

2023年半年度

东方证券经营业绩报告

Orient Securities First Half Year of 2023 Results Presentation

600958.SH / 3958.HK

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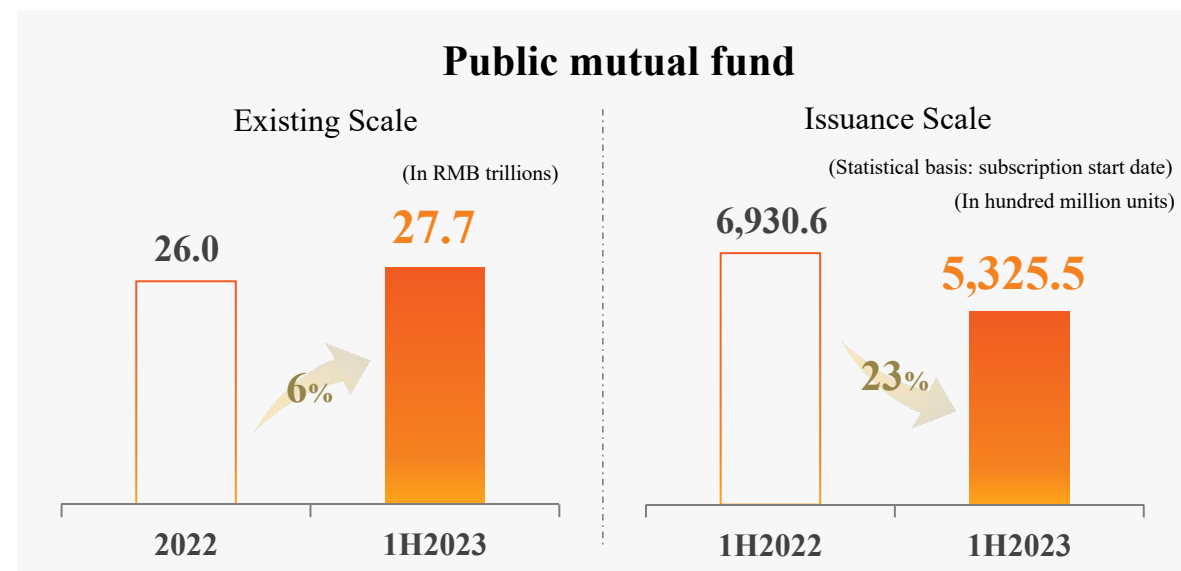
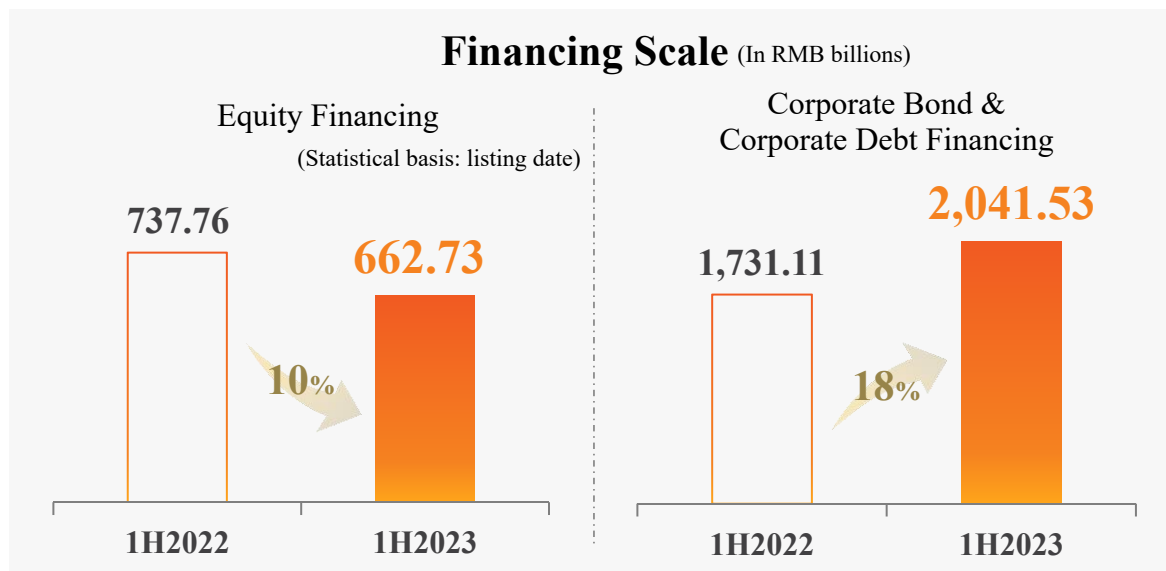
