



东方证券
ORIENT SECURITIES

◀ 2022年上半年度 ▶

经营业绩报告

Orient Securities First Half Year of 2022 Results Presentation

600958.SH | 3958.HK

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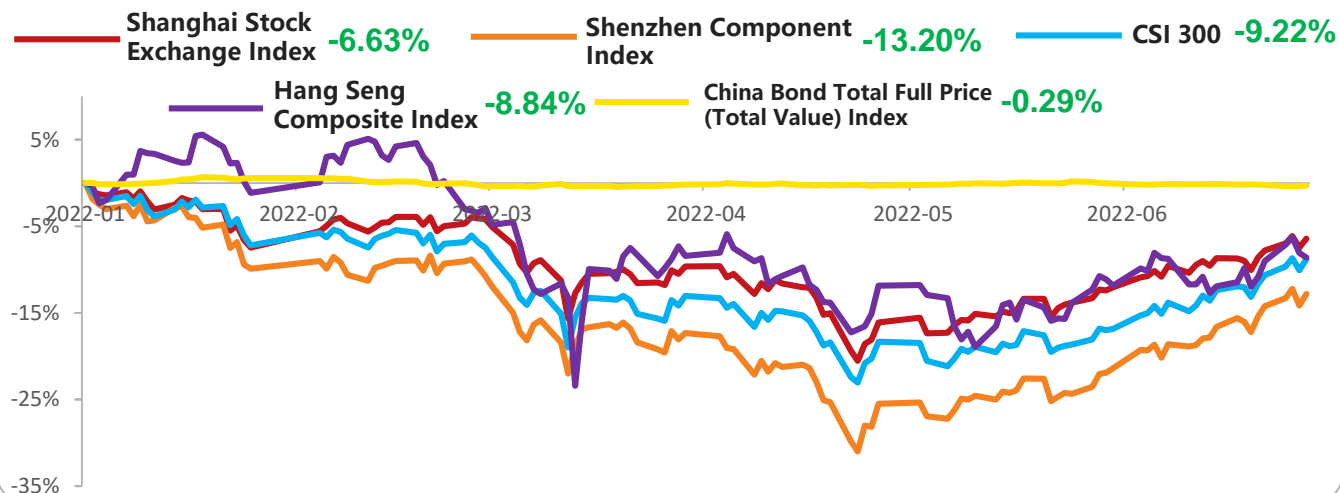
BUSINESS OVERVIEW

04

发展展望

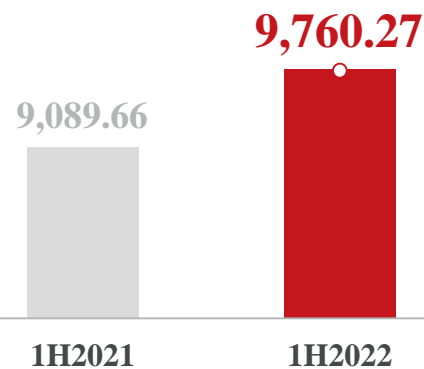
DEVELOPMENT STRATEGY

Main Index Performance

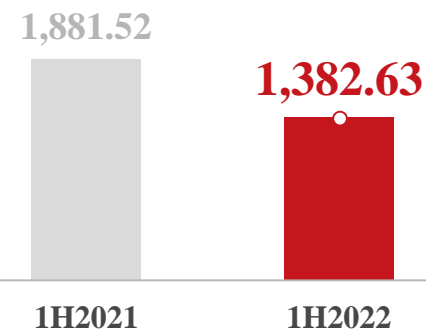


Average Daily Volume of Stocks

A-Share Market
(RMB100 million)

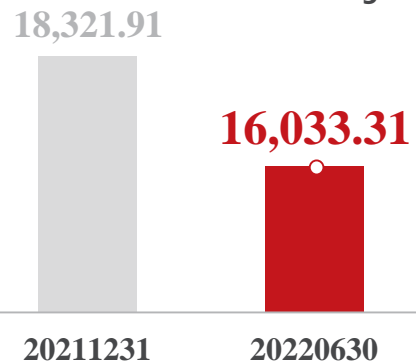


Hong Kong Share Market
(HKD100 million)

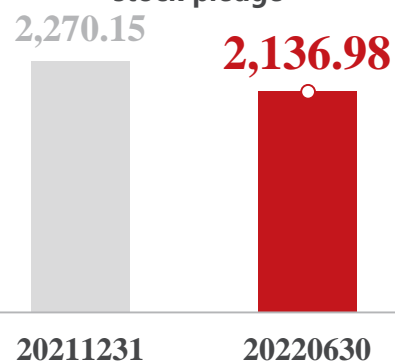


Margin Financing and Securities Lending and Pledge

Balance of Margin Financing
and Securities Lending

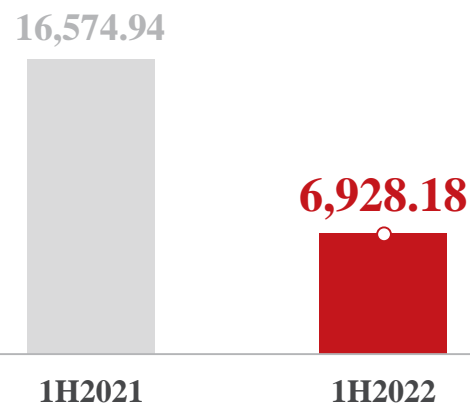


Scale of self-funded
stock pledge



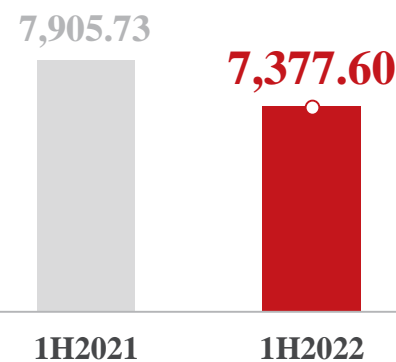
Scale of Public Offering Funds

(100 million)
(Statistical caliber: Subscription start date)

