

# 2024

First Half Year

## Operating Performance Report

Orient Securities First Half Year of 2024 Results Presentation

Orient Securities 600958.SH / 3958.HK



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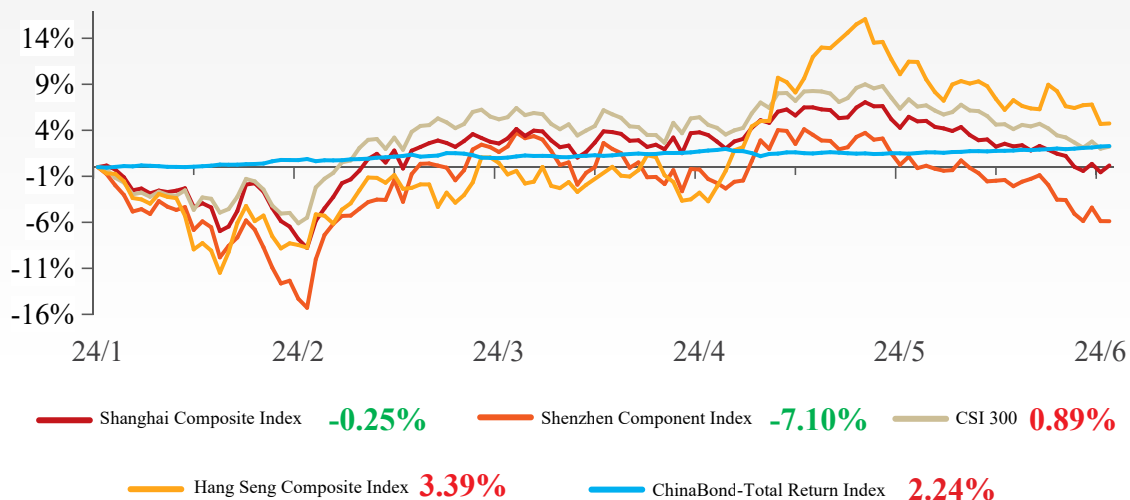
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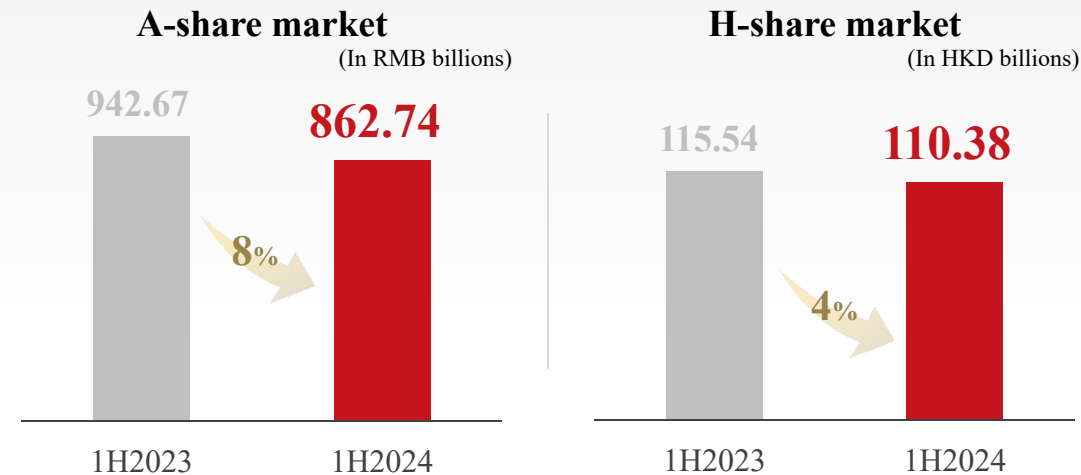
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## 公司未来发展展望

