,543	85.3%
Publicly held A Shares	4,199,053,381	60.0%	1,259,716,014	5,458,769,395	60.0%
Non-publicly held A Shares ⁽¹⁾	1,767,522,422	25.3%	530,256,726	2,297,779,148	25.3%
H Shares	1,027,080,000	14.7%	308,124,000	1,335,204,000	14.7%
Publicly held H Shares	1,019,194,800	14.6%	305,758,440	1,324,953,240	14.6%
Non-publicly held H Shares ⁽²⁾	7,885,200	0.1%	2,365,560	10,250,760	0.1%
Total	<u>6,993,655,803</u>	<u>100.0%</u>	<u>2,098,096,740</u>	<u>9,091,752,543</u>	<u>100.0%</u>
Publicly held Shares	5,218,248,181	74.6%	1,565,474,454	6,783,722,635	74.6%
Non-publicly held Shares	1,775,407,622	25.4%	532,622,286	2,308,029,908	25.4%

The following table sets out the Company's current shareholding structure and its proposed shareholding structure upon completion of the Rights Issue Plan (assuming the Rights Issue Plan is conducted on the basis of three (3) Rights Shares for every ten (10) existing Shares with 70% subscription level for the A Rights Shares and full subscription for the H Rights Shares and assuming no change in the issued share capital of the Company between the date of this announcement and the Record Date):

Class of Shares	Total number of issued Shares before the Rights Issue Plan as at the date of this announcement	Approximate percentage of the total number of issued Shares	Number of Shares to be issued under the Rights Issue Plan	Total number of issued Shares immediately after the Rights Issue Plan	Approximate percentage of the total number of issued Shares immediately after the Rights Issue Plan
A Shares	5,966,575,803	85.3%	1,252,980,918	7,219,556,721	84.4%
Publicly held A Shares	4,199,053,381	60.0%	722,724,192	4,921,777,573	57.5%
Non-publicly held A Shares ⁽¹⁾	1,767,522,422	25.3%	530,256,726	2,297,779,148	26.9%
H Shares	1,027,080,000	14.7%	308,124,000	1,335,204,000	15.6%
Publicly held H Shares	1,019,194,800	14.6%	305,758,440	1,324,953,240	15.5%
Non-publicly held H Shares ⁽²⁾	7,885,200	0.1%	2,365,560	10,250,760	0.1%
Total	<u>6,993,655,803</u>	<u>100.0%</u>	<u>1,561,104,918</u>	<u>8,554,760,721</u>	<u>100.0%</u>
Publicly held Shares	5,218,248,181	74.6%	1,028,482,632	6,246,730,813	73.0%
Non-publicly held Shares	1,775,407,622	25.4%	532,622,286	2,308,029,908	27.0%

The following table sets out the Company's current shareholding structure and its proposed shareholding structure upon completion of the Rights Issue Plan (assuming the Rights Issue Plan is conducted on the basis of three (3) Rights Shares for every ten (10) existing Shares with full subscription level for the A Rights Shares and nil subscription for the H Rights Shares and assuming no change in the issued share capital of the Company between the date of this announcement and the Record Date):

Class of Shares	Total number of issued Shares before the Rights Issue Plan as at the date of this announcement	Approximate percentage of the total number of issued Shares	Number of Shares to be issued under the Rights Issue Plan	Total number of issued Shares immediately after the Rights Issue Plan	Approximate percentage of the total number of issued Shares immediately after the Rights Issue Plan
A Shares	5,966,575,803	85.3%	1,789,972,740	7,756,548,543	88.3%
Publicly held A Shares	4,199,053,381	60.0%	1,259,716,014	5,458,769,395	62.1%
Non-publicly held A Shares ⁽¹⁾	1,767,522,422	25.3%	530,256,726	2,297,779,148	26.2%
H Shares	1,027,080,000	14.7%	0	1,027,080,000	11.7%
Publicly held H Shares	1,019,194,800	14.6%	0	1,019,194,800	11.6%
Non-publicly held H Shares ⁽²⁾	7,885,200	0.1%	0	7,885,200	0.1%
Total	<u>6,993,655,803</u>	<u>100.0%</u>	<u>1,789,972,740</u>	<u>8,783,628,543</u>	<u>100.0%</u>
Publicly held Shares	5,218,248,181	74.6%	1,259,716,014	6,477,964,195	73.8%
Non-publicly held Shares	1,775,407,622	25.4%	530,256,726	2,305,664,348	26.2%

