

2021年度 经营业绩报告

2021 RESULTS PRESENTATION

600958.SH / 3958.HK

≡ Produced based on 2021 Annual Report

≡ 2022.03



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发展战略

DEVELOPMENT STRATEGY



东方证券
ORIENT SECURITIES

01

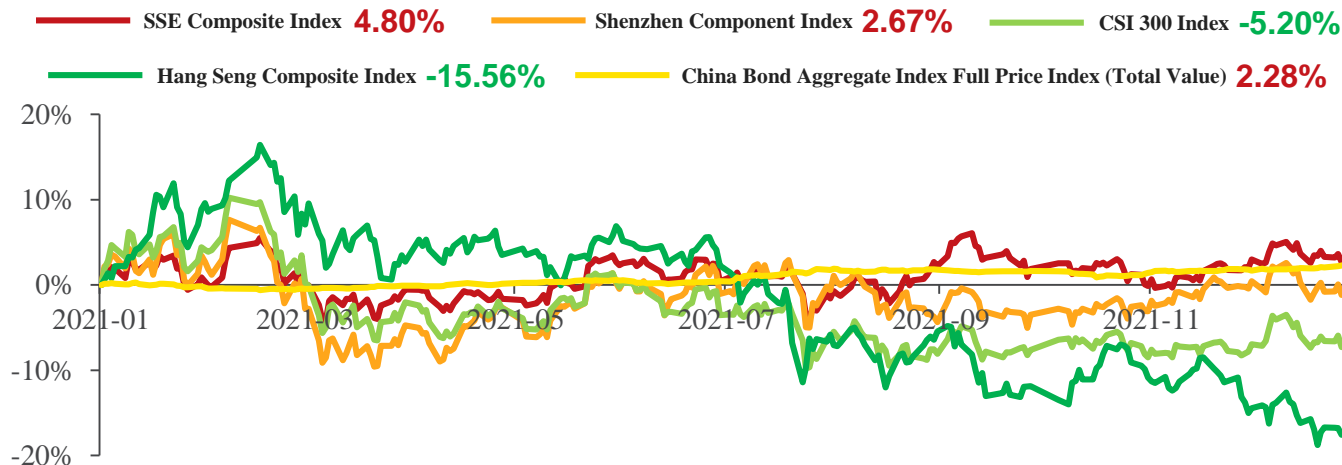
总 体 概 览

GENERAL OVERVIEW

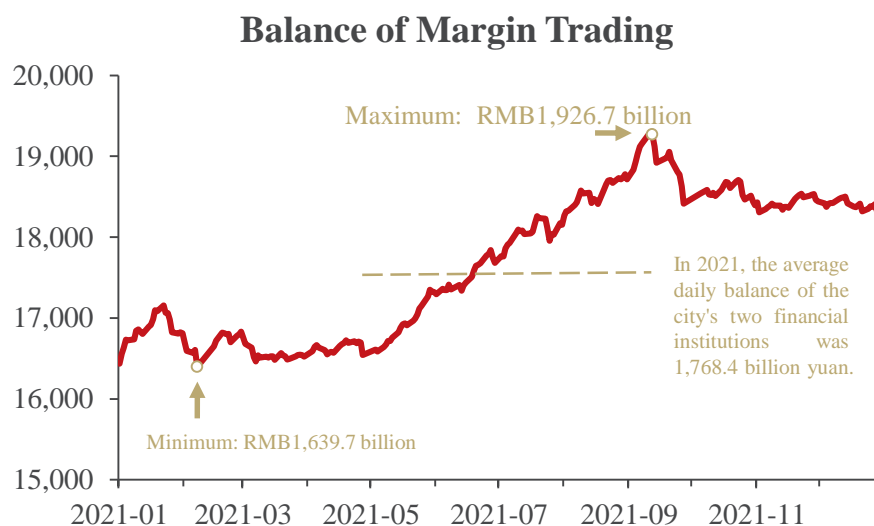


东方证券
ORIENT SECURITIES

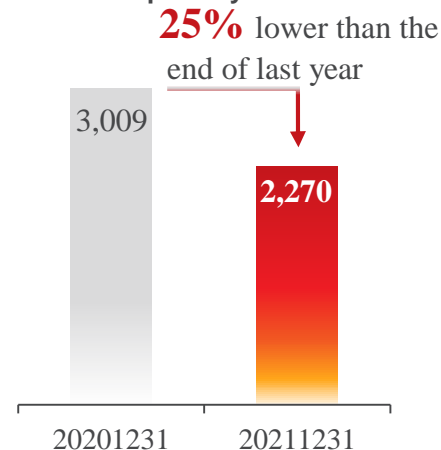
Main Index Performance



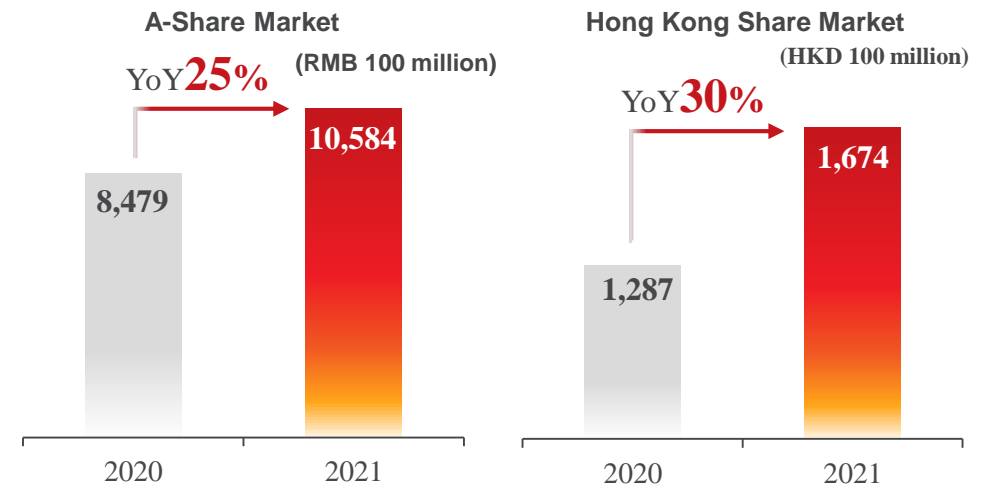
Securities Financing Business



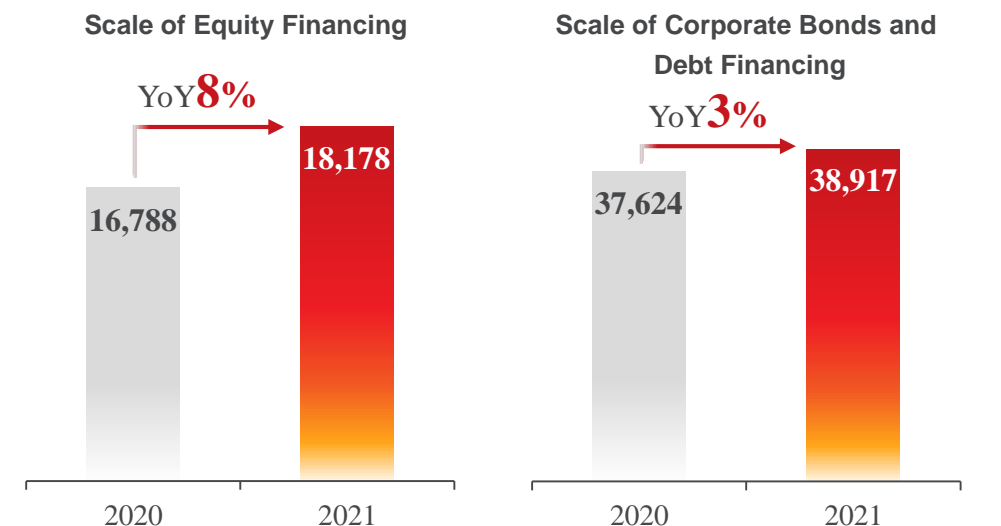
Scale of Collateralized Stock with Proprietary Funds