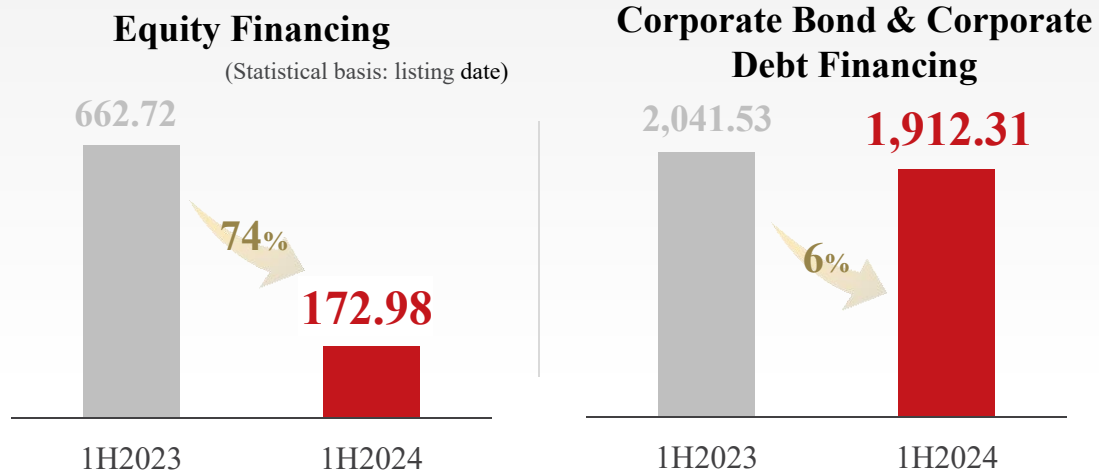
### Performance of Major Indices



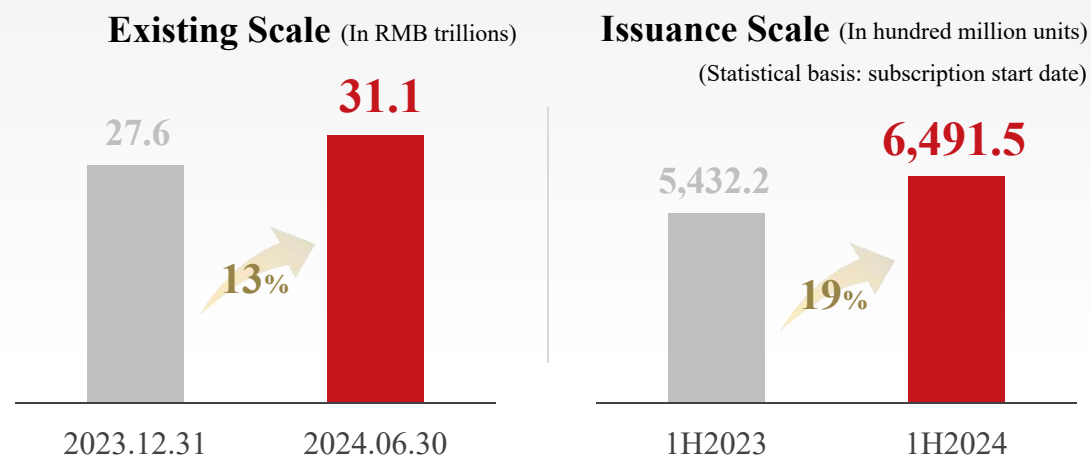
### Average Daily Trading Volume



### Financing Scale (In RMB billions)



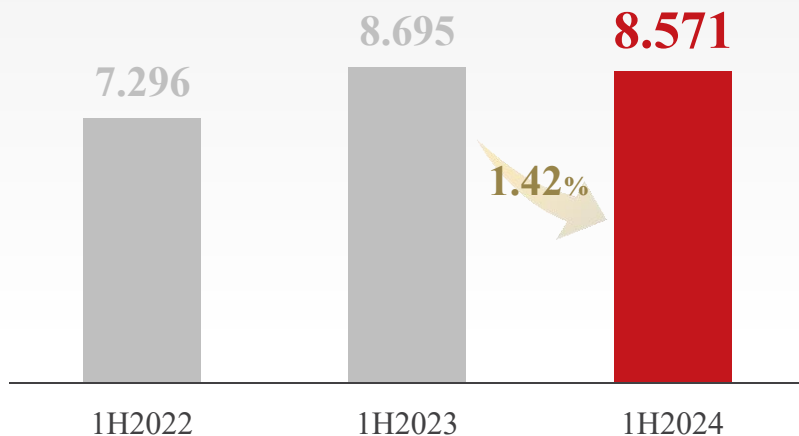
### Public Mutual Fund



## 1.2 Key Operating Data

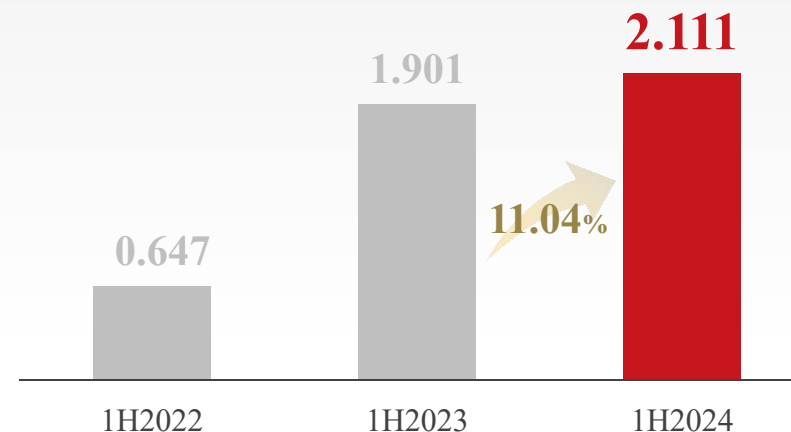
### Operating Revenue

(In RMB billions)



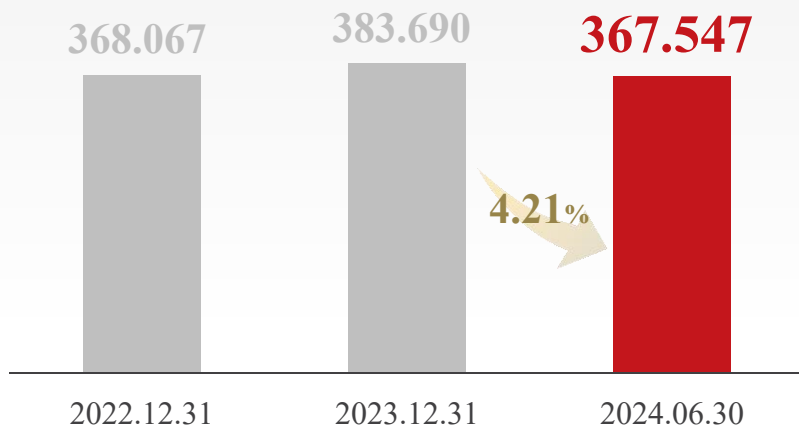
### Net Profit Attributable to the Parent Company

(In RMB billions)



