

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



*(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6099)*

2022 THIRD 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 third quarterly report of China Merchants Securities Co., Ltd. (the “**Company**” or “**China Merchants Securities**”) and its subsidiaries for the nine months ended September 30, 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, October 28, 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.

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 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 information contained in this quarterly report are true, accurate and complete.
- (III) The third quarterly financial statements have not been audited.

I. KEY FINANCIAL DATA

(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 (%)	From the beginning of the year to the end of the Reporting Period	Increase/decrease for the beginning of the year to the end of the Reporting Period over the corresponding period of last year (%)
Operating revenue	4,677,387,367.34	-37.14	15,297,970,234.15	-29.77
Net profit attributable to the shareholders of the Company	1,992,322,784.42	-27.71	6,280,444,248.30	-26.12
Net profit attributable to the shareholders of the Company after deducting non-recurring profit or loss	2,038,685,696.89	-26.18	6,277,821,625.66	-25.42
Net cash flows from operating activities	-32,855,972,737.86	-	25,459,566,604.70	-
Basic earnings per share (RMB per share)	0.21	-30.00	0.67	-26.37
Diluted earnings per share (RMB per share)	0.21	-30.00	0.67	-26.37
Weighted average return on net assets (%)	1.89	Decreased by 0.85 percentage point	5.87	Decreased by 2.60 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	582,560,571,866.08	597,221,126,798.86	-2.45
Owners' equity attributable to the shareholders of the Company	113,628,071,368.48	112,503,029,631.97	1.00

Note: The "Reporting Period" refers to the three-month period from the beginning of this quarter to the end of this quarter, the same for below.

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

Unit: Yuan Currency: RMB

Items	Amount during the Reporting Period	Amount from the beginning of the year to the end of the Reporting Period
Profit or loss from disposal of non-current assets	45,500.57	1,029,054.54
Government grants included in profit or loss of the current period, excluding those closely related to the normal operation of the Company and which were granted on a recurring basis subject to certain amount or volume upon fulfilment of specific standards in compliance with the government policies and regulations	34,916,167.20	108,805,565.50
Other non-operating income and expenses apart from the aforesaid items	-76,049,689.58	-85,774,984.47
Less: Effects of income tax	5,274,890.66	21,437,012.93
Total	-46,362,912.47	2,622,622.64

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

Items	During the Reporting Period	The corresponding period of last year	Increase/decrease (%)	Major reason for change
Operating revenue	4,677,387,367.34	7,440,831,765.55	-37.14	Decrease in net fee and commission income, income from proprietary business and income from commodity business
Net cash flows from operating activities	-32,855,972,737.86	-11,007,058,345.96	-	Decrease in net cash inflows from agency trading of securities, repurchase business and financing business
Basic earnings per share (RMB per share)	0.21	0.30	-30.00	Decrease in net profit attributable to the shareholders of the Company
Diluted earnings per share (RMB per share)	0.21	0.30	-30.00	

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	4,318,464,229.89	3,204,641,912.26	34.76	Changes in fair value of derivative financial instruments
Debt investments	220,920,463.93	1,117,626,303.13	-80.23	Decrease in investment
Deferred income tax assets	1,031,806,272.40	1,561,414,589.17	-33.92	Decrease in deductible temporary differences
Short-term borrowings	2,897,937,232.15	5,248,005,983.09	-44.78	Decrease in short-term borrowings of Hong Kong subsidiaries
Borrowings from banks and other institutions	-	6,743,717,383.90	-100.00	Decrease in borrowings from banks and other institutions
Held-for-trading financial liabilities	35,072,987,576.13	23,187,937,832.42	51.26	Increase in short selling of bonds
Tax payable	620,573,162.71	1,110,124,989.35	-44.10	Decrease in corporate income tax payable and personal income tax payable
Estimated liabilities	61,137,114.36	128,144,062.70	-52.29	Partial payment of compensation during the current period
Other comprehensive income	311,092,493.69	-31,248,474.95	-	Exchange difference arising from foreign currency translation, and changes in fair value of other debt investments and investments in other equity instruments

