招商证券股份有限公司
China Merchants Securities Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6099)

2021 FIRST QUARTERLY REPORT

This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Set out below is the 2021 first quarterly report of China Merchants Securities Co., Ltd. (the "**Company**" or "**China Merchants Securities**") and its subsidiaries for the three months ended March 31, 2021 (the "**Reporting Period**"). The financial report contained herein is prepared pursuant to the China Accounting Standards for Business Enterprises and has not been audited.

This announcement is prepared in both Chinese and English languages. In the event of any inconsistency between these two versions, the Chinese version shall prevail.

By order of the Board
China Merchants Securities Co., Ltd.
HUO Da
Chairman

Shenzhen, the PRC, April 27, 2021

As at the date of this announcement, the executive directors of the Company are Mr. HUO Da and Mr. XIONG Jiantao; the non-executive directors of the Company are Mr. XIONG Xianliang, Ms. SU Min, Ms. PENG Lei, Mr. GAO Hong, Mr. HUANG Jian, Mr. WANG Daxiong and Mr. WANG Wen; and the independent non-executive directors of the Company are Mr. XIANG Hua, Mr. XIAO Houfa, Mr. XIONG Wei, Mr. HU Honggao and Mr. WONG Ti.

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I. IMPORTANT NOTICE

1.1 The board of directors (the "**Board**"), the supervisory committee, directors, supervisors and senior management of the Company undertake that the information in this quarterly report is true, accurate and complete and contains no false record, misleading statement or material omission, and assume joint and several liabilities to the information in this report.

1.2 All directors of the Company attended the Board meeting to review and consider this quarterly report.

1.3 HUO Da, the officer in charge of the Company, ZHAO Bin, the officer in charge of accounting matters of the Company, and HE Min, the officer in charge of the accounting office of the Company (head of accounting department), hereby warrant that the financial statements contained in this quarterly report are true, accurate and complete.

1.4 This first quarterly report of the Company is prepared pursuant to the China Accounting Standards for Business Enterprises and has not been audited.

II. BASIC INFORMATION OF THE COMPANY

2.1 Key financial data

Unit: Yuan Currency: RMB

	As at the end of the Reporting Period	As at the end of last year		Increase/decrease for the end of the Reporting Period over the end of last year (%)
		After adjustment	Before adjustment	
Total assets	531,966,640,447.04	499,726,677,784.74	499,726,677,784.74	6.45
Net assets attributable to the shareholders of the Company	107,853,583,489.44	105,736,803,907.06	105,736,803,907.06	2.00
	From the beginning of the year to the end of the Reporting Period	From the beginning of last year to the end of last year's Reporting Period		Increase/decrease over the corresponding period of last year (%)
		After adjustment	Before adjustment	
Net cash flows generated from operating activities	-21,158,299,526.09	16,376,029,897.18	16,376,029,897.18	-229.20
	From the beginning of the year to the end of the Reporting Period	From the beginning of last year to the end of last year's Reporting Period		Increase/decrease over the corresponding period of last year (%)
		After adjustment	Before adjustment	
Operating revenue	5,962,375,013.47	4,886,433,514.88	4,886,433,514.88	22.02
Net profit attributable to the shareholders of the Company	2,612,585,454.36	1,797,555,461.56	1,797,555,461.56	45.34
Net profit attributable to the shareholders of the Company after deducting non-recurring profit or loss	2,612,842,417.22	1,795,746,796.14	1,795,746,796.14	45.50
Weighted average return on net assets (%)	2.63	2.25	2.25	Increased by 0.38 percentage point
Basic earnings per share (RMB per share)	0.28	0.20	0.24	40.00
Diluted earnings per share (RMB per share)	0.28	0.20	0.24	40.00

Note: In July and August 2020, the Company's A share and H share rights issue completed respectively. Pursuant to Accounting Standards for Business Enterprises No. 34 – Earnings per Share and the Application Guidance for Accounting Standards for Business Enterprises No. 34 – Earnings per Share, in consideration of the bonus shares involved in the rights issue, the weighted average number of ordinary shares outstanding for each period presented in the above table has been adjusted retrospectively when calculating the earnings per share.