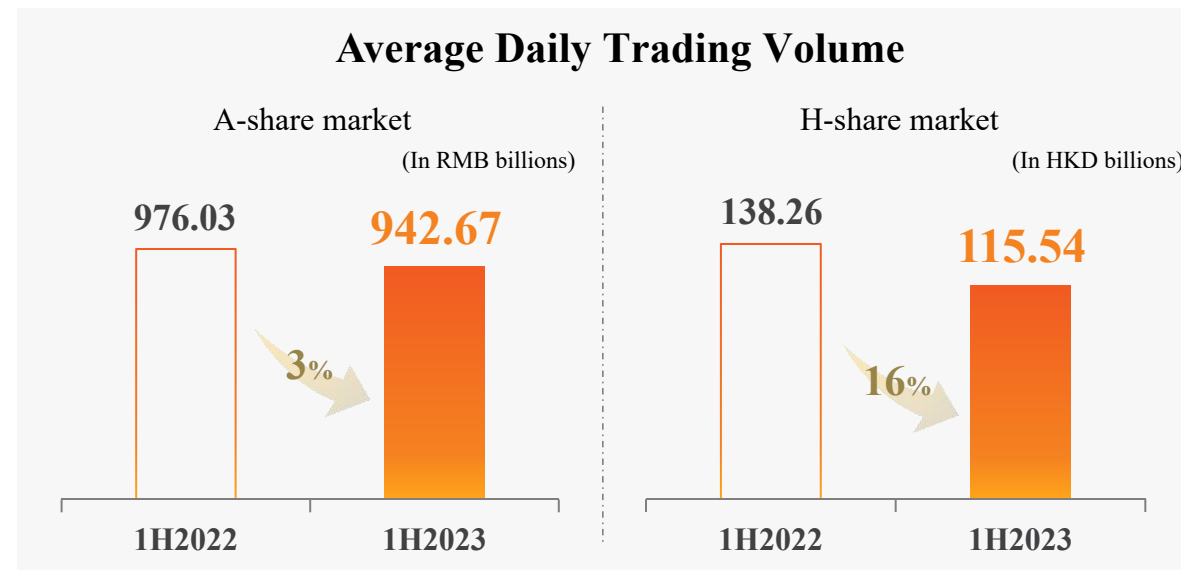
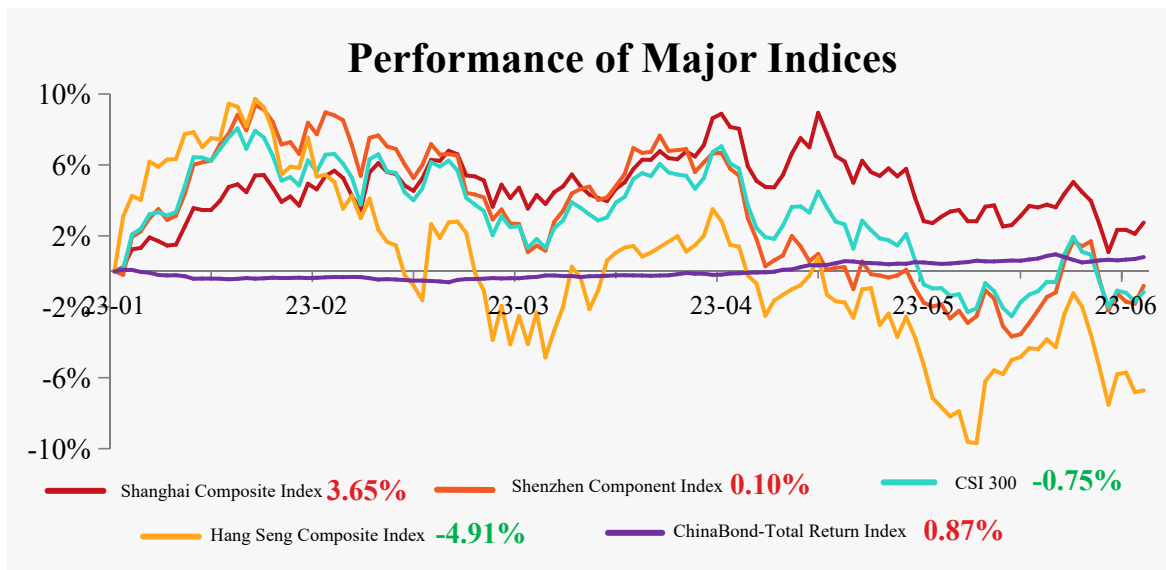
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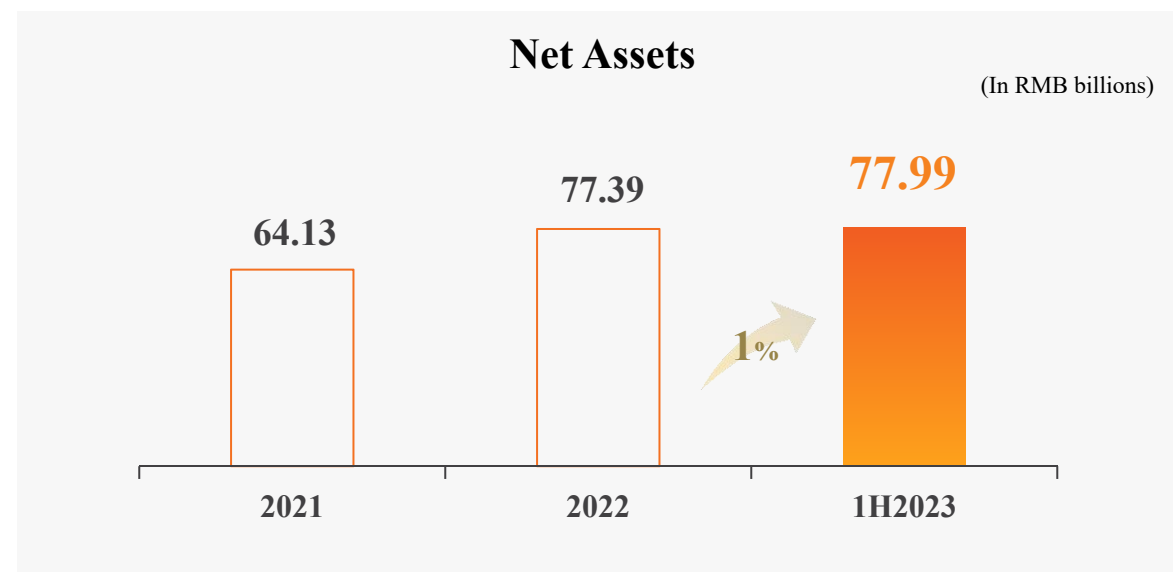
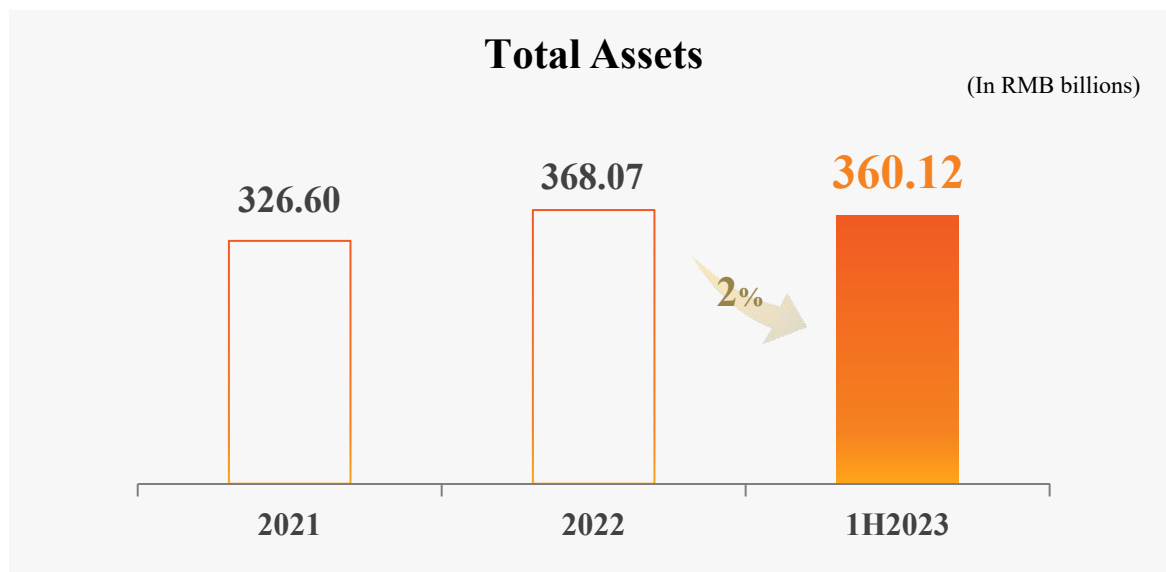
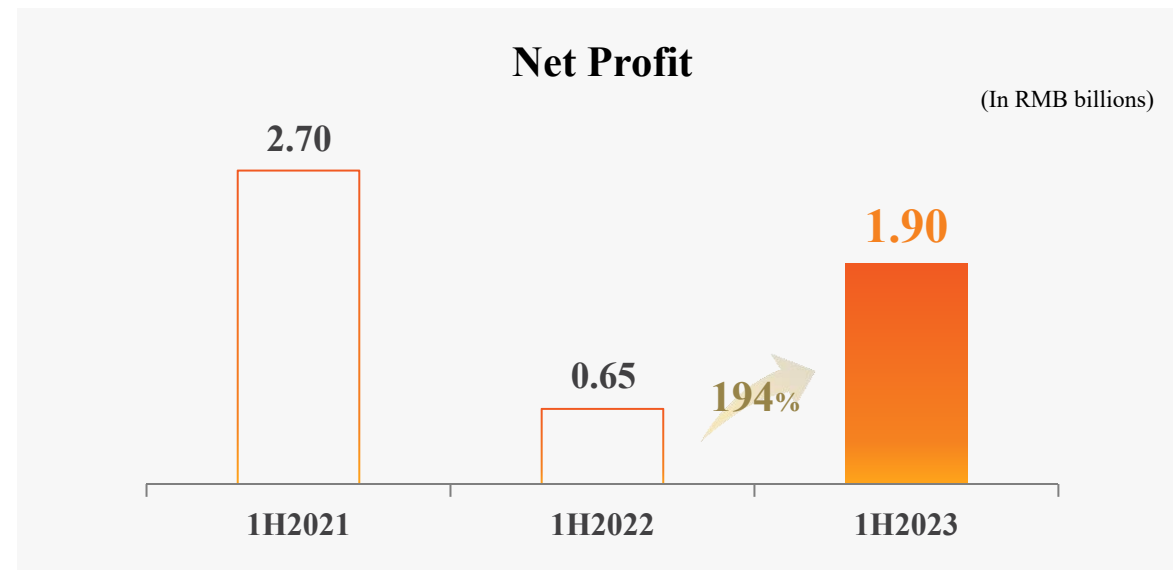