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	899,834,766.91	1,478,784,086.95	-39.15	Decrease in interest income
Other gains	192,712,272.57	35,136,489.05	448.47	Increase in government grants
Gains from changes in fair value	-311,815,996.53	1,550,007,622.90	-120.12	Changes in fair value of financial assets
Foreign exchange gains	-350,817,576.10	1,069,626.32	-32,898.14	Changes in foreign exchange rates
Other operating income	1,429,293,098.88	2,888,763,988.21	-50.52	Decrease in income from commodity business
Other asset impairment losses	6,915,401.34	-1,626,158.40	-	Changes in provision for other asset impairment losses
Other operating costs	1,364,246,855.74	2,805,010,537.01	-51.36	Decrease in expenses of commodity business
Non-operating income	1,510,211.86	25,923,028.06	-94.17	Decrease in government grants related to non-ordinary operating activities
Non-operating expense	86,134,376.73	50,039,622.66	72.13	Payment of administrative penalty for China Security Co., Ltd.
Income tax expenses	527,678,558.70	1,657,084,005.33	-68.16	Decrease in taxable income
Other comprehensive income after tax, net	337,007,180.80	-212,499,825.45	-	Exchange difference arising from foreign currency translation, and changes in fair value of other debt investments and investments in other equity instruments
Net cash flows from operating activities	25,459,566,604.70	-40,868,969,293.00	-	Increase in net cash inflows from disposal of held-for-trading financial assets
Net cash flows from investing activities	-8,631,960,978.78	3,921,035,676.48	-320.14	Increase in other debt investments
Net cash flows from financing activities	-12,692,733,553.86	54,506,805,175.18	-123.29	Decrease in cash received from issuance of bonds
Effect of foreign exchange rate changes on cash and cash equivalents	974,779,670.47	-44,758,610.30	-	Changes in foreign exchange rates

II. INFORMATION OF SHAREHOLDERS

Total number of ordinary shareholders and shareholdings of the top ten shareholders

Unit: Share

Total number of ordinary shareholders as at the end of the Reporting Period	181,638	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	1,274,124,067	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	271,889,261	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	107,532,372	1.24	-	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	80,754,252	0.93	-	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	1,274,124,067	Overseas listed foreign shares	1,274,124,067

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 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)	271,889,261	RMB ordinary shares	271,889,261
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	107,532,372	RMB ordinary shares	107,532,372
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)	80,754,252	RMB ordinary shares	80,754,252
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.		
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. In September 2022, China Merchants Finance Investment Holdings Co., Ltd. (深圳市招融投資控股有限公司) (the controlling shareholder of the Company) changed its name to “China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司)”. For details, please refer to the relevant announcement of the Company published on the website of The Stock Exchange of Hong Kong Limited (HKExnews) (<http://www.hkexnews.hk>) on September 16, 2022. As of September 30, 2022, the name in the Company’s register of shareholders has not yet been changed;
2. HKSCC Nominees Limited is the nominee holder of the shares held by the non-registered H shareholders of the Company;
3. 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;
4. Given the fact that the shares of the Company could be used as underlying securities for margin financing and securities lending, the shareholding of the shareholders is calculated based on the aggregate of shares and interests held in their ordinary securities accounts and margin accounts.