Non-recurring profit or loss items and amounts

Unit: Yuan Currency: RMB

Items	Amount in the Reporting Period
Profit or loss from disposal of non-current assets	104,716.63
Government grants recognized in profit or loss of the current period, excluding those closely related to the normal operation of the Company and granted on an ongoing basis in fixed amount or fixed quota in accordance with government policies and regulations	1,518,391.11
Non-operating income and expense other than the above items	-1,961,670.93
Effects of income tax	81,600.33
Total	-256,962.86

2.2 Total number of shareholders and shareholdings of the top ten shareholders and the top ten holders of tradable shares (or holders of unrestricted shares) as at the end of the Reporting Period

Unit: Share

Total number of shareholders						185,489
Shareholdings of the top ten shareholders						
				Pledged or locked-up		
Name of shareholder (in full name)	**Number of shares held as at the end of the Reporting Period**	**Percentage (%)**	**Number of restricted shares**	**Status**	**Number**	**Nature of shareholder**
China Merchants Finance Investment Holdings Co., Ltd. (深圳市招融投資控股有限公司)	2,047,900,517	23.55	–	Nil	–	State-owned legal person
Shenzhen Jisheng Investment Development Co., Ltd. (深圳市集盛投資發展有限公司)	1,703,934,870	19.59	–	Nil	–	State-owned legal person
HKSCC Nominees Limited	1,274,195,286	14.65	–	Nil	–	Overseas legal person
China Ocean Shipping Company Limited (中國遠洋運輸有限公司)	544,632,418	6.26	–	Nil	–	State-owned legal person
Hebei Port Group Co., Ltd. (河北港口集團有限公司)	343,282,732	3.95	–	Nil	–	State-owned legal person
China Communications Construction Company Ltd. (中國交通建設股份有限公司)	272,219,361	3.13	–	Nil	–	State-owned legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	170,789,261	1.96	–	Nil	–	Unknown
COSCO Shipping (Guangzhou) Co., Ltd. (中遠海運（廣州）有限公司)	109,199,899	1.26	–	Nil	–	State-owned legal person
Hong Kong Securities Clearing Company Limited	101,007,804	1.16	–	Nil	–	Overseas legal person
China Construction Bank Corporation – Guotai Zhongzheng Quanzhi Securities Company Trading Open Index Securities Investment Fund (中國建設銀行股份有限公司－國泰中證全指證券公司交易型開放式指數證券投資基金)	83,481,622	0.96	–	Nil	–	Others

Shareholdings of the top ten holders of unrestricted shares			
		Class and number of shares	
Name of shareholder	Number of tradable shares held not subject to selling restrictions	Class	Number
China Merchants Finance Investment Holdings Co., Ltd. (深圳市招融投資控股有限公司)	2,047,900,517	RMB ordinary shares	2,047,900,517
Shenzhen Jisheng Investment Development Co., Ltd. (深圳市集盛投資發展有限公司)	1,703,934,870	RMB ordinary shares	1,703,934,870
HKSCC Nominees Limited	1,274,195,286	Overseas listed foreign shares	1,274,195,286
China Ocean Shipping Company Limited (中國遠洋運輸有限公司)	544,632,418	RMB ordinary shares	544,632,418
Hebei Port Group Co., Ltd. (河北港口集團有限公司)	343,282,732	RMB ordinary shares	343,282,732
China Communications Construction Company Ltd. (中國交通建設股份有限公司)	272,219,361	RMB ordinary shares	272,219,361
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	170,789,261	RMB ordinary shares	170,789,261
COSCO Shipping (Guangzhou) Co., Ltd. (中遠海運（廣州）有限公司)	109,199,899	RMB ordinary shares	109,199,899
Hong Kong Securities Clearing Company Limited	101,007,804	RMB ordinary shares	101,007,804
China Construction Bank Corporation – Guotai Zhongzheng Quanzhi Securities Company Trading Open Index Securities Investment Fund (中國建設銀行股份有限公司－國泰中證全指證券公司交易型開放式指數證券投資基金)	83,481,622	RMB ordinary shares	83,481,622
Description of the connected relationships or concerted actions among the aforesaid shareholders	1. China Merchants Finance Investment Holdings Co., Ltd. and Shenzhen Jisheng Investment Development Co., Ltd. are subsidiaries of China Merchants Group Limited, the de facto controller of the Company; 2. China Ocean Shipping Company Limited and COSCO Shipping (Guangzhou) Co., Ltd. are subsidiaries of China COSCO Shipping Corporation Limited.		

Notes: 1. HKSCC Nominees Limited is the nominee holder of the shares held by the non-registered H shareholders of the Company;

2. Hong Kong Securities Clearing Company Limited is the nominee holder of the shares of the Company under the Shanghai Connect;

3. Given the fact that the shares of the Company are margin financing and securities lending targeted securities, the number of shares held by the shareholders is calculated based on the aggregate number of shares and equities in their ordinary securities accounts and credit securities accounts.