Average Daily Volume of Stocks

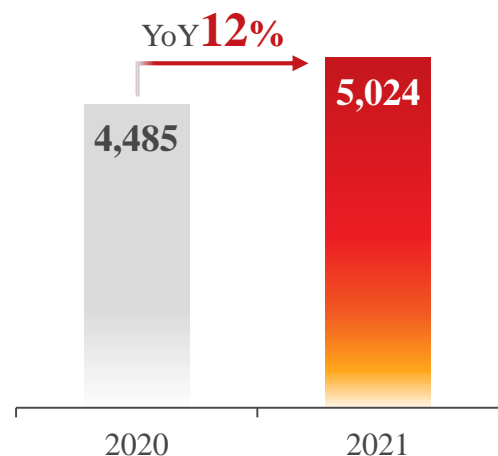


Market Financing



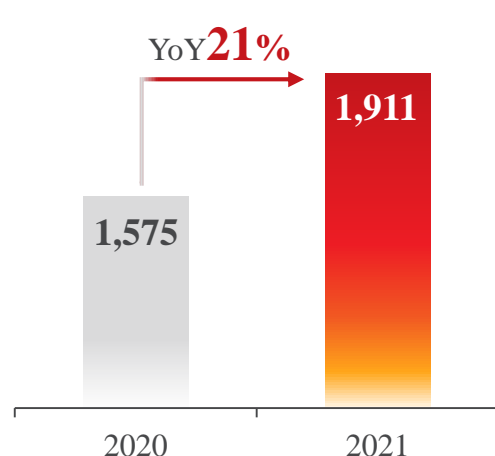
Operating Income

(RMB 100 million)



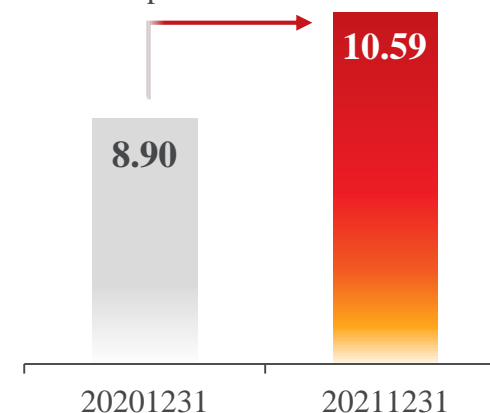
Net Profit

(RMB 100 million)



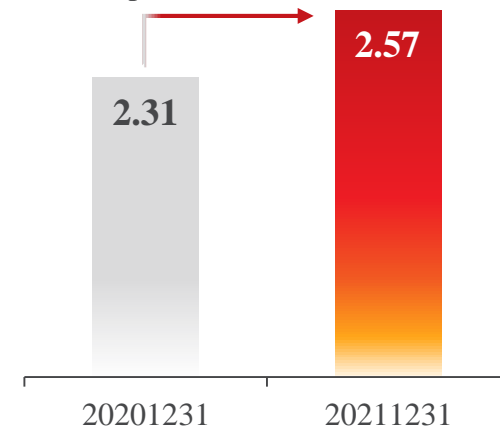
Total Assets

from the beginning of the period (RMB trillion)



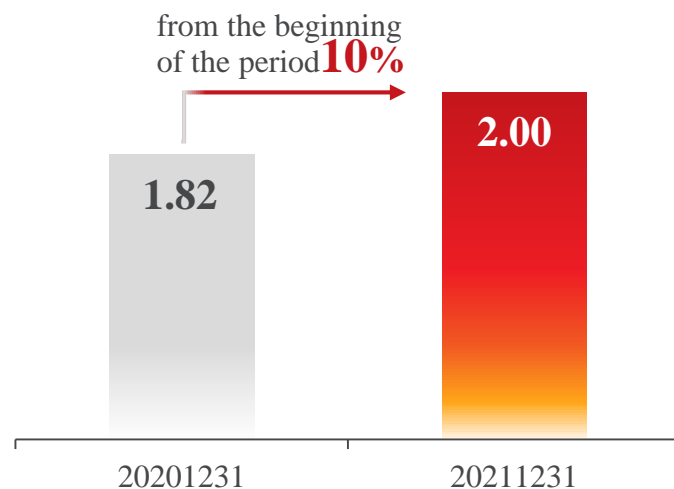
Net Assets

from the beginning of the period (RMB trillion)



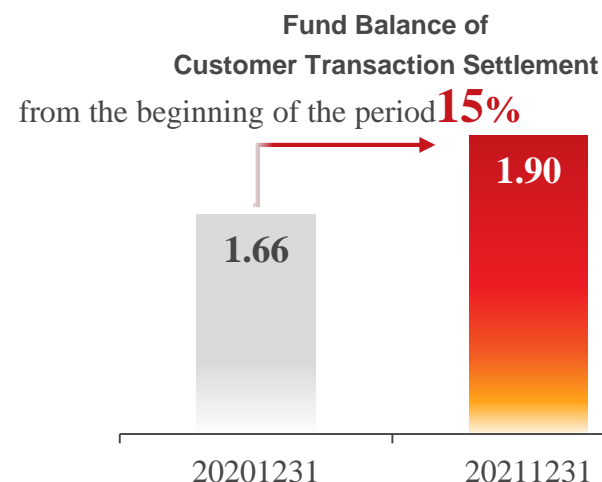
Net Capital

(RMB trillion)

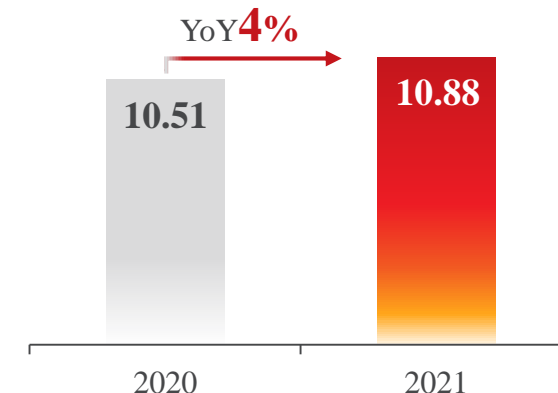


Wealth Management Transformation

(RMB trillion)