III. QUARTERLY FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

September 30, 2022

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	September 30, 2022	December 31, 2021
Assets:		
Cash and bank balances	94,096,658,320.84	87,938,259,847.57
Of which: Deposits from customers	79,723,067,073.31	78,160,801,347.68
Clearing settlement funds	24,136,873,977.52	25,873,373,101.51
Of which: Settlement funds from customers	19,318,335,206.95	18,979,905,509.12
Advances to customers	83,616,635,119.46	98,686,505,904.39
Derivative financial assets	4,318,464,229.89	3,204,641,912.26
Deposits with exchanges and non-bank financial institutions	12,883,579,983.44	13,141,791,332.34
Accounts receivables	1,338,770,722.11	1,055,546,712.36
Financial assets held under resale agreements	38,475,895,442.08	39,198,592,074.61
Financial investments:		
Held-for-trading financial assets	250,746,773,642.40	265,344,277,809.66
Debt investments	220,920,463.93	1,117,626,303.13
Other debt investments	50,986,158,823.89	40,582,323,318.84
Investments in other equity instruments	1,433,473,640.11	1,409,254,388.76
Long-term equity investments	10,368,230,861.50	9,648,858,138.75
Fixed assets	1,453,353,827.20	1,449,606,416.70
Construction in progress	34,061,466.46	30,899,876.17
Right-of-use assets	1,211,169,560.82	1,244,890,268.43
Intangible assets	428,335,563.29	434,361,218.74
Goodwill	9,670,605.55	9,670,605.55
Deferred income tax assets	1,031,806,272.40	1,561,414,589.17
Other assets	5,769,739,343.19	5,289,232,979.92
Total assets	582,560,571,866.08	597,221,126,798.86

Items	September 30, 2022	December 31, 2021
Liabilities:		
Short-term borrowings	2,897,937,232.15	5,248,005,983.09
Short-term debt instruments	32,265,445,870.50	26,935,839,064.49
Borrowings from banks and other institutions	–	6,743,717,383.90
Held-for-trading financial liabilities	35,072,987,576.13	23,187,937,832.42
Derivative financial liabilities	4,017,219,692.69	4,616,991,633.52
Financial assets sold under repurchase agreements	115,083,291,944.96	127,417,730,458.56
Accounts payable to brokerage clients	98,677,321,036.90	99,605,342,327.10
Accrued staff cost	6,680,063,025.54	8,282,962,146.36
Tax payable	620,573,162.71	1,110,124,989.35
Accounts payable	26,243,059,013.75	29,036,251,678.38
Estimated liabilities	61,137,114.36	128,144,062.70
Long-term borrowings	1,176,145,448.30	980,181,988.83
Bonds payable	141,928,320,541.37	146,313,957,294.30
Lease liabilities	1,291,652,254.27	1,317,464,631.45
Deferred income tax liabilities	400,173,467.16	491,856,628.43
Other liabilities	2,421,259,102.46	3,214,168,479.03
Total liabilities	468,836,586,483.25	484,630,676,581.91

Items	September 30, 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	14,985,849,056.61	15,000,000,000.00
Of which: Preferred shares	–	–
Perpetual bonds	14,985,849,056.61	15,000,000,000.00
Capital reserve	40,361,022,253.27	40,361,022,253.27
Other comprehensive income	311,092,493.69	-31,248,474.95
Surplus reserve	5,236,148,007.81	5,236,148,007.81
General risk reserve	15,541,092,214.20	15,507,909,799.99
Retained profits	28,496,340,536.90	27,732,671,239.85
Total owners' equity (or equity of shareholders) attributable to the parent company	113,628,071,368.48	112,503,029,631.97
Non-controlling interests	95,914,014.35	87,420,584.98
Total owners' equity (or equity of shareholders)	113,723,985,382.83	112,590,450,216.95
Total liabilities and owners' equity (or equity of shareholders)	582,560,571,866.08	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 – September, 2022

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	The first three quarters (January – September) of 2022	The first three quarters (January – September) of 2021
I. Total operating income	15,297,970,234.15	21,782,339,419.77
Net interest income	899,834,766.91	1,478,784,086.95
Of which: Interest income	7,978,553,737.35	8,514,066,888.52
Interest expense	7,078,718,970.44	7,035,282,801.57
Net fee and commission income	7,296,947,266.59	8,733,818,824.71
Of which: Net fee income from brokerage business	4,968,794,214.49	6,002,153,699.12
Net fee income from investment banking business	1,090,419,271.91	1,260,360,324.56
Net fee income from asset management business	630,939,428.70	744,158,151.80
Investment gains (“-” indicating losses)	6,141,815,699.58	7,094,758,781.63
Of which: Gains from investments in associates and joint ventures	1,264,115,003.86	1,291,894,317.90
Gains from derecognition of financial assets at amortized cost (“-” indicating losses)	-5,196,830.61	-
Other gains	192,712,272.57	35,136,489.05
Gains from changes in fair value (“-” indicating losses)	-311,815,996.53	1,550,007,622.90
Foreign exchange gains (“-” indicating losses)	-350,817,576.10	1,069,626.32
Other operating income	1,429,293,098.88	2,888,763,988.21
Gains on disposal of assets (“-” indicating losses)	702.25	-

