(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)

Executive Directors:
Mr. ZHOU Lei *(Chairman)*
Mr. LU Weiming *(Vice Chairman)*
Mr. LU Dayin

Non-executive Directors:
Mr. LIU Wei
Mr. YANG Bo
Mr. SHI Lei
Ms. LI Yun
Mr. XU Yongmiao
Mr. REN Zhixiang
Mr. SUN Weidong *(Employee Director)*

Independent non-executive Directors:
Mr. WU Hong
Mr. FENG Xingdong
Mr. LUO Xinyu
Mr. CHAN Hon
Mr. ZHU Kai

Registered office:
Orient Securities Building
No. 119 South Zhongshan Road
Huangpu District
Shanghai
PRC

Principal place of business in Hong Kong:
28th and 29th Floor
100 Queen's Road Central
Central
Hong Kong

July 30, 2026

To the Shareholders

Dear Sirs or Madams,

I. INTRODUCTION

References are made to the First Announcement and the Update Announcement, in relation to, among other things, (i) the Proposed Transaction; (ii) the Specific Mandate; and (iii) the Whitewash Waiver.

As disclosed in the First Announcement, on May 6, 2026, the Company has entered into the Framework Agreement with each of the Vendors. Pursuant to the Framework Agreement, the Company has conditionally agreed to acquire, and each of the Vendors has conditionally agreed to sell its respective equity interests in Shanghai Securities which amounted to, an aggregate of 100% of the equity interests in Shanghai Securities (being the Target Equities), with the Total Consideration to be determined after arm's length negotiations between the Company and each of the Vendors based on the appraised value of the Target Equities set out in the Asset Valuation Report, and to be confirmed by way of entering into the Definitive Agreement between the Company and the Vendors.

In addition, as disclosed in the Update Announcement, on July 27, 2026, the Company entered into the Definitive Agreement with each of the Vendors which provides for the Total Consideration for the Proposed Transaction and upon which the number of the Consideration A Shares and the Cash Consideration have been determined by reference to the Total Consideration.

According to the Asset Valuation Report issued by the Valuer, which has been filed with Shanghai SASAC, the appraised value of the Target Equities as at the Valuation Benchmark Date of March 31, 2026 is RMB25,119,840,000. In compliance with the requirement under Rule 11.4 of the Takeovers Code, the Valuer has confirmed that there is no material difference in the appraised value of the Target Equities between the Valuation Benchmark Date and June 30, 2026.

Upon arm's length negotiations between the Company and each Vendor based on the appraised value of the Target Equities set out in the Asset Valuation Report, the Total Consideration has been determined to be RMB25,120,000,000, which shall be settled by the Company as to RMB23,550,000,000 by the allotment and issuance of 2,288,629,735 Consideration A Shares in aggregate to the Vendors at the issue price of RMB10.29 per A Share and as to RMB1,570,000,000 by the payment of Cash Consideration to Guotai Haitong. The Consideration A Shares represent approximately 27.13% of the total issued Shares (excluding treasury A Shares) as at the Latest Practicable Date and approximately 21.34% of the Company's total issued Shares (excluding treasury A Shares) upon Completion as enlarged by the issue of the Consideration A Shares, assuming that (i) there will not be any further adjustment to the issue price of the Consideration A Shares; and (ii) there will be no change in the total issued Shares from the Latest Practicable Date to immediately prior to Completion. Upon entering into the Definitive Agreement between the parties, the Framework Agreement has been superseded in its entirety.

The purpose of this circular is to provide you with, among other things, further details of (i) the Proposed Transaction, (ii) the Specific Mandate, and (iii) the Whitewash Waiver, together with other information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the EGM and/or the H Shares Class Meeting.

At the EGM, ordinary resolutions and special resolutions will be proposed to approve, among other things, (i) the Proposed Transaction, (ii) the Specific Mandate, and (iii) the Whitewash Waiver. At the H Shares Class Meeting, special resolutions will be proposed to approve, among other things, (i) the Proposed Transaction, and (ii) the Specific Mandate.

II. MAJOR TRANSACTION – THE PROPOSED TRANSACTION

1. Principal terms of the Definitive Agreement

The principal terms of the Definitive Agreement are summarised below:

Date	July 27, 2026
Parties	*Purchaser* (1) the Company; *Vendors* (2) Bailian Group; (3) Guotai Haitong; (4) SIG Investment; (5) SIG; and (6) Shanghai Chengtou Group
Target Equities	Pursuant to the Definitive Agreement, the Company has conditionally agreed to acquire, and each Vendor has conditionally agreed to sell its respective interest in Shanghai Securities, which amounted to an aggregate of 100% of the equity interests in Shanghai Securities, of which (1) 50.0000% of the equity interests in Shanghai Securities held by Bailian Group, 18.7400% of the equity interests in Shanghai Securities held by Guotai Haitong, 16.3333% of the equity interests in Shanghai Securities held by SIG Investment, 7.6767% of the equity interests in Shanghai Securities held by SIG, and 1.0000% of the equity interests in Shanghai Securities held by Shanghai Chengtou Group will be satisfied by the Company by way of issuance of the Consideration A Shares, and (2) the remaining 6.2500% of the equity interests in Shanghai Securities held by Guotai Haitong will be satisfied by the Company by way of payment of the Cash Consideration.

Total Consideration

According to the Asset Valuation Report issued by the Valuer, which has been filed with Shanghai SASAC, the appraised value of the Target Equities (as determined under the market approach) as at the Valuation Benchmark Date of March 31, 2026 is RMB25,119,840,000. In compliance with the requirement under Rule 11.4 of the Takeovers Code, the Valuer has confirmed that there is no material difference in the appraised value of the Target Equities between the Valuation Benchmark Date and June 30, 2026. Please refer to Appendix V to this circular for the full text of the Asset Valuation Report and Further Explanatory Notes to the Valuation Report issued by the Valuer and Appendix VI to this circular for the letter of confirmation issued by the Valuer for further details.

Upon arm's length negotiations between the Company and each Vendor based on the appraised value of the Target Equities set out in the Asset Valuation Report, the Total Consideration has been determined to be RMB25,120,000,000, which shall be settled by the Company (i) as to RMB23,550,000,000 by the allotment and issuance of 2,288,629,735 Consideration A Shares in aggregate to the Vendors, calculated based on the adjusted issue price of RMB10.29 per A Share (as set out in the section headed "Issue of the Consideration A Shares" below); and (ii) as to RMB1,570,000,000 by the payment of the Cash Consideration to Guotai Haitong, details of which are set out below:

Vendor	Equity interests in Shanghai Securities as at the date of Definitive Agreement *(Note 1)*	Consideration *(Note 1)*	Cash Portion	Share Portion	Number of Consideration A Shares to be issued	Consideration A Shares as a percentage of the enlarged issued Shares upon Completion *(Note 2)*
	(approximate%)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(Shares)*	*(approximate%)*
Bailian Group	50.0000	12,560,000.0	–	12,560,000.0	1,220,602,526	11.38
Guotai Haitong	24.9900	6,277,486.4	1,570,000.0	4,707,486.4	457,481,668	4.27
SIG Investment	16.3333	4,102,932.3	–	4,102,932.3	398,730,054	3.72
SIG	7.6767	1,928,378.2	–	1,928,378.2	187,403,125	1.75
Shanghai Chengtou Group	1.0000	251,203.2	–	251,203.2	24,412,362	0.23
Total	**100.0000**	**25,120,000.0**	**1,570,000.0**	**23,550,000.0**	**2,288,629,735**	**21.34**

Notes:

(1) *The equity interest percentages for Shanghai Securities set out in the table above are rounded to four decimal places for illustrative purposes only. The consideration payable to each Vendor is calculated based on such Vendor's respective equity interests in Shanghai Securities and may therefore differ slightly from the amounts derived using the rounded percentages set out in the above table due to rounding adjustments.*

(2) *The shareholding percentages in the Company are calculated based on 10,723,728,546 total issued Shares after Completion (excluding any treasury A Shares), assuming that (i) there will not be any further adjustment to the issue price of the Consideration A Shares; and (ii) there will be no change in the total issued Shares since the Latest Practicable Date save for the issue of the Consideration A Shares pursuant to the Definitive Agreement. The percentage figures in this column are subject to rounding adjustments and therefore are approximations only.*

In relation to the consideration arrangement for the Company's acquisition of the 24.99% equity interest in Shanghai Securities held by Guotai Haitong (pursuant to which part of the consideration shall be settled by way of allotment and issue of the Consideration A Shares and the remaining part shall be settled in cash), the arrangement was determined by the Company and Guotai Haitong after arm's length negotiations, having taken into account the following factors: (i) the commercial terms of the Proposed Transaction were agreed between the Company and each of the Vendors through arm's length commercial negotiations in compliance with applicable laws and regulations; (ii) the Proposed Transaction involves the acquisition by the Company of 100% of the equity interests in Shanghai Securities, and the Company sought to minimise its immediate cash outflow arising from the consideration payable under the Proposed Transaction by prioritizing settlement by way of allotment and issuance of shares in its negotiations with each of the Vendors, including Guotai Haitong; (iii) having considered Guotai Haitong's preference for partial cash settlement and the Company's overall funding arrangements, the Company and Guotai Haitong agreed that the consideration for the 6.25% equity interests in Shanghai Securities held by Guotai Haitong shall be settled by way of payment in cash, and the consideration for the remaining 18.74% equity interests shall be settled by way of issue and allotment of Consideration A Shares. Such consideration settlement arrangement was arrived at after arm's length commercial negotiations between each of the parties and enables the Company to preserve a prudent financial position while implementing the Proposed Transaction.

Pursuant to Rule 11.1(b) of the Takeovers Code, the Hong Kong Independent Financial Adviser has confirmed that the Valuer is suitably qualified and experienced to prepare the valuation of the Target Equities. Please refer to Appendix VII to this circular for the letter of confirmation issued by the Hong Kong Independent Financial Adviser in this regard.