III. SIGNIFICANT EVENTS

3.1 Details and reasons for material changes in the major accounting items and financial indicators of the Company

Items	As at the end of the Reporting Period	As at the end of last year	Increase/decrease (%)	Major reason for change
Derivative financial assets	2,412,104,040.33	1,726,338,942.54	39.72	Increase in amount of OTC options and income swaps
Investments in other equity instruments	608,212,700.00	7,420,579,800.22	-91.80	Decrease in investments in other equity instruments
Short-term borrowings	10,623,829,834.25	3,290,295,411.76	222.88	Increase in short-term borrowings of Hong Kong subsidiaries
Placements from banks and other institutions	4,516,216,666.67	11,002,762,277.75	-58.95	Decrease in placements from banks and other institutions
Held-for-trading financial liabilities	21,011,945,115.50	13,942,051,147.92	50.71	Increase in short selling of bonds
Tax payable	601,721,313.14	1,157,289,553.74	-48.01	Decrease in personal income tax payable on the transfer of restricted shares
Other comprehensive income	-52,498,860.43	245,531,395.09	-121.38	Changes in other comprehensive income

Items	The beginning of the year to the end of the Reporting Period	The corresponding period of last year	Increase/decrease (%)	Major reason for change
Investment gains	1,982,907,234.03	959,202,285.04	106.72	Increase in gains from investment in financial instruments
Other gains ("-" indicating losses)	30,939,039.50	3,740,590.30	727.12	Increase in fee income from withholding and remitting
Foreign exchange gains ("-" indicating losses)	3,327,234.31	5,544,040.57	-39.99	Changes in exchange rates
Other operating income	330,127,741.11	622,303,617.37	-46.95	Decrease in income from commodity business
Business and administrative expenses	2,454,928,575.09	1,790,929,421.84	37.08	Increase in business and administrative expenses
Credit impairment losses	64,957,911.94	132,194,093.91	-50.86	Decrease in provision for expected credit losses of financing business
Other asset impairment losses	–	11,282,332.75	-100.00	Decrease in provision for inventory impairment
Other operating costs	295,824,398.82	617,977,003.21	-52.13	Decrease in expenses of commodity business
Non-operating income	1,654,767.75	2,498,969.52	-33.78	Decrease in government grants
Non-operating expense	1,993,330.94	80,435.04	2378.19	Increase in non-operating expense
Net cash flows generated from operating activities	-21,158,299,526.09	16,376,029,897.18	-229.20	Increase in net cash outflows from purchase of held-for-trading financial assets
Net cash flows generated from investing activities	9,735,590,677.45	776,007,963.78	1154.57	Increase in net cash inflows from investment in financial instruments
Net cash flows generated from financing activities	15,846,514,262.77	2,882,408,174.82	449.77	Increase in cash received from borrowings and issuance of bonds

3.2 Analysis and description of the progress of significant events and their impact and solutions

On March 26, 2021, at the fifth meeting of the seventh session of the Board, the "Resolution on the Appointment of Vice President and Piloting the Professional Manager System" has been considered and approved. The Board agreed to appoint Mr. ZHANG Qing as the vice president of the Company and pilot the professional manager system. Mr. ZHANG's term of office shall be three years, which may be extended as determined by the Board according to actual circumstances. For details, please refer to the relevant announcement of the Company published on the website of the Shanghai Stock Exchange dated March 27, 2021.

3.3 Investor relation activities from the beginning of the year to the end of the Reporting Period

During the Reporting Period, through brokerage strategy meetings, telephone conferences, SSE E-Interaction, telephone hotlines, email, WeChat and other means, the Company maintained close contact and communicated with a total of 109 domestic and foreign analysts and investors, made in-depth exchanges of industry and company hot issues with them and actively promoted the investment value of the Company.

Name of the Company	China Merchants Securities Co., Ltd.
Legal representative	HUO Da
Date	April 27, 2021

IV. APPENDIX

4.1 Financial statements

CONSOLIDATED BALANCE SHEET
March 31, 2021

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	March 31, 2021	December 31, 2020
Assets:		
Cash and bank balances	91,669,241,422.42	82,838,592,513.92
Of which: Deposits from customers	78,611,826,819.38	70,270,826,116.12
Clearing settlement funds	18,389,498,645.14	22,529,340,099.70
Of which: Settlement funds from customers	11,338,672,573.09	13,978,556,714.22
Advances to customers	88,648,502,259.10	81,754,349,858.57
Derivative financial assets	2,412,104,040.33	1,726,338,942.54
Deposits with exchanges and non-bank financial institutions	8,616,579,724.71	9,067,232,987.45
Accounts receivables	1,100,724,432.51	1,003,638,700.57
Financial assets held under resale agreements	51,041,090,158.61	52,260,325,461.19
Financial investments:		
Held-for-trading financial assets	204,323,999,935.46	173,595,063,916.57
Debt investments	1,635,818,195.54	1,739,389,780.00
Other debt investments	42,317,440,353.27	44,614,600,169.42
Investments in other equity instruments	608,212,700.00	7,420,579,800.22
Long-term equity investments	9,870,159,146.67	9,508,148,447.93
Fixed assets	1,475,313,630.98	1,507,883,916.30
Construction in progress	39,963,173.04	39,145,433.00
Right-of-use assets	1,189,519,954.71	1,199,229,265.44
Intangible assets	429,321,219.09	429,723,410.50
Goodwill	9,670,605.55	9,670,605.55
Deferred income tax assets	1,842,421,655.71	1,818,424,468.01
Other assets	6,347,059,194.20	6,665,000,007.86
Total assets	531,966,640,447.04	499,726,677,784.74