Items	The first three quarters (January – September) of 2022	The first three quarters (January – September) of 2021
II. Total operating expenses	8,396,729,832.91	11,589,167,439.66
Tax and surcharges	92,341,406.73	115,676,214.25
Business and administrative expenses	6,549,531,111.48	8,370,497,279.70
Credit impairment losses	383,695,057.62	299,609,567.10
Other asset impairment losses	6,915,401.34	-1,626,158.40
Other operating costs	1,364,246,855.74	2,805,010,537.01
III. Operating profit (“-” indicating losses)	6,901,240,401.24	10,193,171,980.11
Add: Non-operating income	1,510,211.86	25,923,028.06
Less: Non-operating expense	86,134,376.73	50,039,622.66
IV. Total profit (“-” indicating total losses)	6,816,616,236.37	10,169,055,385.51
Less: Income tax expenses	527,678,558.70	1,657,084,005.33
V. Net profit (“-” indicating net loss)	6,288,937,677.67	8,511,971,380.18
(I) Classified by the continuity of operations		
1. Net profit from continuing operations (“-” indicating net loss)	6,288,937,677.67	8,511,971,380.18
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)	6,280,444,248.30	8,501,247,050.97
2. Profit or loss of non-controlling interests (“-” indicating net loss)	8,493,429.37	10,724,329.21

Items	The first three quarters (January – September) of 2022	The first three quarters (January – September) of 2021
VI. Other comprehensive income after tax, net	337,007,180.80	-212,499,825.45
Other comprehensive income after tax attributable to the owners of the parent company, net	337,007,180.80	-212,499,825.45
(I) Other comprehensive income that shall not be reclassified to profit or loss	-258,841,740.39	-191,552,393.36
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	-258,841,740.39	-191,552,393.36
(II) Other comprehensive income that will be reclassified to profit or loss	595,848,921.19	-20,947,432.09
1. Other comprehensive income that will be reclassified to profit or loss under equity method	14,470,747.26	9,527,472.51
2. Change in fair value of other debt investments	71,985,810.14	33,578,785.49
3. Amount of financial assets reclassified to other comprehensive income	–	–
4. Expected credit losses for other debt investments	-19,181,159.50	-2,705,782.34
5. Hedge reserve from cash flows	–	–
6. Exchange difference arising from foreign currency translation	528,573,523.29	-61,347,907.75
7. Others	–	–
Other comprehensive income after tax attributable to non-controlling interests, net	–	–
VII. Total comprehensive income	6,625,944,858.47	8,299,471,554.73
Total comprehensive income attributable to the owners of the parent company	6,617,451,429.10	8,288,747,225.52
Total comprehensive income attributable to non-controlling interests	8,493,429.37	10,724,329.21
VIII. Earnings per share:		
(I) Basic (RMB per share)	0.67	0.91
(II) Diluted (RMB per share)	0.67	0.91

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

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

Head of accounting department:
WANG Jianping (王劍平)

CONSOLIDATED STATEMENT OF CASH FLOWS

January – September, 2022

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	The first three quarters (January – September) of 2022	The first three quarters (January – September) of 2021
I. Cash flows from operating activities:		
Net increase in disposal of held-for-trading financial assets	31,628,665,601.25	–
Cash received from interests, fees and commissions	15,913,397,868.79	18,105,922,982.89
Net increase in cash from repurchase business	–	19,486,705,120.28
Net decrease in advances to customers	15,607,418,040.96	–
Net cash received from accounts payables to brokerage clients	–	16,074,628,062.81
Cash received from other operating activities	4,228,112,994.20	22,020,100,593.52
Subtotal of cash inflows from operating activities	67,377,594,505.20	75,687,356,759.50
Net increase in held-for-trading financial assets	–	69,444,529,925.46
Net decrease in borrowings from banks and other institutions	6,730,000,000.00	6,500,000,000.00
Net decrease in cash from repurchase business	11,822,252,934.14	–
Net increase in advances to customers	–	14,555,707,114.52
Net cash paid for accounts payables to brokerage clients	2,006,884,957.94	–
Cash paid for interests, fees and commissions	4,811,595,060.38	5,279,793,587.86
Cash paid to accrued staff costs	6,294,550,016.35	5,975,617,610.46
Taxes paid	2,290,152,934.06	2,494,397,756.76
Cash paid for other operating activities	7,962,591,997.63	12,306,280,057.44
Subtotal of cash outflows from operating activities	41,918,027,900.50	116,556,326,052.50
Net cash flows from operating activities	25,459,566,604.70	-40,868,969,293.00

