(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 IN RELATION TO THE PROVISION FOR ASSETS IMPAIRMENT

This announcement is made by 東方證券股份有限公司 (the "**Company**") pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Listing Rules.

I. OVERVIEW OF THE PROVISION FOR ASSETS IMPAIRMENT

In accordance with relevant requirements under the China Accounting Standards for Business Enterprises (the "**CASBE**") and the accounting policies of the Company, in order to truly and fairly reflect the Company's financial position as at June 30, 2024 and its operating performance in the first half of 2024, after an assessment of the expected credit losses of the relevant assets of the Company and its subsidiaries, a total provision for assets impairment of RMB311.0233 million was made in the first half of 2024, accounting for more than 10% of the Company's audited net profit for the latest financial year. Details are set out below:

Unit: RMB'0,000

Asset	Provision for the first half of 2024
1. Credit impairment losses	**31,213.80**
Including: Financial assets held under resale agreements	30,176.42
Margin accounts	18.50
Debt investments	0.57
Other debt investments	1,234.32
Others	-216.01
2. Impairment losses on assets	**-111.47**
Including: Long-term equity investment	83.21
Inventory	-194.68
Total	**31,102.33**

II. DETAILS OF PROVISION FOR ASSET IMPAIRMENT

(1) Financial assets held under resale agreements

Pursuant to the CASBE and the relevant accounting policies of the Company, due to factors such as changes in the credit status of financiers and changes in the market value of pledged assets, a provision for impairment of financial assets held under resale agreements amounting to RMB301.7642 million was made in the first half of 2024. This was mainly due to the provision for impairment of stock pledge projects that failed to perform repurchase or supplementary pledge obligations as agreed in the contracts.

(2) Margin accounts

Pursuant to the CASBE and the relevant accounting policies of the Company, a provision for impairment of margin accounts of RMB185 thousand was made in the first half of 2024.

(3) Debt investments

Pursuant to the CASBE and the relevant accounting policies of the Company, a provision for impairment of debt investments of RMB5.7 thousand was made in the first half of 2024.

(4) Other debt investments

Pursuant to the CASBE and the relevant accounting policies of the Company, as affected by the decline in the credit rating of the debtors, a provision for impairment of other debt investments of RMB12.3432 million was made in the first half of 2024.

(5) Other credit impairment

Pursuant to the CASBE and the relevant accounting policies of the Company, a provision for other credit impairment of RMB2.1601 million was reversed in the first half of 2024.

(6) Long-term equity investment

Pursuant to the CASBE and the relevant accounting policies of the Company, a provision for impairment of long-term equity investments of RMB832.1 thousand was made in the first half of 2024.

(7) Inventory

Pursuant to the CASBE and the relevant accounting policies of the Company, a provision for impairment of inventory of RMB1.9468 million was reversed in the first half of 2024.

III. IMPACT OF PROVISIONS FOR ASSET IMPAIRMENT ON THE COMPANY

The Company made a provision for total assets impairment of RMB311.0233 million in the first half of 2024, as a result of which, the Company recorded a decrease of RMB311.0233 million in total profit and RMB233.2675 million in net profit for the first half of 2024, respectively.

By order of the Board of Directors
JIN Wenzhong
Chairman

Shanghai, PRC
August 29, 2024

As at the date of this announcement, the Board of Directors comprises Mr. JIN Wenzhong, Mr. GONG Dexiong and Mr. LU Weiming as executive Directors; Mr. YU Xuechun, Mr. ZHOU Donghui, Ms. LI Yun, Mr. REN Zhixiang and Ms. ZHU Jing as non-executive Directors; and Mr. WU Hong, Mr. FENG Xingdong, Mr. LUO Xinyu, Mr. CHAN Hon and Mr. ZHU Kai as independent non-executive Directors.