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

(Stock Code: 6099)

2022 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 2022 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, 2022 (the “**Reporting Period**”). The financial report contained herein is prepared in accordance with 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 24, 2022

As at the date of this announcement, the executive director of the Company is Mr. HUO Da; the non-executive directors of the Company are Mr. LIU Weiwu, 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.

The board of directors (the “**Board**”) and all directors of the Company undertake that the information in this announcement contains no false record, misleading statement or material omission, and assume joint and several liabilities to the authenticity, accuracy and completeness of the information in this announcement.

IMPORTANT NOTICE

- (I) 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.**

- (II) HUO Da, the officer in charge of the Company, WU Huifeng, the officer in charge of accounting matters of the Company, and WANG Jianping, 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.**

- (III) The first quarterly financial statements have not been audited.**

I. BASIC INFORMATION OF THE COMPANY

(I) Key accounting data and financial indicators

Unit: Yuan Currency: RMB

Items	During the Reporting Period	Increase/decrease for the Reporting Period over the corresponding period of last year (%)
Operating revenue	3,696,270,114.27	-38.01
Net profit attributable to the shareholders of the Company	1,489,516,271.33	-42.99
Net profit attributable to the shareholders of the Company after deducting non-recurring profit or loss	1,465,711,053.20	-43.90
Net cash flows generated from operating activities	21,250,974,414.47	–
Basic earnings per share (RMB per share)	0.15	-46.43
Diluted earnings per share (RMB per share)	0.15	-46.43
Weighted average return on net assets (%)	1.36	Decreased by 1.27 percentage points

	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 (%)
Total assets	602,653,646,125.61	597,221,126,798.86	0.91
Owners' equity attributable to the shareholders of the Company	108,910,479,648.85	112,503,029,631.97	-3.19

In the first quarter of 2022, as market volatility intensified and the situation of COVID-19 pandemic remained severe, it posed challenges for the operating activities and put pressure on the results of the Company.

(II) Non-recurring profit or loss items and amounts

Unit: Yuan Currency: RMB

Items	Amount during the Reporting Period
Profit or loss from disposal of non-current assets	971,732.57
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, and certain standards	40,309,517.25
Other non-operating income and expenses apart from the aforesaid items	-9,537,835.50
Less: Effects of income tax	7,938,196.19
Total	23,805,218.13

(III) Details and reasons for changes in key accounting data and financial indicators

Items	As at the end of the Reporting Period	As at the end of last year	Increase/decrease (%)	Major reason for change
Accounts receivables	609,263,089.12	1,055,546,712.36	-42.28	Recovery of accounts receivables
Funds payable to securities issuers	322,567,750.00	-	-	Increase in agent underwriting scale
Tax payable	515,010,910.01	1,110,124,989.35	-53.61	Decrease in enterprise income tax payable
Other equity instruments	10,300,000,000.00	15,000,000,000.00	-31.33	Redemption of perpetual bonds
Other comprehensive income	-256,538,414.30	-31,248,474.95	-	Changes in fair value of investments in other equity instruments and exchange difference arising from foreign currency translation

Items	From the beginning of the year to the end of the Reporting Period	The corresponding period of last year	Increase/decrease (%)	Major reason for change
Net interest income	188,131,094.62	508,570,052.97	-63.01	Increase in interest expense
Other gains	78,663,164.83	30,939,039.50	154.25	Increase in government grants received
Gains from changes in fair value	-1,205,672,662.28	329,880,779.97	-465.49	Changes in valuation of financial instruments
Foreign exchange gains	-390,620.79	3,327,234.31	-111.74	Changes in exchange rates
Business and administrative expenses	1,644,555,992.67	2,454,928,575.09	-33.01	Decrease in labor costs
Credit impairment losses	129,561,772.30	64,957,911.94	99.45	Increase in provision for expected credit losses of financing business
Non-operating expense	9,618,296.97	1,993,330.94	382.52	Increase in provision for estimated liabilities
Income tax expenses	98,553,319.29	492,812,266.46	-80.00	Decrease in income tax payable
Net cash flows from operating activities	21,250,974,414.47	-21,158,299,526.09	-	Increase in net cash inflows from disposal of held-for-trading financial assets and increase in net decrease in advances to customers
Net cash flows from investing activities	-2,517,715,231.63	9,735,590,677.45	-125.86	Increase in net cash outflows from other debt investments and investments in other equity instruments
Net cash flows from financing activities	-8,569,624,667.16	15,846,514,262.77	-154.08	Decrease in proceeds from issuance of bonds and redemption of perpetual bonds