The Consideration A Shares in aggregate amount to approximately 27.13% of the Company's total issued Shares (excluding treasury A Shares) as at the Latest Practicable Date and approximately 21.34% of the Company's total issued Shares as enlarged by the issue of the Consideration A Shares upon Completion (excluding treasury A Shares, and assuming that (a) there will not be any further adjustments to the issue price of the Consideration A Shares of RMB10.29 per Consideration A Share; and (b) there will be no change in the total issued Shares from the Latest Practicable Date to immediately prior to Completion). For information of the potential dilution effect of the issuance of the Consideration A Shares in the aggregate, please refer to the section headed "Letter from the Board – III. Effects on the Shareholding Structure of the Company".

Issue of the Consideration A Shares

Issue Price of the Consideration A Shares

The issue price of the Consideration A Shares as set forth in the Definitive Agreement is RMB10.29 per A Share.

As set out in the First Announcement, the issue price of the Consideration A Shares is determined based on the weighted average trading prices of the A Shares for the 120 trading days prior to the Pricing Benchmark Date.

The weighted average trading price of the A Shares for the 120 trading days prior to the Pricing Benchmark Date = the aggregate trading amount[1] of the A Shares for the 120 trading days prior to the Pricing Benchmark Date ÷ the aggregate trading volume of the A Shares for the 120 trading days prior to the Pricing Benchmark Date.

On the basis of the above, the issue price of the Consideration A Shares shall be RMB10.49 per A Share.

[1] The aggregate trading amount has been adjusted after taking into account the ex-dividend adjustment in respect of the Company's 2025 interim profit distribution.

During the period from the Pricing Benchmark Date to the date of issue of the Consideration A Shares, if the Company carries out any ex-rights or ex-dividend events such as dividend distribution, bonus issue, capitalisation of capital reserve, rights issue, etc., the issue price of the Consideration A Shares will be adjusted accordingly in accordance with the relevant PRC laws and the requirements of the regulatory authorities. The adjustment mechanism is set out as follows:

Share Dividends or Capitalisation Issue: $P_1 = P_0/(1 + n)$;

Rights Issue: $P_1 = (P_0 + A \times k)/(1 + k)$;

Share Dividends or Capitalisation Issue and Rights Issue conducted simultaneously: $P_1 = (P_0 + A \times k)/(1 + n + k)$;

Cash Dividend Distribution: $P_1 = P_0 - D$;

Share Dividends or Capitalisation Issue, Rights Issue and Cash Dividend conducted simultaneously: $P_1 = (P_0 - D + A \times k)/(1 + n + k)$.

Where: P_0 represents the effective issue price before adjustment; n represents the rate of share dividend distribution or capitalisation issue; k represents the rights issue ratio; A represents the subscription price for the rights shares; D represents the cash dividend distributed per share; and P_1 represents the effective issue price after adjustment.

The Board and the Shareholders have considered and approved the 2025 annual profit distribution plan, involving a cash dividend of RMB2.00 (tax inclusive) for every 10 Shares (being the 2025 Final Dividend) to be distributed to the A Shareholders and H Shareholders. Given that the aforesaid profit distribution has been implemented as of the date of this circular, the Definitive Agreement provides that the issue price of the Consideration A Shares shall be adjusted to RMB10.29 per A Share in accordance with the price adjustment formula set out above.

The number of Consideration A Shares

The number of Consideration A Shares to be issued shall be determined in accordance with the following formula:

Number of Consideration A Shares to be issued to each Vendor = the transaction consideration payable to each Vendor in the form of share issuance ÷ the issue price of the Consideration A Shares

Where the number of Consideration A Shares to be issued to any Vendor is not a whole number, any fractional shares shall be disregarded and the number shall be rounded down to the nearest whole share.

Details of the number of Consideration A Shares to be issued by the Company to each Vendor are set out in the section headed "Total Consideration" above.

During the period from the Pricing Benchmark Date to the date of issue of the Consideration A Shares, in case of any ex-rights or ex-dividends events of the Company such as dividend distribution, bonus issue, capitalisation of capital reserve, rights issue, etc., the issue price will be adjusted accordingly, and the number of Consideration A Shares to be issued to each Vendor will be adjusted on a corresponding basis.

The final number of Consideration A Shares in aggregate to be issued by the Company to the Vendors shall be subject to approval at the general meeting of the Company, consent by the Shanghai Stock Exchange and registration with the CSRC.

The Consideration A Shares will be listed on the main board of the Shanghai Stock Exchange.

Lock-up Period

Each of the Vendors has undertaken, in accordance with applicable laws and regulations, that it shall not transfer any of the Consideration A Shares within 12 months from the completion date of the issuance of the Consideration A Shares to it (i.e. date of Completion). If applicable laws and regulations, the stock exchanges or the relevant securities regulatory authorities impose any further requirements in respect of such lock-up periods, each Vendor shall agree to provide further undertakings in accordance with such requirements.

The lock-up undertaking shall also apply to any additional A Shares derived from the Consideration A Shares received by each of the Vendors, pursuant to capitalisation of capital reserve, bonus share issue or rights issue, upon completion of the issuance of the Consideration A Shares to it.

Dividends (being arrangements for accumulated and undistributed retained profits)

After Completion, existing and new Shareholders of the Company (including each Vendor) will be entitled to any dividend or distribution that the Company may make based on the financial accounts of the Company in compliance with applicable laws, on a pro-rata basis to their respective shareholdings in the Company.

Conditions Precedent to the Effectiveness of the Definitive Agreement

The effectiveness of the Definitive Agreement shall be conditional upon the fulfilment of all of the following conditions:

(i) the passing of valid resolutions by the Board, the general meeting, the A shares class meeting and the H shares class meeting of the Company approving the Proposed Transaction;

(ii) the completion by each of the Vendors of their internal decision-making procedures in respect of the Proposed Transaction and the obtaining of approvals from their competent internal authorities;

(iii) the granting of a Whitewash Waiver by the Executive in respect of the Proposed Transaction and the approval of the same by the Takeovers Code Independent Shareholders at a general meeting of the Company in accordance with the Takeovers Code;

(iv) the obtaining of the approvals, consents and registration for the Proposed Transaction from Shanghai SASAC, the Shanghai Stock Exchange and the CSRC, and such approvals, consents and registration remaining valid; and

(v) the obtaining of any other necessary prior approvals, endorsements, filings or consents (if any) as required by laws, regulations and competent regulatory authorities.

None of the above conditions to the effectiveness can be waived by any party to the Definitive Agreement. As at the Latest Practicable Date, other than the condition set out in paragraph (ii) above, none of the other conditions to the effectiveness has been fulfilled. The Proposed Transaction will not proceed if the Whitewash Waiver is not granted or if the Whitewash Waiver is not approved by the Takeovers Code Independent Shareholders.

In respect of the condition set out in paragraph (v) above, as at the Latest Practicable Date, the Company is not aware of any other approvals, endorsements, filings or consents which are required to be obtained in respect of the Proposed Transaction. In accordance with the *Anti-Monopoly Law of the PRC* (《中華人民共和國反壟斷法》) and other relevant PRC laws and regulations, the Proposed Transaction does not meet the applicable notification thresholds for a merger control filing. Accordingly, no merger control filing is required to be made to the State Administration for Market Regulation of the PRC in respect of the Proposed Transaction.

In respect of the condition set out in paragraph (iv) above, pursuant to the relevant PRC laws and regulations, it is necessary to obtain (a) the approval of the Proposed Transaction by Shanghai SASAC; (b) the consent of the Proposed Transaction by the Shanghai Stock Exchange; and (c) the consent of and registration with the CSRC of the Proposed Transaction. The application under (a) will be made after the Latest Practicable Date and the approval is expected to be obtained prior to the EGM; and the applications under (b) and (c) will be made after the Proposed Transaction is approved by the Shareholders at the EGM and the obtaining of these approvals is subject to such time period as it takes by the relevant regulators to assess the applications.

Although the Definitive Agreement does not specify a long stop date, each party will endeavour to take necessary steps to procure the fulfilment of the above conditions precedent.

In addition, pursuant to the *Administrative Measures for Major Asset Restructurings of Listed Companies* (《上市公司重大資產重組管理辦法》), shareholders' resolutions approving a relevant transaction, for example, the Proposed Transaction, shall specify a validity period. As such, the relevant resolutions of Shareholders approving the Proposed Transaction will provide a validity period of 12 months from the EGM. In the event that Completion does not occur within 12 months of the EGM, the Company is required to seek the approval of the Shareholders in a general meeting to extend the validity period, and if the requisite approval is not obtained, the Proposed Transaction will not proceed.

Further announcement(s) will be made as and when appropriate if the condition(s) set out above has been satisfied.

Attribution of Profits and Losses for the Transitional Period

All profits and losses generated by the Target Equities during the Transitional Period shall be enjoyed or borne by the Company. The parties to the Proposed Transaction will not adjust the Total Consideration of the Target Equities according to the profits and losses during the Transitional Period.

Transfer of the Target Equities

Within 30 business days after all the conditions to the effectiveness of the Definitive Agreement have been fulfilled (or such later date as reasonably determined by the Company at its discretion), each party shall cooperate to complete the transfer of the Target Equities and the registration of corporate changes of the Target Equities in the name of the Company with the competent market supervision and administration authority.

Payment Arrangements

After the Target Equities Closing Date, the Company shall complete the issue and allotment of the Consideration A Shares to each of the Vendors as soon as possible.

Within 10 business days from the Target Equities Closing Date (or such later date as may be agreed between the Company and Guotai Haitong), the Company shall pay the Cash Consideration to Guotai Haitong.

For the purpose of the Proposed Transaction, Completion means (i) the occurrence of the Target Equities Closing Date; and (ii) the completion of the issue of the Consideration A Shares. Payment of the Cash Consideration will take place after the Target Equities Closing Date, which may take place before or after Completion.

Transfer of Creditors' Rights and Debts of Shanghai Securities

The Proposed Transaction does not involve any transfer of creditors' rights and debts of Shanghai Securities.

Arrangements for Employees of Shanghai Securities

The Proposed Transaction does not involve any change to the employment relationships, or resettlement of the employees, of Shanghai Securities.