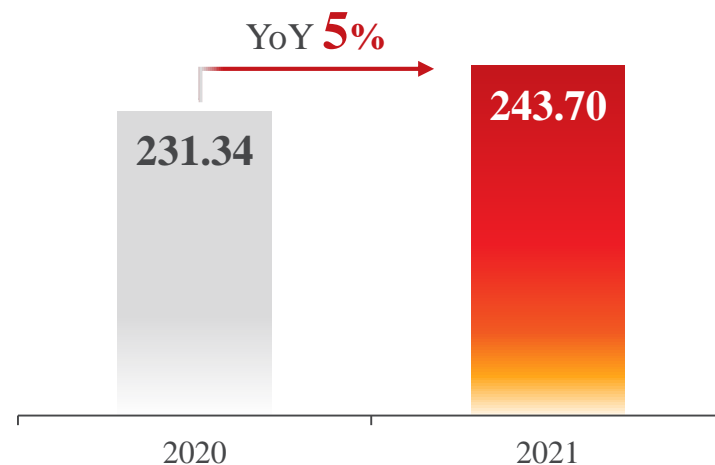
Total Entrusted Assets under Management



Overall Operating Results of the Company

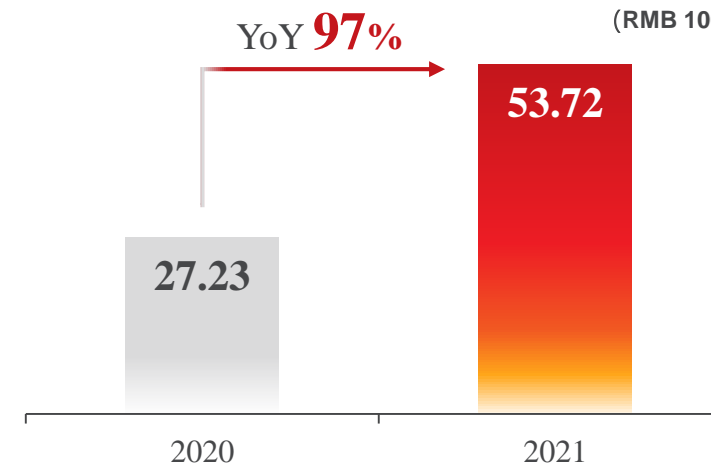
Operating Income

(RMB 100 million)



Profit Attributable to Equity Holders of the Company

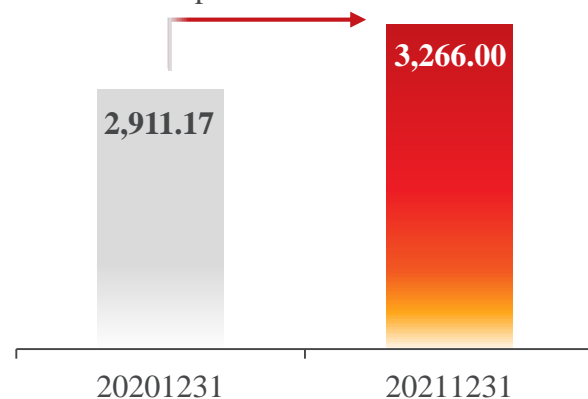
(RMB 100 million)



Total Volume of Assets

(RMB 100 million)

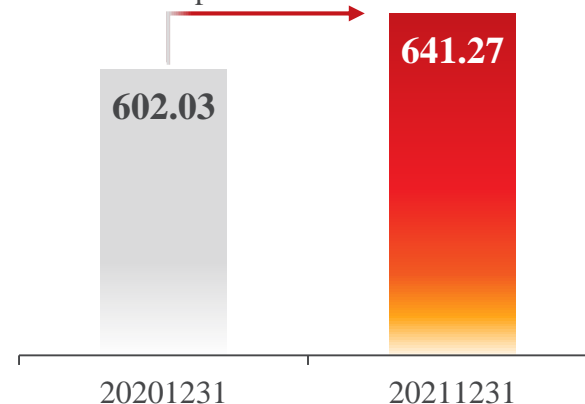
from the beginning of the period **12%**



Equity Attributable to Equity Holders of the Company

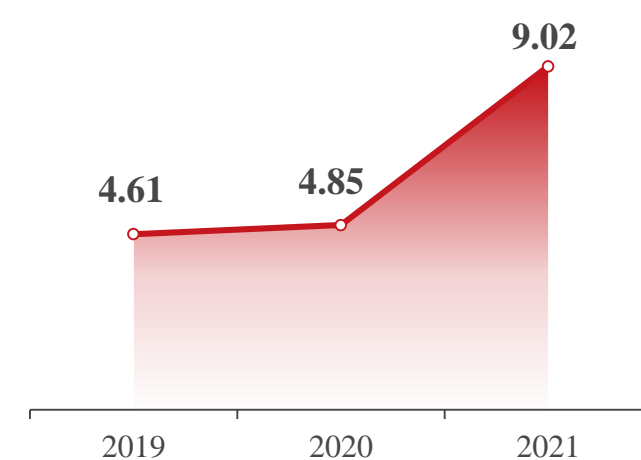
(RMB 100 million)

from the beginning of the period **7%**



Weighted Average Return on Net Assets

(%)



02

业务概览

BUSINESS OVERVIEW



东方证券
ORIENT SECURITIES

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

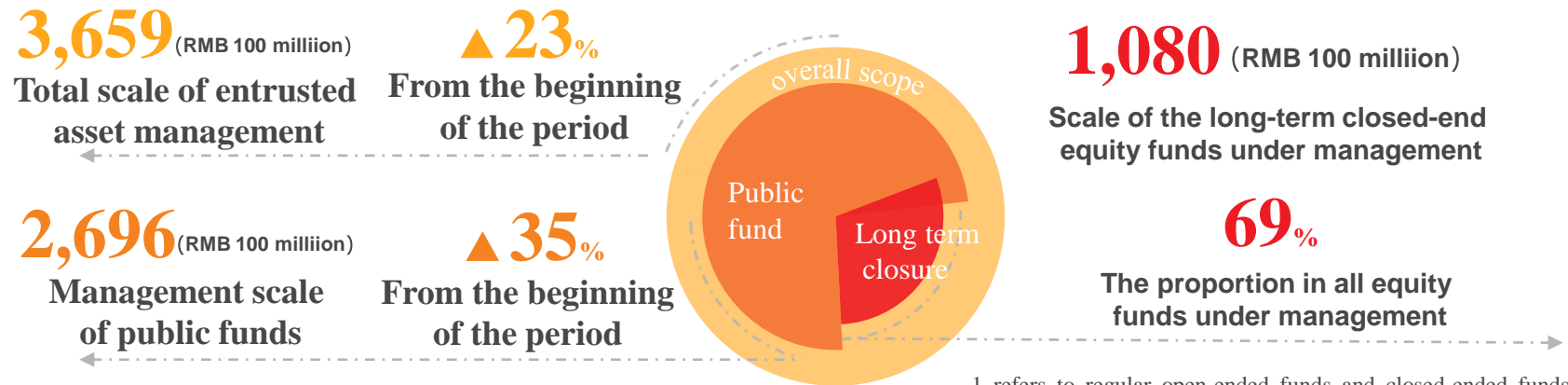
Asset management -- Orient Securities Asset Management

Fund management -- China Universal

Private equity investment
-- Orient Securities Capital Investment

1 Another Breakthrough in Management Scale

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



Active management of stock investment in recent seven years

294.4%
Yield
(quoted from Galaxy Securities Fund Research Center)

No1
Industry ranking

Fixed income funds in recent five years

30.8%
Absolute rate of return
(quoted from the financial products research center of Haitong Securities Research Institute)