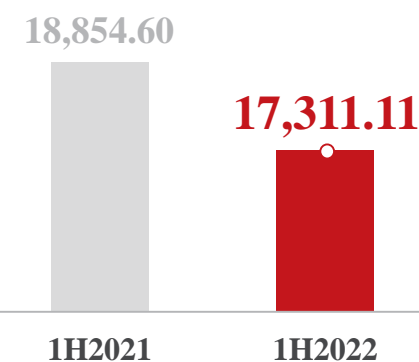


Financing Scale (RMB100 million)

Equity Financing

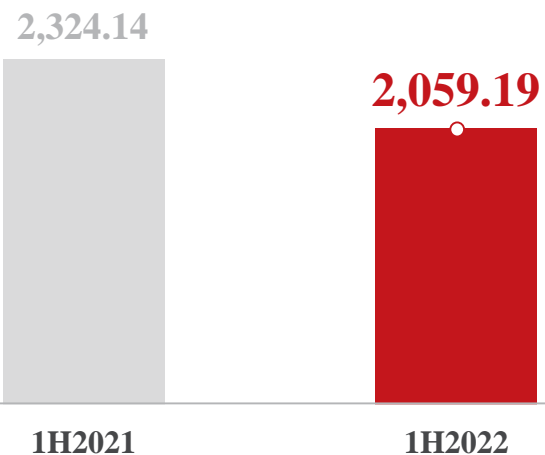


Corporate Bonds and
Debt Financing

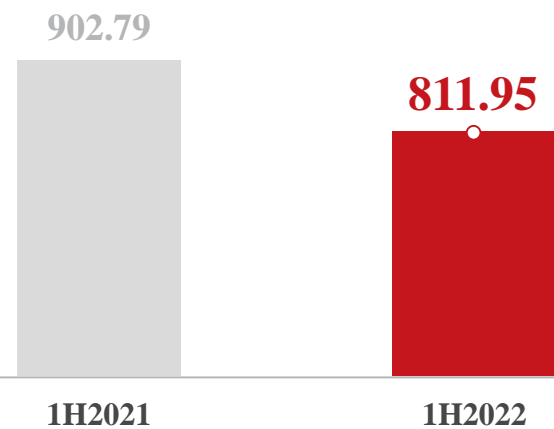




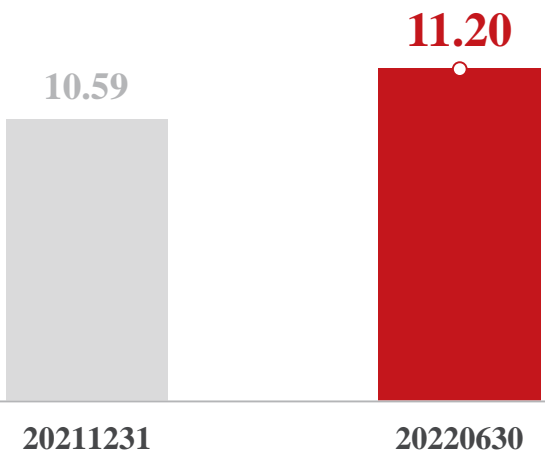
● Operating Income (RMB 100 million)



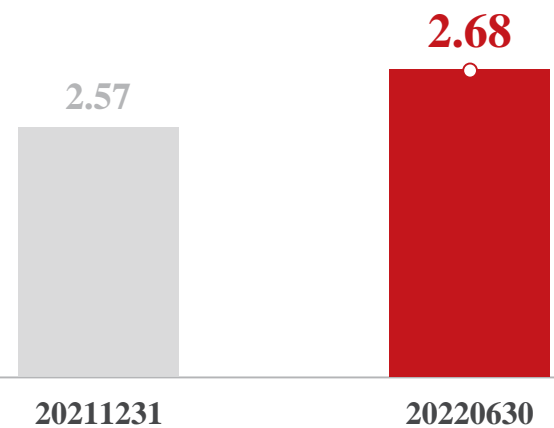
● Net Profit (RMB 100 million)



● Total Assets (RMB trillion)



● Net Assets (RMB trillion)



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DEVELOPMENT STRATEGY

- ❖ In the first half of 2022, domestic and foreign economic development faced multiple challenges. The Company's performance suffered a big blow under the impact of China's stock market volatility and the COVID-19 pandemic. In the face of pressure, the Company has united as one, actively responded to difficulties, and always prioritized sustainable development, achieving a stable overall situation, controllable overall risk and orderly work.