Items	The first three quarters (January – September) of 2022	The first three quarters (January – September) of 2021
II. Cash flows from investing activities:		
Cash received from disposal of investment	–	1,680,086,967.40
Cash received from investment gains	1,699,660,714.38	2,400,666,508.71
Cash received from other investing activities	1,412,392.07	232,921.66
Subtotal of cash inflows from investing activities	1,701,073,106.45	4,080,986,397.77
Cash paid for investments	10,044,852,385.54	–
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	288,181,699.69	159,950,721.29
Subtotal of cash outflows from investing activities	10,333,034,085.23	159,950,721.29
Net cash flows from investing activities	-8,631,960,978.78	3,921,035,676.48
III. Cash flows from financing activities:		
Proceeds from investments	15,000,000,000.00	–
Of which: Cash contribution from non-controlling interest to subsidiaries	–	–
Proceeds from borrowings	86,102,000.00	7,161,990,870.58
Proceeds from issuance of bonds	68,673,117,637.99	161,249,675,954.75
Subtotal of cash inflows from financing activities	83,759,219,637.99	168,411,666,825.33
Cash repayment of borrowings	71,065,869,732.33	105,352,315,606.17
Cash paid for dividends, profits or interests	10,386,083,459.52	8,552,546,043.98
Of which: Dividends and profits paid to non-controlling interest by subsidiaries	–	13,230,000.00
Cash paid for redemption of perpetual bonds	15,000,000,000.00	–
Subtotal of cash outflows from financing activities	96,451,953,191.85	113,904,861,650.15
Net cash flows from financing activities	-12,692,733,553.86	54,506,805,175.18

Items	The first three quarters (January – September) of 2022	The first three quarters (January – September) of 2021
IV. Effect of foreign exchange rate changes on cash and cash equivalents	974,779,670.47	-44,758,610.30
V. Net increase in cash and cash equivalents	5,109,651,742.53	17,514,112,948.36
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	116,847,596,671.57	121,207,483,391.05

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

September 30, 2022

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	September 30, 2022	December 31, 2021
Assets:		
Cash and bank balances	59,085,531,656.93	63,563,514,214.46
Of which: Deposits from customers	51,582,144,624.01	59,712,403,122.31
Clearing settlement funds	26,908,170,006.76	27,394,379,961.22
Of which: Settlement funds from customers	19,300,600,917.32	18,874,202,682.91
Advances to customers	80,340,748,135.81	94,637,589,394.47
Derivative financial assets	3,738,019,685.20	3,020,670,474.85
Deposits with exchanges and non-bank financial institutions	6,655,713,636.12	4,835,452,442.60
Accounts receivables	635,411,235.92	738,263,413.66
Financial assets held under resale agreements	38,464,922,873.74	38,637,346,532.50
Financial investments:		
Held-for-trading financial assets	219,532,670,108.54	232,250,879,618.34
Debt investments	71,542,127.67	552,624,471.50
Other debt investments	50,276,193,884.46	39,378,363,650.03
Investments in other equity instruments	1,362,175,124.50	1,409,254,388.76
Long-term equity investments	29,227,399,852.12	28,508,226,620.10
Fixed assets	1,399,570,581.61	1,393,573,396.70
Construction in progress	13,346,832.48	12,482,325.71
Right-of-use assets	1,066,362,115.58	1,087,261,720.34
Intangible assets	393,528,963.96	401,760,253.62
Deferred income tax assets	860,741,551.45	1,376,609,037.66
Other assets	5,579,688,324.04	3,480,754,298.27
Total assets	525,611,736,696.89	542,679,006,214.79