II. INFORMATION OF SHAREHOLDERS

(I) Total number of ordinary shareholders and number of preferred shareholders with restored voting rights and shareholdings of the top ten shareholders

Unit: Share

Total number of ordinary shareholders as at the end of the Reporting Period	191,639	Total number of preferred shareholders with restored voting rights as at the end of the Reporting Period (if any)	-			
Shareholdings of the top ten shareholders						
Name of shareholder	Nature of shareholder	Number of shares held	Percentage of shares held (%)	Number of restricted shares held	Pledged, marked or locked-up	
					Status	Number
China Merchants Finance Investment Holdings Co., Ltd. (深圳市招融投資控股有限公司)	State-owned legal person	2,047,900,517	23.55	-	Nil	-
Shenzhen Jisheng Investment Development Co., Ltd. (深圳市集盛投資發展有限公司)	State-owned legal person	1,703,934,870	19.59	-	Nil	-
HKSCC Nominees Limited	Overseas legal person	1,274,215,711	14.65	-	Nil	-
China Ocean Shipping Company Limited (中國遠洋運輸有限公司)	State-owned legal person	544,632,418	6.26	-	Nil	-
Hebei Port Group Co., Ltd. (河北港口集團有限公司)	State-owned legal person	343,282,732	3.95	-	Nil	-
CCCC Capital Holdings Limited (中交資本控股有限公司)	State-owned legal person	272,219,361	3.13	-	Nil	-
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	Unknown	170,789,261	1.96	-	Nil	-
COSCO Shipping (Guangzhou) Co., Ltd. (中遠海運(廣州)有限公司)	State-owned legal person	109,199,899	1.26	-	Nil	-
Hong Kong Securities Clearing Company Limited	Overseas legal person	106,890,495	1.23	-	Nil	-
China Construction Bank Corporation – Guotai CSI All Share brokerage ETF (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)	Others	76,886,105	0.88	-	Nil	-

Shareholdings of the top ten holders of unrestricted shares			
Name of shareholder	Number of unrestricted tradable shares held	Class and number of shares	
		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	1,274,215,711	Overseas listed foreign shares	1,274,215,711
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
CCCC Capital Holdings Limited (中交資本控股有限公司)	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	106,890,495	RMB ordinary shares	106,890,495
China Construction Bank Corporation – Guotai CSI All Share brokerage ETF (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)	76,886,105	RMB ordinary shares	76,886,105
Description of the connected relationships or concerted actions among the aforesaid shareholders	<ol style="list-style-type: none"> 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; China Ocean Shipping Company Limited and COSCO Shipping (Guangzhou) Co., Ltd. are subsidiaries of China COSCO Shipping Corporation Limited. 		
Description of the top ten shareholders and the top ten holders of unrestricted shares engaging in margin financing and securities lending as well as margin and securities refinancing business (if any)	Nil		

- 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 Northbound Trading Link of the Shanghai-Hong Kong Stock Connect.

III. OTHER REMINDER EVENTS

Investor relation activities during the Reporting Period

During the Reporting Period, through brokerage strategy meetings, telephone conferences, the Shanghai Stock Exchange E-Interaction, telephone hotlines, email, WeChat and other means, the Company maintained close contact and communicated with a total of 131 domestic and foreign analysts and investors, made in-depth exchanges of industry dynamics and hot issues of the Company with them and actively promoted the investment value of the Company.