Items	March 31, 2021	December 31, 2020
Liabilities:		
Short-term borrowings	10,623,829,834.25	3,290,295,411.76
Short-term debt instruments	26,014,523,194.84	36,216,758,288.55
Placements from banks and other institutions	4,516,216,666.67	11,002,762,277.75
Held-for-trading financial liabilities	21,011,945,115.50	13,942,051,147.92
Derivative financial liabilities	2,608,100,808.48	3,071,801,643.40
Financial assets sold under repurchase agreements	126,469,527,842.19	119,258,195,351.42
Accounts payable to brokerage clients	90,433,389,491.27	85,441,243,049.31
Funds payable to securities issuers	167,350,000.00	–
Accrued staff cost	6,981,024,591.06	7,155,196,702.96
Tax payable	601,721,313.14	1,157,289,553.74
Notes payable	1,219,200,000.00	1,658,700,000.00
Accounts payable	16,002,843,884.89	14,763,310,746.82
Estimated liabilities	2,132,683.15	377,201.18
Long-term borrowings	674,387,589.01	671,356,616.04
Bonds payable	113,495,077,053.19	92,980,627,829.89
Deferred income	118,541,226.16	119,340,380.50
Deferred income tax liabilities	877,947,822.56	790,161,483.71
Lease liabilities	1,257,001,506.64	1,260,398,506.12
Other liabilities	952,591,543.41	1,122,099,841.78
Total liabilities	424,027,352,166.41	393,901,966,032.85
Owners' equity (or equity of shareholders):		
Paid-up capital (or share capital)	8,696,526,806.00	8,696,526,806.00
Other equity instruments	15,000,000,000.00	15,000,000,000.00
Of which: Preferred shares	–	–
Perpetual bonds	15,000,000,000.00	15,000,000,000.00
Capital reserve	40,361,022,253.27	40,361,022,253.27
Less: Treasury shares	–	–
Other comprehensive income	-52,498,860.43	245,531,395.09
Surplus reserve	5,236,148,007.81	5,236,148,007.81
General risk reserve	13,291,738,868.79	13,278,489,778.28
Retained profits	25,320,646,414.00	22,919,085,666.61
Total owners' equity (or equity of shareholders) attributable to the parent company	107,853,583,489.44	105,736,803,907.06
Non-controlling interests	85,704,791.19	87,907,844.83
Total owners' equity (or equity of shareholders)	107,939,288,280.63	105,824,711,751.89
Total liabilities and owners' equity (or equity of shareholders)	531,966,640,447.04	499,726,677,784.74

Company representative: HUO Da (霍達)   Officer in charge of accounting: ZHAO Bin (趙斌)   Head of accounting department: HE Min (何敏)

BALANCE SHEET OF THE PARENT COMPANY

March 31, 2021

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	March 31, 2021	December 31, 2020
Assets:		
Cash and bank balances	67,374,179,754.59	63,511,322,611.88
Of which: Deposits from customers	60,029,309,808.30	56,454,753,277.93
Clearing settlement funds	19,527,155,682.36	22,474,293,497.50
Of which: Settlement funds from customers	10,886,650,099.47	13,550,595,384.99
Advances to customers	81,417,832,913.85	77,871,976,949.56
Derivative financial assets	2,326,995,415.55	1,693,163,236.24
Deposits with exchanges and non-bank financial institutions	4,508,496,605.40	5,009,374,708.81
Accounts receivables	785,563,085.92	584,101,443.83
Financial assets held under resale agreements	50,880,148,230.97	52,136,953,261.19
Financial investments:		
Held-for-trading financial assets	177,099,068,900.97	148,958,454,690.72
Debt investments	808,251,140.58	1,056,901,518.00
Other debt investments	39,940,553,372.39	41,926,443,172.21
Investments in other equity instruments	608,212,700.00	7,420,579,800.22
Long-term equity investments	25,763,014,691.98	25,404,348,696.95
Fixed assets	1,422,068,013.44	1,449,591,913.25
Construction in progress	16,832,918.20	12,608,015.17
Right-of-use assets	1,056,352,525.81	1,059,132,351.29
Intangible assets	409,991,543.28	412,735,306.50
Goodwill	–	–
Deferred income tax assets	1,654,342,901.62	1,645,800,611.28
Other assets	3,470,767,516.77	4,481,591,720.42
Total assets	479,069,827,913.68	457,109,373,505.02
Liabilities:		
Short-term borrowings	–	–
Short-term debt instruments	26,014,523,194.84	36,216,758,288.55
Placements from banks and other institutions	4,516,216,666.67	11,002,762,277.75