Termination

The Definitive Agreement shall be terminated upon the occurrence of any of the following circumstances:

(i) each of the parties agrees in writing to terminate the Definitive Agreement;

(ii) any competent government authority or regulatory authority requires termination of the Proposed Transaction in accordance with applicable laws;

(iii) any party terminates the Definitive Agreement by written notice due to force majeure; or

(iv) other circumstances under which termination is required pursuant to applicable laws.

In relation to the Proposed Transaction, the Company intends to acquire 100% equity interests in Shanghai Securities. If any Vendor fails to transfer its respective equity interests in Shanghai Securities to the Company, the Company shall be entitled, at its discretion, to unilaterally terminate the Definitive Agreement and terminate the Proposed Transaction without incurring any liability.

Others	Upon the entering into the Definitive Agreement, the Framework Agreement has been superseded in its entirety. Between the date of the First Announcement and the Target Equities Closing Date, the Vendors undertake to assist the Company in ensuring that Shanghai Securities and its subsidiaries continue to operate in the ordinary course of business. The Vendors further undertake not to engage in any conduct that would, or would be likely to, have a material adverse effect on the business, operations or financial condition of Shanghai Securities or any of its subsidiaries.

Completion of the Proposed Transaction is subject to the satisfaction of certain conditions, and 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 Proposed Transaction, respectively, at the EGM. Conditions to the completion of the Proposed Transaction include, among other things, the approvals, consents and/or registrations by or with the applicable competent authorities, and the Whitewash Waiver being granted by the Executive and being approved by the Takeovers Code Independent Shareholders. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

2. Comparison of issue price for Consideration A Shares

The issue price of the Consideration A Shares was determined after arm's length negotiations between each of the parties, based on the weighted average trading price of the A Shares over the 120 trading days immediately preceding the Pricing Benchmark Date and having taken into account the following factors: (i) compliance with applicable PRC regulatory requirements – pursuant to the *Administrative Measures for the Material Asset Restructuring of Listed Companies* (《上市公司重大資產重組管理辦法》), the issue price of shares to be issued by a listed company shall not be less than 80% of the market reference price and the market reference price shall be one of the average trading prices of the listed company's shares over the 20 trading days, 60 trading days or 120 trading days immediately preceding the date of publication of the announcement of the board resolutions in relation to the acquisition of assets by way of issuance of shares; and (ii) mitigation of the impact of short-term fluctuations in the trading price of A Shares – the 120-trading-day pricing basis covers a relatively longer reference period, it is expected to help reduce the impact of short-term market volatility and fluctuations in the share price.

The issue price of RMB10.29 per Consideration A Share:

(a) represents a premium of approximately 12.58% over RMB9.14, the closing price of A Shares as quoted on the Shanghai Stock Exchange on the last trading day (being April 17, 2026) prior to the Pricing Benchmark Date, after deducting the 2025 Final Dividend;

(b) represents a premium of approximately 14.33% over RMB9.00, the weighted average trading price of the A Shares on the Shanghai Stock Exchange during the 20 trading days prior to the Pricing Benchmark Date, after deducting the 2025 Final Dividend;

(c) represents a premium of approximately 5.54% over RMB9.75, the weighted average trading price of the A Shares on the Shanghai Stock Exchange during the 60 trading days prior to the Pricing Benchmark Date, after deducting the 2025 Final Dividend;

(d) equals RMB10.29, the weighted average trading price of the A Shares on the Shanghai Stock Exchange over the 120 trading days prior to the Pricing Benchmark Date, after deducting the 2025 Final Dividend;

(e) represents a premium of approximately 13.33% over RMB9.08, the closing price of A Shares as quoted on the Shanghai Stock Exchange on the Latest Practicable Date; and

(f) represents a premium of approximately 8.89% over RMB9.45, the audited net asset value (after deducting perpetual subordinated bonds) attributable to the equity holders of the Company per Share as at December 31, 2025.

3. Information on Shanghai Securities

Shanghai Securities is a limited liability company established in the PRC on April 27, 2001. Shanghai Securities is principally engaged in wealth management, securities trading and investment, asset management, investment banking, and other businesses in the PRC.

The shareholding structure of Shanghai Securities as at the Latest Practicable Date is set out as follows:

Shareholders of Shanghai Securities	Approximate percentage of equity interests as at the Latest Practicable Date
Bailian Group	50.0000%
Guotai Haitong	24.9900%
SIG Investment	16.3333%
SIG	7.6767%
Shanghai Chengtou Group	1.0000%
Total	**100.0000%**

The audited financial information of Shanghai Securities, prepared in accordance with IFRS Accounting Standards, for the three financial years ended December 31, 2025 and the three months ended March 31, 2026 is set out below:

	For the year ended December 31, 2023 *(audited)* *RMB thousand*	**For the year ended December 31, 2024** *(audited)* *RMB thousand*	**For the year ended December 31, 2025** *(audited)* *RMB thousand*	**For the three months ended March 31, 2026** *(audited)* *RMB thousand*
Total assets	73,072,366	85,534,888	95,865,807	103,193,222
Total liabilities	55,706,700	66,729,607	76,060,741	83,072,451
Total equity	17,365,666	18,805,281	19,805,066	20,120,771
Total revenue, other income and net gains and losses	3,011,315	4,369,562	4,969,118	950,642
Profit before income tax	305,736	1,057,010	1,611,828	181,035
Profit for the year/period	353,233	953,461	1,323,494	151,329

Please refer to Appendix II to this circular for the accountants' report on the historical financial information of Shanghai Securities for the three financial years ended December 31, 2025 and the three months ended March 31, 2026.

4. **Information on the Company and each of the Vendors**

(i) The Company

The Company is a joint stock company incorporated in the PRC with limited liability, the A Shares and H Shares of which are listed and traded on the main board of the Shanghai Stock Exchange (stock code: 600958) and the Main Board of the Hong Kong Stock Exchange (stock code: 03958) respectively, and is principally engaged in wealth and asset management, investment banking and alternative investment, institutions and sales trading, and international and other businesses.

(ii) Bailian Group

Bailian Group is a limited liability company incorporated in the PRC, the principal businesses of which are convenience store chains, integrated department stores, commodities trading, and specialty retail chains. Bailian Group became the controlling shareholder of Shanghai Securities since February 2021 and, as at the Latest Practicable Date, holds 50.0000% of the equity interests in Shanghai Securities. As at the Latest Practicable Date, Bailian Group's ultimate beneficial owner is Shanghai SASAC.

(iii) Guotai Haitong

Guotai Haitong is a joint stock company incorporated in the PRC with limited liability, whose A shares and H shares are listed and traded on the main board of the Shanghai Stock Exchange (stock code: 601211) and the Main Board of the Hong Kong Stock Exchange (stock code: 02611), respectively. The principal businesses of Guotai Haitong are wealth management, investment banking, institution and transaction, investment management, finance lease and other business. As at the Latest Practicable Date, SIG and its subsidiaries collectively hold approximately 20.4% of the equity interests in Guotai Haitong, as its largest shareholder.

(iv) SIG Investment

SIG Investment is a limited liability company incorporated in the PRC, the principal businesses of which are asset management, industrial investment, enterprise management consultancy and financial consultancy. As at the Latest Practicable Date, SIG Investment is a wholly-owned subsidiary of SIG, and its ultimate beneficial owner is Shanghai SASAC.

(v) SIG

SIG is a limited liability company incorporated in the PRC, the principal businesses of which are investment primarily in the financial sector and secondarily in the non-financial sector, capital operation and asset management, financial research and socio-economic consultancy. As at the Latest Practicable Date, the ultimate beneficial owner of SIG is Shanghai SASAC.

(vi) Shanghai Chengtou Group

Shanghai Chengtou Group is a limited liability company incorporated in the PRC, which is a state-owned enterprise group principally engaged in the investment, development, and operation and management of urban infrastructure projects. As at the Latest Practicable Date, the ultimate beneficial owner of Shanghai Chengtou Group is Shanghai SASAC.

Accordingly, each of the Vendors and its ultimate beneficial owners are Independent Third Parties.

III. EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the total issued Shares are 8,496,645,292 Shares, which comprises 7,469,482,864 A Shares (of which 61,546,481 are treasury A Shares) and 1,027,162,428 H Shares.

For illustrative purposes, set out below is the shareholding structure of the Company (the shareholding percentages are calculated after excluding any treasury A Shares):

(i) as at the Latest Practicable Date; and

Shareholding as at the Latest Practicable Date

Shareholder	Number of A Shares Held	Approximate % of Issued A Shares*(Note 1)*	Number of H Shares Held	Approximate% of Issued H Shares	Total Number of Shares Held	Approximate% of the Total Issued Shares*(Note 1)*
Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group						
1. Bailian Group	–	–	–	–	–	–
2. Shanghai Chengtou Group	–	–	–	–	–	–
3. Shenergy*(Note 2)*	2,262,428,700	30.54%	–	–	2,262,428,700	26.82%

Shareholding as at the Latest Practicable Date

Shareholder	Number of A Shares Held	Approximate % of Issued A Shares(Note 1)	Number of H Shares Held	Approximate% of Issued H Shares	Total Number of Shares Held	Approximate% of the Total Issued Shares(Note 1)
4. Shanghai Jinqiao(Note 2)	124,328,872	1.68%	–	–	124,328,872	1.47%
5. Others(Note 2)	152,289,544	2.06%	1,106,400	0.11%	153,395,944	1.82%
6. Sub-total (1+2+3+4+5)	**2,539,047,116**	**34.27%**	**1,106,400**	**0.11%**	**2,540,153,516**	**30.11%**
Other Vendors and their subsidiaries						
7. Guotai Haitong and its subsidiaries(Note 3)	49,846,271	0.67%	24,911,600	2.43%	74,757,871	0.89%
8. SIG and its subsidiaries	–	–	–	–	–	–
9. Sub-total (7+8)	**49,846,271**	**0.67%**	**24,911,600**	**2.43%**	**74,757,871**	**0.89%**
Other Shareholders						
10. Associated companies of Other Vendors(Note 4)	9,595,671	0.13%	6,583,200	0.64%	16,178,871	0.19%
11. Other A Share public shareholders	4,809,447,325	64.92%	–	–	4,809,447,325	57.02%
12. Other H Share public shareholders(Note 5)	–	–	994,561,228	96.83%	994,561,228	11.79%
13. Sub-total (10+11+12)	**4,819,042,996**	**65.05%**	**1,001,144,428**	**97.47%**	**5,820,187,424**	**69.00%**
14. Sub-total (6+9+13)	**7,407,936,383**	**100%**	**1,027,162,428**	**100%**	**8,435,098,811**	**100%**
15. Treasury A Shares(Note 1)	61,546,481		–		61,546,481	
Total	**7,469,482,864**		**1,027,162,428**		**8,496,645,292**	

(ii) immediately after Completion (on the basis that the Total Consideration to be settled by way of issuance of Consideration A Shares is RMB23,550,000,000, and assuming that (a) there will not be any further adjustments to the issue price of the Consideration A Shares of RMB10.29 per A Share; and (b) there will be no change in the total issued Shares since the Latest Practicable Date save for the issue of the Consideration A Shares pursuant to the Definitive Agreement).