Top 1/5
Industry ranking

3 Net Income Ranks First in the Industry

37.5 (RMB100million) **14.4** (RMB 100 million) **46.4%**
Business Income Net profit ROE

Net income from entrusted asset management business
Continue to maintain the industry ranking
(quoted from China Securities Association)

No1

东方证券股份有限公司
ORIENT SECURITIES COMPANY LIMITED

List of Some Awards

上海證券報
Gold Fund Top Company Award

中國證券報
Fixed Income Investment Taurus fund

證券時報
Five Year Continuous Return Star Fund Company

Total
43 sets

Asset management -- Orient Securities Asset Management

Fund management -- China Universal

Private equity investment
-- Orient Securities Capital Investment

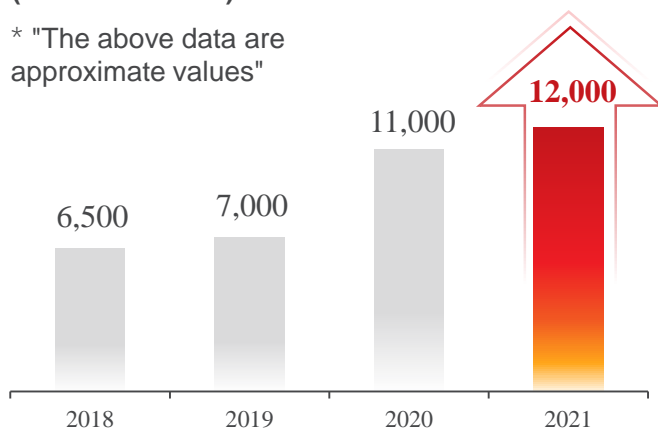
The Company mainly engages in fund management business through China Universal, an associate in which the Company is the largest shareholder with 35.41% equity interest.

1 Scale of assets under management hit a record high, with comprehensive strength ranking top in the industry

Total size of asset management

(RMB 100 million)

* "The above data are approximate values"



- The scale of non monetary financial public funds exceeded **610 billion yuan**.
- The medium and long-term investment performance remains bright, and the comprehensive strength ranks in the forefront of the industry.

2 Further improvement of the multi-strategy product system

93.8 RMB 100 million **32.6** RMB 100 million **11.5** RMB 100 million

Business
Income

Net Profit

Investment income
recognized by the
company according
to the equity method

Products

- Improve the layout of underlying assets
- Enrich "fixed income +" and other financial alternative products
- Issue MSCI China A50 ETF

Channel

- Promote Omni channel strategy
- Carry out strategic cooperation with core institutions and customer groups
- Improve e-commerce operation capability and customer experience

Business

- Approved to set up a US subsidiary
- Exhibition fund investment consulting business

List of some awards





Asset management -- Orient Securities Asset Management

Fund management -- China Universal

Private equity investment
-- Orient Securities Capital Investment

1 The management scale has expanded steadily



49

Funds under management



162

RMB
100 million

Management scale



91

RMB
100 million

Investment amount



148

Investment projects in total

2 Embrace the registration system and seize new opportunities



Scientific innovation board

10

companies passed the
issuance and examination
committee or listed

4

The application of
companies has been
accepted



Gem

11

companies completed
issuance and listing

4

The application of
companies has been
accepted



Beijing stock exchange



NEWANGE

One of the first listed companies

3 Select star projects

BGI 华大

M 澜起科技
Montage Technology

AMEC

商汤
sense time

UNITED 联影
IMAGING

Securities brokerage

Futures brokerage

Securities finance

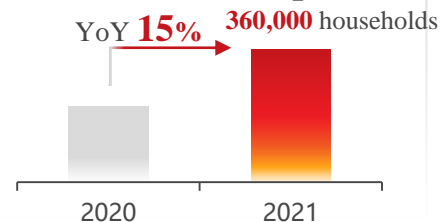
1 The number of customers keeps growing

Revenue market share

1.74%

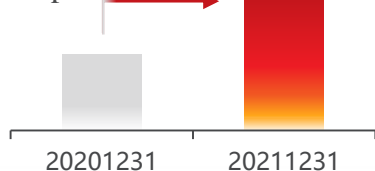
YoY growth of 0.12%

Cumulative number of new accounts opened



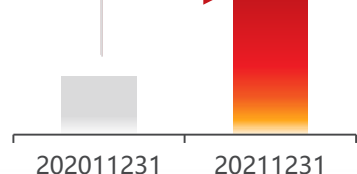
Total customers

from the beginning of the period **19%** → **2.19 million** households



Total assets under custody

from the beginning of the period **26%** → **9,028 RMB 100 million**



- It has **177** securities branches.
- It covers **87** cities and all provinces in China.

2 Another success in consignment business

Sales of equity products

303 RMB 100 million

Sales scale

▲ 9%

YoY growth

Product sales revenue

9.6 RMB 100 million

Revenue amount

▲ 36%

YoY growth

Ownership of equity products

647 RMB 100 million

Retention scale

▲ 43%

From the beginning of the period

Ownership of stock + mixed public funds

424 RMB 100 million

Retention scale

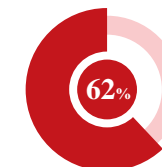
No7

Ranking of securities companies

(quoted from the Fund Industry Association)

Closed products

- Adhere to the concept of long-term value investment.
- Form a consignment product model dominated by closed products.



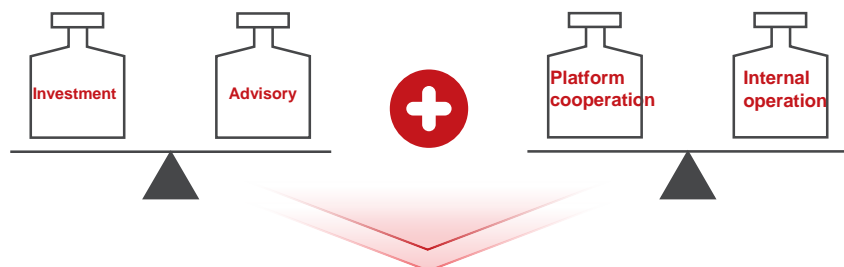
- 62%** of the equity of products under active management.
- It has a leading edge in the industry.

Securities brokerage

Futures brokerage

Securities finance

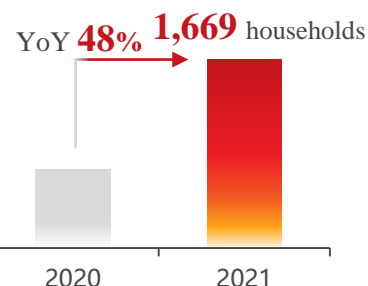
1 Official launch of fund investment advisory business



Solving the industry pain point of "funds make money, funders don't"

2 Institutional wealth management business is booming

Number of new institutional clients



Asset scale of institutional clients

53.9 RMB Billion

Newly introduced scale

545.7 RMB Billion

Total scale at the end of the period

We have formed a good service reputation in the foreign investment circle and **doubled** the number of QFII clients.