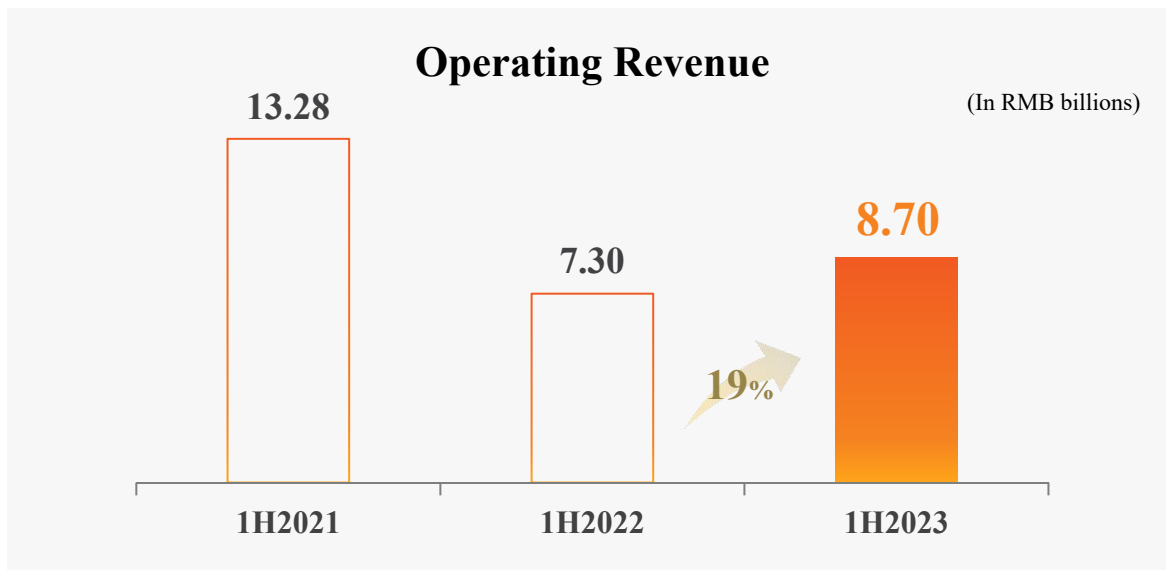
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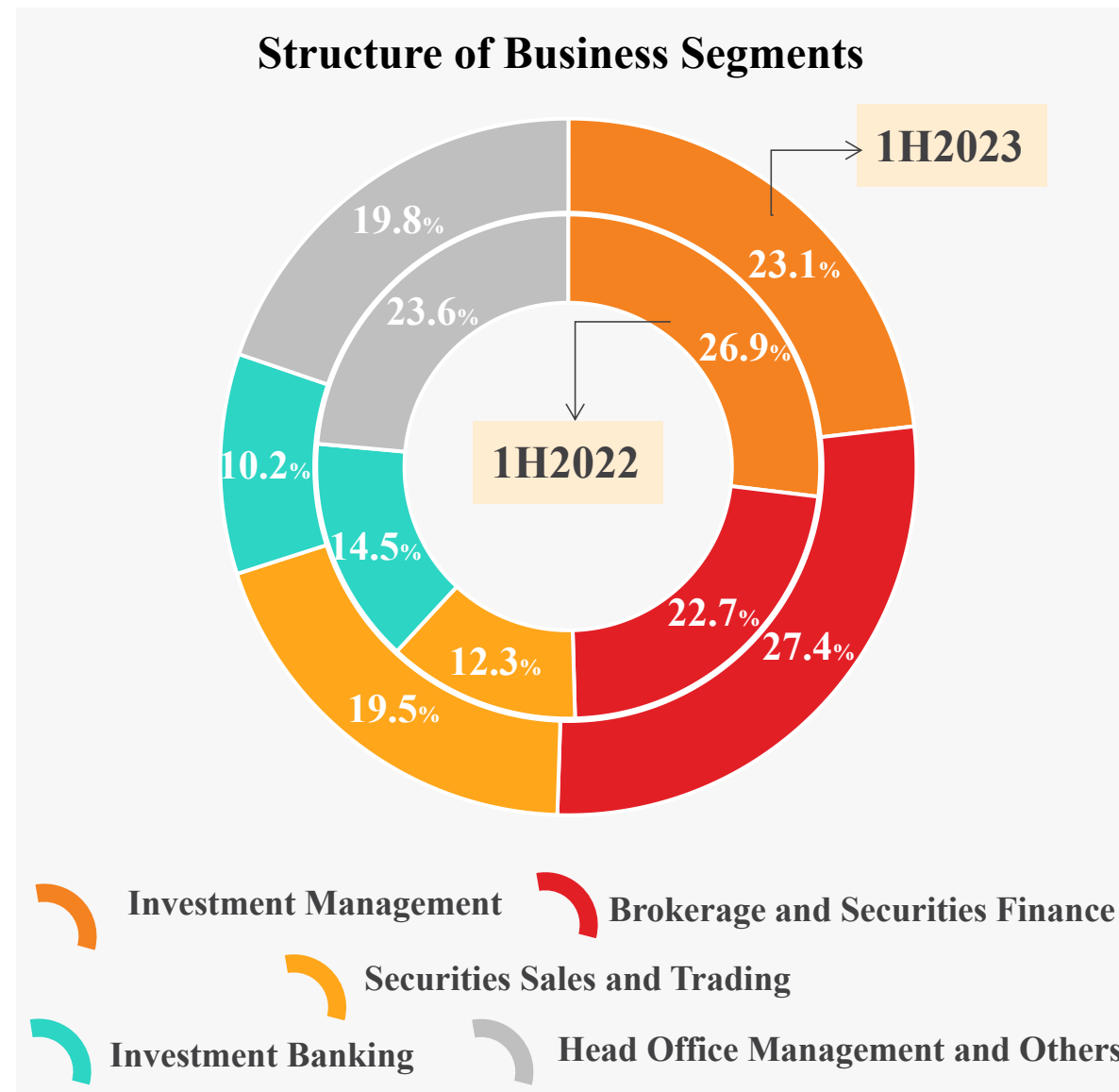
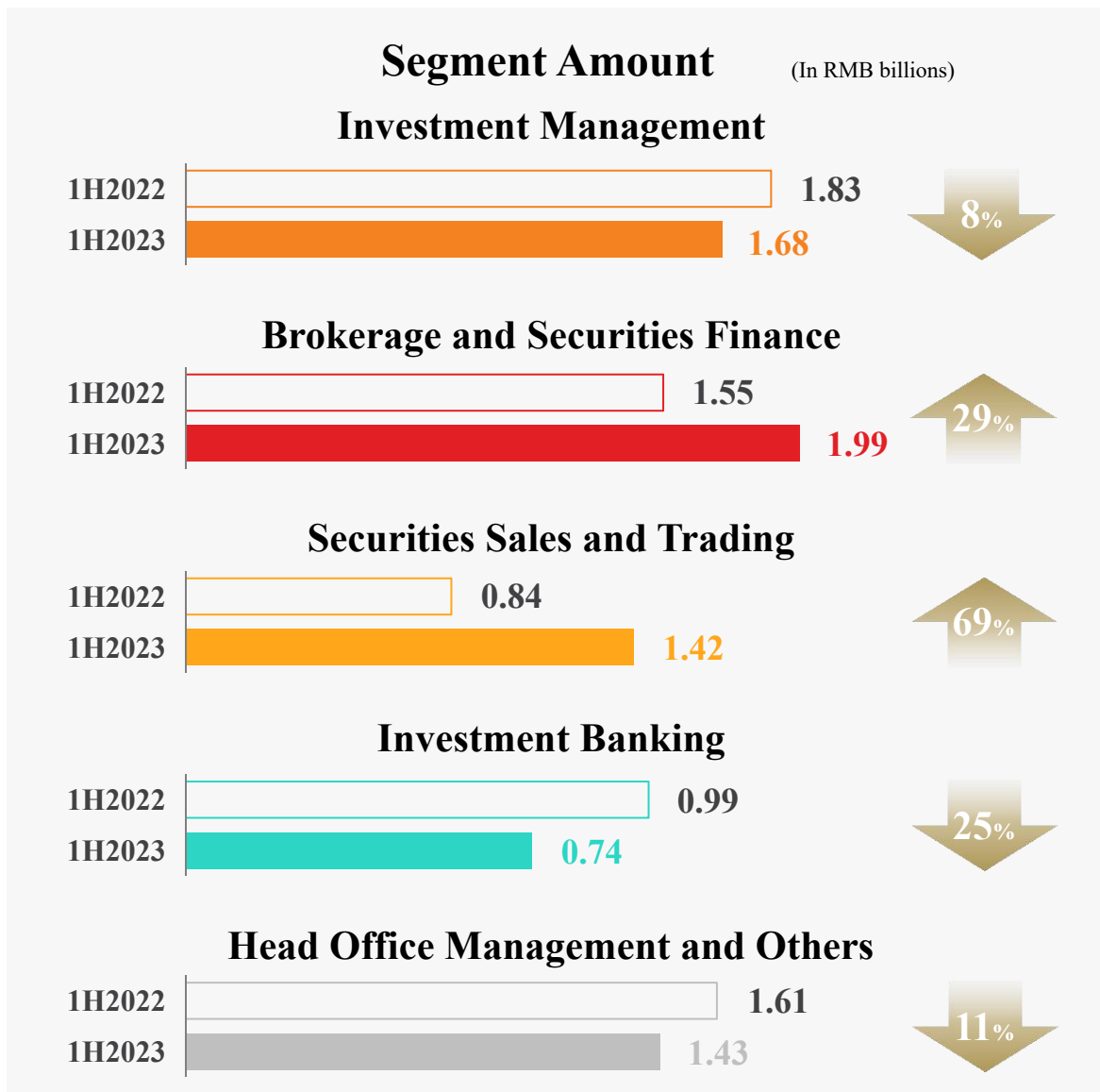
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2.1 Key Operating Data





