东方证券
DFZQ

(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)

MONTHLY UPDATE IN RELATION TO (1) POTENTIAL NOTIFIABLE TRANSACTION – THE PROPOSED ACQUISITION OF 100% EQUITY INTERESTS IN SHANGHAI SECURITIES BY WAY OF ISSUE OF CONSIDERATION A SHARES UNDER SPECIFIC MANDATE AND PAYMENT OF CASH AND (2) APPLICATION FOR WHITEWASH WAIVER

References are made to (i) the announcement of 東方證券股份有限公司 (the "**Company**") dated May 6, 2026 (the "**Announcement**") in relation to, among other things, the potential acquisition of 100% equity interests in Shanghai Securities by way of issue of Consideration A Shares under Specific Mandate and payment of Cash Consideration; (ii) the announcement of the Company dated May 27, 2026 in relation to the delay in despatch of the Circular; (iii) the announcement of the Company dated May 29, 2026 in relation to the appointment of the Hong Kong Independent Financial Adviser; and (iv) the monthly update announcement of the Company dated June 5, 2026 in relation to the Potential Transaction. Unless otherwise specified or the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

UPDATE ON THE POTENTIAL TRANSACTION

The Company wishes to notify the Shareholders and the potential investors of the Company that, as at the date of this announcement, the audit and valuation work in relation to the Potential Transaction (including the Asset Valuation Report) continues to be in progress, and its outcome would form the basis for determining the amount of the Total Consideration. The Company and its advisers are also preparing and finalising the information to be included in the Circular, including but not limited to (i) the letter from the Hong Kong Independent Financial Adviser; and (ii) the financial information of Shanghai Securities.

FURTHER INFORMATION RELATING TO APPLICANTS OF WHITEWASH WAIVER: RELATIONSHIP BETWEEN SIG, SIG INVESTMENT AND GUOTAI HAITONG AND (A) SHANGHAI SASAC AND (B) THE OTHER VENDORS

It was stated in the Announcement that the Vendors of the Potential Transaction intend to make an application to the Executive for the granting of a whitewash waiver pursuant to Note 1 to dispensation from Rule 26 of the Takeovers Code.

Following the Announcement, the Company was provided with the following additional information related to the relationship between Shanghai SASAC and SIG, as well as the facts and circumstances surrounding the discussions between the parties for the Potential Transaction. Based on such information and circumstances, the applicants for the Whitewash Waiver shall be determined to include only some (and not all) of the Vendors, namely Bailian Group and Shanghai Chengtou Group.

It is noted that a circular dated November 22, 2024 was issued by Guotai Junan Securities Co., Ltd. (now known as Guotai Haitong Securities Co., Ltd.) (H share stock code: 02611 and A share stock code: 601211) and Haitong Securities Co., Ltd. in relation to, amongst others, the merger of Guotai Junan Securities Co., Ltd. (now known as Guotai Haitong Securities Co., Ltd.) with Haitong Securities Co., Ltd. by way of absorption and share exchange (the "**Guotai Haitong Joint Circular**").

It is noted that page 35 of the Guotai Haitong Joint Circular disclosed that Shanghai SASAC is not acting in concert with SIG for the purposes of the Takeovers Code in respect of matters of, including the exercising of voting power in, Guotai Haitong for the reasons set out therein. Shanghai SASAC and SIG recently confirmed to the Company that, as at the date of this announcement: (i) such relationship between Shanghai SASAC and SIG as described in the Guotai Haitong Joint Circular has not changed since the publication of the Guotai Haitong Joint Circular, and (ii) the relationship between Shanghai SASAC and SIG in respect of matters of, including the exercising of voting power in, Shanghai Securities is the same as that in respect of Guotai Haitong.

On the basis of the above, Shanghai SASAC is not acting in concert with SIG (and, accordingly, nor with SIG Investment (being wholly-owned by SIG) or Guotai Haitong) for the purposes of the Takeovers Code. Accordingly, for the purposes of the Takeovers Code, the Vendors comprise SIG, SIG Investment and Guotai Haitong (together, the "**SIG Related Vendors**"), on the one hand, and Bailian Group and Shanghai Chengtou Group (together, the "**Whitewash Applicant Vendors**"), on the other hand. SIG and Guotai Haitong have confirmed to the Company that the mere fact that the SIG Related Vendors and the Whitewash Applicant Vendors proposed to sell their equity interests in Shanghai Securities in the Potential Transaction does not affect the above position.