Shareholding immediately after Completion

Shareholder	Number of A Shares Held	Approximate % of Issued A Shares*(Note 1)*	Number of H Shares Held	Approximate% of Issued H Shares	Total Number of Shares Held	Approximate% of the Total Issued Shares*(Note 1)*
Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group						
1. Bailian Group	1,220,602,526	12.59%	–	–	1,220,602,526	11.38%
2. Shanghai Chengtou Group	24,412,362	0.25%	–	–	24,412,362	0.23%
3. Shenergy*(Note 2)*	2,262,428,700	23.33%	–	–	2,262,428,700	21.10%
4. Shanghai Jinqiao*(Note 2)*	124,328,872	1.28%	–	–	124,328,872	1.16%
5. Others*(Note 2)*	152,289,544	1.57%	1,106,400	0.11%	153,395,944	1.43%
6. Sub-total (1+2+3+4+5)	**3,784,062,004**	**39.02%**	**1,106,400**	**0.11%**	**3,785,168,404**	**35.30%**
Other Vendors and their subsidiaries						
7. Guotai Haitong and its subsidiaries*(Note 3)*	507,327,939	5.23%	24,911,600	2.43%	532,239,539	4.96%
8. SIG and its subsidiaries	586,133,179	6.04%	–	–	586,133,179	5.47%
9. Sub-total (7+8)	**1,093,461,118**	**11.28%**	**24,911,600**	**2.43%**	**1,118,372,718**	**10.43%**
Other Shareholders						
10. Associated companies of Other Vendors*(Note 4)*	9,595,671	0.10%	6,583,200	0.64%	16,178,871	0.15%
11. Other A Share public shareholders	4,809,447,325	49.60%	–	–	4,809,447,325	44.85%
12. Other H Share public shareholders*(Note 5)*	–	–	994,561,228	96.83%	994,561,228	9.27%
13. Sub-total (10+11+12)	**4,819,042,996**	**49.70%**	**1,001,144,428**	**97.47%**	**5,820,187,424**	**54.27%**
14. Sub-total (6+9+13)	**9,696,566,118**	**100%**	**1,027,162,428**	**100%**	**10,723,728,546**	**100%**
15. Treasury A Shares*(Note 1)*	61,546,481		–		61,546,481	
Total	**9,758,112,599**		**1,027,162,428**		**10,785,275,027**	

Notes:

1. *The shareholding percentages in the above table and in the notes below are calculated after excluding any treasury A Shares as treasury A Shares do not carry voting rights in accordance with the Rules on Share Repurchases by Listed Companies (《上市公司股份回購規則》) issued by CSRC.*

2. *Certain Shareholders (namely those set forth in paragraphs (i) to (vii) in this note 2) are ultimately controlled by Shanghai SASAC or district-level state-owned assets supervision and administration commissions in Shanghai. Pursuant to class (1) of the definition of "acting in concert" under the Takeovers Code, the aforementioned shareholders are presumed to be acting in concert with the Whitewash Applicant Vendors. These Shareholders are as follows:*

   (i) *Shenergy holds 2,262,428,700 A Shares (representing 26.82% of the total issued Shares);*

   (ii) *Shanghai Jinqiao holds 124,328,872 A Shares (representing 1.47% of the total issued Shares);*

   (iii) *Shanghai Join Buy Co., Ltd.* (上海九百股份有限公司) holds 32,458,925 A Shares (representing 0.38% of the total issued Shares);*

   (iv) *Shanghai Construction Group Co., Ltd.* (上海建工集團股份有限公司) holds 72,947,867 A Shares (representing 0.86% of the total issued Shares);*

   (v) *Shanghai Electric Holding Group Co., Ltd.* (上海電氣控股集團有限公司) holds 13,760,256 A Shares (representing 0.16% of the total issued Shares);*

   (vi) *Shanghai Electric Group Hongkong Company Limited (上海電氣集團香港有限公司) holds 1,106,400 H Shares (representing 0.01% of the total issued Shares);*

   (vii) *Shanghai New South West (Group) Co., Ltd.* (上海新南西(集團)有限公司) holds 12,142,783 A Shares (representing 0.14% of the total issued Shares);*

   (viii) *In addition, the Company's largest shareholder, Shenergy, is wholly owned by Shanghai SASAC. Accordingly, the Company and its subsidiaries and associated companies are presumed to be acting in concert with the Whitewash Applicant Vendors under class (1) of the definition of 'acting in concert' under the Takeovers Code. As at the Latest Practicable Date, China Universal Asset Management Co., Ltd.* (匯添富基金管理股份有限公司), as an associated company of the Company and in the ordinary course of business as a financial institution, holds 20,979,713 A Shares (representing 0.25% of the total issued Shares), of which 1,295,165 A Shares are held as investment products (representing 0.02% of the total issued Shares) and 19,684,548 A Shares (representing 0.23% of the total issued Shares) are held in its capacity as a manager of certain passively-managed funds as part of their ordinary course of business. Given the passive nature of the aforementioned activities, certain non-discretionary dealings in the Shares may be conducted in the course of managing such fund products. As of the Latest Practicable Date, the Executive has confirmed that such dealings in the Shares do not constitute disqualifying transactions under the Takeovers Code. Please refer to paragraph (B) of the section headed "7. Shareholdings of and Dealings in the Securities of the Company and the Whitewash Applicant Vendors" in Appendix IX to this circular for further details.*

   The shareholdings in paragraphs (iii) to (viii) of this note 2 (being the shareholdings included in "Others" in item 5 of the shareholding structure of the Company above) amounted to an aggregate of 153,395,944 Shares, representing 1.82% of the total issued Shares.

3. *Guotai Haitong and its subsidiaries in their businesses of proprietary trading in equities, proprietary securities lending, and management of publicly offered fund products, asset management plans, privately offered fund products and other investment products, which businesses are in the ordinary course of business for financial institutions, hold an aggregate of 49,846,271 A Shares (representing 0.59% of the total issued Shares) and 24,911,600 H Shares (representing 0.30% of the total issued Shares), of which:*

   (i) *Guotai Haitong holds 1,269,740 A Shares (representing 0.02% of the total issued Shares) and 21,494,400 H Shares (representing 0.25% of the total issued Shares);*

   (ii) *Shanghai Guotai Haitong Securities Asset Management Co., Ltd.* (上海國泰海通證券資產管理有限公司) holds 35,600 H Shares (representing 0.0004% of the total issued Shares);*

(iii) HuaAn Fund Management Co., Ltd. (華安基金管理有限公司) holds 8,974,188 A Shares (representing 0.11% of the total issued Shares) and 3,381,600 H Shares (representing 0.04% of the total issued Shares);*

(iv) HFT Investment Management Co., Ltd. (海富通基金管理有限公司) holds 39,468,015 A Shares (representing 0.47% of the total issued Shares); and*

(v) Guotai Junan Financial Products Limited (國泰君安金融產品有限公司) holds 134,328 A Shares (representing 0.002% of the total issued Shares).

4. *This includes:*

   (i) Shanghai International Trust Co., Ltd. (上海國際信託有限公司) and AXA-SPDB Investment Managers Co., Ltd.* (浦銀安盛基金管理有限公司), which are associated companies under the Takeovers Code (but not close associates under the Hong Kong Listing Rules) of SIG; and*

   (ii) Fullgoal Fund Management Co., Ltd. (富國基金管理有限公司) and Fullgoal Asset Management (HK) Limited (富國資產管理(香港)有限公司), which are associated companies under the Takeovers Code (but not close associates under the Hong Kong Listing Rules) of Guotai Haitong.*

   The above entities hold an aggregate of 9,595,671 A Shares (representing approximately 0.11% of the total issued Shares) and 6,583,200 H Shares (representing approximately 0.08% of the total issued Shares). These entities have confirmed to the Company that they are not close associates of Guotai Haitong and SIG (as applicable) under the Hong Kong Listing Rules and, other than solely as Shareholders, they are not interested in or involved in the Proposed Transaction, the Specific Mandate or the Whitewash Waiver.

5. *The public float percentage of the Shares of the Company complies with the requirements under Rule 19A.28B(2) of the Hong Kong Listing Rules. Assuming that there will be no change in the total issued Shares from the Latest Practicable Date up to and including the date of Completion, the public float percentage of the Company will continue to comply with the requirements under Rule 19A.28B(2) of the Hong Kong Listing Rules immediately upon Completion.*

6. *The percentage figures set forth in the above table are rounded to the nearest two decimal places and therefore may not add up due to rounding.*

Apart from the above, as at the Latest Practicable Date, the Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group, in the respective ordinary course of their investment businesses, also hold indirect interests in additional Shares through investing in investment products issued and/or managed by third parties (some of which constitutes derivatives under the Takeovers Code), but without holding any ownership or voting rights in such underlying Shares. As the composition of the underlying securities in such investment products may change under the management of third-party issuers/fund managers and without any control by the Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group, there may be fluctuations in respect of these interests. The aforementioned interests are not aggregated with the aggregate shareholding (or voting rights) of the Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group as set out in the above table. Accordingly, any fluctuation in these interests will not result in any change in the aggregate voting rights of the Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group.