PS: 1. Merger offset factors have not been taken into account; 2. Bulk commodity trading revenue has been excluded.

2.3 Stable Industry Position with Continuous Optimization of Operational Management



Optimal Asset Allocation



Funds are allocated to business lines that are "measurable and controllable in terms of risk, with clear business models, and promising stable returns.



Resolute Business Transformation



Undergoing a transformation in wealth management
Transitioning from proprietary trading to sales and trading
Fostering synergistic development in investment banking business.



Effective Compliance and Risk Control



The awareness of compliance and risk control among all staff members is continuously strengthening, and the comprehensive risk management system is continuously being optimized.

《Securities Times》
China Securities
Industry All-round
Wealth Broker
Jun Ding Award

China Securities Journal
The First ChinaF
und Investment
Advisory Organization
Golden Bull Award

Bond Connect Company
Northbound Passage
Outstanding
Market Maker

SSE
Pioneer Technology
and Innovation Board
Stock Market Maker

SZSE
First place in the
"Outstanding
Market Maker
in Options Award"

SHFE
Gold Award
for Market
Making Business

CFETS
Cross-border Call
Innovation Award
(Underwriter)

Dongshi Capital
Management
《Securities Times》
All-round Capital
Management Organization
Jun Ding Award

Dongshi Capital
Management
《China Securities Journal》
Five-Year
Golden Bull Brokerage Firm
Pooled Asset Manager Award

Huitianfu Fund
《China Fund News》
Innovative Company
Award

ETF
SSE
Top Ten ETF
Managers

Dongshi Futures
《Securities Times》
China Leading Futures
Jun Ding Award

Dongshi Futures
ZCE & DCE & SHFE
Outstanding Member
Gold Award

Oriental Investment Bank
New Fortune
Best Debt
Underwriting
Investment Bank

Oriental Hong Kong
Golden Central
Best Wealth
Management Award

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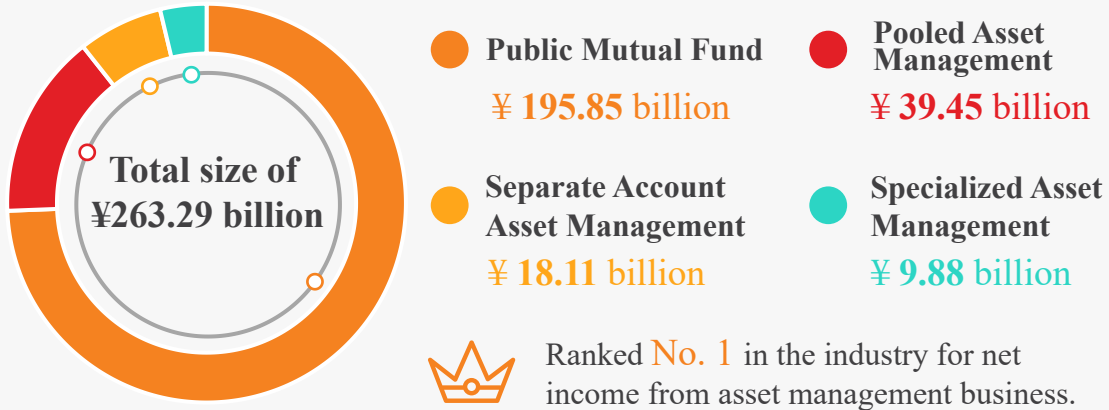
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3.1 Asset Management: Orient Securities Asset Management Promotes Second Entrepreneurial Transformation and Development