Items	September 30, 2022	December 31, 2021
Liabilities:		
Short-term debt instruments	31,519,364,858.62	26,539,981,925.30
Borrowings from banks and other institutions	–	6,743,717,383.90
Held-for-trading financial liabilities	30,614,443,365.10	18,621,981,990.00
Derivative financial liabilities	3,470,924,743.92	5,825,875,766.84
Financial assets sold under repurchase agreements	113,910,168,367.52	124,305,438,041.02
Accounts payable to brokerage clients	69,727,166,170.13	77,130,250,631.70
Accrued staff cost	6,407,166,968.66	7,841,356,808.81
Tax payable	243,400,645.77	793,993,502.04
Accounts payable	25,439,952,474.18	25,890,992,563.62
Estimated liabilities	61,137,114.36	128,144,062.70
Bonds payable	138,383,925,486.41	143,122,625,166.26
Lease liabilities	1,141,216,415.33	1,155,911,648.64
Other liabilities	1,230,211,289.80	971,055,298.29
Total liabilities	422,149,077,899.80	439,071,324,789.12
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	14,985,849,056.61	15,000,000,000.00
Of which: Preferred shares	–	–
Perpetual bonds	14,985,849,056.61	15,000,000,000.00
Capital reserve	40,247,316,586.77	40,247,316,586.77
Other comprehensive income	33,945,516.65	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	20,197,503,935.01	20,165,463,702.05
Total owners' equity (or equity of shareholders)	103,462,658,797.09	103,607,681,425.67
Total liabilities and owners' equity (or equity of shareholders)	525,611,736,696.89	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 – September, 2022

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	The first three quarters of 2022	The first three quarters of 2021
I. Total operating income	11,969,006,354.72	16,236,374,312.54
Net interest income	629,388,909.82	1,072,977,277.33
Of which: Interest income	7,351,275,669.15	7,854,633,226.32
Interest expense	6,721,886,759.33	6,781,655,948.99
Net fee and commission income	6,362,784,282.85	7,512,641,088.07
Of which: Net fee income from brokerage business	4,693,135,550.16	5,554,779,482.55
Net fee income from investment banking business	1,081,773,018.11	1,245,536,342.52
Net fee income from asset management business	-	-
Investment gains (“-” indicating losses)	2,721,722,107.32	6,997,614,778.91
Of which: Gains from investments in associates and joint ventures	1,263,915,513.13	1,153,204,930.82
Gains from derecognition of financial assets at amortized cost (“-” indicating losses)	-5,196,830.61	-
Other gains	122,551,663.31	33,576,126.04
Gains from changes in fair value (“-” indicating losses)	2,582,183,156.45	530,008,407.06
Foreign exchange gains (“-” indicating losses)	-536,575,086.90	16,726,100.97
Other operating income	86,951,321.87	72,830,534.16
II. Total operating expenses	6,101,059,921.82	7,882,244,862.86
Tax and surcharges	80,073,789.60	103,076,281.70
Business and administrative expenses	5,764,696,497.07	7,571,821,951.93
Credit impairment losses	256,289,635.15	207,346,629.23