The following table sets out the Company's current shareholding structure and its proposed shareholding structure upon completion of the Rights Issue Plan (assuming the Rights Issue Plan is conducted on the basis of three (3) Rights Shares for every ten (10) existing Shares with 70% subscription level for the A Rights Shares and nil subscription for the H Rights Shares and assuming no change in the issued share capital of the Company between the date of this announcement and the Record Date):

Class of Shares	Total number of issued Shares before the Rights Issue Plan as at the date of this announcement	Approximate percentage of the total number of issued Shares	Number of Shares to be issued under the Rights Issue Plan	Total number of issued Shares immediately after the Rights Issue Plan	Approximate percentage of the total number of issued Shares immediately after the Rights Issue Plan
A Shares	5,966,575,803	85.3%	1,252,980,918	7,219,556,721	87.5%
Publicly held A Shares	4,199,053,381	60.0%	722,724,192	4,921,777,573	59.7%
Non-publicly held A Shares ⁽¹⁾	1,767,522,422	25.3%	530,256,726	2,297,779,148	27.9%
H Shares	1,027,080,000	14.7%	0	1,027,080,000	12.5%
Publicly held H Shares	1,019,194,800	14.6%	0	1,019,194,800	12.4%
Non-publicly held H Shares ⁽²⁾	7,885,200	0.1%	0	7,885,200	0.1%
Total	<u>6,993,655,803</u>	<u>100.0%</u>	<u>1,252,980,918</u>	<u>8,246,636,721</u>	<u>100.0%</u>
Publicly held Shares	5,218,248,181	74.6%	722,724,192	5,940,972,373	72.0%
Non-publicly held Shares	1,775,407,622	25.4%	530,256,726	2,305,664,348	28.0%

Note:

- (1) Such Shares are held by Shenergy Group
- (2) Such Shares are held by China Universal Asset Management Company Limited on behalf of China Universal – DFZQ ESOP Single Asset Management Scheme No. 1, which is used for directors, supervisors and chief executives of the Company and its subsidiaries or other core connected persons (as defined in the Hong Kong Listing Rules) to participate in the employee stock ownership plan of the Company. Please refer to the circular dated June 24, 2020 and the poll results announcement dated July 13, 2020 of the Company for details.

CIRCULAR

A circular containing the notices convening the General Meeting and the H Shareholders Class Meeting will be delivered to the H Shareholders as soon as practicable in accordance with the relevant requirements of the Articles of Association.

GENERAL

This announcement is made pursuant to the Inside Information Provisions (as defined under the Hong Kong Listing Rules) under Part XIVA of the SFO and Rule 13.09 of the Hong Kong Listing Rules.

As the Rights Issue Plan is subject to, among other things, approval by the Shareholders at the General Meeting, the Rights Issue Plan may or may not materialise. The H Share Rights Issue Plan is conditional upon the fulfillment of the conditions set out under the section headed “Conditions of the H Share Rights Issue Plan”. If the conditions are not fulfilled, the H Share Rights Issue Plan will not proceed. Shareholders and investors are advised to exercise caution when dealing in the H Shares.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms and expressions shall have the following meanings:

“A Rights Shares”	the new A Shares proposed to be allotted and issued to the Qualified A Shareholders pursuant to the A Share Rights Issue Plan (less any A Shares not taken up by the Qualified A Shareholders)
“A Share(s)”	PRC domestic share(s) with a par value of RMB1.00 each in the share capital of the Company, listed on the SSE and traded in RMB
“A Share Record Date”	a date to be determined by the Board or its authorised person(s) by reference to which entitlements to the A Share Rights Issue Plan are to be determined
“A Share Rights Issue Plan”	the proposed issue of up to 1,789,972,740 A Rights Shares at the Rights Issue Price on the basis of up to three (3) A Rights Shares for every ten (10) existing A Shares held on the relevant A Share Record Date
“A Shareholder(s)”	holder(s) of the A Shares
“A Shares Class Meeting”	the class meeting of the A Shareholders to be convened to consider and, if thought fit, approve, among other matters, the Rights Issue Plan
“Articles of Association”	the articles of association of 東方證券股份有限公司, as amended from time to time
“Board” or “Board of Directors”	the board of directors of the Company
“CSDC”	China Securities Depository and Clearing Corporation Limited
“Company”	東方證券股份有限公司, a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Hong Kong Stock Exchange under the stock code of 03958 and the A Shares of which are listed on the SSE under the stock code of 600958
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company