7.296 RMB
billion

Operating Income

Decreased by 45.05% yoy



647 RMB
million

**Profit Attributable to
Equity Holders of the
Company**

Decreased by 76.03% yoy



355.517 RMB
billion

Total Volume of Assets

Increased by 8.85% over
the end of the previous year



75.803 RMB
billion

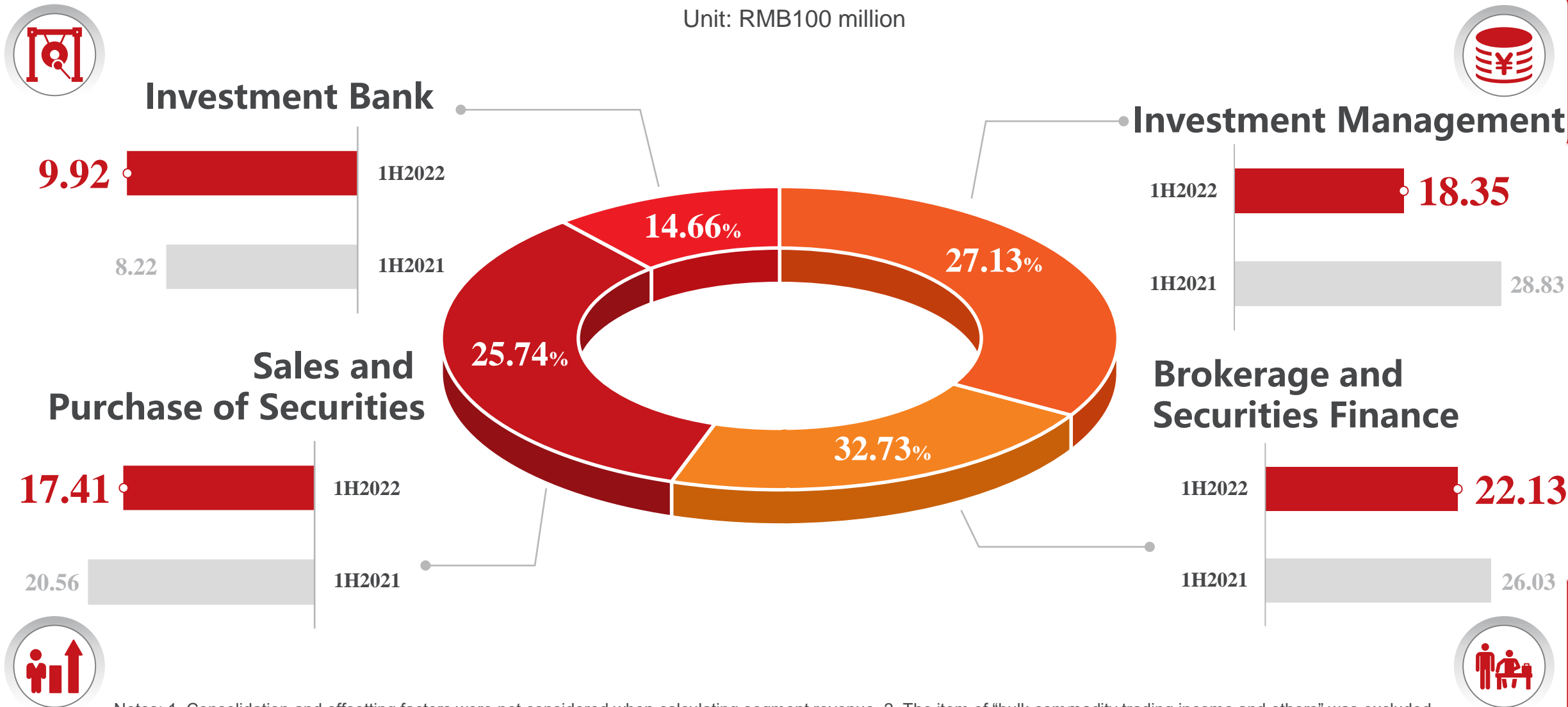
**Equity Attributable to
Equity Holders of the
Company**

Increased by 18.21% over
the end of the previous year

Segment Revenue and Structure

悦享投资之美

Unit: RMB100 million

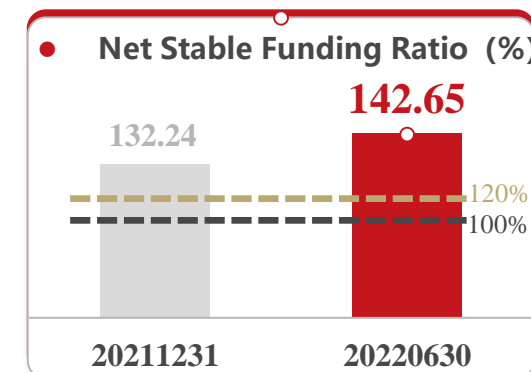
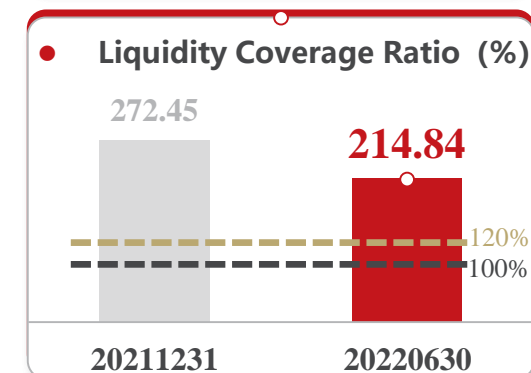
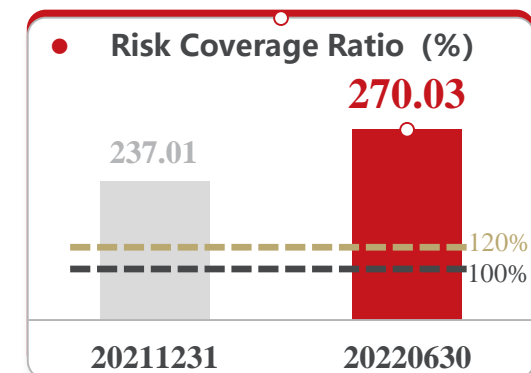
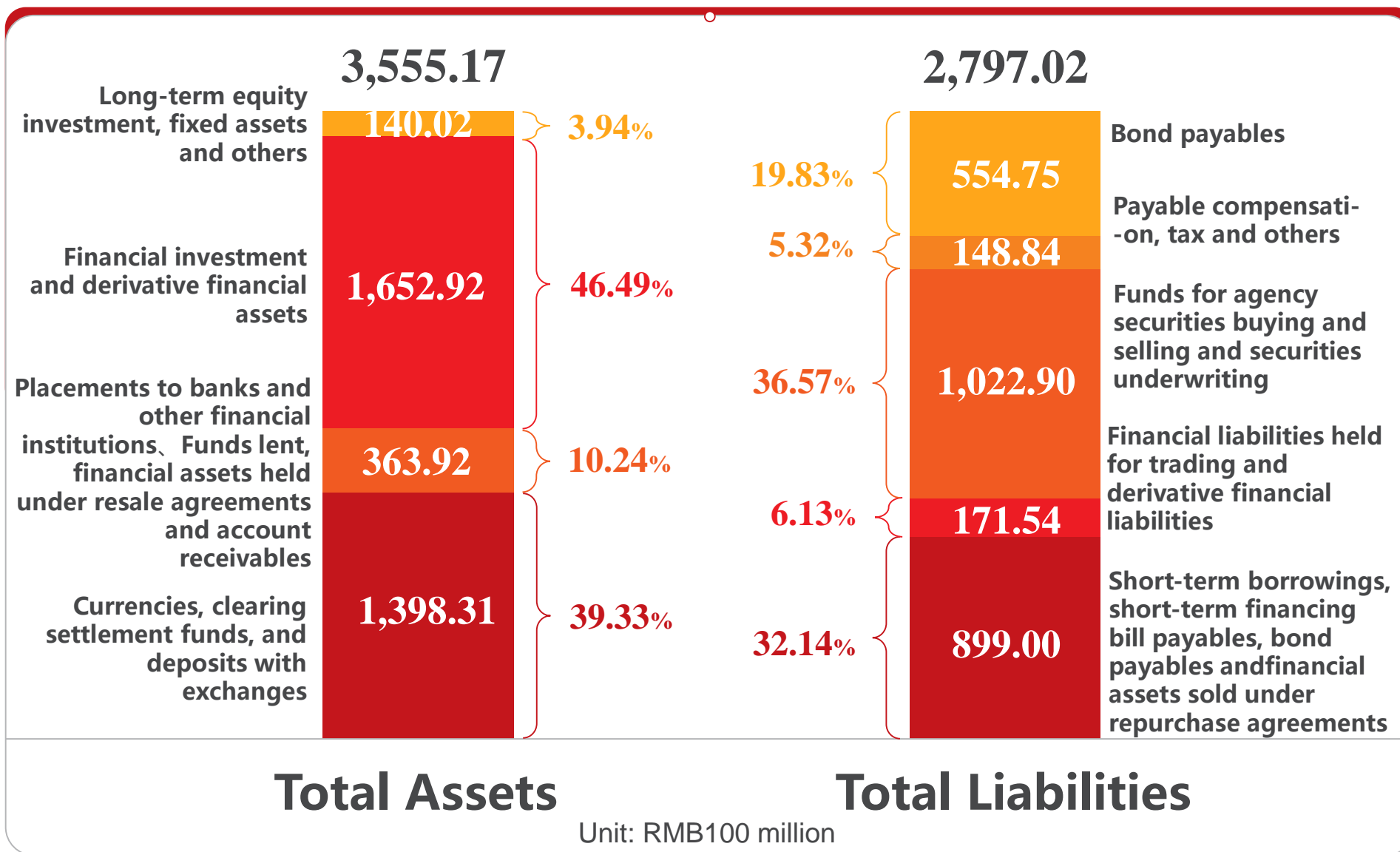