For further details on the holdings of and dealings for value in derivatives (as defined under the Takeovers Code) during the Relevant Period by the Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group, please see the section headed "7. Shareholdings of and Dealings in the Securities of the Company and the Whitewash Applicant Vendors" of Appendix IX and Appendix X to this circular.

Relationship between (A) SIG, SIG Investment and Guotai Haitong and (B) Shanghai SASAC and the Whitewash Applicant Vendors

References are made to (i) the First Announcement; (ii) the monthly update announcement issued by the Company dated July 3, 2026 on the Hong Kong Stock Exchange; (iii) the Update Announcement; and (iv) a circular dated November 22, 2024 issued by Guotai Junan Securities Co., Ltd. (now known as Guotai Haitong) (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) 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.

Shanghai SASAC and SIG recently confirmed to the Company that:

(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 same to that in respect of Guotai Haitong as follows:

   (a) Shanghai SASAC, as the state-owned contributor of capital of SIG, does not interfere with the day-to-day operations and decision-making process of SIG other than fulfilling its responsibility as a contributor of capital and provision of oversight over the use of state-owned assets.

   (b) SIG, makes independent decisions and exercises its rights as a shareholder of Guotai Haitong (including exercising the voting power at Guotai Haitong's general meetings) based on its own interests in accordance with laws, regulations, and applicable governance documents.

   (c) Regarding matters pertaining to Guotai Haitong, Shanghai SASAC shall not give any instructions on matters independently decided by SIG (including exercising the voting power at Guotai Haitong's general meetings) in accordance with laws, regulations, and applicable governance documents, and in all circumstances, the independent decisions by SIG shall prevail.

On the basis of the above, Shanghai SASAC is not acting in concert with SIG (and, accordingly, nor with SIG Investment or Guotai Haitong) for the purposes of the Takeovers Code. Accordingly, for the purposes of the Takeovers Code, the Vendors are divided into the Whitewash Applicant Vendors and the Other Vendors. SIG and Guotai Haitong have confirmed to the Company that the mere fact that the Whitewash Applicant Vendors and the Other Vendors proposed to sell their equity interests in Shanghai Securities in the Proposed Transaction does not affect the position that SIG is not acting in concert with Shanghai SASAC.

Having considered the circumstances relating to the initiation of the Proposed Transaction and the negotiations of the terms of the Proposed 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 Other 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 Proposed Transaction, the Other 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 Proposed Transaction.

Relationship between (A) SUMG and (B) Shanghai SASAC and the Whitewash Applicant Vendors

As disclosed in the First Announcement, SUMG is a public institution sponsored by the Publicity Department of the Shanghai Municipal Committee of the Communist Party of China and, as at the Latest Practicable Date, holds 309,561,060 A Shares and 58,000 H Shares (in aggregate representing 3.67% of the total issued Shares (excluding treasury A Shares) as at the Latest Practicable Date).

For the purposes of the Proposed Transaction, the Company was informed by Shanghai SASAC and SUMG that SUMG is not acting in concert with Shanghai SASAC or any of the Vendors. SUMG and (solely in respect of paragraph (a) below) Shanghai SASAC have confirmed to the Company the following:

(a) the Publicity Department of the Shanghai Municipal Committee of the Communist Party of China was entrusted to supervise and manage SUMG (and its predecessors) since 2010 and accordingly SUMG does not fall under the management of Shanghai SASAC. SUMG is fully independent and separate from Shanghai SASAC and the Shanghai Municipal People's Government in terms of management control and operations. Shanghai SASAC does not conduct substantive approval or supervision and only retains limited procedural functions in respect of SUMG;

(b) SUMG has a full and independent legal person status. SUMG acts and makes decisions independently, including in respect of the exercise of its voting rights as a shareholder of the Company, and conducts its business operations and investments independently; and

(c) SUMG is not otherwise acting in concert with any of the Vendors.

SUMG has confirmed to the Company that, other than solely as Shareholder, it is not interested in or involved in the Proposed Transaction, the Specific Mandate or the Whitewash Waiver.

IV. FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not raised any funds through any issue of equity securities in the 12 months immediately preceding the Latest Practicable Date.

V. FINANCIAL IMPACT OF THE PROPOSED TRANSACTION

After completion of the Proposed Transaction, Shanghai Securities will become a wholly-owned subsidiary of the Company, and the financial results of Shanghai Securities will be consolidated into the consolidated financial statements of the Group.

Based on the unaudited pro forma financial information of the Enlarged Group prepared in accordance with the IFRS Accounting Standards as set out in Part A of Appendix III to this circular, for illustration purposes only:

(i) the total assets of the Group as at December 31, 2025 would have increased by RMB108,486,536 thousand, from RMB486,875,987 thousand to RMB595,362,523 thousand, assuming completion of the Proposed Transaction had taken place on December 31, 2025; and

(ii) the total liabilities of the Group as at December 31, 2025 would have increased by RMB84,936,536 thousand, from RMB404,187,162 thousand to RMB489,123,698 thousand, assuming completion of the Proposed Transaction had taken place on December 31, 2025.

It should be noted that the pro forma analysis above is for illustration purposes only and does not give a true picture of the actual assets and liabilities of the Enlarged Group that would be attained had the Proposed Transaction been completed as of the specified date or any future date.

Differences between the Pro Forma Financial Information of the Enlarged Group in accordance with the CASBE and the IFRS Accounting Standards

For the purpose of illustrating the financial impact of the Proposed Transaction, the Company prepared the pro forma financial information of the Enlarged Group under the IFRS Accounting Standards in accordance with Rule 4.29 of the Hong Kong Listing Rules, and the pro forma consolidated financial statements of the Enlarged Group under the CASBE pursuant to the requirements in the Standards on the *Contents and Formats of Information Disclosures by Companies Publicly Offering Securities No.26 – Material Asset Restructuring of Listed Companies* (公開發行證券的公司信息披露內容與格式準則第26號–上市公司重大資產重組) issued by the CSRC. To ensure that equivalent information with reference value is being made available to both A Shareholders and H Shareholders and for the purpose of providing information with reference value to the H Shareholders and potential investors of the Company in relation to the financial impact of the Proposed Transaction, the unaudited pro forma consolidated financial statements of the Enlarged Group prepared under the CASBE are also included in Part C of Appendix III to this circular.

There are no material differences in accounting treatment between the CASBE and the IFRS Accounting Standards. The pro forma financial information of the Enlarged Group prepared in accordance with Rule 4.29 of the Hong Kong Listing Rules is prepared as if the Proposed Transaction had taken place on December 31, 2025, whereas the pro forma consolidated financial statements of the Enlarged Group under the CASBE are prepared as if the Proposed Transaction had been completed on January 1, 2025. The differences between the pro forma net assets as at December 31, 2025 disclosed in accordance with Rule 4.29 of the Hong Kong Listing Rules and the CASBE are mainly due to the different bases used in compiling the respective pro forma financial information, details of which are set out in Part A and Part C of Appendix III to this circular, respectively.

Profit Forecast

As set out in the Update Announcement, the Relevant CASBE Profit Information (being the pro-forma total profit, net profit, net profit attributable to shareholders of the Company) constitutes a profit forecast under Rule 10 of the Takeovers Code and should be reported on by the auditors or reporting accountants and relevant financial advisers of the Company in accordance with Rule 10 of the Takeovers Code.

The Relevant CASBE Profit Information has been reported on by KPMG Huazhen as the PRC reporting accountant of the Company and UBS and Orient Capital as the joint financial advisers of the Company in the Update Announcement. Please refer to Parts D and E of Appendix III to this circular headed "Report issued by KPMG Huazhen in respect of the Relevant CASBE Profit Information" and "Reports issued by the Joint Financial Advisers in respect of the Relevant CASBE Profit Information" for the relevant reports.

VI. REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTION

The Company and Shanghai Securities both originated in Shanghai. Both companies have proactively served and aligned themselves with the overall reform and development of China's capital markets over the years. The Proposed Transaction represents a pioneering move in further deepening reforms within Shanghai's state-owned enterprises. Upon completion of the Proposed Transaction, the Company's key shareholder base will encompass sectors such as energy, consumer goods, finance and science and technology innovation. This will facilitate the introduction of all the necessary elements and resources required for Shanghai's new round of development and securing a leading position in the industrial and economic development of Shanghai during the period covered by the *Outline of the 15th Five-Year Plan for National Economic and Social Development of the PRC (2026–2030)* (《中華人民共和國國民經濟和社會發展第十五個五年規劃綱要(2026-2030年)》). At the same time, the Company will play a more critical role in the development of Shanghai as an international financial centre and make greater contribution to the development of China as a financial powerhouse.

Shanghai Securities is a high-quality target among unlisted securities companies, possessing competitive advantages in terms of scale, quality and geographic location. Shanghai Securities has a relatively strong capital base and sound operating performance. As of December 31, 2025, among unlisted securities companies in the PRC, Shanghai Securities ranked second by total assets, third by net assets, and second by operating income[4]. Shanghai Securities has a long history, being one of the earliest securities companies in the PRC to be granted qualification for innovative business pilot programmes, with relatively complete business qualifications, and possesses prudent risk management and internal control systems. Furthermore, Shanghai Securities is rooted in Shanghai and has a strong presence in the Yangtze River Delta region, with a relatively stable local customer base, a relatively well-established branch network, and robust shareholder resources.

Against the backdrop of an ongoing industry-wide consolidation in the securities industry, the Proposed Transaction is expected to leverage complementary strengths between the two companies, facilitating enhanced business complementarity and mutual empowerment, and ultimately generating significant synergies:

(1) the asset scale and capital strength of the Company will increase significantly. As at the end of 2025, the Company's total assets ranked eleventh in the PRC securities industry. Upon completion of the Proposed Transaction, the Company's ranking is expected to improve to top ten in the industry[5], the total assets of the Company would exceed RMB590 billion[6] and the total net assets of the Company would exceed RMB100 billion[6]. The Company's overall competitiveness and industry position will be significantly enhanced;

(2) the Company has demonstrated more efficient capital utilisation than Shanghai Securities. As at December 31, 2025, the operating leverage ratios of the Company and Shanghai Securities were 4.11[7] and 3.16[8], respectively. Upon completion of the Proposed Transaction, the Company will deploy the capital resources of both parties

4 The ranking is determined based on financial data prepared in accordance with CASBE and as disclosed in the 2025 annual reports of the relevant securities companies. For the purposes of the ranking, net assets are stated as at December 31, 2025, and operating income is stated for the year ended December 31, 2025. The ranking does not take into account the securities subsidiaries of listed companies.