Assets under Management (AUM) and Income from Entrusted Asset Management



Long-Term Investment Performance Leading the Industry

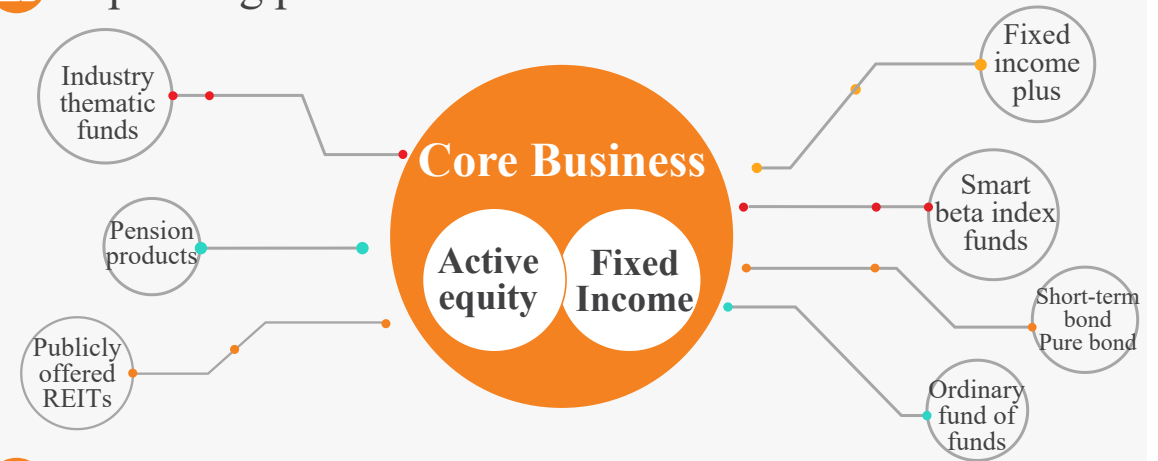
Types of Funds	Rate of Return	Industry Ranking
Over the past seven years, Actively managed equity funds	100.1%	No 6
Over the past five years Fixed income funds	26.7%	Top 1/5

Multi-faceted Transformation towards Platformization, Diversification, and Marketization

Upgrade of the research and investment system

- We are building a highly integrated research and investment platform to enhance the investment framework. The research and investment talent pool demonstrates diversity and multi-level characteristics.

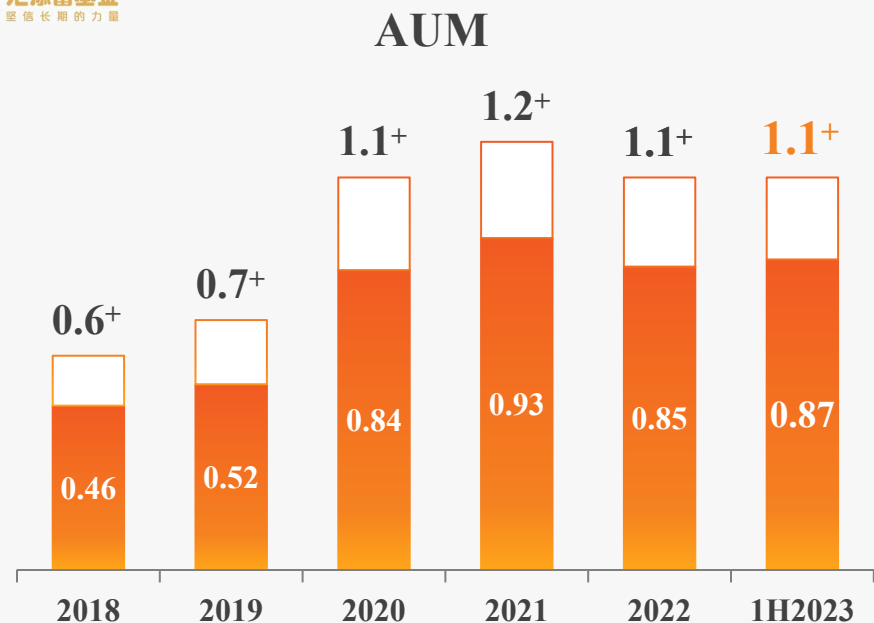
Expanding products



Enhance Sales Capability

- Adjusting the positioning of the "Professional Services" sales line;
- Continuously promoting diversification of funds and clients.

3.1 Asset Management: CUAM Efforts to Build the Most Recognized Asset Management Brand



□ Total assets under management (trillions of yuan)

■ Size of public mutual funds (trillions of yuan)



In the second quarter, the average monthly size of non-monetary wealth management public mutual funds reached **473.2 billion** yuan, **ranking 9th** in the industry.

Enhance Comprehensive Strength

Investment Management

- Firmly promote the standardization and diversification of investment management.
- Enhance the forward-looking and effectiveness of research.

Customer Service

- Establish a customer-centric buyer advisory service model.
- Accelerate digital empowerment for online and offline customer services.

Business Innovation



Global Business



- The Hong Kong subsidiary has QFII and RQFII qualifications and is the first to issue RQFII public funds overseas.
- The US subsidiary is officially open for business.
- The Singapore subsidiary has obtained approval from the China Securities Regulatory Commission (CSRC).

3.2 Wealth Management: Firmly Transitioning to a "Buy-Side Advisory" Model

Steady Development of Brokerage Business

179	1.66%	2.58 million households	¥789 billion
Branch offices Covering 89 cities	Revenue market share	Total number of customers Cumulative increase of 150,000 households	Total amount of assets under custody

Product Distribution in a Leading Position

¥47.3 billion	No 11
The scale of equity-based products under custody	Ranking of equity-blended public mutual funds by assets under management

➤ Organizing 50+ "Wealth Journey" events, reaching nearly 10,000 investors.

Continuous Growth of Fund Advisory Services



¥15.3 billion	147,000 Ppl.	75%	73%
The scale of fund advisory services	Existing clients	Customer retention rate	Customer reinvestment rate

➤ The percentage of average profitable clients in investment advisory strategies is higher than the percentage of average profitable clients in public mutual funds.