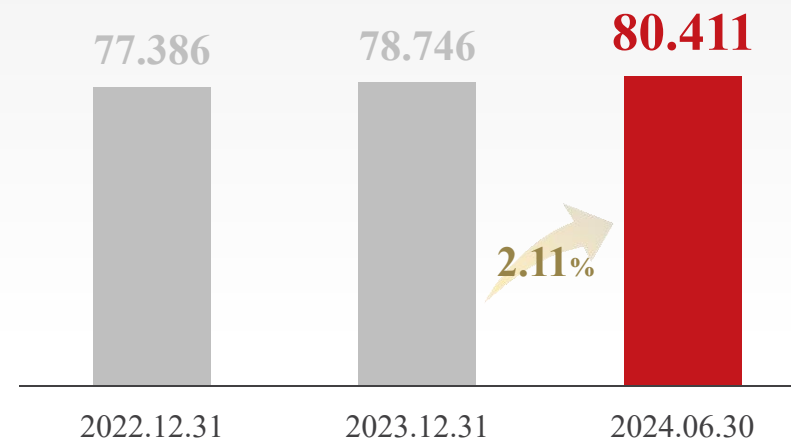
### Total Assets

(In RMB billions)



### Net Assets Attributable to the Parent Company

(In RMB billions)



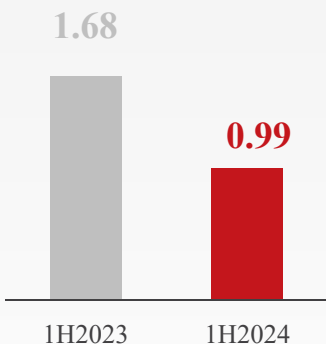
# 1.3 Revenue and Structures of Business Segments



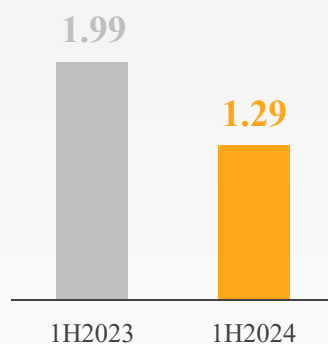
## Operating Revenue of Business Segments

(In RMB billions)