Items	The first three quarters of 2022	The first three quarters of 2021
III. Operating profit (“-” indicating losses)	5,867,946,432.90	8,354,129,449.68
Add: Non-operating income	1,389,614.42	19,247,825.45
Less: Non-operating expense	85,893,436.97	50,010,814.56
IV. Total profit (“-” indicating total losses)	5,783,442,610.35	8,323,366,460.57
Less: Income tax expenses	267,220,087.53	874,911,528.68
V. Net profit (“-” indicating net loss)	5,516,222,522.82	7,448,454,931.89
(I) Net profit from continuing operations (“-” indicating net loss)	5,516,222,522.82	7,448,454,931.89
(II) Net profit from discontinued operations (“-” indicating net loss)	-	-
VI. Other comprehensive income after tax, net	-168,835,458.81	-111,272,504.33
(I) Other comprehensive income that shall not be reclassified to profit or loss	-251,637,325.24	-191,552,393.36
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	-251,637,325.24	-191,552,393.36
4. Change in fair value of the enterprise’s own credit risk	-	-
(II) Other comprehensive income that will be reclassified to profit or loss	82,801,866.43	80,279,889.03
1. Other comprehensive income that will be reclassified to profit or loss under equity method	14,470,747.26	9,527,472.51
2. Change in fair value of other debt investments	69,724,374.44	70,006,582.87
3. Amount of financial assets reclassified to other comprehensive income	-	-
4. Expected credit losses for other debt investments	-1,393,255.27	745,833.65
5. Hedge reserve from cash flows	-	-
6. Exchange difference arising from foreign currency translation	-	-
7. Others	-	-
VII. Total comprehensive income	5,347,387,064.01	7,337,182,427.56

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 – September, 2022

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	The first three quarters of 2022	The first three quarters of 2021
I. Cash flows from operating activities:		
Net increase in disposal of held-for-trading financial assets	29,485,917,720.54	–
Cash received from interests, fees and commissions	14,222,108,359.88	15,789,001,304.20
Net increase in cash from repurchase business	–	20,173,357,916.26
Net decrease in advances to customers	14,463,347,522.19	–
Net cash received from accounts payables to brokerage clients	–	6,774,769,999.19
Cash received from other operating activities	909,759,634.31	17,998,040,611.49
Subtotal of cash inflows from operating activities	59,081,133,236.92	60,735,169,831.14
Net increase in held-for-trading financial assets	–	63,406,242,060.33
Net decrease in borrowings from banks and other institutions	6,730,000,000.00	6,500,000,000.00
Net decrease in cash from repurchase business	10,183,037,130.74	–
Net increase in advances to customers	–	14,162,392,820.35
Cash paid for interests, fees and commissions	4,399,580,337.42	4,657,834,028.28
Net cash paid for accounts payables to brokerage clients	7,721,424,387.56	–
Cash paid to accrued staff costs	5,618,136,827.47	5,341,470,407.39
Taxes paid	1,730,941,253.86	1,530,480,488.22
Cash paid for other operating activities	7,280,171,323.38	1,381,559,684.87
Subtotal of cash outflows from operating activities	43,663,291,260.43	96,979,979,489.44
Net cash flows from operating activities	15,417,841,976.49	-36,244,809,658.30

Items	The first three quarters of 2022	The first three quarters of 2021
II. Cash flows from investing activities:		
Cash received from disposal of investment	360,000,000.00	–
Cash received from investment gains	1,681,038,352.27	3,857,295,484.11
Cash received from other investing activities	1,404,904.98	215,765.82
Subtotal of cash inflows from investing activities	2,042,443,257.25	3,857,511,249.93
Cash paid for investments	11,990,790,241.12	64,008,467.57
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	270,209,134.21	136,957,075.31
Subtotal of cash outflows from investing activities	12,260,999,375.33	200,965,542.88
Net cash flows from investing activities	-10,218,556,118.08	3,656,545,707.05
III. Cash flows from financing activities:		
Proceeds from investments	15,000,000,000.00	–
Proceeds from issuance of bonds	67,267,155,066.42	157,990,709,754.75
Subtotal of cash inflows from financing activities	82,267,155,066.42	157,990,709,754.75
Cash repayment of borrowings	67,132,927,252.87	104,975,830,272.47
Cash paid for dividends, profits or interests	10,253,789,938.56	8,434,770,442.27
Cash paid for redemption of perpetual bonds	15,000,000,000.00	–
Subtotal of cash outflows from financing activities	92,386,717,191.43	113,410,600,714.74
Net cash flows from financing activities	-10,119,562,125.01	44,580,109,040.01
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-52,436,838.82	4,876,100.97
V. Net increase in cash and cash equivalents	-4,972,713,105.42	11,996,721,189.73
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	85,962,165,070.26	97,982,134,155.74

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)