IV. QUARTERLY FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

March 31, 2022

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	March 31, 2022	December 31, 2021
Assets:		
Cash and bank balances	99,700,504,513.87	87,938,259,847.57
Of which: Deposits from customers	86,008,618,983.51	78,160,801,347.68
Clearing settlement funds	24,319,130,580.64	25,873,373,101.51
Of which: Settlement funds from customers	16,927,608,501.72	18,979,905,509.12
Advances to customers	89,111,621,567.90	98,686,505,904.39
Derivative financial assets	3,651,433,482.41	3,204,641,912.26
Deposits with exchanges and non-bank financial institutions	12,842,639,190.98	13,141,791,332.34
Accounts receivables	609,263,089.12	1,055,546,712.36
Financial assets held under resale agreements	43,554,060,452.71	39,198,592,074.61
Financial investments:		
Held-for-trading financial assets	263,033,883,991.87	265,344,277,809.66
Debt investments	987,188,131.40	1,117,626,303.13
Other debt investments	43,234,375,803.71	40,582,323,318.84
Investments in other equity instruments	1,234,405,849.49	1,409,254,388.76
Long-term equity investments	10,054,091,760.00	9,648,858,138.75
Fixed assets	1,425,748,112.45	1,449,606,416.70
Construction in progress	34,693,054.23	30,899,876.17
Right-of-use assets	1,242,592,353.16	1,244,890,268.43
Intangible assets	430,148,944.78	434,361,218.74
Goodwill	9,670,605.55	9,670,605.55
Deferred income tax assets	1,404,491,517.37	1,561,414,589.17
Other assets	5,773,703,123.97	5,289,232,979.92
Total assets	602,653,646,125.61	597,221,126,798.86

Items	March 31, 2022	December 31, 2021
Liabilities:		
Short-term borrowings	4,982,813,592.42	5,248,005,983.09
Short-term debt instruments	23,366,266,299.58	26,935,839,064.49
Placements from banks and other institutions	7,734,335,901.94	6,743,717,383.90
Held-for-trading financial liabilities	28,352,065,050.40	23,187,937,832.42
Derivative financial liabilities	4,571,969,390.24	4,616,991,633.52
Financial assets sold under repurchase agreements	131,269,914,480.66	127,417,730,458.56
Accounts payable to brokerage clients	106,005,975,549.33	99,605,342,327.10
Funds payable to securities issuers	322,567,750.00	–
Accrued staff cost	6,945,164,979.56	8,282,962,146.36
Tax payable	515,010,910.01	1,110,124,989.35
Notes payable	1,739,900,000.00	1,772,900,000.00
Accounts payable	25,393,735,923.22	29,036,251,678.38
Estimated liabilities	106,090,804.46	128,144,062.70
Long-term borrowings	972,526,725.59	980,181,988.83
Bonds payable	148,300,439,181.25	146,313,957,294.30
Deferred income	115,344,608.80	116,143,763.14
Deferred income tax liabilities	420,321,438.58	491,856,628.43
Lease liabilities	1,323,933,797.53	1,317,464,631.45
Other liabilities	1,212,771,636.45	1,325,124,715.89
Total liabilities	493,651,148,020.02	484,630,676,581.91

Items	March 31, 2022	December 31, 2021
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	10,300,000,000.00	15,000,000,000.00
Of which: Preferred shares	–	–
Perpetual bonds	10,300,000,000.00	15,000,000,000.00
Capital reserve	40,361,022,253.27	40,361,022,253.27
Less: Treasury shares	–	–
Other comprehensive income	-256,538,414.30	-31,248,474.95
Surplus reserve	5,236,148,007.81	5,236,148,007.81
General risk reserve	15,519,797,353.32	15,507,909,799.99
Retained profits	29,053,523,642.75	27,732,671,239.85
Total owners' equity (or equity of shareholders) attributable to the parent company	108,910,479,648.85	112,503,029,631.97
Non-controlling interests	92,018,456.74	87,420,584.98
Total owners' equity (or equity of shareholders)	109,002,498,105.59	112,590,450,216.95
Total liabilities and owners' equity (or equity of shareholders)	602,653,646,125.61	597,221,126,798.86