Diversification of Other Business Ventures

- Institutional wealth management** ➤ The asset under management is ¥9.3 billion, representing a 22% increase compared to the beginning of the period.
- Private wealth** ➤ There are 7,034 high-net-worth clients, representing a 6.7% increase compared to the beginning of the period. The total asset under management is ¥155.5 billion, reflecting a growth of 7.8% compared to the beginning of the period.
- Gongmu Quanjie** ➤ Ranking among the top in the industry in terms of scale.
- Custody services** ➤ Ranking eighth in terms of assets under custody for public mutual funds.

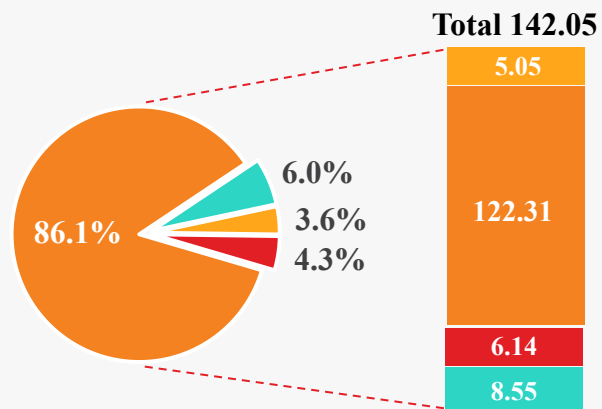
3.3 Securities Sales and Trading: Strengthening Research Foundation, Seeking Innovative Transformation

The Balance of Proprietary Trading Business Divided by Asset Category

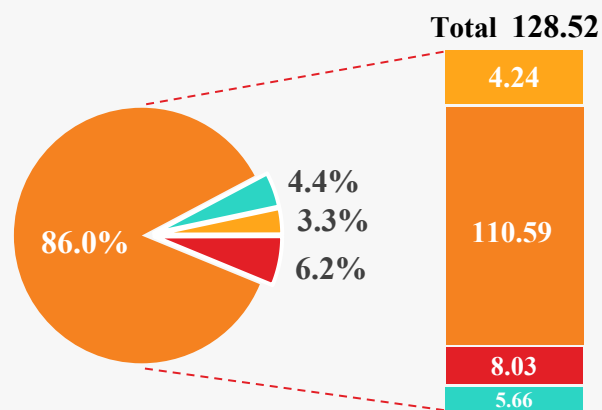
(In RMB billions)

■ Stocks ■ Bonds ■ Funds ■ Others

As of June 30, 2023



As of December 31, 2022



Equity Proprietary Trading Explores Low Volatility Profit Models

Stock investments maintain a low position operation.

High dividend strategy has performed well, with a focus on innovative areas such as FOF (Fund of Funds) and quantitative investing.

Expanding market-making business on the Science and Technology Innovation Board and obtaining market-making rights on the Beijing Stock Exchange.

FICC: Building a Comprehensive Onshore and Offshore Institutional Sales and Trading Platform



Proprietary fixed-income investments

- The trading volume has been steadily increasing.

+28.7%

Interbank bond market trading

+81.9%

Exchange-traded bonds

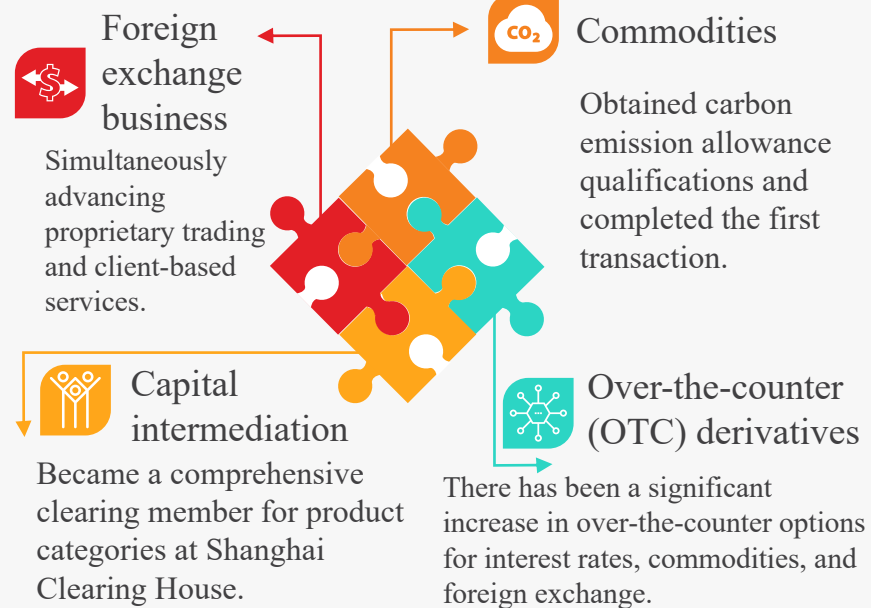
+71.8%

Interest rate swap

Market-making business

- Obtained multiple first batch business qualifications
 - Primary market makers for exchange-traded bonds in the Shanghai and Shenzhen stock exchanges
 - Northbound Cross-Border RMB Bond Market Makers
- Consistently maintaining a top position in the industry rankings.

Innovative business initiatives



Creating the "Oriental Derivatives" Brand



Market-making business

- A wide range of market-making products/varieties

14 varieties **All 12** **80+**

Options market-making varieties Qualification as a primary market maker for equity options Market-making varieties for funds

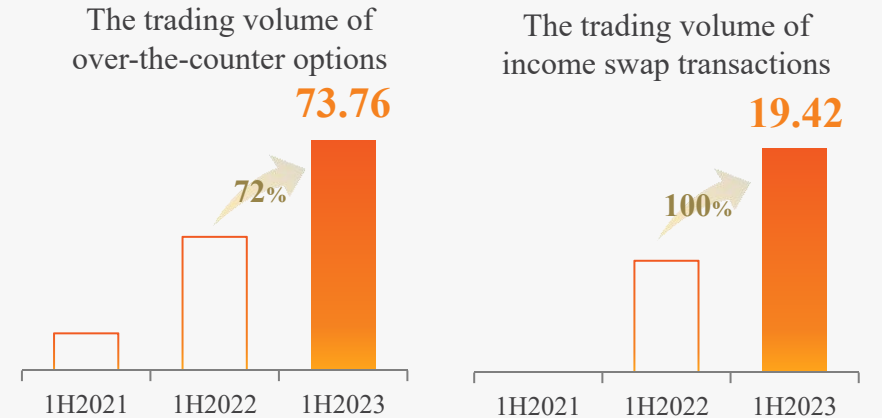
- Our market-making activities have achieved a leading position in trading volume, delivering strong returns with low drawdowns

Quantitative trading business

- Continuing to reduce the proportion of restricted shares
- Continuously increasing investment in low-volatility market-neutral strategies
- Reducing return volatility in a volatile market environment

Over-the-counter derivatives

(In RMB billion)



Research Institute Actively Enhancing Quality of Domestic and International Services

Research and Commission

77 individuals **1,446 articles** **¥265 Million** **No 9**

Number of analysts Publishing research reports Public offering commission income Ranking of public offering commission income in the industry in 2022

Group collaboration

- With the aim of project implementation and business promotion, we are constantly advancing the development of group integration efforts