Having considered the circumstances relating to the initiation of the Potential Transaction and the negotiations of the terms of the Potential Transaction, including that such negotiations are being initiated and led by the Company with each Vendor, each Vendor is negotiating independently with the Company on a bilateral basis, with certain difference on the commercial terms and the terms are being primarily driven by the Company's commercial position and applicable PRC laws and regulations, the SIG Related Vendors and the Whitewash Applicant Vendors are not acting in concert with each other, on a *de facto* basis, for the purposes of the Takeovers Code.

Accordingly, the Company has been informed by the Vendors that for the purposes of the Potential Transaction, the SIG Related Vendors are not acting in concert with the Whitewash Applicant Vendors and therefore only the Whitewash Applicant Vendors (namely Bailian Group and Shanghai Chengtou Group) will apply to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 to dispensation from Rule 26 of the Takeovers Code in connection with the Potential Transaction.

IMPLICATIONS UNDER THE TAKEOVERS CODE

Taking into account the above and based on the shareholding structure of the Company as at the date of the Announcement, (a) the Whitewash Applicant Vendors and the parties acting or presumed to be acting in concert with them[1] (the "**Whitewash Applicant Vendors Concert Party Group**") hold in aggregate 2,851,269,858 Shares (representing approximately 33.80% of the total issued share capital of the Company (excluding treasury A Shares)), and (b) the SIG Related Vendors and the parties acting or presumed to be acting in concert with them hold in aggregate 90,883,256 Shares (representing approximately 1.08% of the total issued share capital of the Company (excluding treasury A Shares)).

If the Potential Transaction materialises, it remains the expectation that, immediately after completion thereof, the aggregate voting rights in the Company held by the Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group will increase by more than 2% and will therefore trigger the mandatory general offer obligations of the Whitewash Applicant Vendors in respect of the H Shares under Rule 26.1 of the Takeovers Code. The Total Consideration and the final level of voting rights to be held by the Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group upon completion of the Potential Transaction will be confirmed by way of the Definitive Agreement between the Company and the Vendors.

The Whitewash Applicant Vendors will make an application to the Executive for the granting of a waiver pursuant to Note 1 to dispensation from Rule 26 of the Takeovers Code in respect of such mandatory general offer obligations of the Whitewash Applicant Vendors (the "**Whitewash Waiver**"). Pursuant to the Framework Agreement, implementation of the Potential Transaction remains to be conditional upon the granting of the Whitewash Waiver and such condition is not waivable.

For the purposes of the requisite approval of the Whitewash Waiver, the "**Takeovers Code Independent Shareholders**" shall hereinafter refer to the Shareholders other than (i) the Whitewash Applicant Vendors and Whitewash Applicant Vendors Concert Party Group and (ii) those who are interested in or involved in the Potential Transaction, the Specific Mandate and the Whitewash Waiver.

Further announcement(s) will be made by the Company on the status and progress of the Potential Transaction in accordance with the Takeovers Code and the Listing Rules as well as the timing of despatch of the Circular as and when appropriate.

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[1] As disclosed in the Announcement, with respect to SUMG being presumed to be acting in concert with the Whitewash Applicant Vendors under the Takeovers Code, as at the date of this announcement, an application is currently being made to rebut that presumption.

As the Definitive Agreement is yet to be entered into between the Company and the Vendors, and even if entered into, completion of the Potential Transaction is subject to the satisfaction of certain conditions, therefore the Potential Transaction may or may not proceed. The Whitewash Waiver may or may not be granted by the Executive and, if granted, will, among other things, be subject to the approval by at least 75% of the votes cast by the Takeovers Code Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Takeovers Code Independent Shareholders by way of poll in respect of the Potential Transaction, respectively, at the EGM. Completion of the Potential Transaction is conditional upon, among other things, the approvals, consent and/or registrations by the applicable competent authorities and the Whitewash Waiver being granted by the Executive and approved by the Takeovers Code Independent Shareholders. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
ZHOU Lei
Chairman

Shanghai, PRC
July 3, 2026

As at the date of this announcement, the Board of Directors comprises Mr. ZHOU Lei, Mr. LU Weiming and Mr. LU Dayin as executive Directors; Mr. LIU Wei, Mr. YANG Bo, Mr. SHI Lei, Ms. LI Yun, Mr. XU Yongmiao, Mr. REN Zhixiang and Mr. SUN Weidong 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.