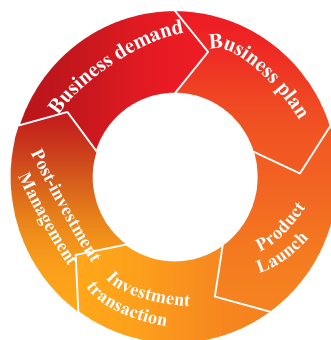
3 Continuous development in private wealth business

Launch of business solutions

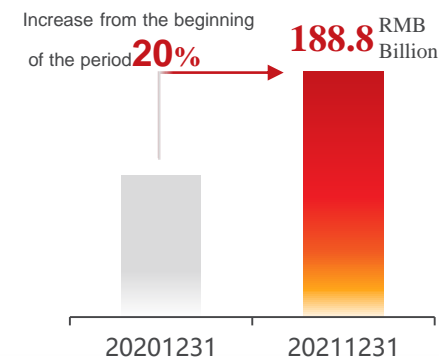
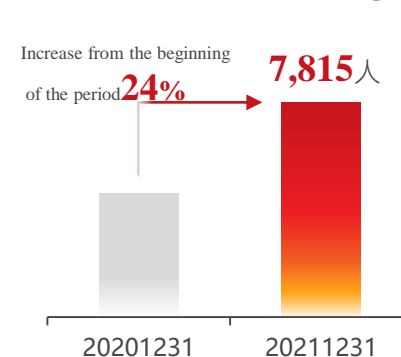
"Oriental Beauty – Fortune 100" Private Equity FOF

Advancing System Development

Forming a closed loop of business



Number of retail high-net-worth clients and asset size



Securities brokerage

Futures brokerage

Securities finance

1 Historical breakthrough in overall performance of Orient Futures



期货

Stand firmly in the first ranks
of the industry

100.3 RMB
100 million

Operating Revenue

5.9 RMB
100 million

Net Profit

AA

Evaluation of futures
companies by category

Core Competence



Business Lines

- Business line coverage is comprehensive
- New business grows in an orderly manner



Institutional
customers

- Years of experience in institutional business
- Experienced service and progressive promotion of brand image



Two-Wheel
Drive

- Information technology system and research strength maintain leading position in the industry

Profile of customer equity scale

655 RMB
100 million

Total scale

▲61%

From the
beginning of the
period

No3

National
Ranking

Full Market Share

No1

Volume Caliber

New institutions and products to open accounts

> 1,800

2 Stable progress in financing and securities trading business

Balance of financing and securities trading

9% increase from
previous year-end

246 RMB
100 million

20201231

20211231

3 The scale of the stock quality continues to be suppressed

The scale of the stock quality

Compression scale **> 3.6** billion

118 RMB
100 million

20201231

20211231

Proprietary trading

Innovative investment

Securities research

1 Equity

■ Improving revenue stability

- Focusing on robust, high-quality underlying companies.
- Constructing designated classes of high-dividend investment strategies.
- Laying out quantitative strategies for self-research investments and public and private FOFs and other innovative areas.

■ The asset structure of the NEEQ continues to improve

- Completed IPO projects to total assets **66%**

2 FICC

■ Fixed Income Captive Business

- Delivery volume of cash securities in the interbank market **YoY 13%**
- **Maintains top ranking** among securities firms in terms of interest rate swap trading volume

■ Market-making business

- The trading volume in the interbank market **YoY 20%**
- The trading volume through the Bond Connect **YoY 11%**
- Both China Development Bond and Agricultural Development Bond ranked **No1**

■ Innovation Transformation Business

- Completed the company's first corporate LPR interest rate derivatives business
- The scale of funds entrusted to investment advisory projects **exceeds 10 billion yuan**
- Foreign exchange business proprietary trading scale ranked **No5**

3 Derivatives

■ quantitative business

- ranked among the top in terms of yields as compared to public quantitative hedge Funds **Top 10%**

■ Market-making business

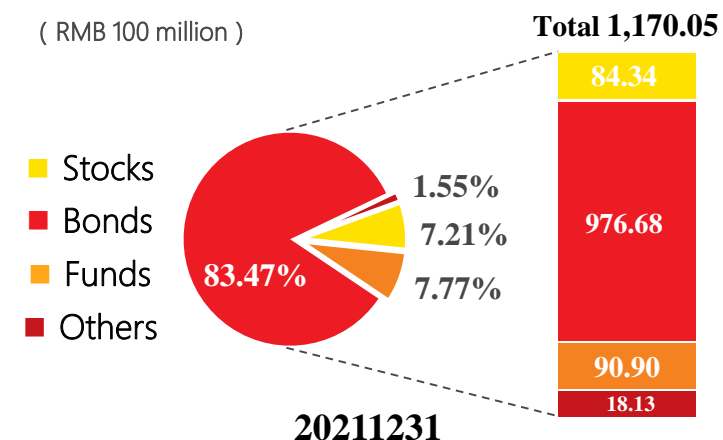
- Average daily options market-making volume increased year-over-year **> 500%**
- Options market making is rated in the full product of SSE and SZSE **AA**

■ OTC Derivatives

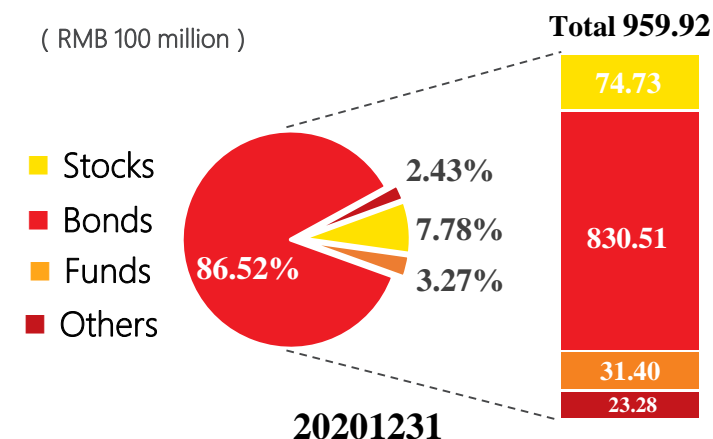
- notional principal size of OTC options **RMB29.5 billion**
- Increase from the beginning of the period **> 20x**

Balance of proprietary trading operations by asset class

(RMB 100 million)



(RMB 100 million)



Proprietary trading

Innovative investment

Securities research

1 Innovative investment of Orient Securities: three major business income improvement



创新投资

■ Vigorously developing equity investment business

□ Equity Business

Project Inventory **62**
Investment scale **30** RMB 100 million

□ Strategic Allocation in Sci-Tech Innovation Board

Collected follow-on investments **6**
Total scale: **3** RMB 100 million

■ Steady advancing the business of special asset acquisition and disposal

Project Inventory **24**
Investment scale **25** RMB 100 million
Added RMB1.4 billion

■ Expanding quantitative hedge fund investments in an orderly manner

The Company cooperated with a good quantitative institution to achieve the desired goal of liquidity allocation.