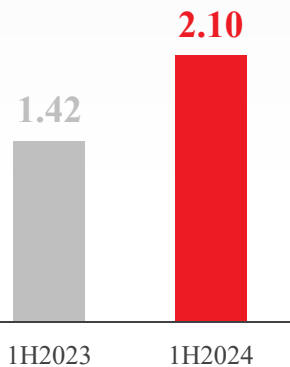
### Investment Management



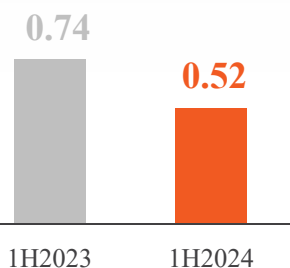
### Wealth Management and Futures



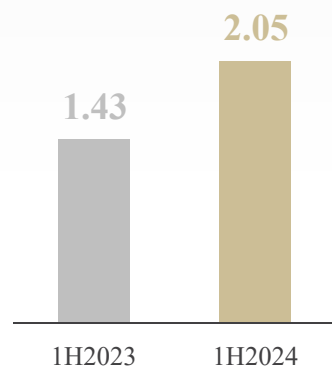
### Securities Sales and Trading



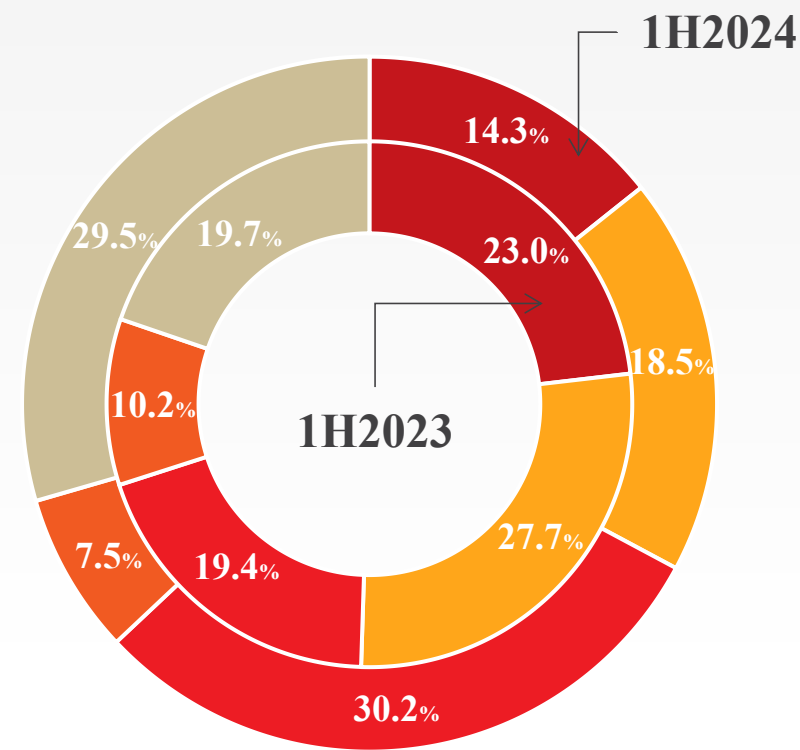
### Investment Banking



### Head Office Management and Others



## Revenue Share of Business Segments



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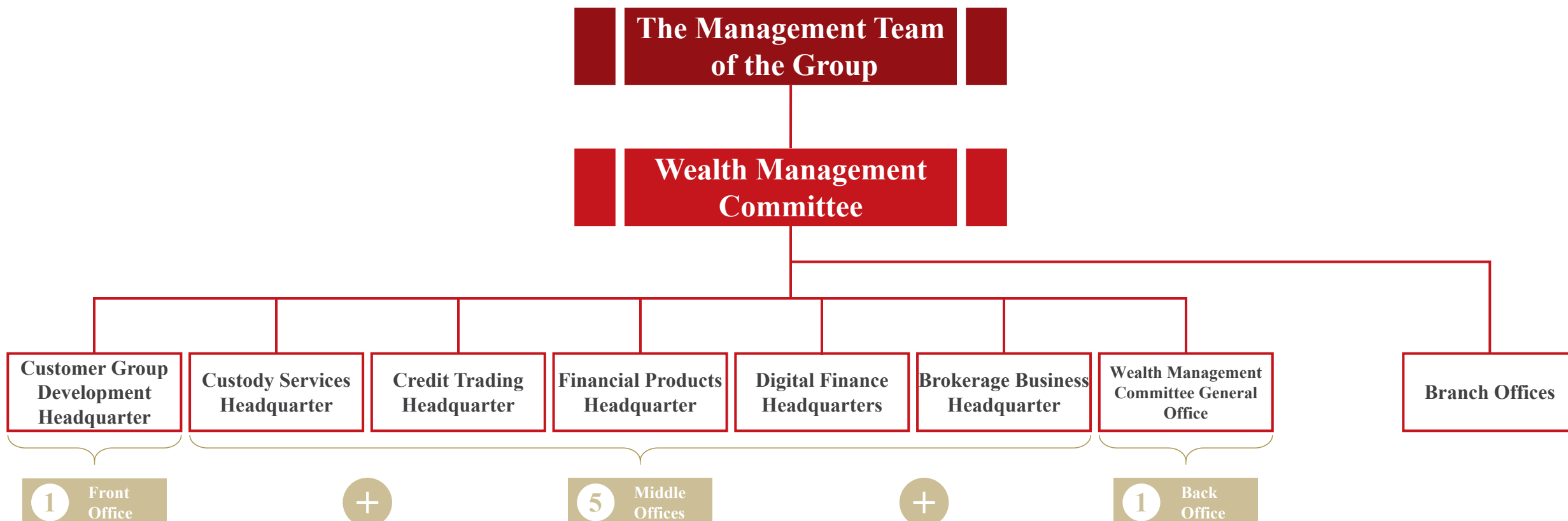
## 公司主要业务概览

### 03 DEVELOPMENT OUTLOOK

## 公司未来发展展望

## Wealth Management: Building a New Framework for Continuous Deep Transformation

To deepen the transformation of wealth management, the Company has established a Wealth Management Committee and integrated seven primary departments to create a new customer-centric wealth management organizational structure. This aims to enhance overall management and comprehensive service capabilities, ultimately building a comprehensive wealth management service platform.





# Wealth Management: Building a New Framework for Continuous Deep Transformation (Continued)

## Brokerage Business

**179**  
Branch offices

**89**  
Covered cities

**2.80 million**  
Total number of customers

**¥702.3 billion**  
Total amount of assets under custody

## Retail Business

### Asset side

Over 6,000 public mutual funds products available for sale, covering a variety of types

**¥9.6 billion**

Non-cash sales scale

Year-on-year ↑ 17%

### Service side

Provides personalized product portfolio solutions and investment advice

**¥47.3 billion**

Non-cash management scale

Copamred to the beginning of the period ↓ 2%

## Fund Investment Advisory

**¥14.6 billion**  
Business scale

**130,000**  
The number of customers

**64 %**  
Customer retention rate

**77 %**  
Customer reinvestment rate

Client returns are better than single-product investments

## Margin Trading and Securities Lending

**¥22.6 billion**

Margin financing and securities lending balance

Copamred to the beginning of the period ↑ 9%

- Develop a tiered pricing management plan for financing business
- Strengthen frontline service and support for branch offices
- Successfully withstand the impact of extreme market conditions

## Private Wealth

### Asset side

Develop a private equity product system with six major strategies and three major risk categories