Notes: 1. Consolidation and offsetting factors were not considered when calculating segment revenue. 2. The item of "bulk commodity trading income and others" was excluded.



Assets and Liabilities Structure and Risk Control Indicators

----- Warning line
----- Supervisory line



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DEVELOPMENT STRATEGY

- ❖ The Company is a comprehensive securities company established under the CSRC' s approval, which is engaged in the provision of all-round and one-stop financial services covering securities, futures, asset management, investment banking, investment consultancy and securities research. After years of development, the Company has established a leading position in asset management, wealth management and large proprietary business.



Investment Management

- Asset management
- Fund management
- Private equity investment



Brokerage and Securities Finance

- Securities brokerage
- Futures brokerage
- Securities finance
- Others



Sales and Purchase of Securities

- Proprietary trading
- Innovating investment
- Securities research



Investment Bank

- Stock underwriting
- Bond underwriting
- Financial advisor



Managing Headquarters and Others

- Capital business
- Overseas business
- Financial technology



Investment Management: maintaining the leading position in the industry

01

Asset management –
Orient Securities
Asset Management

02

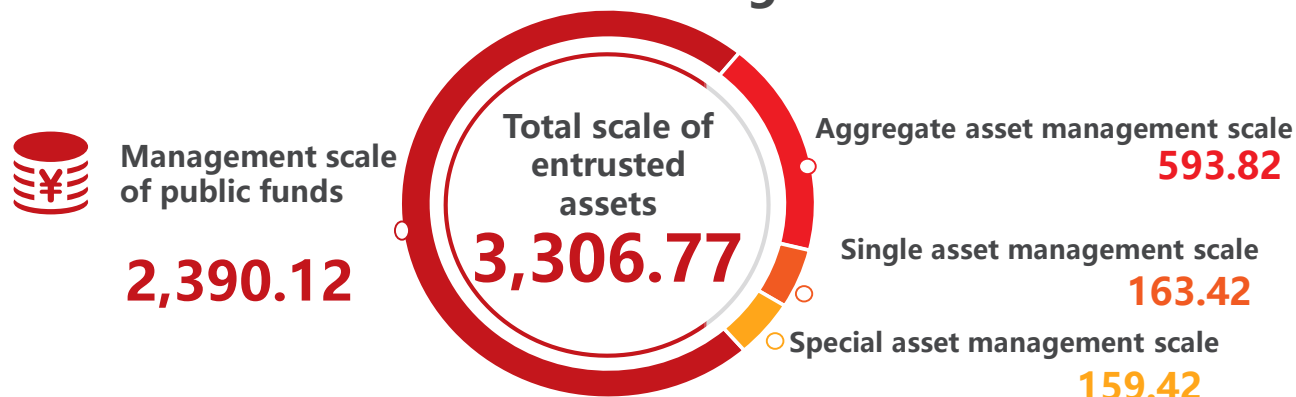
Fund management –
China Universal

03

Private equity investment –
Orient Securities
Capital Investment

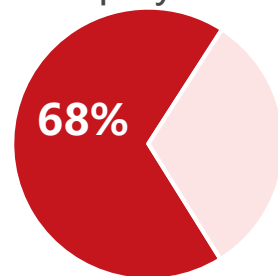
- ❖ Since its establishment in 2005, Orient Securities Asset Management has always adhered to the business principle of "customer's interests first", and through constantly refining the core competitiveness driven by "professional investment research + professional service", it has obtained better investment experience for investors. In the first half of 2022, Orient Securities Management realized **an operating income of RMB1.499 billion and a net profit of RMB497 million.**

• Scale of assets under management RMB 100 million



- The **closed-end products acted** as long-term investment tools for customers;
- The scale of mid-and long-term closed equity funds amounted to approximately RMB **91.883 billion**

Proportion in the scale of all equity funds



- The long-term investment performance remained at the forefront of the industry

东方红 资产管理
价值投资始于2005

The return of equity investment actively managed for the last seven years



Data source: Galaxy Securities Fund Research Center

The absolute rate of return of fixed income fund for the last five years



Data source: Financial Products Research Center of Haitong Securities Research Institute

• Enhance core competitiveness



Strengthening the capacity building of investment research system

Enrich the strength of the investment research team, improve the value investment framework of Dongfanghong, and expand the research field.