3.4 Investment Banking: Multi-channel and Efficient Service to the Real Economy

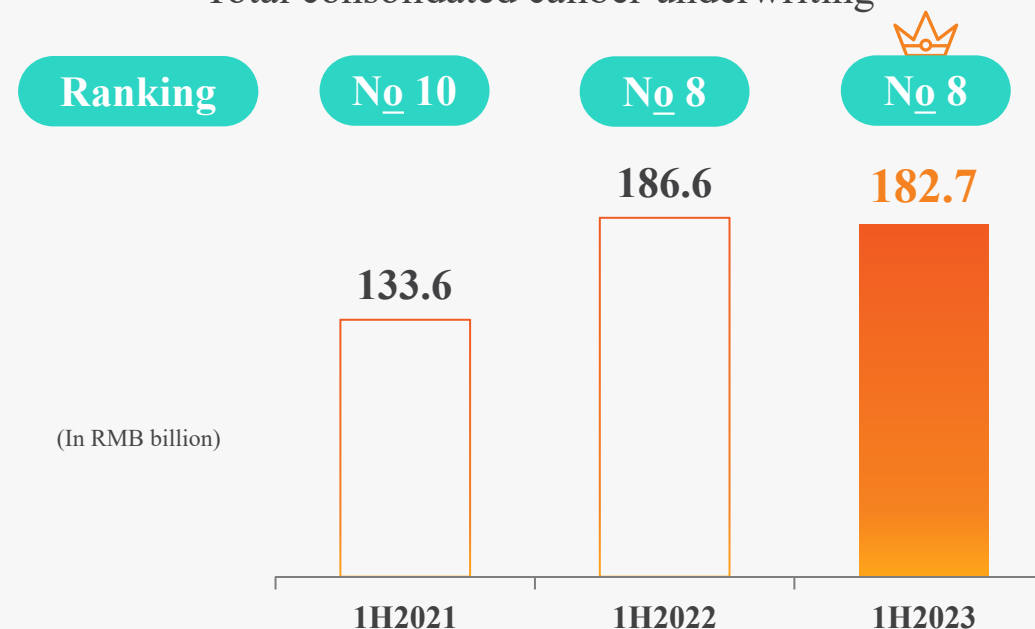
Equity Underwriting Actively Seizing Market Opportunities

	IPO	Restructuring
Number of Projects	2	3
Principal Underwriting Amount	¥2.91 billion	¥2.82 billion

- ◆ Strictly controlling the quality of projects, assisting 6 enterprises to pass the deliberation of the Listing Review Committee, with the passing rate reaching 100%.
- ◆ We have abundant equity project reserves, and the number of main board projects has shown significant growth.

Bond Underwriting Maintains Industry-leading Position

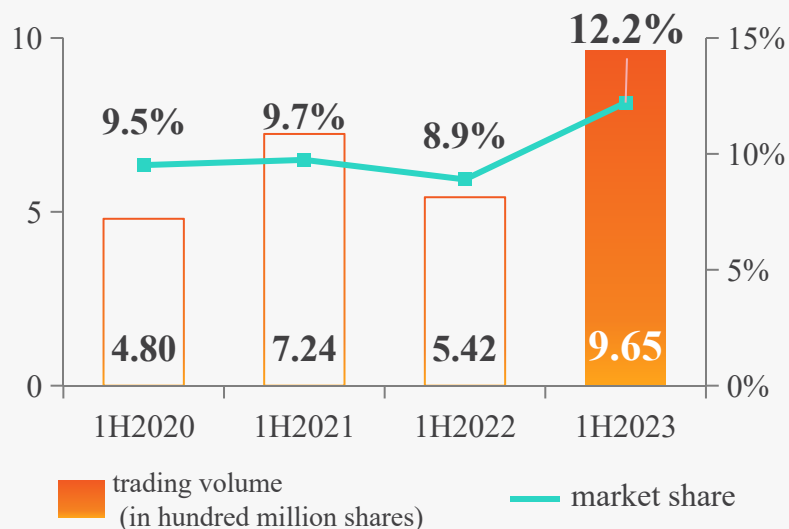
Total consolidated caliber underwriting



- ◆ The interest rate debt business continues to be a peer leader.
 - No 1** China Development Bank Financial Bonds
 - Top 3** Book-entry treasury bonds & Agricultural Bank of China financial bonds
 - No 9** Debt financing instruments
- ◆ A number of bonds were issued at record low interest rates, reflecting excellent sales capabilities.

Orient Futures Firmly Holding Its Position in the Top Tier of the Industry

The transaction volume has ranked first for four consecutive years



Industry-leading operational capabilities

- No 3** Operating Revenue
- No 2** Net Capital
- Top 5** Other Key Operating Indicators
- No 3** Net Profit
- No 3** Customer Equity Scale

Maintain a technological edge of excellence



Dongzheng Innovation expands its investment layout

Equity investment focuses on national strategic industries with independent controllable capabilities

- 96 units** existing projects
- ¥4.56 billion** existing investment scale
- ¥500 million** S Fund delivery amount

Special assets prioritize the safety of underlying assets

- ✓ Building comprehensive operational capabilities in areas such as mergers and acquisitions, restructuring, and end-to-end integration, to strengthen core competitiveness

TSE Capital actively seeks quality investment opportunities

Size of management and investments

54

Number of funds under management

¥16.39 billion

Size of funds under management

150

Number of active projects

¥9.69 billion

Amount of projects in the pipeline

- ✓ We are actively looking for quality investment opportunities in anti-cyclical industries and "necklace" areas, and have formed our own industry position and brand advantages.

Listing of the subject of the project

15

Number of surviving listed subjects

2

Number cleared or issued

4

Number of IPOs filed

TSE International Enhances Business Soundness

Self-employed business to adjust structure and improve quality

- ✓ Improve underlying credit and drive a shift in the investment model from trading to allocation.

Brokerage business restructuring and refocusing

- ✓ The size of product sales additions on the retail side increased by **140%** compared to the same period last year

Expanding the scale and optimizing the layout of asset management business

HK\$10.7 billion
capital management scale



29% increase from the beginning of the period

Investment Banking Grasps Projects and Increases Capabilities

20

Bond underwriting projects

HK\$4.2 billion

Bond underwriting amount

No 8

Ranking of Chinese Issuers in Overseas Bond Underwriting Scale

3.6 FinTech: Building Technological Competitiveness through Technical Strength

Management model transformation

Compliance risk management

Promoting the construction of an intelligent anti-money laundering control platform

Data Governance

Conducting data review, classification and grading, and security assessment.

Empowering business development

Proprietary investment

Optimizing the Super Investment Management Platform to meet the needs of comprehensive asset coverage, all business types, and end-to-end investment processes.

Launching the market-making business for bond ETFs on the Shanghai and Shenzhen stock exchanges

Wealth Management

Completing the upgrade of the next-generation core business system to solidify the foundation of wealth management business.

Successfully completing the overall transition of all business and clients to the new generation over-the-counter trading system

East Winner (东方赢家) app aims to comprehensively enhance user experience

Quantitative Ecosystem

Launching the Yuliu Algorithm Bus Platform

Adding new features to the Octopus Interconnect App

Technology Infrastructure Transformation

Oriental Mind

Integrating AI computing power and algorithm resources to build the company's artificial intelligence platform.