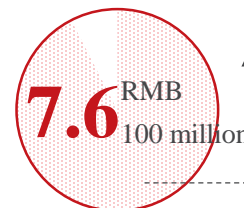
2 Research Institute: securities research to do deeper and more practical

■ Overview of the Research Institute Team

Number of researchers **93**
Number of researchers with analyst qualifications **67**
Number of researchers with investment consultancy qualifications **21**
Number of published research reports **2,254**

■ External Commissions

Total commission income



The public offering commissions

Income amounted to **RMB720 million**. A market share of **2.93%**



The ranking among customers of core public offering funds constantly increased

1 Stock Underwriting: Helping Entities Get Bigger and Stronger



3 Financial advisor: M&A business in order

Mergers & acquisitions and restructuring pass rate continues to maintain

100%

Industry ranking of investment amounts passed by China Securities Regulatory Commission

No9

2 Bond Underwriting: Striving to optimize the customer structure and maintain zero defaults



Interest rate bonds stay ahead

The underwriting of book-entry national debt ranked **third**, while the underwriting of financial bonds of China Development Bank and financial bonds of Agricultural Development Bank of China both ranked **second** and the underwriting of local bonds of Shenzhen Stock Exchange ranked **second**.



Make a big breakthrough

The main underwriting scale of debt financing instruments for non-financial enterprises exceeded RMB30 billion for the first time, ranking among the top 10 main underwriters in the brokerage category.



Deeply cultivate quality customers

The company continued to explore AAA large central enterprises, state-owned enterprises, financial institutions and other high-quality customers. By the end of the reporting period, the number of quality AAA clients served has exceeded 100.



Strict control of risk

The company **maintained zero defaults** in bond business and received an **A grade** in the evaluation of corporate bond business practice capability of securities companies in 2021.



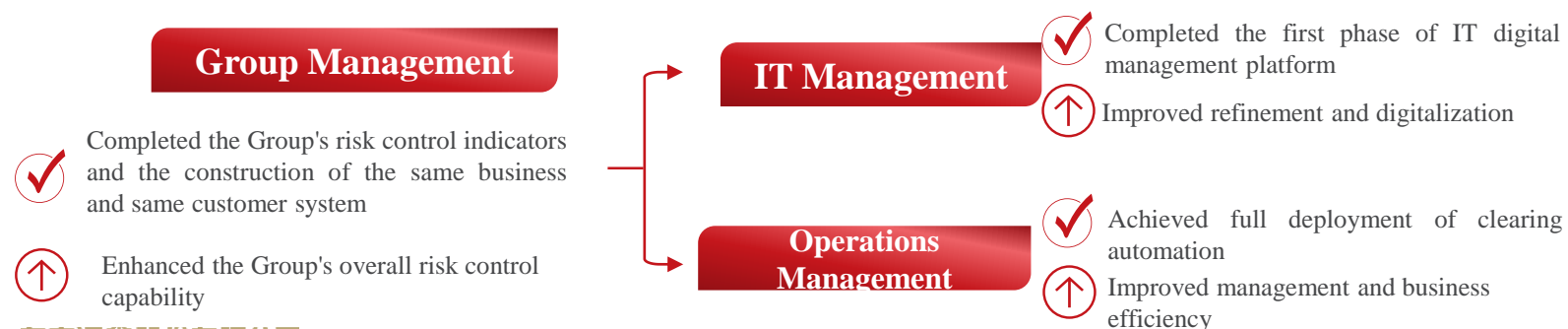
Active exploration of innovation

The company practiced the concept of green development and issued innovative varieties such as carbon neutral corporate bonds, carbon neutral financial bonds, innovation and entrepreneurship corporate bonds, panda corporate bonds as well as small and micro financial bonds.

1 Business scenario empowerment



2 Managing digital transformation



3 Practices of the middle platform

- The company continued to promote the implementation of the "strong middle platform, light application" middle platform strategy, and further improve the shared competence center, data center and innovative technology center to continuously improve the efficiency of system reuse.
- The microservice governance framework has deeply applied to business systems to help change the company's integrated management model of R&D and operation.

03

财 务 概 览

FINANCIAL OVERVIEW



东方证券
ORIENT SECURITIES

Business Segment Revenue Structure and Change

Change in revenue structure



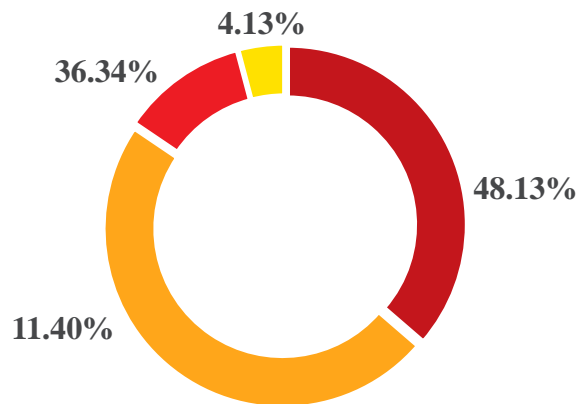
Change in revenue amounts



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.

After deducting accounts payable to brokerage customers and proceeds from agency securities underwriting, the asset-liability ratio was **72.89%**, an decrease of 0.24 percentage points from the end of last year

- The Group's **total assets** reached RMB**326.600** billion, up 35.482 billion or 12.19% year on year.



(in RMB billion)



118.684

Currencies,
clearing
settlement funds,
and deposits with
exchanges

(in RMB billion)



157.196

Financial
investment and
derivative
financial assets

(in RMB billion)



37.242

Funds lent,
financial assets
held under resale
agreements and
account
receivables

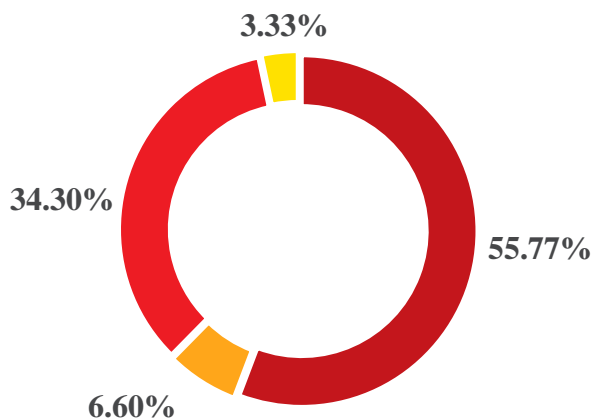
(in RMB billion)



13.478

Long-term equity
investment, fixed
assets and others

- The Group's **total liabilities** were RMB**262.457** billion, up RMB31.570 billion or 13.67% year on year.



(in RMB billion)



146.392

Short-term
borrowings, short-
term financing bill
payables, bond
payables and
financial assets sold
under repurchase
agreements

(in RMB billion)



17.322

Financial liabilities
held for trading and
derivative financial
liabilities

(in RMB billion)



90.012

Funds for agency
securities buying
and selling and
securities
underwriting

(in RMB billion)