Items	March 31, 2021	December 31, 2020
Held-for-trading financial liabilities	16,748,215,510.00	9,893,296,480.00
Derivative financial liabilities	2,590,564,538.00	3,039,329,180.46
Financial assets sold under repurchase agreements	123,060,492,157.06	114,990,873,177.11
Accounts payable to brokerage clients	70,320,320,292.80	69,582,590,026.63
Funds payable to securities issuers	167,350,000.00	–
Accrued staff cost	6,686,175,296.39	6,819,616,996.62
Tax payable	241,296,220.17	835,135,653.51
Notes payable	–	–
Accounts payable	13,069,885,881.02	10,717,963,056.16
Estimated liabilities	2,132,683.15	377,201.18
Long-term borrowings	–	–
Bonds payable	113,493,994,981.89	92,979,391,176.96
Deferred income	118,541,226.16	119,340,380.50
Deferred income tax liabilities	655,070,466.39	534,125,305.85
Lease liabilities	1,122,260,094.09	1,118,733,893.60
Other liabilities	706,262,508.98	971,640,966.34
Total liabilities	379,513,301,717.61	358,821,934,061.22
Owners' equity (or equity of shareholders):		
Paid-up capital (or share capital)	8,696,526,806.00	8,696,526,806.00
Other equity instruments	15,000,000,000.00	15,000,000,000.00
Of which: Preferred shares	–	–
Perpetual bonds	15,000,000,000.00	15,000,000,000.00
Capital reserve	40,247,316,586.77	40,247,316,586.77
Less: Treasury shares	–	–
Other comprehensive income	-14,605,447.35	295,852,157.51
Surplus reserve	5,236,148,007.81	5,236,148,007.81
General risk reserve	12,065,528,707.22	12,065,528,707.22
Retained profits	18,325,611,535.62	16,746,067,178.49
Total owners' equity (or equity of shareholders)	99,556,526,196.07	98,287,439,443.80
Total liabilities and owners' equity (or equity of shareholders)	479,069,827,913.68	457,109,373,505.02

Company representative: HUO Da (霍達)

Officer in charge of accounting: ZHAO Bin (趙斌)

Head of accounting department: HE Min (何敏)

CONSOLIDATED INCOME STATEMENT

January – March, 2021

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	The first quarter of 2021	The first quarter of 2020
I. Total operating income	5,962,375,013.47	4,886,433,514.88
Net interest income	508,570,052.97	632,478,884.90
Of which: Interest income	2,758,257,216.88	2,273,295,949.88
Interest expense	2,249,687,163.91	1,640,817,064.98
Net fee and commission income	2,776,622,931.58	2,290,326,683.94
Of which: Net fee income from brokerage business	1,864,909,017.31	1,633,637,267.76
Net fee income from investment banking business	413,343,705.00	265,853,529.70
Net fee income from asset management business	264,423,199.14	231,644,862.78
Investment gains ("-" indicating losses)	1,982,907,234.03	959,202,285.04
Of which: Gains from investments in associates and joint ventures	365,226,611.25	238,707,003.25
Other gains	30,939,039.50	3,740,590.30
Gains from changes in fair value ("-" indicating losses)	329,880,779.97	372,837,412.76
Foreign exchange gains ("-" indicating losses)	3,327,234.31	5,544,040.57
Other operating income	330,127,741.11	622,303,617.37
Gains on disposal of assets ("-" indicating losses)	–	–