**5,857**

High-net-worth clients

### Sales side

**67 %**

Year-on-year growth in private equity and asset management sales

**¥138.3 billion**

The total asset of high-net-worth clients

## Institutional Wealth Management

**¥12.1 billion**

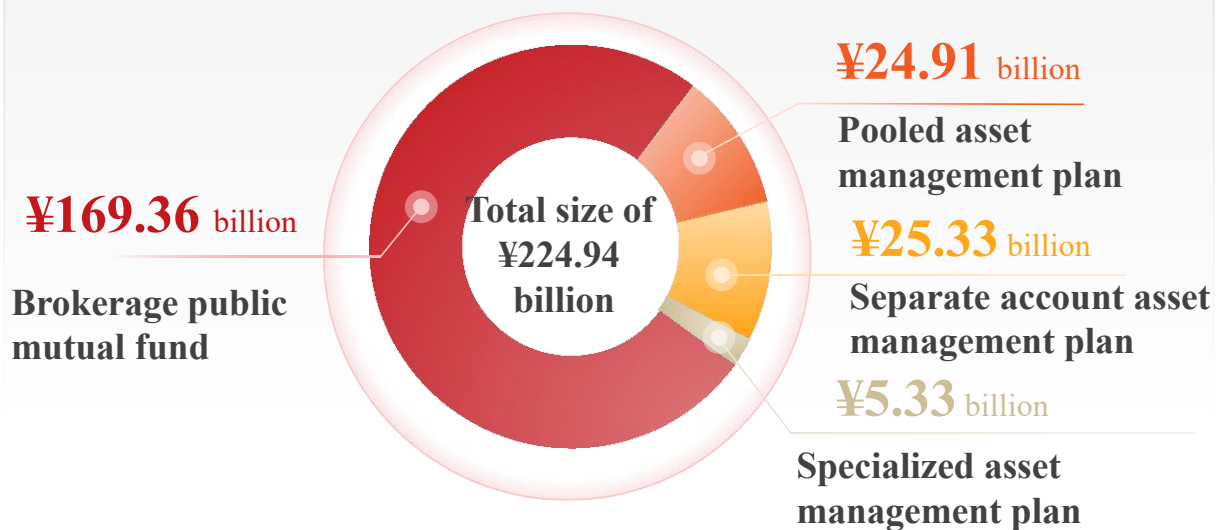
Management scale

Compared to the beginning of the period ↑ 11%

- Partner organizations include insurance companies, commercial banks, and bank wealth management subsidiaries, among other domestic and international clients

# Asset Management: Orient Securities Asset Management Continues to Promote Platform-based, Diversified and Market-oriented Transformation

## AUM



## Long-term Investment Performance

Source: Financial Products Research Center of Haitong Securities Research Institute

Types of Funds	Absolute Rate of Return	Industry Ranking
Equity funds	316.9% over the past ten years	No 2
Fixed income funds	32.8% over the past seven years	Top 40%

## Platform-based, Diversified and Market-oriented

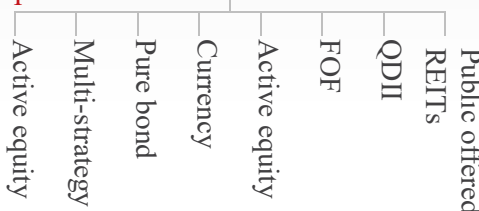
### Investment and Research Teams

Diversified and platform-based transformation has shown initial results

- The equity investment and research coordination mechanism operates well, and investment performance has improved
- Fixed income investment and research continue to consolidate the advantages of multi-asset business and vigorously expand cash management and pure bond business

### Product System

Steadily expand the eight categories of product matrix



### Sales System

Adhere to the capital diversification strategy

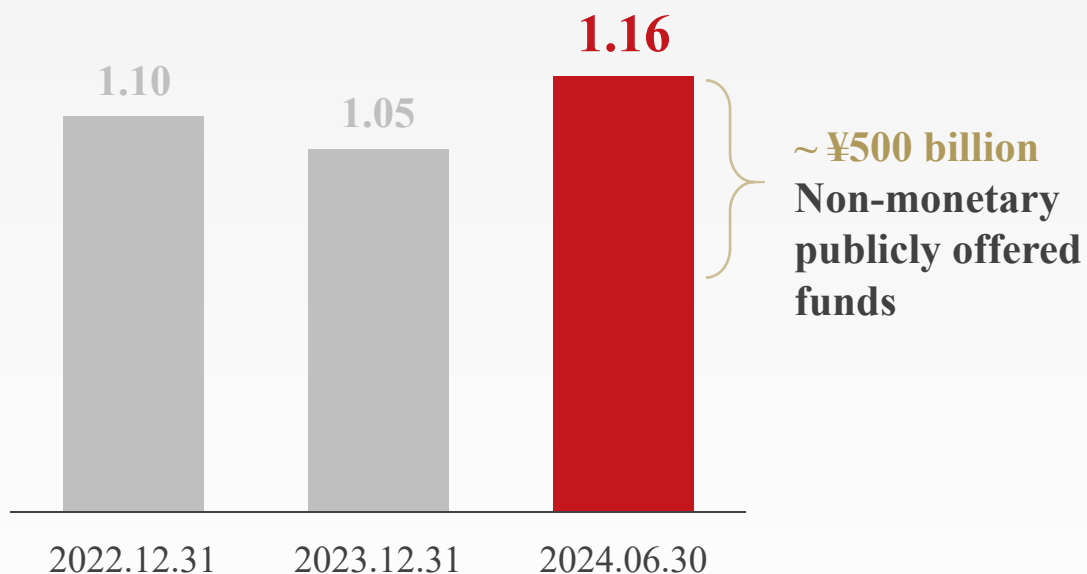
- Steady reduce the reliance on a single channel
- Continue to break through key customers

### Digital and Intelligent System

Build digital and intelligent service capabilities and ecosystems to support platform-based fund companies

## AUM

(In RMB trillions)



- In the second quarter of 2024, the average monthly scale of non-monetary publicly offered funds of China Universal is RMB483.12 billion, ranking the 9th in the industry. (Source: the Asset Management Association of China.)