Continuously expand the product matrix

Deployed the medical upgrading and ESG sustainable investment thematic funds, and approved the first pension target date 2045 FOF.



Investment Management: maintaining the leading position in the industry

01 Asset management
– Orient Securities
Asset Management

02 Fund management
– China Universal

03 Private equity investment
– Orient Securities
Capital Investment

- The Company is the largest shareholder of China Universal Asset Management, holding 35.41%. In the first half of 2022, China Universal Asset Management realized **an operating income of RMB3.2 billion and a net profit of RMB1.009 billion**.

The comprehensive strength is in the forefront

Total asset management scale

approximately ¥ **1.2** trillion



Public offering scale of non monetary financial management

approximately ¥ **580** billion



The product layout was further enriched

China Universal CSI Shanghai-Hong Kong-Shenzhen-Zhangjiang Independent Innovation 50ETF was successfully issued.



Institutional customer service operation system continued to improve

The strategic cooperation with the core institutional customer group was further deepened.



Breakthroughs were made in fund investment advisory business

The product successfully landed on the main Internet three-party platform.



Strategic business continued to deepen

Actively promote the business layout of personal pension, ESG responsible investment and internationalization.

Orient Securities Asset Management grasped the opportunity of registration system and focused on the high-tech field. After years of development, it has formed its own industry position and brand advantages.

Stable development of main business

东方证券资本投资有限公司
ORIENT SECURITIES CAPITAL INVESTMENT CO., LTD.

47

Funds under management

¥ **15.1⁺**
billion

Management scale

¥ **9.6⁺**
billion

Amount invested

149

Projects under investment

Scientific innovation board

(Cumulative number)

14

Through the issuance review committee or listing

2

At the stage of declaration accepted

Gem

(Cumulative number)

13

Through the issuance review committee or listing

3

At the stage of declaration accepted



Brokerage and Securities Financing: Deepen Wealth Management Transformation

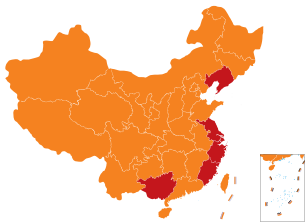
01 Securities
brokerage

02 Securities finance

03 Futures brokerage

- ❖ The Company actively promoted the transformation of brokerage business to wealth management, fully combined with its own advantages and accumulation, formed a business coordination matrix for agency trading of securities, financing and securities lending, public offering product sales, private wealth management, public offering fund investment and consulting, comprehensively upgraded the service plan, and realized high-quality development.

- Covering the whole country and expanding customers



- 177 securities branches
- Covering 87 cities and all provinces in China

Total customers



Number of newly opened accounts



Total assets under custody



- The scale of product sales on a commission basis remained stable

Total sales revenue



Stock + mixed public offering fund

Data source: China Fund Industry Association



- Fund investment advisers made breakthroughs

Number of customers served



Business scale



Equity products



It has formed a commission sales model based on **closed-end products** and maintained a leading position in the industry. Among them, the proportion of closed-end structure of actively managed equity products

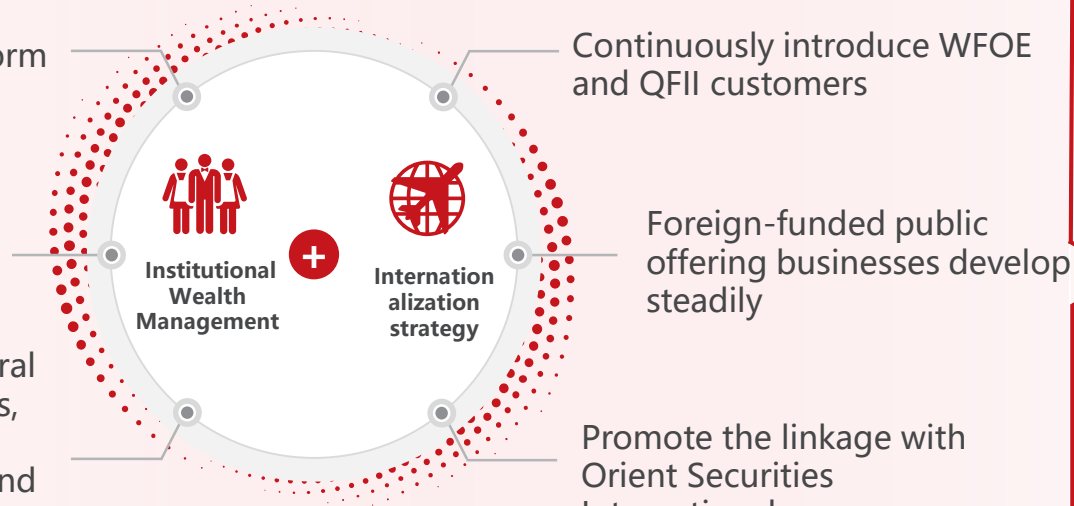


● The Company has built an institutional services ecosystem covering the whole business chain

Complete the system construction of institutional wealth management platform

Integrate multiple business models of institutional wealth management

Promote in urban commercial banks, rural commercial bank, publicly offered funds, Trust & Investment Company, listed companies, private equity institutions and other customer groups



Newly added institutional number of customers



426
households

Equity scale of Institutional customers



4,605
RMB100 million

● Establish a private wealth system

The number of high net worth customers



7,074

Asset scale of high-end customers



1,619
RMB100 million

The balance of margin financing and securities lending



~200
RMB100 million

The maintenance proportion was higher than the market average

The balance of stock pledge



107.9
RMB100 million

Compared with the end of last year

▼ 8.24%

- Margin financing and securities lending expanded steadily with the reduction of stock pledge scale

- ❖ In the face of unfavorable market environment, the Orient Futures gave full play to its core competitiveness advantages of research and technology, focused on institutional customers and made progress in business lines, achieving good operating results, **with operating income of RMB2.693 billion and net profit of RMB285 million.**



期货

Key indicators are among the best

NO. 1

Market share of total market volume industry ranking

NO. 3

Industry ranking of five business indicators including net profit, operating profit, fee income, operating income and customer equity

前5位

The industry ranking of other key business indicators

Customer equity scale ranks in the forefront

Newly-added institutional accounts opened

Deeply explore the needs of domestic and foreign customers



903

The total number of customers



> 11.7
10000 households

Compared with the end of last year

▲ 11.9%

Customers equity scale



> 700
RMB100 million

Compared with the end of last year

▲ 7.7%

Industry-leading information technology

- Focused on the field of institutional business for many years, the brand image has been gradually promoted;
- The intelligent investment and research platform "Fanwei" has been further developed and successfully built a customized library for some institutional customers.