Items	The first quarter of 2021	The first quarter of 2020
II. Total operating expenses	2,853,241,783.10	2,584,040,892.88
Tax and surcharges	37,530,897.25	31,658,041.17
Business and administrative expenses	2,454,928,575.09	1,790,929,421.84
Credit impairment losses	64,957,911.94	132,194,093.91
Other asset impairment losses	–	11,282,332.75
Other operating costs	295,824,398.82	617,977,003.21
III. Operating profit ("-" indicating losses)	3,109,133,230.37	2,302,392,622.00
Add: Non-operating income	1,654,767.75	2,498,969.52
Less: Non-operating expense	1,993,330.94	80,435.04
IV. Total profit ("-" indicating total losses)	3,108,794,667.18	2,304,811,156.48
Less: Income tax expenses	492,812,266.46	503,036,066.38
V. Net profit ("-" indicating net loss)	2,615,982,400.72	1,801,775,090.10
(I) Classified by the continuity of operations		
1. Net profit from continuing operations ("-" indicating net loss)	2,615,982,400.72	1,801,775,090.10
2. Net profit from discontinued operations ("-" indicating net loss)	–	–
(II) Classified by ownership		
1. Net profit attributable to the shareholders of the parent company ("-" indicating net loss)	2,612,585,454.36	1,797,555,461.56
2. Profit or loss of non-controlling interests ("-" indicating net loss)	3,396,946.36	4,219,628.54

Items	The first quarter of 2021	The first quarter of 2020
VI. Other comprehensive income after tax, net	-298,030,255.52	104,846,729.04
Other comprehensive income after tax attributable to the owners of the parent company, net	-298,030,255.52	104,846,729.04
(I) Other comprehensive income that shall not be reclassified to profit or loss	-276,097,852.93	-236,431,210.21
1. Re-measurement of change in defined benefit scheme	–	–
2. Other comprehensive income that shall not be reclassified to profit or loss under equity method	–	–
3. Change in fair value of investments in other equity instruments	-276,097,852.93	-236,431,210.21
4. Change in fair value of the enterprise's own credit risk	–	–
(II) Other comprehensive income that will be reclassified to profit or loss	-21,932,402.59	341,277,939.25
1. Other comprehensive income that will be reclassified to profit or loss under equity method	-3,215,912.51	266,490.53
2. Change in fair value of other debt investments	-32,828,648.13	245,164,446.52
3. Amount of financial assets reclassified to other comprehensive income	–	–
4. Expected credit losses for other debt investments	-7,835,743.46	-188,474.80
5. Hedge reserve from cash flows	–	–
6. Exchange difference arising from foreign currency translation	21,947,901.51	96,035,477.00
7. Others	–	–
Other comprehensive income after tax attributable to non-controlling interests, net	–	–
VII. Total comprehensive income	2,317,952,145.20	1,906,621,819.14
Total comprehensive income attributable to owners of the parent company	2,314,555,198.84	1,902,402,190.60
Total comprehensive income attributable to non-controlling interests	3,396,946.36	4,219,628.54
VIII. Earnings per share:		
(I) Basic (RMB per share)	0.28	0.20
(II) Diluted (RMB per share)	0.28	0.20

Company representative: HUO Da (霍達)

Officer in charge of accounting: ZHAO Bin (趙斌)

Head of accounting department: HE Min (何敏)

INCOME STATEMENT OF THE PARENT COMPANY

January – March, 2021

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	The first quarter of 2021	The first quarter of 2020
I. Total operating income	4,365,325,859.63	4,084,918,459.47
Net interest income	366,588,208.46	554,166,475.09
Of which: Interest income	2,528,522,193.17	2,119,051,024.80
Interest expense	2,161,933,984.71	1,564,884,549.71
Net fee and commission income	2,341,823,356.93	1,937,370,282.26
Of which: Net fee income from brokerage business	1,710,418,783.62	1,527,007,722.33
Net fee income from investment banking business	401,587,008.99	253,367,078.81
Net fee income from asset management business	–	–
Investment gains ("-" indicating losses)	694,559,295.02	883,343,966.69
Of which: Gains from investments in associates and joint ventures	361,881,907.54	236,181,688.30
Other gains	29,883,274.97	2,072,819.37
Gains from changes in fair value ("-" indicating losses)	893,436,250.82	700,226,209.90
Foreign exchange gains ("-" indicating losses)	6,425,257.68	-7,694,232.25
Other operating income	32,610,215.75	15,432,938.41
Gains on disposal of assets ("-" indicating losses)	–	–

Items	The first quarter of 2021	The first quarter of 2020
II. Total operating expenses	2,269,719,623.84	1,757,347,058.59
Tax and surcharges	34,583,656.21	28,772,270.99
Business and administrative expenses	2,200,167,651.94	1,595,261,925.21
Credit impairment losses	34,968,315.69	133,312,862.39
Other asset impairment losses	–	–
Other operating costs	–	–
III. Operating profit ("-" indicating losses)	2,095,606,235.79	2,327,571,400.88
Add: Non-operating income	1,652,272.28	2,487,723.06
Less: Non-operating expense	1,957,560.72	18,598.66
IV. Total profit ("-" indicating total losses)	2,095,300,947.35	2,330,040,525.28
Less: Income tax expenses	317,980,973.76	451,432,949.81
V. Net profit ("-" indicating net loss)	1,777,319,973.59	1,878,607,575.47
(I) Net profit from continuing operations ("-" indicating net loss)	1,777,319,973.59	1,878,607,575.47
(II) Net profit from discontinued operations ("-" indicating net loss)	–	–