## Diversified, Collective and International



### Investment philosophy

- Persist in long-term development
- Emphasize the regularity of investment



### Investment and research development

- Deepen industry research coverage
- Strengthen the effective matching of products and people
- Build five fixed income strategy teams according to asset categories



### Product layout

- Counter-trend layout of active equity funds
- Enrich the fixed income and “HTF index” product strategy system



### Customer service

- Build the investment advisory empowerment system
- Improve the digital empowerment business



### International strategy

- Opening of Singapore subsidiary
- Phillip-China Universal MSCI China A50 connectivity EIF listed

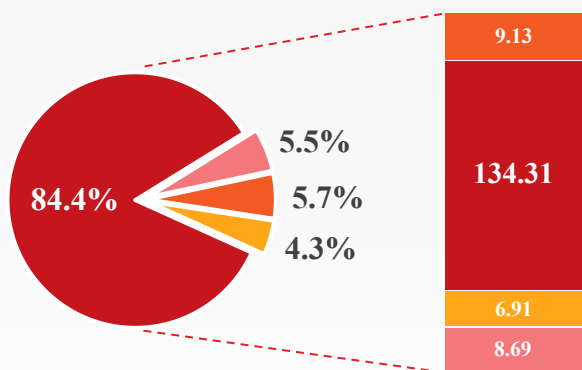
## The balance of proprietary trading business divided by asset category

(In RMB billions)

Stocks Bonds Funds Others

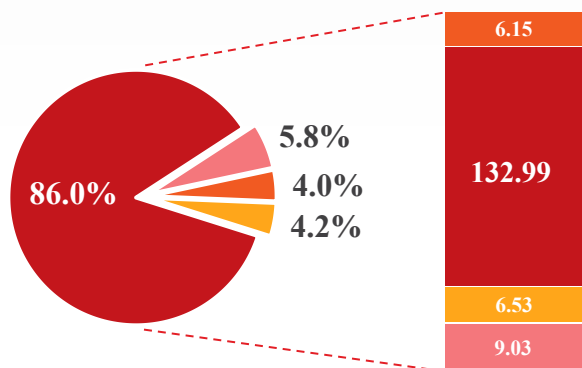
As of June 30, 2024

Total 159.04



As of December 31, 2023

Total 154.70



## FICC Business



### Proprietary Trading Business

Build a multi-asset, multi-strategy investment and research system and quantitative decision-making system, improve independent pricing capabilities, and strictly control credit risks

26 %

Year-on-year increase of spot securities trading volume in the interbank market

81 %

Year-on-year increase of the exchange-traded bonds trading volume

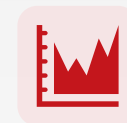
58 %

The increase of principal amount of interest rate swap transactions compared with the beginning of the period



### Innovative Business

- Successfully landed the first batch of Shanghai carbon quota repurchase transactions and the first CCER project forward transaction; became the supervisory unit of the Carbon Action Alliance



### Market-making Business

#### Interbank Market and SSE and the SZSE

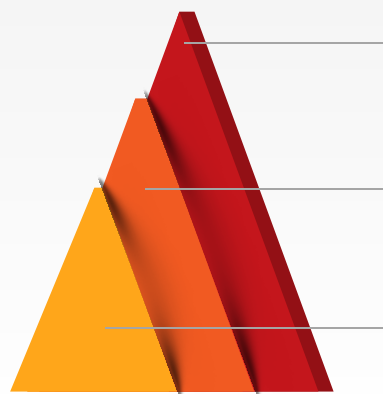
- Policy bank financial bonds, treasury bond futures, etc. continue to rank at the top of the industry
- Shanghai Stock Exchange interest rate bonds ranked in the top three, credit bonds ranked in the top four
- Shenzhen Stock Exchange interest rate bonds continue to receive A-level ratings

#### Vigorously expand overseas customers

- 300+ overseas customers, with spot trading volume of ¥313.3 billion, a year-on-year increase of 15%, ranking among the top in the industry

- The types of bulk commodity proprietary business strategies are constantly enriched, effectively improving returns
- Foreign exchange proprietary trading volume remains at the forefront of the industry

## Equity Proprietary Trading



### High dividend strategy

Optimised allocations and portfolios have performed well

### Trading stock business

Strict position control and promotion of diversification

### Quantitative trading business

Research and development of various quantitative sub-strategies, mining volume and price factors, and self-developing risk models

## Securities Research Institute



**70**

Number of analysts

**¥150 million**

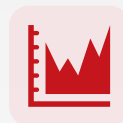
Public offering  
commission income

**No 10**

Ranking of public offering  
commission income in 2023

- Promoting business transformation, creating differentiated investment and research services, strengthening departmental synergies and expanding revenue types
- Adding 10 new institutional clients, all of which are private equity, insurance, brokerage firms and other non-public clients.

## Financial Derivatives



### Market-making Business

#### ■ Equity options market-making

- Fully licensed primary market maker
- Maintaining annual AA rating from the Exchange
- Maintaining top two in terms of volume share

#### ■ Funds market-making

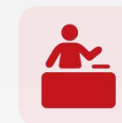
- Number of market-making exceeds 160, up 60% from the beginning of the period
- Close cooperation with leading fund companies

#### ■ Technology and innovation board stock market-making

- Comprehensive service system for individual stocks, ETFs and options products taking shape

#### ■ Commodity futures and options market-making

- Achieving high growth



### Over-the-counter Business

**¥39.9 billion**

The trading volume of over-the-counter options

- Optimise product mix and improve hedging strategies

**¥17.3 billion**

The trading volume of income swap transactions

- Increase the share of low-risk exposure business with a focus on stock indexes - Digitalisation
- Using various tools designed to serve real businesses, over-the-counter derivatives added more than 70 legal persons and managing directors as counterparties

## Stock Underwriting

- Underwrote one equity financing project with an underwriting amount of RMB ¥139 million.