Securities Sales and Trading: Excellent Investment and Research Ability

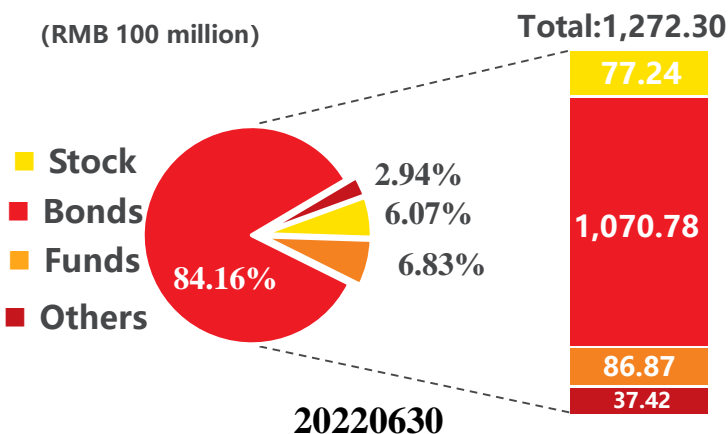
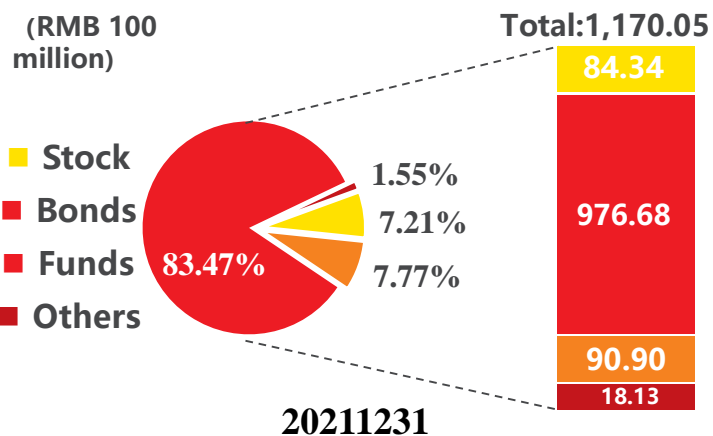
01 Proprietary trading

02 Innovation Investment

03 Securities research

❖ The Company's proprietary trading business mainly includes equity-based proprietary trading, FICC and financial derivatives.

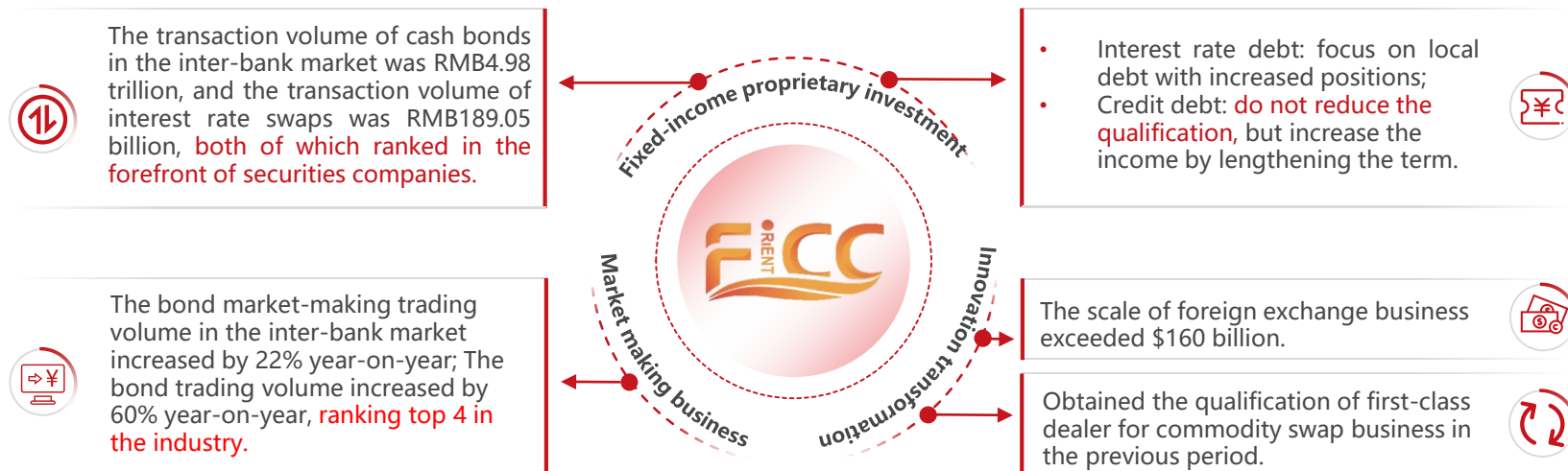
Balance of proprietary trading business divided by asset class



Equity-based proprietary trading investment

Build a multi-strategy investment system, including designated high-dividend investment strategies, quantitative investment and FOF investment to improve the stability of income.

FICC Business



Annual Market Influence Award - core dealer



Excellent bond market dealer
Excellent derivatives market dealer



Excellent Market Makers Award
(obtained for five consecutive years)



Excellent market maker in inter-bank market

Financial derivatives



Multiple strategies were simultaneously implemented, and TO strategy and CTA strategy were continuously improved to reduce the overall fluctuations of the portfolio.



- The Shanghai Stock Exchange and the Shenzhen Stock Exchange both obtained the highest monthly AA rating for options market making
- The average rating of fund market making varieties was rated above A.



- It owned a full license for equity-based options and fund market making.