“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Board, based on legal opinions provided by legal advisers, considers it necessary or expedient to exclude any such Overseas Shareholder(s) from participating in the Rights Issue Plan on account either of the legal restrictions under the laws of the place of his/her/their registered address(es) or the requirements of the relevant regulatory body or stock exchange in that place
“General Meeting”	the general meeting of the Shareholders to be convened to consider and, if thought fit, approve, among other matters, the Rights Issue Plan
“Group”	the Company and its subsidiaries
“H Rights Shares”	the new H Shares proposed to be allotted and issued to the Qualified H Shareholders pursuant to the H Share Rights Issue Plan
“H Share(s)”	overseas listed foreign share(s) with a par value of RMB1.00 each in the share capital of the Company, listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“H Share Record Date”	a date to be determined by the Board or its authorised person(s) by reference to which entitlements to the H Share Rights Issue Plan are to be determined
“H Share Rights Issue Plan”	the proposed issue of up to 308,124,000 H Rights Shares at the Rights Issue Price on the basis of up to three (3) H Rights Shares for every ten (10) existing H Shares held on the relevant H Share Record Date
“H Share Rights Issue Prospectus”	the prospectus in relation to the H Share Rights Issue Plan to be issued by the Company and despatched to the H Shareholders, which contains further details of the H Share Rights Issue Plan
“H Shareholder(s)”	holder(s) of the H Shares
“H Shares Class Meeting”	the class meeting of the H Shareholders to be convened to consider and, if thought fit, approve, among other matters, the Rights Issue Plan
“HK\$” or “Hong Kong dollars”	the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“Nil-paid H Rights Shares”	the rights to subscribe for H Rights Shares (in the form of H Rights Shares in nil-paid form) before the Rights Issue Price is paid
“Overseas Shareholder(s)”	H Shareholders whose name(s) appear on the register of members of the Company on the H Share Record Date and whose registered address(es) is/are in a place outside Hong Kong
“Rights Issue Price(s)”	the final subscription price for the A Rights Shares and the H Rights Shares to be offered pursuant to the Rights Issue Plan
“PRC” or “China”	the People’s Republic of China, but for the purposes of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Southbound Trading Investors”	PRC investors including enterprises and individuals who hold the shares of Hong Kong listed companies through CSDC as nominee under Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect
“Qualified A Shareholder(s)”	A Shareholders whose name(s) appear(s) on the register of members of the Company on the A Share Record Date
“Qualified H Shareholder(s)”	H Shareholders whose name(s) appear(s) on the register of members of the Company on the H Share Record Date and who are not Excluded Shareholders
“Record Date”	the A Share Record Date and/or the H Share Record Date
“Rights Issue”	the A Share Rights Issue and/or the H Share Rights Issue
“Rights Issue Plan”	the A Share Rights Issue Plan and/or the H Share Rights Issue Plan
“Rights Share(s)”	the A Rights Share(s) and/or the H Rights Share(s)
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai-Hong Kong Stock Connect”	the securities trading and clearing links programme developed by the Hong Kong Stock Exchange, the SSE, HKSCC and CSDC for the establishment of mutual market access between Hong Kong and Shanghai
“Share(s)”	the A Share(s) and/or the H Share(s)

“Shenergy Group”	Shenergy (Group) Company Limited (申能(集團)有限公司)
“Shenzhen-Hong Kong Stock Connect”	the securities trading and clearing links programme developed by the Hong Kong Stock Exchange, the Shenzhen Stock Exchange, HKSCC and CSDC for the establishment of mutual market access between Hong Kong and Shenzhen
“SSE”	Shanghai Stock Exchange
“%”	per cent.

By order of the Board of Directors

JIN Wenzhong
Chairman

Shanghai, PRC
March 30, 2021

As at the date of this announcement, the Board of Directors comprises Mr. SONG Xuefeng and Mr. JIN Wenzhong as executive Directors; Mr. YU Xuechun, Mr. LIU Wei, Mr. ZHOU Donghui, Mr. CHENG Feng, Mr. REN Zhixiang and Ms. ZHU Jing as non-executive Directors; and Mr. XU Zhiming, Mr. JIN Qinglu, Mr. WU Hong and Mr. FENG Xingdong as independent non-executive Directors.