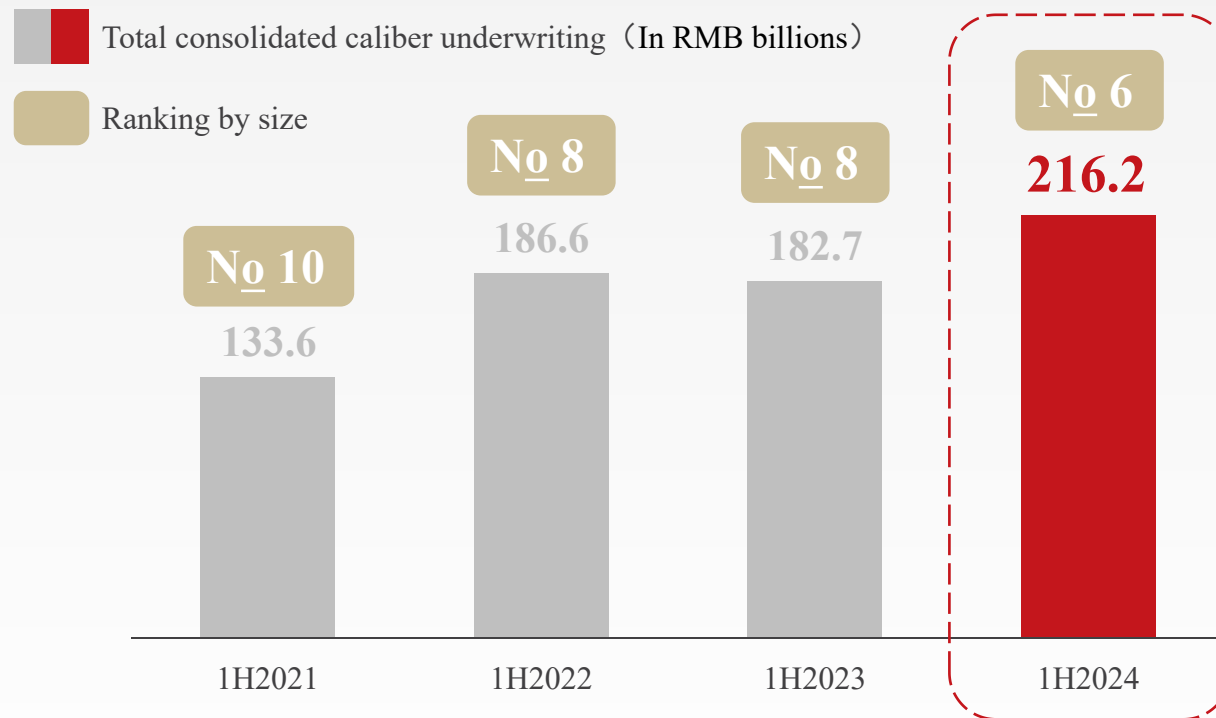
We have rich project experience, client accumulation and talent layout, and stable equity project reserves.

## Energy Investment Banking

Accelerating the development of the “Energy Investment Banking” service brand featuring green finance and ESG

- In terms of equity, we have helped Shanghai SK Automation Technology PLC., a green energy lithium battery module structural component company, to complete its refinancing issuance, and have stockpiled a number of energy projects at the same time.
- In terms of bonds, focusing on the issuance and underwriting of green bonds, we have completed the primary and secondary underwriting of ESG-related bonds with a transaction size of RMB 52.079 billion.

## Bond Underwriting



Continuous innovation of corporate bond varieties

**Corporate Bond**



Technology and innovation bonds

Rural-vitalization-themed bonds

TLAC non-capital bonds

Financial bonds for agriculture, rural areas and farmers

Financial bonds for small and micro enterprises

**Rate Securities**



Maintaining the peer leader

Underwriting of book-entry treasury bonds and financial bonds of the three major policy banks ranked among the top three among brokers



# Subsidiary: Seeking Progress While Maintaining Stability, Enhancing Comprehensive Strength

## Dongzheng Futures



期货

### Industry Ranking

¥70.0+ billion

No 3

Customer equity scale

Industry ranking

### Overseas Layout



The Singapore subsidiary has received licence for securities business activities.

- ✓ With financial technology as its core competitiveness, the Company has independently researched and developed tools such as the Trivial or insignificant, an intelligent investment and research platform, the OST High-Speed Trading Platform, the CommoSmart Commodity Trading Platform, and the Zhida Technology's whole scenario trading APP.

## Dongzheng Innovation

### Equity investment

Targeting investment opportunities in start-ups with reasonable valuations and core technologies

### Special Assets Acquisitions and Disposals

Reducing the proportion invested in "selling projects" and increasing investment in operational properties

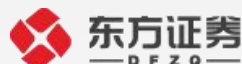
104, ¥4.5 billion

Amount and scale of existing projects



创新投资

## Dongzheng International



國際

### Investment Banking Business

41

Number of bond underwriting projects

100 %

Year-on-year increase in the number of bond underwriting projects

- ✓ Total bond underwriting increased by approximately 10 per cent year-on-year.

### Financial Markets Business

- ✓ Became an active trader of HKEX A50 index futures and obtained the first batch of market maker qualification
- ✓ The scale of off-balance-sheet notes increased by 40%, and developed a new model of QFLP notes and new bond reverse repurchase transactions, etc.

## Dongzheng Capital

Enhancing the foresight and flexibility of investment strategies around hard & core technology companies

57, ¥18.1 billion

Number and size of funds under management

7

Number of surviving listed subjects

139, ¥7.7 billion

Amount and scale of existing investment scale

4

Number of IPOs filed and accepted

东证资本  
ORIENT SECURITIES CAPITAL

## Empowering Business Growth

### Self-employed Super Intelligent Investment Trading Platform

The platform has covered multiple business scenarios and all types of trading products, offering functions such as bond underwriting, transaction management, customer management, and intelligent recommendations, providing clients with comprehensive and one-stop FICC services.