Officer in charge of the Company:
HUO Da (霍達)

Officer in charge of accounting:
WU Huifeng (吳慧峰)

Head of accounting department:
WANG Jianping (王劍平)

CONSOLIDATED INCOME STATEMENT

January – March, 2022

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	The first quarter of 2022	The first quarter of 2021
I. Total operating income	3,696,270,114.27	5,962,375,013.47
Net interest income	188,131,094.62	508,570,052.97
Of which: Interest income	2,641,459,421.14	2,758,257,216.88
Interest expense	2,453,328,326.52	2,249,687,163.91
Net fee and commission income	2,545,228,773.18	2,776,622,931.58
Of which: Net fee income from brokerage business	1,649,114,165.95	1,864,909,017.31
Net fee income from investment banking business	449,127,884.07	413,343,705.00
Net fee income from asset management business	207,187,801.36	264,423,199.14
Investment gains (“-” indicating losses)	1,786,376,081.59	1,982,907,234.03
Of which: Gains from investments in associates and joint ventures	404,774,070.46	365,226,611.25
Gains from derecognition of financial assets at amortized cost (“-” indicating losses)	–	–
Other gains	78,663,164.83	30,939,039.50
Gains from changes in fair value (“-” indicating losses)	-1,205,672,662.28	329,880,779.97
Foreign exchange gains (“-” indicating losses)	-390,620.79	3,327,234.31
Other operating income	303,934,283.12	330,127,741.11
Gains on disposal of assets (“-” indicating losses)	–	–

Items	The first quarter of 2022	The first quarter of 2021
II. Total operating expenses	2,095,593,810.27	2,853,241,783.10
Tax and surcharges	38,872,422.89	37,530,897.25
Business and administrative expenses	1,644,555,992.67	2,454,928,575.09
Credit impairment losses	129,561,772.30	64,957,911.94
Other asset impairment losses	–	–
Other operating costs	282,603,622.41	295,824,398.82
III. Operating profit (“-” indicating losses)	1,600,676,304.00	3,109,133,230.37
Add: Non-operating income	1,609,455.35	1,654,767.75
Less: Non-operating expense	9,618,296.97	1,993,330.94
IV. Total profit (“-” indicating total losses)	1,592,667,462.38	3,108,794,667.18
Less: Income tax expenses	98,553,319.29	492,812,266.46
V. Net profit (“-” indicating net loss)	1,494,114,143.09	2,615,982,400.72
(I) Classified by the continuity of operations		
1. Net profit from continuing operations (“-” indicating net loss)	1,494,114,143.09	2,615,982,400.72
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)	1,489,516,271.33	2,612,585,454.36
2. Profit or loss of non-controlling interests (“-” indicating net loss)	4,597,871.76	3,396,946.36

Items	The first quarter of 2022	The first quarter of 2021
VI. Other comprehensive income after tax, net	-225,436,665.43	-298,030,255.52
Other comprehensive income after tax attributable to the owners of the parent company, net	-225,436,665.43	-298,030,255.52
(I) Other comprehensive income that shall not be reclassified to profit or loss	-139,508,435.54	-276,097,852.93
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	-139,508,435.54	-276,097,852.93
4. Change in fair value of the enterprise's own credit risk	-	-
(II) Other comprehensive income that will be reclassified to profit or loss	-85,928,229.89	-21,932,402.59
1. Other comprehensive income that will be reclassified to profit or loss under equity method	459,550.79	-3,215,912.51
2. Change in fair value of other debt investments	-8,660,505.68	-32,828,648.13
3. Amount of financial assets reclassified to other comprehensive income	-	-
4. Expected credit losses for other debt investments	-16,976,959.34	-7,835,743.46
5. Hedge reserve from cash flows	-	-
6. Exchange difference arising from foreign currency translation	-60,750,315.66	21,947,901.51
7. Others	-	-
Other comprehensive income after tax attributable to non-controlling interests, net	-	-
VII. Total comprehensive income	1,268,677,477.66	2,317,952,145.20
Total comprehensive income attributable to owners of the parent company	1,264,079,605.90	2,314,555,198.84
Total comprehensive income attributable to non-controlling interests	4,597,871.76	3,396,946.36
VIII. Earnings per share:		
(I) Basic (RMB per share)	0.15	0.28
(II) Diluted (RMB per share)	0.15	0.28