OTC option——

- The transaction scale was RMB42.8 billion, representing a year-on-year increase of 260%;
- The nominal principal scale was RMB 43.8 billion, an increase of 48.5% over the beginning of the period.



Income swap——

- The transaction scale was RMB9.7 billion, 64 times that of the same period last year;
- The nominal principal scale was RMB4.2 billion.



Research Institute: pay equal attention to research strength and group integration



- 104 research personnel;
- 1,341 research reports.



- The public offering commission income was RMB303 million, with a market share of 2.82%;
- The ranking of core publicly offered fund customers continued to improve.



Take “finding problems, focusing on problems and solving problems” as the core and aim at project implementation and business promotion.



Progress has been made in strategic customer activation, overseas customer expansion, and collaborative development of enterprise customers.



Orient Securities Orient Securities Innovation Investment: optimizing the configuration structure

- Orient Securities Innovation Investment was engaged in alternative investment business, achieving an operating income of RMB438 million and a net profit of RMB300 million in the first half of the year.



Equity investment business

72

Projects under investment

¥ 3.537 billion
Amount under investment

7

Co-investment under registration system

¥ 369 million
Co-investment amount

Disposal business of special asset

23

Projects under investment

¥ 2.245 billion
Amount under investment

Investment banking: supporting the high-quality development of the real economy

The Company is mainly engaged in investment banking through Orient Investment Banking, its wholly-owned subsidiary of the Company, and its fixed income business headquarters. In the first half of the year, Orient Investment Banking realized an **operating income of RMB800 million** and **a net profit of RMB109 million**; According to the statistics of the Securities Association of China, the investment banking business net income of Orient Investment Banking ranks **tenth** in the industry.

Stock underwriting

• IPO

3

Number of projects with the Company as underwriter

¥ **4.509** billion

Total underwriting scale

NO.12

Industry ranking



Projects with the **second largest proportion of over-subscription** in the first half of 2022

• Refinancing

5

Number of additional issues, allotments and convertible bonds

¥ **7.617** billion

Total underwriting scale

• Passing rate

The passing rate reached **100%** and there was no cancellation of audit or suspension of voting.

• Prizes

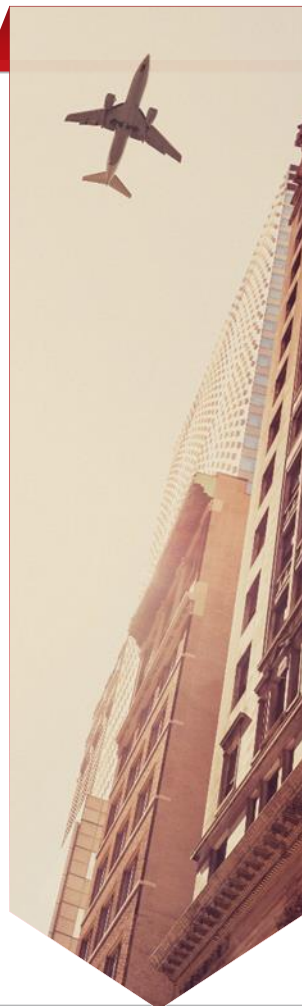
新财富
NEW FORTUNE



Best Equity Underwriting Investment Bank



Best Refinancing Investment Bank



Bond underwriting

• Underwriting

174

Number of projects with the Company as underwriter

¥ **186.645** billion

Total underwriting scale (consolidated caliber)

NO.8

Industry ranking

• Bonds

- **Interest rate bonds:** maintain its leading position in the industry. Among them, the underwriting of national bonds, treasury bonds, CDB bonds and ADBC bonds ranked **top 3** in the industry.
- **Innovation bonds:** Continued to innovate bond varieties, such as carbon neutrality corporate bonds, green financial bonds and technology innovation corporate bonds.
- Always strictly control risks and maintain **zero default**.

• Prizes



中国农业发展银行
AGRICULTURAL DEVELOPMENT BANK OF CHINA



Outstanding Underwriter



上海证券交易所
SHANGHAI STOCK EXCHANGE



Outstanding Underwriter Of Local Government Bonds



深圳证券交易所
SHENZHEN STOCK EXCHANGE

Outstanding **Interest rate bonds** underwriter



Financial Technology: Comprehensively Promote the Company's Digital Transformation

悦享投资之美

- ❖ The Company promoted high-quality corporate development with the strategic driver of digital transformation, strengthened independent research and development and continued to promote the integrated development of financial technology.

- **Empower Business with the Dual Drivers**

Proprietary investment

Launched the bond market making business of Shanghai Stock Exchange and Shenzhen Stock Exchange, and further improved the functions of the self operated investment management platform.

Wealth management

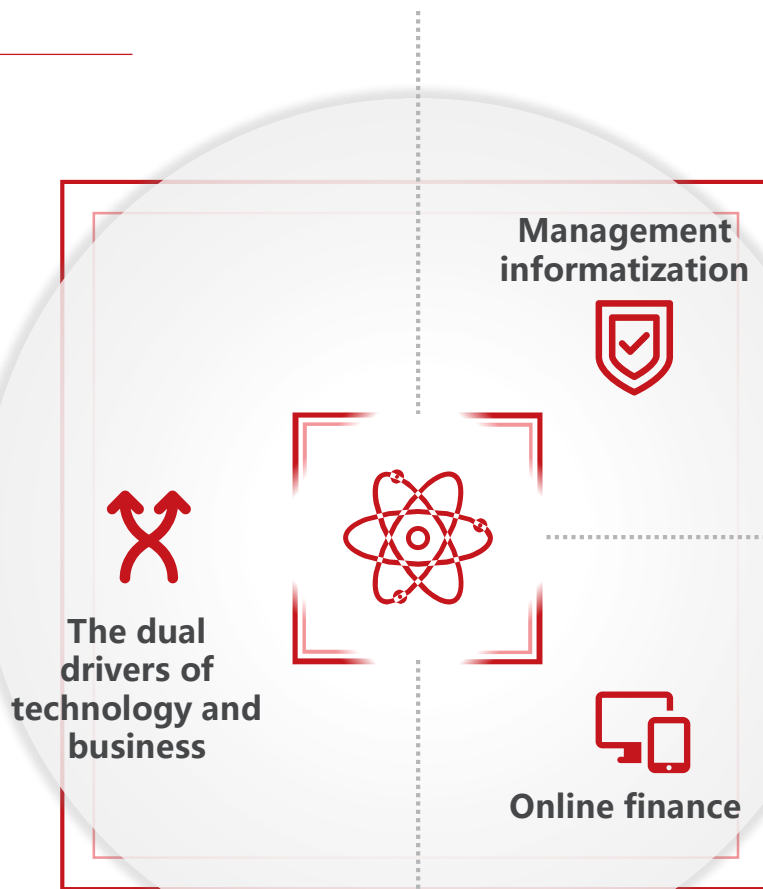
Build a core business system with a unified technical framework and continuously iterate the fund investment advisory trading system developed by the company.