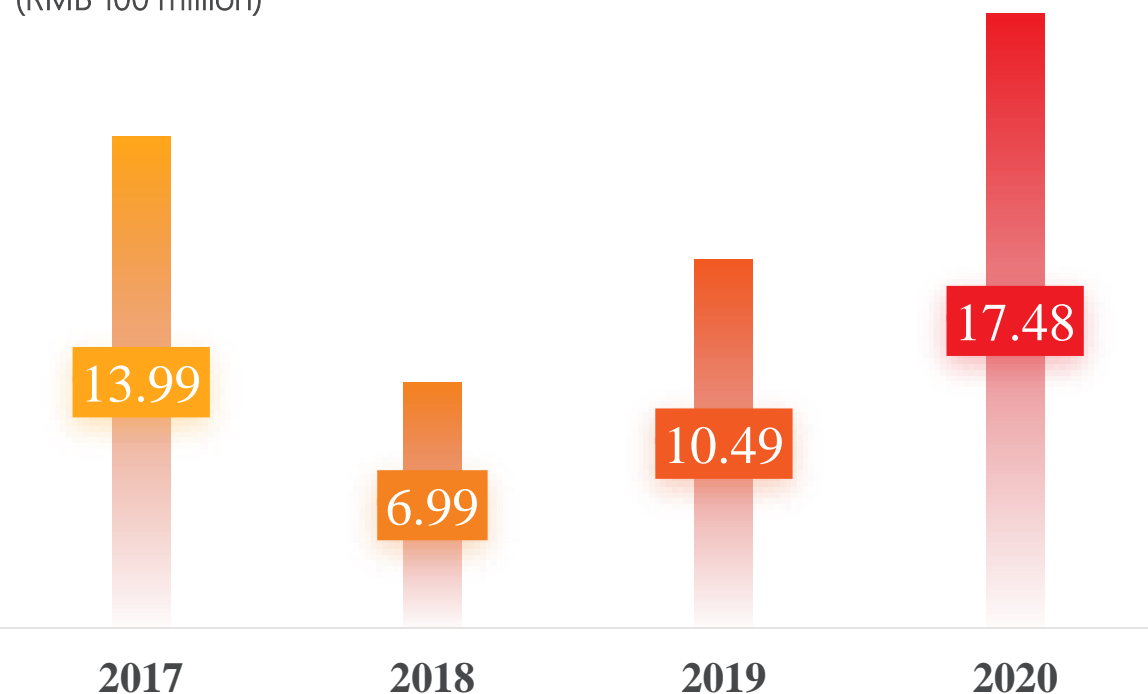
8.730

Payable
compensation, tax
and others

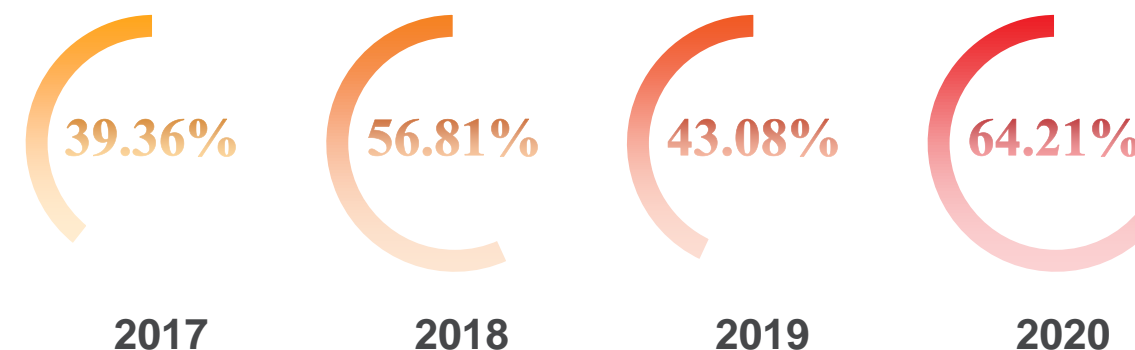
Dividend distribution plan of common stocks of the Company from 2017 to 2021

Cash Dividend Amount (incl. tax)

(RMB 100 million)



Proportion in the Net Profits Attributable to Ordinary Shareholders of the Company Contained in the Consolidated Financial Statements

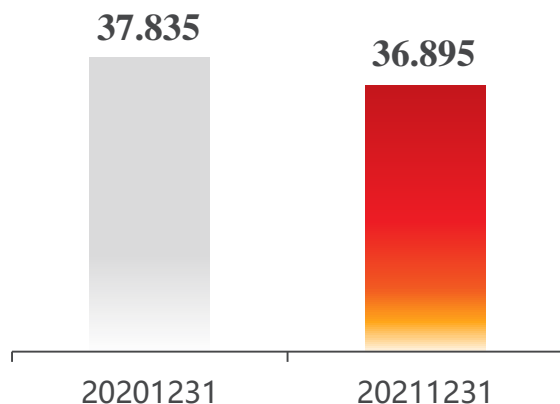


The average dividend ratio in the past four years from 2017 to 2020 was **50.87%**

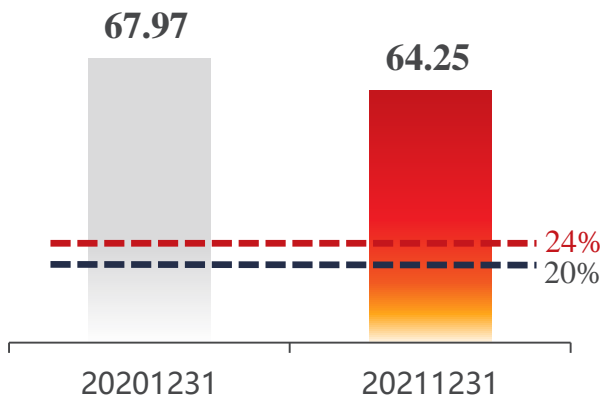
In view of the fact that the Company's share allotment is being promoted, the Company **plans to suspend the profit distribution in 2021**. After the completion of the allotment, the Company will carry out matters related to profit distribution as soon as possible.

Risk Control Indicators of Parent Company

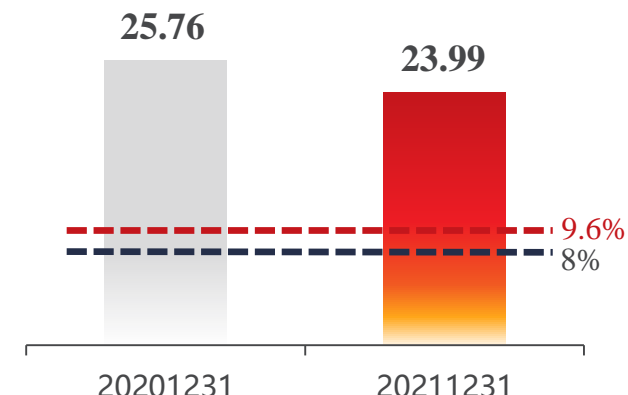
Net Capital (RMB billion)



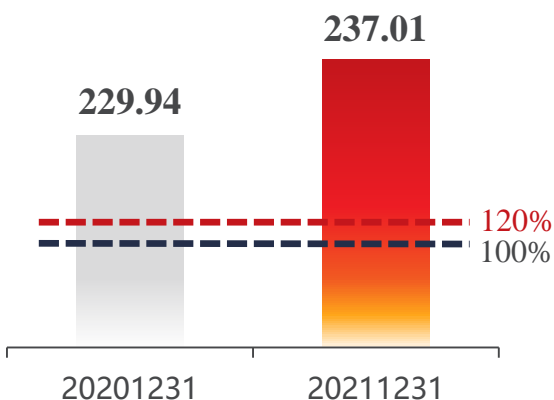
Net Capital/Net Assets (%)