Officer in charge of the Company:
HUO Da (霍達)

Officer in charge of accounting:
WU Huifeng (吳慧峰)

Head of accounting department:
WANG Jianping (王劍平)

CONSOLIDATED STATEMENT OF CASH FLOWS

January – March, 2022

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	The first quarter of 2022	The first quarter of 2021
I. Cash flows from operating activities:		
Net increase in disposal of held-for-trading financial assets	7,681,975,437.06	–
Cash received from interests, fees and commissions	5,564,818,941.35	5,575,189,399.48
Net increase in placements from banks and other institutions	990,446,000.00	–
Net increase in cash from repurchase business	–	8,340,375,171.77
Net decrease in advances to customers	9,709,558,600.49	
Net cash received from accounts payables to brokerage clients	6,167,659,102.43	1,911,790,902.91
Cash received from other operating activities	1,286,751,792.80	6,741,728,667.22
Subtotal of cash inflows from operating activities	31,401,209,874.13	22,569,084,141.38
Net decrease in acquisition of held-for-trading financial assets	–	23,179,706,394.15
Net decrease in placements from banks and other institutions	–	6,500,000,000.00
Net decrease in cash from repurchase business	388,940,846.73	–
Net increase in advances to customers	–	6,836,815,093.56
Net cash paid for accounts payables to brokerage clients	–	–
Cash paid for interests, fees and commissions	1,778,131,019.29	1,540,964,922.51
Cash paid to accrued staff costs	2,600,251,779.16	2,274,458,801.87
Taxes paid	1,085,146,577.33	832,647,541.35
Cash paid for other operating activities	4,297,765,237.15	2,562,790,914.03
Subtotal of cash outflows from operating activities	10,150,235,459.66	43,727,383,667.47
Net cash flows from operating activities	21,250,974,414.47	-21,158,299,526.09

Items	The first quarter of 2022	The first quarter of 2021
II. Cash flows from investing activities:		
Cash received from disposal of investment	–	8,814,181,975.49
Cash received from investment gains	324,248,837.33	963,121,937.45
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	901,382.47	139,878.63
Subtotal of cash inflows from investing activities	325,150,219.80	9,777,443,791.57
Cash paid for investments	2,786,771,353.04	–
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	56,094,098.39	41,853,114.12
Net cash paid for acquisition of subsidiaries and other business units	–	–
Cash paid for other investing activities	–	–
Subtotal of cash outflows from investing activities	2,842,865,451.43	41,853,114.12
Net cash flows from investing activities	-2,517,715,231.63	9,735,590,677.45
III. Cash flows from financing activities:		
Proceeds from investments	4,300,000,000.00	–
Of which: Cash contribution from non-controlling interest to subsidiaries	–	–
Proceeds from borrowings	–	7,537,328,589.02
Proceeds from issuance of bonds	11,259,581,061.34	44,223,450,000.00
Cash received from other financing activities	–	–
Subtotal of cash inflows from financing activities	15,559,581,061.34	51,760,778,589.02
Cash repayment of borrowings	12,941,638,131.45	34,157,241,799.22
Cash paid for dividends, profits or interests	2,187,567,597.05	1,757,022,527.03
Of which: Dividends and profits paid to non-controlling interest by subsidiaries	–	5,600,000.00
Cash paid for redemption of perpetual bonds	9,000,000,000.00	–
Cash paid for other financing activities	–	–
Subtotal of cash outflows from financing activities	24,129,205,728.50	35,914,264,326.25
Net cash flows from financing activities	-8,569,624,667.16	15,846,514,262.77