Quantitative ecosystem

Integrate the resources of quantitative investment research and big data platform, complete the project establishment and architecture system design of the strategy and algorithm center.

Institutional services

Promote the construction of securities and stock options business functions of the Orient Speed Trading (OST) system.



- **Improve the management informatization**

- Carry out full position verification in risk data mart;
- Realize the data governance coverage of the whole life cycle of system construction;
- Build an integrated platform for R & D and operation, and continuously improve the automation and cooperation ability of R & D and operation;
- Continue to promote the construction of innovative technologies such as artificial intelligence and blockchain, as well as the construction of shared capacity centers.

- **Further improvement of Internet financial services**

- Try charging for Internet value-added services to promote the continuous growth of users and retained assets;
- Actively respond to the National Digital RMB development strategy and explore the use of digital RMB by customers to purchase financial value-added services;
- The Company had more than 556,000 active brokerage customers on the Internet and mobile phone platforms with stock and fund trading volume of RMB2.32 trillion.

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DEVELOPMENT STRATEGY

Central task



Two promotions

Improve the scale and level of investment banking and wealth management business



Two stabilities

Consolidate the brand and advantages of investment business and asset management business



A breakthrough

Make breakthroughs in fintech empowering business

Three strategies



Digitization

Comprehensively promote the digital transformation of business and management



Conglomeration

Optimize the group management system and create a "united Orient Securities"

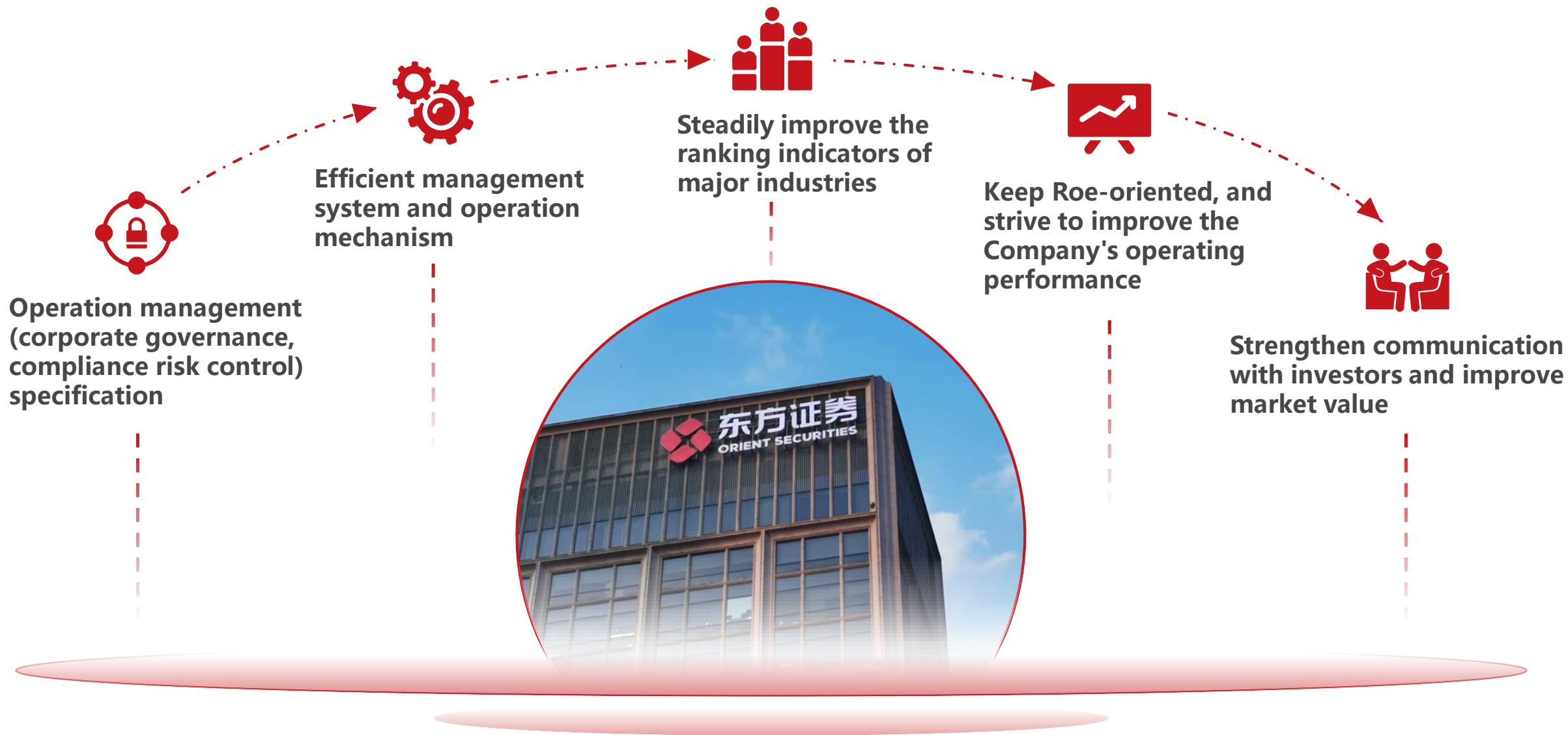


Internationalization

Steadily promote the internationalization of business and management

Promote high-quality development with Orient characteristics

悦享投资之美





东方有梦 聚力前行



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