Innovation Center

Continuously advancing the construction of an innovative technology middleware for artificial intelligence, blockchain, and other emerging technologies

Maintaining Industry-leading Ratings

MSCI 

Consistent ESG rating for 2 consecutive years



Ranked among the top 25% globally, it holds the highest rating among publicly-rated Chinese securities firms.

The Company Strengthens ESG Practices

Practicing green and low-carbon operations

Driving innovation in green financial products, services, and business models



Engaging in environmental conservation and public welfare activities

Driving multiple stakeholders to collectively embrace the ESG principles.

Promoting Green Finance

Obtained approval for self-operated participation in carbon emissions trading and took the lead in completing the first carbon emissions trading transaction.

Successfully completed multiple inaugural innovative projects for green bonds.

Made an appearance at the inaugural Shanghai International Carbon Neutrality Expo.



Organized the second edition of the "Dual Carbon Star Species" Sustainable Innovation Competition.

Compiling the Xinhua Carbon Technology Index

Actively providing green investment and financing financial services to support the green transformation of the real economy.

Developing Philanthropic Initiatives



The company and its subsidiaries have successively collaborated with Shule County in Xinjiang and Qiongzong County in Hainan Province.

32 Districts

Signed a paired assistance agreement



In total, investments have been made to consolidate the achievements of poverty alleviation and support rural revitalization efforts.

> **¥4** Millions

Implemented a total of **9** different projects

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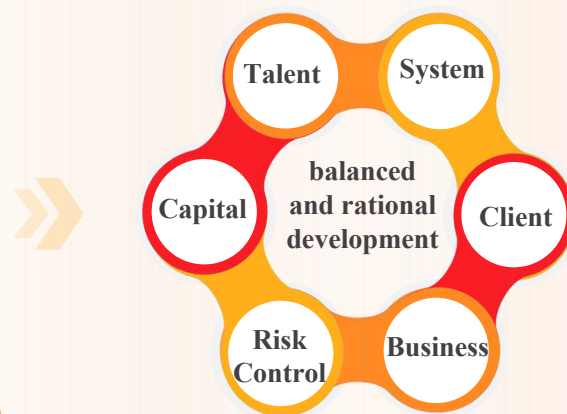
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To become a modern investment bank with industry-leading core competitiveness, providing comprehensive financial services to clients.

☑ Adhere to general principles of financial institutions

☑ To create distinct characteristics for Dongfang Securities.



Distinctive business features

Shareholder Support

Talent Pool

Market Brand

Party Building Corporate Culture

Business specialties

Consolidating strengths: Asset management, fixed income

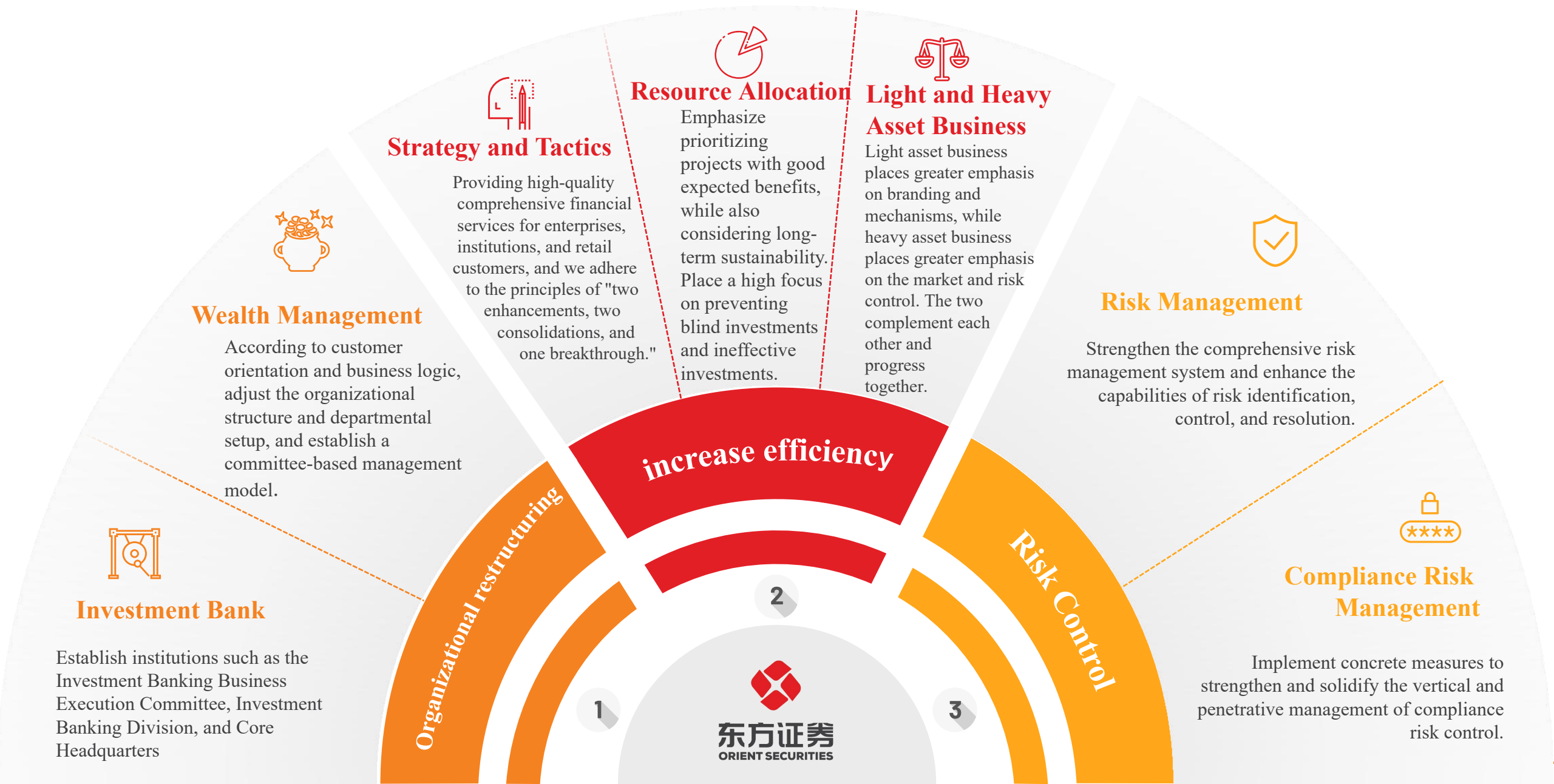
Creating a new advantage: Energy investment banking

Overall Business Strategy

Firmly implementing strategic planning, dynamically optimizing business strategies, and strengthening the focus on Return on Equity (ROE) assessment orientation.

Balancing development and compliance, strengthening professional capabilities, optimizing business structure, and expanding the scale of customers.

Not pursuing industry rankings and business scale unilaterally, but pursuing high-quality development with distinctive characteristics of Dongfang Securities.



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