Items	The first quarter of 2022	The first quarter of 2021
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-84,613,898.84	-12,920,853.12
V. Net increase in cash and cash equivalents	10,079,020,616.84	4,410,884,561.01
Add: Balance of cash and cash equivalents at the beginning of the period	111,737,944,929.04	103,693,370,442.69
VI. Balance of cash and cash equivalents at the end of the period	121,816,965,545.88	108,104,255,003.70

Officer in charge of the Company:
HUO Da (霍達)

Officer in charge of accounting:
WU Huifeng (吳慧峰)

Head of accounting department:
WANG Jianping (王劍平)

BALANCE SHEET OF THE PARENT COMPANY

March 31, 2022

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	March 31, 2022	December 31, 2021
Assets:		
Cash and bank balances	74,751,674,412.23	63,563,514,214.46
Of which: Deposits from customers	67,703,967,599.82	59,712,403,122.31
Clearing settlement funds	24,727,461,807.92	27,394,379,961.22
Of which: Settlement funds from customers	16,338,616,409.02	18,874,202,682.91
Advances to customers	85,895,077,760.13	94,637,589,394.47
Derivative financial assets	3,314,025,147.21	3,020,670,474.85
Deposits with exchanges and non-bank financial institutions	5,586,651,925.12	4,835,452,442.60
Accounts receivables	299,752,366.53	738,263,413.66
Financial assets held under resale agreements	42,930,977,838.32	38,637,346,532.50
Financial investments:		
Held-for-trading financial assets	232,802,624,500.41	232,250,879,618.34
Debt investments	560,868,434.06	552,624,471.50
Other debt investments	42,344,603,953.23	39,378,363,650.03
Investments in other equity instruments	1,198,122,803.01	1,409,254,388.76
Long-term equity investments	28,913,353,885.37	28,508,226,620.10
Fixed assets	1,374,843,345.37	1,393,573,396.70
Construction in progress	14,721,874.72	12,482,325.71
Right-of-use assets	1,095,437,901.23	1,087,261,720.34
Intangible assets	399,016,490.40	401,760,253.62
Goodwill	–	–
Deferred income tax assets	1,232,540,866.83	1,376,609,037.66
Other assets	3,531,008,707.89	3,480,754,298.27
Total assets	550,972,764,019.98	542,679,006,214.79

Items	March 31, 2022	December 31, 2021
Liabilities:		
Short-term borrowings	–	–
Short-term debt instruments	22,685,170,753.82	26,539,981,925.30
Placements from banks and other institutions	7,734,335,901.94	6,743,717,383.90
Held-for-trading financial liabilities	23,710,129,150.00	18,621,981,990.00
Derivative financial liabilities	4,510,370,245.78	5,825,875,766.84
Financial assets sold under repurchase agreements	129,805,886,772.56	124,305,438,041.02
Accounts payable to brokerage clients	83,507,046,625.61	77,130,250,631.70
Funds payable to securities issuers	322,567,750.00	–
Accrued staff cost	6,604,338,096.63	7,841,356,808.81
Tax payable	237,575,775.09	793,993,502.04
Notes payable	–	–
Accounts payable	24,470,575,389.82	25,890,992,563.62
Estimated liabilities	106,090,804.46	128,144,062.70
Long-term borrowings	–	–
Bonds payable	145,133,253,339.46	143,122,625,166.26
Deferred income	115,344,608.80	116,143,763.14
Deferred income tax liabilities	–	–
Lease liabilities	1,171,498,393.20	1,155,911,648.64
Other liabilities	620,242,525.66	854,911,535.15
Total liabilities	450,734,426,132.83	439,071,324,789.12