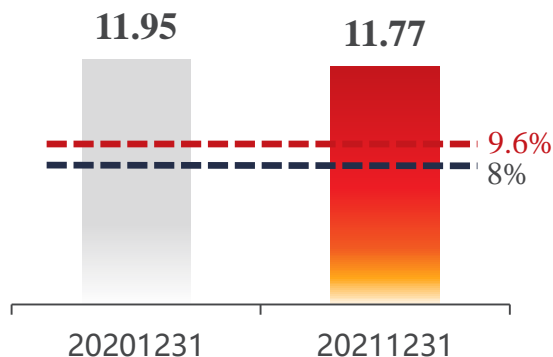
Net Capital/Liabilities (%)



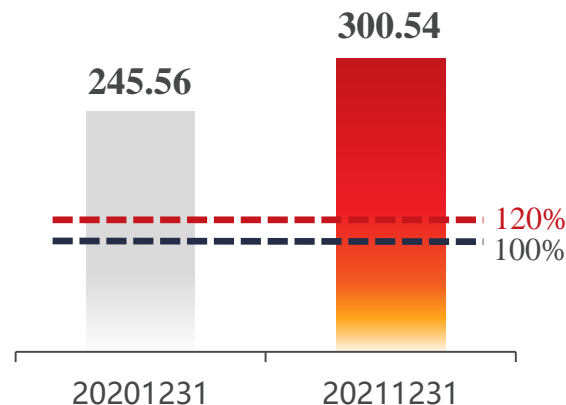
Risk Coverage Ratio (%)



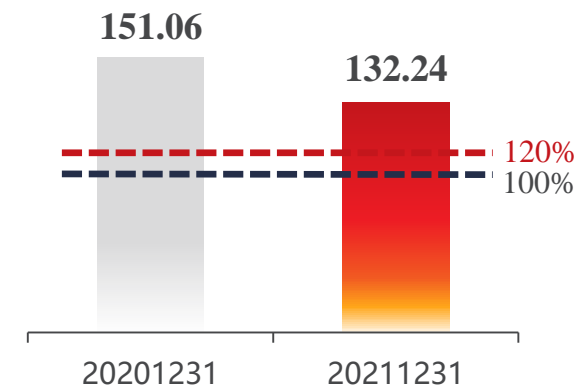
Capital Gearing Ratio (%)



Liquidity Coverage Ratio (%)



Net Stable Funding Ratio (%)



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

04

发 展 战 略

DEVELOPMENT STRATEGY

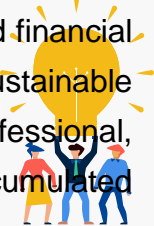


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Competitive Advantages of the Company

1. Strong support from shareholders and professional and stable talent team is stable

- Shareholders of the Company are relatively stable, and give the Company strong support business development and system and mechanism reform, especially in major matters such as the company's capital operation and market-oriented mechanism reform.
- The Company's leaders are united and enterprising. The Company's senior management team has extensive industry experience and profound insight into the securities and financial industry with a strong guarantee for the long-term sustainable development of the company. The company has a professional, high-quality and stable business team, which has accumulated rich market experience for many years.



2. Time tested advantageous business, and outstanding investment research capacity

- After years of deep involvement, the Company has established brand effects and competitive advantages in the fields of asset management, fund management, wealth management, FICC, futures brokerage, etc. It has been tested by the market, with long-term industry-leading performance, maintaining top positions in major rankings and renowned investment research capabilities.



投资银行



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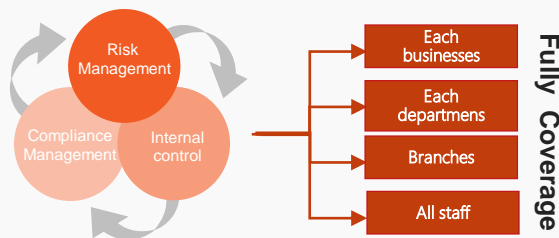
4. Adhere to the organic combination of party building corporate culture and market-oriented mechanisms

- The Company attaches great importance to the construction of party building and corporate culture, and unremittingly cultivates the industry culture concept of "compliance, integrity, professionalism and stability". At the same time, the Company has always focused on promoting the construction of market-oriented mechanisms and continuous optimization and innovation.
- The Company received a Grade A rating in the assessment of culture building practices of securities companies organized by the Securities Association of China. The Company's MSCI ESG rating has been upgraded to class A, which is the highest rating of domestic securities companies.

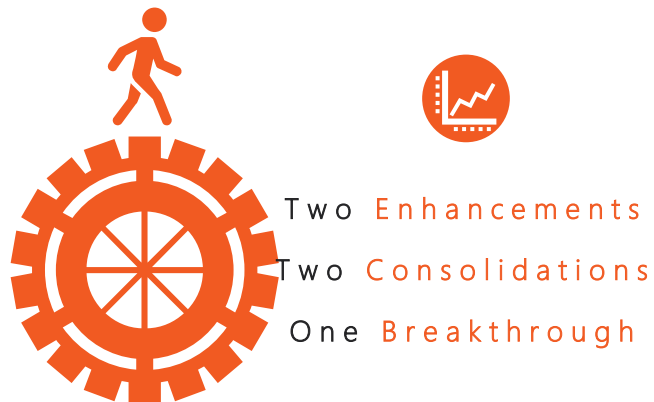


3. Safeguarding the Company through compliance risk control and effective operation of the system

- The company adheres to the concept of "full compliance and risk control" and forms a closed-loop compliance and risk management system of "culture - people - system - tools".
- In the whole year, no material violations and risk incidents occurred in the Company. The classification evaluation result of securities companies is Class A and AA. It has maintained the Class A rating of securities companies for 13 consecutive years.



Strategic objectives——building a first-class modern investment bank



Two Enhancements

- ✓ Enhancing the scale and level of investment bank and wealth management business

Two Consolidations

- ✓ Consolidating the brand and advantages of investment business and asset management business

One Breakthrough

- ✓ Making breakthrough in fintech-enabled business



Transformation of retail financial business cluster

- ✓ Integrating financial technology to promote strategic transformation of wealth management
- ✓ Taking “customer + product + investment consultant + channel” as the main line

Enlarge enterprise financial business cluster

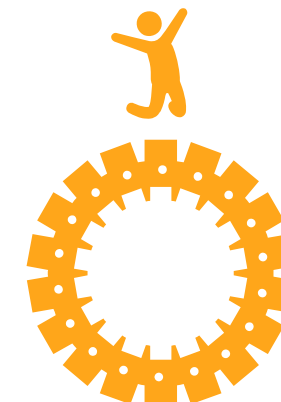
- ✓ Taking “investment bank + investment” as the lead
- ✓ Whole industry chain serving real economy

Optimize institutional financial business cluster

- ✓ Give full play to the advantages of investment and research
- ✓ Whole business chain, one-stop service for institutional customers

Strong performance in engaging in asset management business cluster

- ✓ Building a leading industry and distinctive asset management brand



Asset management

- ✓ Improving management efficiency of capital, fund and resources

Talent team

- ✓ Building a talent team to adapt to sustainable development of the Company

Mechanism construction

- ✓ Improving market-oriented operation and development mechanism

Compliance & risk control

- ✓ Improve the compliance and risk management system according to the principle of centralization and penetration

Financial technology

- ✓ Build a complete IT middle platform and comprehensively promote digital transformation

Culture of party building

- ✓ Provide strong organizational support and spiritual motivation for the Company's development.

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Scan code and follow “Investor Relations Platform of Orient Securities” to help you grasp the Company’s important information at the first time.