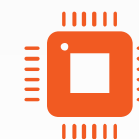
### Wealth Management

The Company steadily constructed a new generation core business system, and the new generation dual-financing system has been validated by the first batch of pilot users. Also, the Orient Integrated Account has completed multiple application and system integrations.



### The Orient Speed Trading

The FPGA development has been accelerated, with the X25 and U50 versions going live, positioning the overall trading speed at a market-leading level.



### “Finoview” Intelligent Investment Research Platform

The personalized recommendation content based on rules has been completed and is now available for external services.



### Online Services

The digital product sales and internet operations drive continuous growth in the number of users and assets held.



## Improving the Quality and Efficiency of Management

The building of the intelligent compliance management platform and the Group risk control system is advancing, while the management system provides panoramic support across all business segments.

## Implementing the Middle Platform Strategy

AI large models have implemented intelligent research report search, smart investment-advisory, and intelligent Q&A applications, and these have officially entered into production. The data middle platform covers the entire process of data services across the entire market of securities industry, with platform capabilities reaching an industry-leading level.

## Strengthening Information Security

95% of capacity data has been automated for collection and monitoring, enhancing the automating management. The intelligent operation maintenance platform has been fully applied across self-operated lines.





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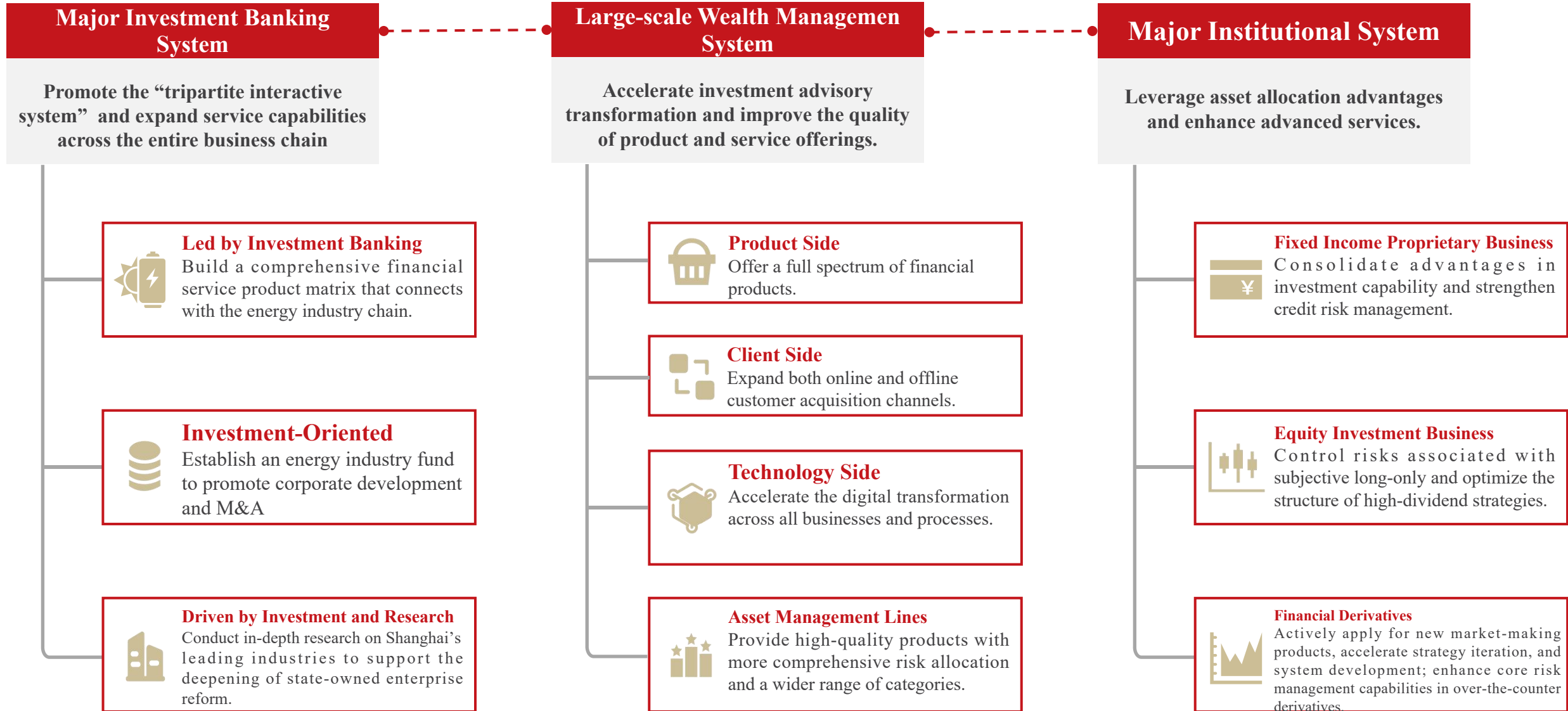
# Overall Business Strategy: Reduce Costs through Intensification and Improve Quality and Efficiency

Stay Aligned with Market Changes  
to adjust to Industry Trends

Maintain Resolve and Steadily Promote High-Quality  
Development with Orient Securities Characteristics



## 3.2 Three Major Businesses Advancing in Parallel



# *Dreaming, Uniting, and Moving Forward*



Scan the QR code to follow our official WeChat account "**Oriental Securities Investor Relations Platform**" and stay updated with important company information in real-time!