Items	March 31, 2022	December 31, 2021
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	10,300,000,000.00	15,000,000,000.00
Of which: Preferred shares	–	–
Perpetual bonds	10,300,000,000.00	15,000,000,000.00
Capital reserve	40,247,316,586.77	40,247,316,586.77
Less: Treasury shares	–	–
Other comprehensive income	31,318,496.72	196,857,434.80
Surplus reserve	5,236,148,007.81	5,236,148,007.81
General risk reserve	14,065,368,888.24	14,065,368,888.24
Retained profits	21,661,659,101.61	20,165,463,702.05
Total owners' equity (or equity of shareholders)	100,238,337,887.15	103,607,681,425.67
Total liabilities and owners' equity (or equity of shareholders)	550,972,764,019.98	542,679,006,214.79

Officer in charge of the Company:
HUO Da (霍達)

Officer in charge of accounting:
WU Huifeng (吳慧峰)

Head of accounting department:
WANG Jianping (王劍平)

INCOME STATEMENT OF THE PARENT COMPANY

January – March, 2022

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	The first quarter of 2022	The first quarter of 2021
I. Total operating income	3,251,911,876.03	4,365,325,859.63
Net interest income	98,856,489.09	366,588,208.46
Of which: Interest income	2,473,436,708.81	2,528,522,193.17
Interest expense	2,374,580,219.72	2,161,933,984.71
Net fee and commission income	2,211,927,132.96	2,341,823,356.93
Of which: Net fee income from brokerage business	1,528,482,366.03	1,710,418,783.62
Net fee income from investment banking business	449,862,363.10	401,587,008.99
Net fee income from asset management business	–	–
Investment gains (“-” indicating losses)	-23,554,744.57	694,559,295.02
Of which: Gains from investments in associates and joint ventures	404,667,714.48	361,881,907.54
Gains from derecognition of financial assets at amortized cost (“-” indicating losses)	–	–
Other gains	42,210,756.85	29,883,274.97
Gains from changes in fair value (“-” indicating losses)	886,607,698.42	893,436,250.82
Foreign exchange gains (“-” indicating losses)	12,845,108.65	6,425,257.68
Other operating income	23,019,434.63	32,610,215.75
Gains on disposal of assets (“-” indicating losses)	–	–

Items	The first quarter of 2022	The first quarter of 2021
II. Total operating expenses	1,520,507,478.66	2,269,719,623.84
Tax and surcharges	34,958,621.33	34,583,656.21
Business and administrative expenses	1,373,692,748.00	2,200,167,651.94
Credit impairment losses	111,856,109.33	34,968,315.69
Other asset impairment losses	–	–
Other operating costs	–	–
III. Operating profit (“-” indicating losses)	1,731,404,397.37	2,095,606,235.79
Add: Non-operating income	1,509,454.98	1,652,272.28
Less: Non-operating expense	9,590,193.59	1,957,560.72
IV. Total profit (“-” indicating total losses)	1,723,323,658.76	2,095,300,947.35
Less: Income tax expenses	70,351,944.10	317,980,973.76
V. Net profit (“-” indicating net loss)	1,652,971,714.66	1,777,319,973.59
(I) Net profit from continuing operations (“-” indicating net loss)	1,652,971,714.66	1,777,319,973.59
(II) Net profit from discontinued operations (“-” indicating net loss)	–	–

Items	The first quarter of 2022	The first quarter of 2021
VI. Other comprehensive income after tax, net	-165,685,664.16	-310,457,604.86
(I) Other comprehensive income that shall not be reclassified to profit or loss	-142,959,943.52	-276,097,852.93
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	-142,959,943.52	-276,097,852.93
4. Change in fair value of the enterprise's own credit risk	-	-
(II) Other comprehensive income that will be reclassified to profit or loss	-22,725,720.64	-34,359,751.93
1. Other comprehensive income that will be reclassified to profit or loss under equity method	459,550.79	-3,215,912.51
2. Change in fair value of other debt investments	-23,492,444.92	-30,441,950.72
3. Amount of financial assets reclassified to other comprehensive income	-	-
4. Expected credit losses for other debt investments	307,173.49	-701,888.70
5. Hedge reserve from cash flows	-	-
6. Exchange difference arising from foreign currency translation	-	-
7. Others	-	-
VII. Total comprehensive income	1,487,286,050.50	1,466,862,368.73