5 The ranking is determined based on financial data prepared in accordance with CASBE and as disclosed in the 2025 annual reports of the relevant securities companies. The post-transaction ranking is calculated by adding up the total assets of the Company and Shanghai Securities as at December 31, 2025.

6 Based on the unaudited pro forma financial information of the Enlarged Group prepared in accordance with the IFRS Accounting Standards as set out in Appendix III to this circular.

7 Operating leverage ratio of the Company = (Total assets – Payables to brokerage clients – Payables to underwriting clients)/Equity attributable to equity holders of the company. Payables to underwriting clients include agency underwriting securities payables and underwriting and product distribution fees payable.

8 Operating leverage ratio of Shanghai Securities = (Total assets – Payables related to brokerage clients – Payables to underwriting clients)/Total equity. Payables related to brokerage clients include payables to brokerage clients, futures company margin payables, and client funds payable for derivative trading on an agency basis.

to optimise capital allocation. While maintaining risk control, the Company will steadily expand asset scale and further enhance capital utilisation efficiency. Following the Proposed Transaction, the Company is well positioned to effectively leverage its unique profile and competitive strengths to scale up its business, with clear operating models, sustainable business performance, and a measurable and manageable risks profile, thereby consolidating its competitive advantages in proprietary investment, capital intermediation, and other business segments;

(3) the Company will achieve in-depth integration of the customer resources, branch network and regional footprint of both entities. Upon completion of the Proposed Transaction, the Company's network coverage will be further expanded, with significant regional advantage. The number of securities outlets of the Company in Shanghai will reach 77, ranking first[9] among PRC securities companies. Meanwhile, the Company's customer base will be strengthened, with its further optimised customer structure, and further increased number of high-net-worth clients. Upon completion of the Proposed Transaction, the Company's total number of wealth management client fund accounts will increase from the existing 3.29 million to over 5 million[10], and the number of its high-net-worth clients will increase by more than 50% compared to that before the Proposed Transaction[11];

(4) wealth management, investment banking and institutional services and other business segments develop in synergy, forming a growth pattern supported by multiple drivers and building a more diversified and more balanced business structure. The overall scale and competitiveness of the Company's business will be significantly enhanced;

(5) the Company will, leveraging a more comprehensive business footprint, licenses and qualifications, as well as investment and research capabilities, provide high quality, full range, one-stop comprehensive financial services to customers, significantly enhancing its overall service capability; and

(6) the cost structure will be optimised and operating efficiency will be significantly improved through in-depth integration of technology platforms, empowerment from fintech utilization, and optimisation of resource allocation and core business

9 The ranking is calculated based on the number of regional business outlets as disclosed in the 2025 annual report of the securities companies, by adding up the number of business outlets of the Company and Shanghai Securities.

10 Calculated by adding up the number of client fund accounts of the Company and Shanghai Securities, as of December 31, 2025.

11 Calculated by adding up the number of clients of the Company and Shanghai Securities; high-net-worth clients refer to clients with account asset balance exceeding RMB3 million, as of December 31, 2025.

processes. The Proposed Transaction will enable the Company to better perform the functions of a financial institution, and accelerate its development into a first-class modern investment bank with strong domestic competitiveness and international influence.

VII. IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As one or more of the applicable percentage ratios in respect of the Proposed Transaction in accordance with the Hong Kong Listing Rules exceed 25% but are less than 100%, the Proposed Transaction constitutes a major transaction of the Company which is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

As at the Latest Practicable Date, each of the Vendors is an Independent Third Party, and therefore the Proposed Transaction does not constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

The Consideration A Shares will be issued pursuant to the Specific Mandate to be sought from the Shareholders at the EGM and the Class Meetings. The Consideration A Shares will be listed on the main board of the Shanghai Stock Exchange.

The Company has no controlling Shareholder. The Proposed Transaction will not result in any change in the largest Shareholder of the Company, and Shenergy will remain as the largest Shareholder of the Company upon Completion.

VIII. IMPLICATIONS UNDER THE TAKEOVERS CODE

Application for Whitewash Waiver

As at the Latest Practicable Date, (a) each of the Whitewash Applicant Vendors (being Bailian Group and Shanghai Chengtou Group) does not hold any Shares; and (b) members of the Whitewash Applicant Vendors Concert Party Group hold an aggregate of 2,540,153,516 Shares, representing approximately 30.11% of the total issued Shares (excluding treasury A Shares). Amongst members of the Whitewash Applicant Vendors Concert Party Group, Shenergy holds 26.82%, Shanghai Jinqiao holds 1.47% and other parties set out in item (5) in the shareholding structure of the Company in the section headed "Letter from the Board – III. Effects on the Shareholding Structure of the Company" hold an aggregate of 1.82%.

If the Proposed Transaction materializes, it is expected that immediately after Completion thereof and assuming that (i) there will not be any further adjustment to the issue price of the Consideration A Shares; and (ii) there will be no change in the total issued Shares since the Latest Practicable Date save for the issue of the Consideration A Shares pursuant to the Definitive Agreement, the aggregate voting rights in the Company held by the Whitewash Applicant Vendors and the Whitewash Applicant Vendors Concert Party Group will increase to approximately 35.30% and will therefore trigger the mandatory general offer obligations of the Whitewash Applicant Vendors in respect of the Company under Rule 26.1 of the Takeovers Code. The Whitewash Applicant Vendors have made an application to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 to dispensation from Rule 26 of the Takeovers Code. Pursuant to the Definitive Agreement, implementation of the Proposed Transaction is conditional upon the granting of the Whitewash Waiver and the obtaining of the requisite approval by the Takeovers Code Independent Shareholders and each of such conditions is not waivable.

As advised by Grandall Law Firm (Shanghai), the PRC counsel of the Company, in accordance with PRC laws, the Proposed Transaction will not trigger any obligation on the Vendors to make a mandatory general offer for A Shares, and therefore the Vendors will not be required to make any mandatory general offer to A Shareholders.

The Whitewash Waiver, if granted by the Executive, will be subject to (i) the approval of the Whitewash Waiver by at least 75% of the votes cast by the Takeovers Code Independent Shareholders either in person or by proxy at the EGM; and (ii) the approval of the Proposed Transaction by more than 50% of the votes cast by the Takeovers Code Independent Shareholders either in person or by proxy at the EGM. As at the Latest Practicable Date, the Executive has indicated that it is minded to grant the Whitewash Waiver. The Proposed Transaction will not proceed if the Whitewash Waiver is not granted or if the requisite approval by the Takeovers Code Independent Shareholders in respect of the Whitewash Waiver is not obtained.

As at the Latest Practicable Date, the Company does not believe that the Proposed Transaction gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Hong Kong Listing Rules). If a concern should arise after the release of this circular, the Company will endeavour to resolve the matter as soon as possible to the satisfaction of the relevant authority. The Company notes that the Executive may not grant the Whitewash Waiver if the Proposed Transaction does not comply with other applicable rules and regulations.

Intention of the Whitewash Applicant Vendors regarding the Group

The Board was informed by the Whitewash Applicant Vendors that, as at the Latest Practicable Date, upon Completion, the Whitewash Applicant Vendors, in their capacity as Shareholders of the Company, intend to continue the existing principal business of the Group, and had no intention to introduce any major changes in the business of the Group, including any re-deployment of fixed assets of the Group, or to discontinue the employment of the employees of the Group other than in the ordinary course of business of the Group.

IX. RESOLUTIONS TO BE PROPOSED AT THE EGM AND H SHARES CLASS MEETING

The Board has resolved to propose the following resolutions at the EGM and H Shares Class Meeting, as applicable, to approve the Proposed Transaction, the Specific Mandate and the Whitewash Waiver, details of which are set out below:

(1) A resolution will be proposed at the EGM to approve that the Proposed Transaction satisfies the conditions for the acquisition of assets by way of issuance of shares and payment of cash, in accordance with the relevant requirements of *the Company Law of the People's Republic of China* (《中華人民共和國公司法》), *the Securities Law of the People's Republic of China* (《中華人民共和國證券法》), *the Administrative Measures for Major Asset Restructurings of Listed Companies* (《上市公司重大資產重組管理辦法》), *the Guideline No. 9 for the Regulation of Listed Companies – Regulatory Requirements for the Planning and Implementation of Major Asset Restructurings by Listed Companies* (《上市公司監管指引第9號—上市公司籌劃和實施重大資產重組的監管要求》), *the Guideline No. 6 of Shanghai Stock Exchange for Self-Regulation Rules for Listed Companies – Major Asset Restructurings* (《上海證券交易所上市公司自律監管指引第6號–重大資產重組》), *the Administrative Measures for the Registration of Securities Issuance by Listed Companies* (《上市公司證券發行註冊管理辦法》)*, the Rules Governing the Review of Major Asset Restructurings of Listed Companies on the Shanghai Stock Exchange* (《上海證券交易所上市公司重大資產重組審核規則》), and other relevant laws, regulations and normative documents.

(2) A resolution will be proposed at the EGM and the H Shares Class Meeting of the Company to approve the plan of the Proposed Transaction, the details of which are as follows and set out in the section headed "Letter from the Board – II. Major Transaction – The Proposed Transaction – 1. Definitive Agreement" in this circular:

(a) Target Equities;

(b) Counterparties;

(c) Pricing basis and consideration of the Target Equities;

(d) Method of payment of the consideration;

(e) Type, par value and listing venue of shares to be issued;

(f) Method of issuance, targets of issuance of shares and method of subscription;

(g) Pricing Benchmark Date and the issue price of the A Shares to be issued;

(h) Number of A Shares to be issued;

(i) Lock-up period arrangements;

(j) Attribution of profits and losses for the Transitional Period;

(k) Arrangements for accumulated and undistributed retained profits;

(l) Transfer of creditors' rights and debts and arrangements for employees;

(m) Completion of the transfer of the Target Equities; and

(n) Validity period of the resolutions: the validity period of the resolutions in respect of the Proposed Transaction shall be 12 months from the date on which such resolutions are approved by the EGM and the Class Meetings of the Company.