Items	The first quarter of 2021	The first quarter of 2020
VI. Other comprehensive income after tax, net	-310,457,604.86	3,680,249.19
(I) Other comprehensive income that shall not be reclassified to profit or loss	-276,097,852.93	-236,431,210.21
1. Re-measurement of change in defined benefit scheme	–	–
2. Other comprehensive income that shall not be reclassified to profit or loss under equity method	–	–
3. Change in fair value of investments in other equity instruments	-276,097,852.93	-236,431,210.21
4. Change in fair value of the enterprise's own credit risk	–	–
(II) Other comprehensive income that will be reclassified to profit or loss	-34,359,751.93	240,111,459.40
1. Other comprehensive income that will be reclassified to profit or loss under equity method	-3,215,912.51	266,490.53
2. Change in fair value of other debt investments	-30,441,950.72	240,033,443.67
3. Amount of financial assets reclassified to other comprehensive income	–	–
4. Expected credit losses for other debt investments	-701,888.70	-188,474.80
5. Hedge reserve from cash flows	–	–
6. Exchange difference arising from foreign currency translation	–	–
7. Others	–	–
VII. Total comprehensive income	1,466,862,368.73	1,882,287,824.66
VIII. Earnings per share:		
(I) Basic (RMB per share)	–	–
(II) Diluted (RMB per share)	–	–

Company representative: HUO Da (霍達)

Officer in charge of accounting: ZHAO Bin (趙斌)

Head of accounting department: HE Min (何敏)

CONSOLIDATED STATEMENT OF CASH FLOWS

January – March, 2021

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	The first quarter of 2021	The first quarter of 2020
I. Cash flows from operating activities:		
Net increase in disposal of held-for-trading financial assets	–	11,001,829,729.95
Cash received from interests, fees and commissions	5,575,189,399.48	4,539,864,065.62
Net increase in borrowings from other financial institutions	–	–
Net increase in cash from repurchase business	8,340,375,171.77	–
Net cash received from accounts payables to brokerage clients	1,911,790,902.91	15,277,419,816.53
Cash received from other operating activities	6,741,728,667.22	1,995,959,148.63
Subtotal of cash inflows from operating activities	22,569,084,141.38	32,815,072,760.73
Net decrease in acquisition of held-for-trading financial assets	23,179,706,394.15	–
Net decrease in borrowings from other financial institutions	6,500,000,000.00	2,500,000,000.00
Net decrease in cash from repurchase business	–	7,668,983,427.04
Net increase in advances to customers	6,836,815,093.56	1,034,403,064.71
Net cash paid for accounts payables to brokerage clients	–	–
Cash paid for interests, fees and commissions	1,540,964,922.51	1,244,119,273.27
Cash paid to accrued staff costs	2,274,458,801.87	1,352,785,829.91
Taxes paid	832,647,541.35	964,115,176.32
Cash paid for other operating activities	2,562,790,914.03	1,674,636,092.30
Subtotal of cash outflows from operating activities	43,727,383,667.47	16,439,042,863.55
Net cash flows from operating activities	-21,158,299,526.09	16,376,029,897.18

Items	The first quarter of 2021	The first quarter of 2020
II. Cash flows from investing activities:		
Cash received from disposal of investment	8,814,181,975.49	491,614,148.84
Cash received from investment gains	963,121,937.45	489,270,207.32
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	–	–
Net cash received from disposal of subsidiaries and other business units	–	–
Cash received from other investing activities	139,878.63	63,861.72
Subtotal of cash inflows from investing activities	9,777,443,791.57	980,948,217.88
Cash paid for investments	–	188,578,417.51
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	41,853,114.12	16,361,836.59
Net cash paid for acquisition of subsidiaries and other business units	–	–
Cash paid for other investing activities	–	–
Subtotal of cash outflows from investing activities	41,853,114.12	204,940,254.10
Net cash flows from investing activities	9,735,590,677.45	776,007,963.78
III. Cash flows from financing activities:		
Proceeds from investments	–	–
Of which: Cash contribution from non-controlling interest to subsidiaries	–	–
Proceeds from borrowings	7,537,328,589.02	711,304,007.16
Proceeds from issuance of bonds	44,223,450,000.00	37,614,520,000.00
Cash received from other financing activities	–	663,954,452.56
Subtotal of cash inflows from financing activities	51,760,778,589.02	38,989,778,459.72
Cash repayment of borrowings	34,157,241,799.22	34,406,208,837.42
Cash paid for dividends, profits or interests	1,757,022,527.03	1,701,161,447.48
Of which: Dividends and profits paid to non-controlling interest by subsidiaries	5,600,000.00	–
Cash paid for other financing activities	–	–
Subtotal of cash outflows from financing activities	35,914,264,326.25	36,107,370,284.90
Net cash flows from financing activities	15,846,514,262.77	2,882,408,174.82