Officer in charge of the Company:
HUO Da (霍達)

Officer in charge of accounting:
WU Huifeng (吳慧峰)

Head of accounting department:
WANG Jianping (王劍平)

STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

January – March, 2022

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	The first quarter of 2022	The first quarter of 2021
I. Cash flows from operating activities:		
Net increase in disposal of held-for-trading financial assets	6,121,651,291.47	–
Cash received from interests, fees and commissions	5,017,081,632.30	4,862,111,677.93
Net increase in placements from banks and other institutions	990,446,000.00	–
Net increase in cash from repurchase business	–	9,330,256,498.42
Net decrease in advances to customers	8,905,398,501.71	–
Net cash received from accounts payables to brokerage clients	6,083,917,723.00	–
Cash received from other operating activities	-440,687,859.85	6,767,476,462.02
Subtotal of cash inflows from operating activities	26,677,807,288.63	20,959,844,638.37
Net decrease in acquisition of held-for-trading financial assets	–	21,475,856,926.51
Net decrease in placements from banks and other institutions	–	6,500,000,000.00
Net decrease in cash from repurchase business	-1,302,534,980.34	–
Net increase in advances to customers	–	3,405,921,141.99
Net cash paid for accounts payables to brokerage clients	–	2,391,712,185.13
Cash paid for interests, fees and commissions	1,674,363,565.61	1,378,062,051.28
Cash paid to accrued staff costs	2,307,526,416.28	2,032,358,171.29
Taxes paid	798,050,003.18	504,912,157.11
Cash paid for other operating activities	3,314,001,508.47	940,589,563.39
Subtotal of cash outflows from operating activities	6,791,406,513.20	38,629,412,196.70
Net cash flows from operating activities	19,886,400,775.43	-17,669,567,558.33

Items	The first quarter of 2022	The first quarter of 2021
II. Cash flows from investing activities:		
Cash received from disposal of investment	–	8,629,011,997.44
Cash received from investment gains	316,809,424.07	956,722,505.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	–	–
Cash received from other investing activities	900,185.29	139,878.63
Subtotal of cash inflows from investing activities	317,709,609.36	9,585,874,381.07
Cash paid for investments	3,159,280,666.16	–
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	53,915,038.28	38,899,400.63
Net cash paid for acquisition of subsidiaries and other business units	–	–
Cash paid for other investing activities	–	–
Subtotal of cash outflows from investing activities	3,213,195,704.44	38,899,400.63
Net cash flows from investing activities	-2,895,486,095.08	9,546,974,980.44
III. Cash flows from financing activities:		
Proceeds from investments	4,300,000,000.00	–
Proceeds from borrowings	–	–
Proceeds from issuance of bonds	10,878,007,510.00	44,223,450,000.00
Cash received from other financing activities	–	–
Subtotal of cash inflows from financing activities	15,178,007,510.00	44,223,450,000.00
Cash repayment of borrowings	12,630,688,358.20	34,147,421,737.01
Cash paid for dividends, profits or interests	2,144,463,896.33	1,722,451,668.88
Cash paid for redemption of perpetual bonds	9,000,000,000.00	–
Cash paid for other financing activities	–	–
Subtotal of cash outflows from financing activities	23,775,152,254.53	35,869,873,405.89
Net cash flows from financing activities	-8,597,144,744.53	8,353,576,594.11

Items	The first quarter of 2022	The first quarter of 2021
IV. Effect of foreign exchange rate changes on cash and cash equivalents	12,845,108.65	20,345,257.68
V. Net increase in cash and cash equivalents	8,406,615,044.47	251,329,273.90
Add: Balance of cash and cash equivalents at the beginning of the period	90,934,878,175.68	85,985,412,966.01
VI. Balance of cash and cash equivalents at the end of the period	99,341,493,220.15	86,236,742,239.91

Officer in charge of the Company:
HUO Da (霍達)

Officer in charge of accounting:
WU Huifeng (吳慧峰)

Head of accounting department:
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