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(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)

ANNOUNCEMENT

INTRAGROUP GUARANTEES IN THE YEAR 2017

The board of directors (the "**Board**") of 東方證券股份有限公司 (the "**Company**") considered and approved a resolution with respect to additional guarantees provided by the Company for its subsidiaries or among its subsidiaries (the "**Intragroup Guarantees**") in 2017 and submitted the same to the general meeting for consideration.

I. DESCRIPTION OF GUARANTEES

In accordance with the operation plan of the Company and in order to minimize the financing costs, some subsidiaries of the Company propose to adopt various fundraising methods in 2017, including bond issuance and banking loans, which may involve guarantees provided by the Company for its subsidiaries or among its subsidiaries. To minimize the financing time cost and prepare internal approval in advance, the Board considers and approves the following matters to be submitted to the general meeting for consideration and approval in accordance with the relevant requirements of the laws and regulations, the articles of association of the Company, and the Measures to Manage External Guarantees:

1. Guarantee limit: the total of additional Intragroup Guarantees provided by the Company and its subsidiaries in 2017 shall not exceed 20% of the latest audited net assets of the Company, and each separate Intragroup Guarantees shall not exceed 10% of the latest audited net assets of the Company.
2. Types: any one-time, multiple-time, or multiple-tranche onshore or offshore debt financing instrument(s) is/are issued through public or non-public offerings (including but not limited to bonds, subordinated bonds, ultra short-term financing bills, short-term financing bills, medium-term notes, notes, and establishment of note programs), or loans are granted from domestic or overseas financial institutions (including but not limited to bank credit, bank loans and syndicated loans).
3. Models: collateralization include guarantees, security, pledges, and other models as required under the provisions of the relevant laws and regulations.

4. Targets: guarantees will be provided by the Company for its wholly-owned subsidiaries (including those with the gearing ratio over 70%), whether directly or indirectly, or provided among its wholly-owned subsidiaries (including those with the gearing ratio over 70%).
5. Authorization: it is proposed that the general meeting of the shareholders will authorize the Board and its authorized representatives to, in their sole discretion, execute all documents in connection with the aforementioned guarantees, obtain approvals from and handle filing formalities with the relevant regulatory authorities and all other relevant matters, and to fulfill the obligation of information disclosure in a timely manner in accordance with the relevant laws and regulations upon the provision of letters of guarantees or issuance of guarantee documents for the Company's wholly-owned subsidiaries.

II. SUMMARY OF THE GUARANTEED PARTIES

The aforementioned targets include but are not limited to the Company's wholly-owned subsidiaries and their respective subsidiaries as below (including those with the gearing ratio over 70%), whether directly or indirectly:

1. Shanghai Orient Securities Futures Co., Ltd

Address: 14/F, Shanghai Futures Building, 500, Pudian Road, China (Shanghai) Pilot Free-Trade Zone. Date of establishment: December 8, 1995. Legal representative: Lu Dayin.

Its registered capital is RMB1.0 billion and the Company holds 100% of its equity. As at December 31, 2016, the total assets and net assets of Shanghai Orient Securities Futures Co., Ltd. amounted to RMB17,821,299.9 thousand and RMB1,478,918.8 thousand, respectively. In 2016, its operating income and net profit amounted to RMB454,910.6 thousand and RMB151,851.3 thousand, respectively.

Principal business: commodities futures brokerage, financial futures brokerage, futures investment consultancy, assets management, funds sale.

2. Shanghai Orient Securities Capital Investment Co., Ltd.

Address: 36/F, Building No. 2, 318 South Zhongshan Road, Huangpu District, Shanghai, China. Date of establishment: February 8, 2010. Legal representative: Jin Wenzhong.

Its registered capital is RMB4.0 billion and the Company holds 100% of its equity. As at December 31, 2016, the total assets and net assets of Shanghai Orient Securities Capital Investment Co., Ltd. amounted to RMB5,088,428.1 thousand and RMB3,760,281.4 thousand, respectively. In 2016, its operating income and net profit amounted to RMB248,715.8 thousand and RMB93,450.1 thousand, respectively.

Principal business: private equity investments and fund businesses, and other businesses approved by the China Securities Regulatory Commission.

3. Orient Finance Holdings (Hong Kong) Limited

Address: 28/F to 29/F, 100 Queen's Road Central, Central, Hong Kong. Date of establishment: February 17, 2010. Chairman: Yang Yucheng.

Its registered capital is HK\$2.1 billion and the Company holds 100% of its equity. As at December 31, 2016, the total assets and net assets of Orient Finance Holdings (Hong Kong) Limited amounted to HK\$10,635,843.2 thousand and HK\$1,756,793.7 thousand, respectively. In 2016, the operating income and net profit amounted to HK\$243,198.8 thousand and HK\$72,930.2 thousand, respectively.

Principal business: investment holdings, as well as conducting brokerage business, corporate financing, assets management businesses, and other businesses through the establishment of its subsidiaries as permitted by the relevant Hong Kong securities regulatory rules and requirements.

4. Offshore BVI Vehicles

The Company will determine the guarantees to any of its offshore BVI vehicles based on financing requirements.

III. OPINIONS OF THE BOARD

The independent opinions issued by the independent directors of the Company with respect to the business transactions are listed as below: the estimation over the limit of the Intragroup Guarantees is approved as the estimation over possible guarantees as provided by the Company to its subsidiaries or among the subsidiaries in 2017, which are caused by the Company's needs under its operating plan and the goal of minimizing financing costs, complies with the relevant requirements of the relevant laws and regulations, the articles of association of the Company, and the Measures to Manage External Guarantees, and its voting procedures are lawful.

IV. ACCUMULATED AMOUNT OF INTRAGROUP GUARANTEES

As at December 31, 2016, the balance of guarantees provided by the Company to its subsidiaries amounted to a total of RMB4.911 billion. There are no overdue guarantees of the Company.

By order of the Board of Directors
PAN Xinjun
Chairman

Shanghai, PRC
March 30, 2017

As at the date of this announcement, the Board of Directors comprises Mr. PAN Xinjun and Mr. JIN Wenzhong as executive Directors; Mr. WU Jianxiong, Mr. ZHANG Qian, Mr. WU Junhao, Mr. CHEN Bin, Mr. LI Xiang, Mr. XU Jianguo, Ms. HUANG Laifang and Mr. ZHOU Yao as non-executive Directors; and Mr. LI Zhiqiang, Mr. XU Guoxiang, Mr. TAO Xiuming, Mr. WEI Anning, Mr. PAN Fei and Mr. XU Zhiming as independent non-executive Directors.