Items	The first quarter of 2021	The first quarter of 2020
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-12,920,853.12	194,488,875.86
V. Net increase in cash and cash equivalents	4,410,884,561.01	20,228,934,911.64
Add: Balance of cash and cash equivalents at the beginning of the period	103,693,370,442.69	74,339,314,719.30
VI. Balance of cash and cash equivalents at the end of the period	108,104,255,003.70	94,568,249,630.94

Company representative: HUO Da (霍達)

Officer in charge of accounting: ZHAO Bin (趙斌)

Head of accounting department: HE Min (何敏)

CASH FLOW STATEMENT OF THE PARENT COMPANY

January – March, 2021

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan   Currency: RMB   Type of audit: Unaudited

Items	The first quarter of 2021	The first quarter of 2020
I. Cash flows from operating activities:		
Net increase in disposal of held-for-trading financial assets	–	9,472,614,691.48
Cash received from interests, fees and commissions	4,862,111,677.93	3,986,865,918.95
Net increase in borrowings from other financial institutions	–	–
Net increase in cash from repurchase business	9,330,256,498.42	–
Net decrease in advances to customers	–	–
Net cash received from accounts payables to brokerage clients	–	15,034,624,161.74
Cash received from other operating activities	6,767,476,462.02	870,154,503.17
Subtotal of cash inflows from operating activities	20,959,844,638.37	29,364,259,275.34
Net decrease in acquisition of held-for-trading financial assets	21,475,856,926.51	–
Net decrease in borrowings from other financial institutions	6,500,000,000.00	2,500,000,000.00
Net decrease in cash from repurchase business	–	7,090,909,789.22
Net increase in advances to customers	3,405,921,141.99	1,970,419,226.43
Net cash paid for accounts payables to brokerage clients	2,391,712,185.13	–
Cash paid for interests, fees and commissions	1,378,062,051.28	1,116,824,272.42
Cash paid to accrued staff costs	2,032,358,171.29	1,193,351,434.56
Taxes paid	504,912,157.11	713,903,370.05

Items	The first quarter of 2021	The first quarter of 2020
Cash paid for other operating activities	940,589,563.39	185,465,809.63
Subtotal of cash outflows from operating activities	38,629,412,196.70	14,770,873,902.31
Net cash flows from operating activities	-17,669,567,558.33	14,593,385,373.03
II. Cash flows from investing activities:		
Cash received from disposal of investment	8,629,011,997.44	387,557,489.28
Cash received from investment gains	956,722,505.00	489,270,207.32
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	–	–
Cash received from other investing activities	139,878.63	63,618.78
Subtotal of cash inflows from investing activities	9,585,874,381.07	876,891,315.38
Cash paid for investments	–	710,000,000.00
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	38,899,400.63	15,522,099.04
Cash paid for other investing activities	–	–
Subtotal of cash outflows from investing activities	38,899,400.63	725,522,099.04
Net cash flows from investing activities	9,546,974,980.44	151,369,216.34
III. Cash flows from financing activities:		
Proceeds from investments	–	–
Proceeds from borrowings	–	–
Proceeds from issuance of bonds	44,223,450,000.00	37,614,520,000.00
Cash received from other financing activities	–	663,954,452.56
Subtotal of cash inflows from financing activities	44,223,450,000.00	38,278,474,452.56
Cash repayment of borrowings	34,147,421,737.01	34,396,162,394.50
Cash paid for dividends, profits or interests	1,722,451,668.88	1,665,921,187.71
Cash paid for other financing activities	–	–
Subtotal of cash outflows from financing activities	35,869,873,405.89	36,062,083,582.21
Net cash flows from financing activities	8,353,576,594.11	2,216,390,870.35

Items	The first quarter of 2021	The first quarter of 2020
IV. Effect of foreign exchange rate changes on cash and cash equivalents	20,345,257.68	-7,694,232.25
V. Net increase in cash and cash equivalents	251,329,273.90	16,953,451,227.47
Add: Balance of cash and cash equivalents at the beginning of the period	85,985,412,966.01	60,569,031,627.38
VI. Balance of cash and cash equivalents at the end of the period	86,236,742,239.91	77,522,482,854.85

Company representative: HUO Da (霍達)

Officer in charge of accounting: ZHAO Bin (趙斌)

Head of accounting department: HE Min (何敏)