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

(Stock Code: 6099)

TERMINATION OF CONNECTED TRANSACTION

References are made to the announcements of China Merchants Securities Co., Ltd. (the “**Company**”) dated December 23, 2020 and September 24, 2021 (collectively the “**Announcements**”) in relation to, among others, the connected transaction of the proposed acquisition of approximately 18.4% equity interest of Changsha Renhui Real Estate Development Co., Ltd.* (長沙仁惠房地產有限公司) (“**Changsha Renhui**”) (the “**Proposed Changsha Acquisition**”). Unless otherwise defined in this announcement, the capitalized terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, on December 23, 2020, CMS Investment (a wholly-owned subsidiary of the Company) entered into the Changsha Cooperation Framework Agreement with Zhuhai Yiyun and Changsha Renhui, pursuant to which (among other things), CMS Investment agreed to purchase, and Zhuhai Yiyun agreed to sell, approximately 18.4% equity interest of Changsha Renhui for a consideration not exceeding RMB300,000,000. Based on the principles of equality and mutual benefit, the parties to the Changsha Cooperation Framework Agreement agreed that they will continue to negotiate the terms of the final definitive cooperation agreement in relation to Changsha Renhui, with an aim to reach an agreement in principle on or before December 31, 2021 (the “**Relevant Period**”), which may be further extended by agreement among the parties. On September 24, 2021, CMS Investment entered into the Cooperation Agreement with Zhuhai Yiyun, pursuant to which, CMS Investment and Zhuhai Yiyun agreed to establish the JV Company for the purpose of holding 37% equity interest in Changsha Renhui to be acquired by the JV Company in accordance with the Changsha Cooperation Framework Agreement.

The Board hereby announces that, due to the failure to reach a consensus during commercial negotiations, CMS Investment and Zhuhai Yiyun failed to reach a final definitive cooperation agreement relating to the Proposed Changsha Acquisition. The parties to the Changsha Cooperation Framework Agreement have agreed to terminate the Proposed Changsha Acquisition after arm's length negotiations. At the same time, CMS Investment and Zhuhai Yiyun have agreed to terminate the Cooperation Agreement after arm's length negotiations.

According to the Changsha Cooperation Framework Agreement, in the event where the parties fail to reach a definitive cooperation agreement within the Relevant Period, Zhuhai Yiyun will return the earnest money paid by CMS Investment, with a fund occupation fee. As such, Zhuhai Yiyun will return the earnest money of RMB296,322,648.92 paid by CMS Investment, with a fund occupation fee, by August 15, 2022. At the same time, Changsha Zhaoyue Enterprise Management Co., Ltd.* (長沙招岳企業管理有限公司) (the “**JV Company**”) established for the purpose of holding 37% equity interest in Changsha Renhui under the Cooperation Agreement between CMS Investment and Zhuhai Yiyun will be deregistered by September 19, 2022.

Save as disclosed above, upon the termination of the Changsha Cooperation Framework Agreement and the Cooperation Agreement, there are no other outstanding debts and liabilities between the parties, nor are there any disputes or controversies relating to the Proposed Changsha Acquisition and the JV Company. The Board considers that the termination of the Proposed Changsha Acquisition and the deregistration of the JV Company are in the interests of the Company and its Shareholders as a whole and have no material adverse impact on the business, operation or financial condition of the Group.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Shenzhen, the PRC
August 8, 2022

As at the date of this announcement, the executive directors of the Company are Mr. HUO Da and Mr. WU Zongmin; the non-executive directors of the Company are Mr. LIU Weiwu, Mr. DENG Weidong, Ms. SU Min, Ms. PENG Lei, Mr. GAO Hong, Mr. HUANG Jian 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.

* For identification purpose only