(3) A resolution will be proposed at the EGM in relation to the *Report (Draft) on the Issuance of Shares and Payment of Cash Consideration for the Acquisition of Assets and Related Party Transaction of the Company* (《東方證券股份有限公司發行股份及支付現金購買資產暨關聯交易報告書(草案)》) and its extract, which have been prepared in accordance with the relevant requirements of *the Securities Law of the PRC* (《中華人民共和國證券法》), the *Administrative Measures for Major Asset Restructurings of Listed Companies* (《上市公司重大資產重組管理辦法》), *the Content and Format Guidelines for Information Disclosure by Companies Issuing Securities No. 26 – Major Asset Restructurings of Listed Companies* (《公開發行證券的公司信息披露內容與格式準則第26號–上市公司重大資產重組》), and other laws, regulations and normative documents.

(4) A resolution will be proposed at the EGM and the H Shares Class Meeting regarding the execution of the Definitive Agreement with the counterparties with conditions precedent to its effectiveness, details of which are set out in this circular;

(5) A resolution will be proposed at the EGM on the Proposed Transaction constituting a related party transaction in accordance with the relevant provisions of *the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange* (《上海證券交易所股票上市規則》). Prior to the Proposed Transaction, SIG, being one of the counterparties, is a company in which a related natural person of the Company serves/has served as a director or senior management personnel, and is therefore a related party of the Company under PRC laws, while the other counterparties are not related parties of the Company under PRC laws. Upon completion of the Proposed Transaction, Bailian Group and SIG (and the entities controlled by it), will each hold more than 5% of the Company's total issued Shares, and will therefore become related parties of the Company under PRC laws.

(6) A resolution will be proposed at the EGM that the Proposed Transaction does not constitute a major asset restructuring nor a new listing under PRC laws, details of which are set out in Appendix IV to the Update Announcement.

(7) A resolution will be proposed at the EGM on the compliance of the Proposed Transaction with Articles 11, 43, and 44 of the *Administrative Measures for Major Asset Restructuring of Listed Companies* (《上市公司重大資產重組管理辦法》), details of which are set out in Appendix IV to the Update Announcement.

(8) A resolution will be proposed at the EGM on the compliance of the Proposed Transaction with Article 4 of the *Guidelines for the Supervision of Listed Companies No. 9 – Regulatory Requirements for the Planning and Implementation of Major Asset Restructuring by Listed Companies* (《上市公司監管指引第9號—上市公司籌劃和實施重大資產重組的監管要求》), details of which are set out in Appendix IV to the Update Announcement.

(9) A resolution will be proposed at the EGM on the non-existence of circumstances where relevant parties to the Proposed Transaction are prohibited from participating in major asset restructuring of any listed company pursuant to Article 12 of the *Regulatory Guidelines for Listed Companies No. 7 – Regulation of Abnormal Stock Transactions Related to Major Asset Restructurings of Listed Companies* (《上市公司監管指引第7號—上市公司重大資產重組相關股票異常交易監管》) and Article 30 of the *Self-Regulatory Guidelines No. 6 for Listed Companies of the Shanghai Stock Exchange – Major Asset Restructuring* (《上海證券交易所上市公司自律監管指引第6號—重大資產重組》), details of which are set out in Appendix IV to the Update Announcement.

(10) A resolution will be proposed at the EGM on the compliance of the Proposed Transaction with Article 11 of the *Administrative Measures for the Registration of Securities Issuance by Listed Companies* (《上市公司證券發行註冊管理辦法》), details of which are set out in Appendix IV to the Update Announcement.

(11) A resolution will be proposed at the EGM on the completeness of and compliance with the statutory procedures under PRC laws and the effectiveness of the legal documents submitted in respect of the Proposed Transaction. The Company has completed the statutory procedures required at the current stage in respect of the Proposed Transaction, and such statutory procedures are lawful and valid, and are in compliance with the relevant laws, regulations, normative documents and the provisions of the Articles of Association of the Company. The legal documents submitted by the Company in connection with the Proposed Transaction are lawful and valid.

(12) A resolution will be proposed at the EGM on the independence of Shanghai Orient Appraisal Co., Ltd., as the Valuer, the reasonableness of the assumptions used in the asset valuation, the relevance of the valuation methods and the purpose of the asset

valuation, and the fairness of the appraised value of the Target Equities. The Valuer engaged by the Company in connection with the Proposed Transaction is independent, the valuation assumptions are reasonable, the valuation purpose and the valuation method are sufficiently relevant, and the valuation pricing is fair and reasonable.

(13) A resolution will be proposed at the EGM to approve: (i) the accountants' report from KPMG on the historical financial information of Shanghai Securities for the three financial years ended December 31, 2025 and the three months ended March 31, 2026 prepared under IFRS Accounting Standards and the report from KPMG on the unaudited pro forma financial information prepared under IFRS Accounting Standards, (ii) the consolidated financial statements of Shanghai Securities for the years 2024 and 2025 and the three months ended March 31, 2026 prepared in accordance with CASBE and the auditors' report issued by KPMG Huazhen, (iii) the Review Report from KPMG Huazhen on the Pro Forma Consolidated Financial Statements of the Company for 2025 and for the Three Months Ended March 31, 2026 prepared under CASBE, and (iv) the Asset Valuation Report on 100% equity interests in Shanghai Securities issued by Shanghai Orient Appraisal Co., Ltd. with a Valuation Benchmark Date of March 31, 2026 for the Proposed Transaction. In respect of (i), (iii) and (iv) above, the texts of which are respectively set out in Appendices II, III and V to this circular and are available for display as referred to in the section headed "11. Documents on Display" in Appendix IX to this circular. In respect of (ii) above, an extract of the relevant financial statements are set out in Appendix IV to the Update Announcement.

(14) A resolution will be proposed at the EGM on the dilution of earnings per share caused by the Proposed Transaction, remedial measures, and undertakings of relevant parties, the details of which are set out in Appendix IV to the Update Announcement.

(15) A resolution will be proposed at the EGM and the H Shares Class Meeting on the authorization to implement matters in connection with the Proposed Transaction. In order to ensure the smooth progress of matters relating to the Proposed Transaction, in accordance with the provisions of the *Company Law of the PRC* (《中華人民共和國公司法》), the *Securities Law of the PRC* (《中華人民共和國證券法》), the *Administrative Measures for Major Asset Restructuring of Listed Companies* (《上市公司重大資產重組管理辦法》) and other relevant laws and regulations, as well as the Articles of Association of the Company, it is proposed by the Board that, at the general meeting of the Company, the Board be authorised, and that the Board be authorised to delegate such authority to the Chairman of the Company to deal with all matters relating to the Proposed Transaction at its or his discretion as permitted by the relevant laws and regulations, including but not limited to:

(a) in accordance with the requirements of relevant laws, regulations and regulatory documents and the review by relevant regulatory or supervising authorities in respect of the Proposed Transaction and the Whitewash Waiver and taking into account the actual situation of the Company, and on the condition of not going beyond the resolutions passed at the general meeting, making any necessary amendments and adjustments to the plan relating to the Proposed Transaction (other than matters which are required under relevant laws and regulations and the Articles of Association of the Company to be re-voted on at the general meetings), including but not limited to determining or adjusting the transaction price of the Target Equities, the scope of the Target Equities, the transaction counterparties, the number of shares to be issued, the issuance commencement and end dates, the issue price and other matters related to the Proposed Transaction according to specific circumstances;

(b) deciding on and engaging intermediaries such as independent financial advisers, financial advisers, legal counsels, audit firms and valuation institutions, and executing contracts, agreements and other documents related to the engagement of intermediaries (including but not limited to independent financial adviser agreements, agreements for the engagement of other intermediaries, etc.);

(c) being fully responsible for handling and implementing the specific matters of the Proposed Transaction in accordance with the plan considered and approved by the general meeting, including but not limited to executing agreements related to the Proposed Transaction, issuing commitments and other documents involved in the Proposed Transaction and the Whitewash Waiver, handling all domestic and overseas information disclosure matters related to the Proposed Transaction, communicating with relevant domestic and overseas regulatory authorities and responding to comments, and ratifying the documents submitted, procedures handled and communications made with relevant regulatory authorities prior to the date of approval of this resolution in relation to the Proposed Transaction and the Whitewash Waiver;

(d) preparing, amending, supplementing, executing, submitting, filing, implementing, announcing and displaying agreements, contracts and documents related to the Proposed Transaction and the Whitewash Waiver, and handling the filing matters related to the Proposed Transaction;

(e) making corresponding adjustments to the plan for the Proposed Transaction according to the requirements of the approval departments, approving and executing the relevant application documents and making corresponding amendments and supplements to the relevant documents;

(f) during the validity period of the resolutions of the general meeting of the Company (i.e. 12 months from the date on which such resolutions are approved by the EGM and the Class Meetings), if relevant regulatory authorities issue new regulations and requirements in respect of the issue of A Shares and payment of cash to purchase assets, or if the market conditions change, making corresponding adjustments to the specific plan for the Proposed Transaction or making a decision to terminate the Proposed Transaction based on the new regulations and requirements and the actual conditions of the securities market, within the scope of the general meeting resolutions;

(g) based on the registration status with the CSRC and market conditions, assuming full responsibility for handling and deciding on matters related to the specific implementation of the Proposed Transaction in accordance with the plan considered and approved by the general meeting of the Company, including but not limited to handling relevant government approvals, filings, notifications, and matters related to the transfer of assets, share registration, and registration of changes in registered capital associated with the Proposed Transaction, including the signing of relevant legal documents;

(h) making corresponding amendments to the relevant provisions of the Articles of Association of the Company in respect of the registered capital and the total number of issued shares according to the implementation results after the completion of the Proposed Transaction and handling the filing procedures;

(i) handling the registration and lock-up of the shares issued pursuant to the Proposed Transaction with the securities registration and clearing institution and the listing of such shares on the Shanghai Stock Exchange after the completion of the Proposed Transaction; and

(j) handling other matters related to the Proposed Transaction within the scope permitted by laws, regulations, relevant regulatory documents, and the Articles of Association of the Company.

The above authorization shall be valid for 12 months from the date on which it is considered and approved by the EGM and the Class Meetings of the Company.

(16) A resolution will be proposed at the EGM on the approval of the Whitewash Waiver, details of which are set out in the section headed "Letter from the Board – VIII. Implications under the Takeovers Code" in this circular.

The aforesaid resolutions shall be valid for 12 months from the date on which it is considered and approved by the EGM and the Class Meetings.

The aforesaid resolutions have been considered and approved by the Board on May 6, 2026 and July 27, 2026 and will be proposed at the EGM and the H Shares Class Meeting, as applicable, as special resolutions (for resolutions (1) to (15)) and ordinary resolution (for resolution (16)) for consideration and approval.

X. INDEPENDENT BOARD COMMITTEE AND HONG KONG INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee (comprising all the non-executive Directors and independent non-executive Directors who have no direct or indirect interest in the Proposed Transaction and the Whitewash Waiver, namely Mr. SHI Lei, Ms. LI Yun, Mr. XU Yongmiao, Mr. REN Zhixiang and Mr. SUN Weidong, being the non-executive Directors, and Mr. WU Hong, Mr. FENG Xingdong, Mr. CHAN Hon and Mr. ZHU Kai, being the independent non-executive Directors) has been formed to advise the Takeovers Code Independent Shareholders on the Proposed Transaction, the Specific Mandate, and the Whitewash Waiver. As Mr. LIU Wei, Mr. YANG Bo, and Mr. LUO Xinyu are directors and/or hold senior management positions in members of the Whitewash Applicant Vendors Concert Party Group, each of them is not considered to be independent for the purposes of giving advice or recommendations to the Takeovers Code Independent Shareholders under the Takeovers Code.

In this connection, Gram Capital has been appointed as the Hong Kong Independent Financial Adviser to advise the Independent Board Committee and the Takeovers Code Independent Shareholders in respect of the Proposed Transaction, the Specific Mandate and the Whitewash Waiver.

XI. EGM AND H SHARES CLASS MEETING

The EGM will be held at Multi-Purpose Function Room, 15/F, No. 119 South Zhongshan Road, Huangpu District, Shanghai, the PRC on August 24, 2026 at 2:00 p.m. to consider and, if thought fit, approve, among other things, (i) the Proposed Transaction; (ii) the Specific Mandate; and (iii) the Whitewash Waiver. The notice of the EGM is set out on pages EGM-1 to EGM-5 of this circular. The H Shares Class Meeting of the Company will be held at Multi-Purpose Function Room, 15/F, No. 119 South Zhongshan Road, Huangpu District, Shanghai, the PRC on August 24, 2026 immediately following the conclusion of the EGM and the A Shares Class Meeting or any adjournment thereof, to consider and, if thought fit, approve, among other things, (i) the Proposed Transaction and (ii) the Specific Mandate. The notice of the H Shares Class Meeting is set out on pages EGM-6 to EGM-9 of this circular. The voting at each of the EGM and the H Shares Class Meeting will be conducted by way of poll.

Under the Articles of Association of the Company and the Hong Kong Listing Rules, (i) all of the special resolutions approving the Proposed Transaction and the Specific Mandate will have to be approved by at least two-thirds of the votes cast by Shareholders who do not have a material interest at the EGM and Class Meetings by way of poll; and (ii) the ordinary resolution approving the Whitewash Waiver will have to be approved by a majority of the votes cast by Shareholders who do not have a material interest at the EGM by way of poll.

With respect to the approvals required under the Hong Kong Listing Rules, Guotai Haitong and its subsidiaries, and any other Shareholders which have a material interest in the Proposed Transaction and Specific Mandate under Hong Kong Listing Rules and/or the Shanghai Listing Rules will be required to abstain from voting on all the resolutions to be proposed at the EGM and the Class Meetings (if applicable).

Pursuant to the requirements of the Takeovers Code, the Whitewash Waiver, if granted by the Executive, will be subject to (i) the approval of the Whitewash Waiver by at least 75% of the votes cast by the Takeovers Code Independent Shareholders either in person or by proxy at the EGM; and (ii) the approval of the Proposed Transaction by more than 50% of the votes cast by the Takeovers Code Independent Shareholders either in person or by proxy at the EGM.

With respect to the approvals required under the Takeovers Code, the Whitewash Applicant Vendors, the Whitewash Applicant Vendors Concert Party Group and those Shareholders who are interested in or involved in the Proposed Transaction, the Specific Mandate and the Whitewash Waiver (including the Other Vendors and their respective subsidiaries) will not be considered as Takeovers Code Independent Shareholders and their votes will not be counted towards votes attaching to the Shares held by the Takeovers Code Independent Shareholders.

Save as disclosed above, no other Shareholder is required to abstain from voting at the EGM and the Class Meetings and no other vote cast by any Shareholder is required to not be counted for the purpose of determining whether the requisite approval thresholds have been met. Votes cast by Shareholders at the EGM and the Class Meetings will be counted in a manner to ascertain whether the requisite approvals thresholds under all of the above requirements have been met.

If you intend to appoint a proxy to attend the EGM and H Shares Class Meeting, you are required to complete and return the form of proxy in accordance with the instructions printed thereon. The form of proxy for the EGM and the H Shares Class Meeting has been distributed to the Shareholders who have indicated their wish to receive a printed copy on July 30, 2026 and has also been published on the HKEXnews website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company's website (www.dfzq.com.cn).

To be valid, for holders of H Shares, the completed form of proxy and notarized power of attorney or other document of authorization must be delivered to the H Share Registrar not less than 24 hours before the time appointed for the EGM and/or the H Shares Class Meeting (i.e. before 2 p.m. on August 23, 2026). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM and/or the H Shares Class Meeting in person if you so wish.

The register of members of H Shares of the Company will be closed from August 19, 2026 to August 24, 2026 (both days inclusive), during which time no transfers of H Shares will be effected. The record date for determining H shareholders' eligibility to attend and vote at the EGM and/or the H Shares Class Meeting is August 24, 2026. Holders of H Shares who have submitted their transfer documents to the H Share Registrar of the Company and registered as Shareholders on the register of members of H Shares of the Company before 4:30 p.m. on August 18, 2026 are entitled to attend and vote in respect of the resolutions to be proposed at the EGM and/or the H Shares Class Meeting. In order to attend the EGM and/or the H Shares Class Meeting, holders of H Shares should ensure that all transfer documents, accompanied by the relevant H Share certificates, are lodged with the H Share Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, before 4:30 p.m. on August 18, 2026.

XII. RECOMMENDATIONS

As Mr. ZHOU Lei, Mr. LIU Wei, Mr. YANG Bo and Mr. LUO Xinyu are directors and/or hold senior management positions in members of the Whitewash Applicant Vendors Concert Party Group, they have abstained from voting on the relevant Board resolution in respect of the Whitewash Waiver. Save as disclosed above, none of the Directors is interested in or involved in the Proposed Transaction, the Specific Mandate or the Whitewash Waiver. Accordingly, save as disclosed above, none of the Directors is required to abstain from voting on other Board resolutions tabled at the Board meeting in connection with the approval of the Proposed Transaction.

Having taken into account the reasons for and benefits of the Proposed Transaction as set out in the section headed "Letter from the Board – VI. Reasons for and Benefits of the Proposed Transaction" in this circular, the Directors (excluding the members of the Independent Board Committee, whose views are set out in the letter from the Independent Board Committee in this circular) consider that the Definitive Agreement and the Proposed Transaction contemplated thereunder are on normal commercial terms and the Proposed Transaction, the Specific Mandate, and the Whitewash Waiver are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Gram Capital has been appointed as the Hong Kong Independent Financial Adviser to advise the Independent Board Committee and the Takeovers Code Independent Shareholders in respect of the Proposed Transaction, the Specific Mandate, and the Whitewash Waiver. Your attention is drawn to the letter of advice from the Hong Kong Independent Financial Adviser to the Independent Board Committee and the Takeovers Code Independent Shareholders set out on pages 51 to 79 of this circular in connection with the Proposed Transaction, the Specific Mandate, and the Whitewash Waiver, and the principal factors and reasons considered by the Hong Kong Independent Financial Adviser in arriving at such advice.

The Independent Board Committee, having considered the terms of the Proposed Transaction and the advice of the Hong Kong Independent Financial Adviser, is of the view that (i) the Proposed Transaction is on normal commercial terms; and (ii) the Proposed Transaction, the Specific Mandate, and the Whitewash Waiver are fair and reasonable so far as the Takeovers Code Independent Shareholders are concerned. Accordingly, the Independent Board

Committee recommends the Takeovers Code Independent Shareholders to vote in favour of all the resolutions to be proposed at the EGM and the H Shares Class Meeting to approve the Proposed Transaction, the Specific Mandate, and the Whitewash Waiver.

The Board recommends the Shareholders to vote in favour of all the resolutions proposed at the EGM and the H Shares Class Meeting.

XIII. ADDITIONAL INFORMATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 49 to 50 of this circular, containing its recommendation in respect of the Proposed Transaction, the Specific Mandate and the Whitewash Waiver; (ii) the letter from the Hong Kong Independent Financial Adviser to the Independent Board Committee and the Takeovers Code Independent Shareholders set out on pages 51 to 79 of this circular, containing its recommendation in respect of the Proposed Transaction, the Specific Mandate and the Whitewash Waiver; and (iii) the additional information set out in the appendices to this circular.

The Takeovers Code Independent Shareholders are advised to read the aforesaid letters before deciding as to how to vote on the resolutions approving, among other things, the Proposed Transaction, the Specific Mandate and the Whitewash Waiver.

Yours faithfully,
By Order of the Board

ZHOU Lei
Chairman