2025 China Merchants Securities Co.,Ltd Annual Report



CMS 招商证券

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

Stock code: 6099

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Important Notice

I. The Board, Director(s) and senior management of the Company undertake that the information in this annual 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. All Directors of the Company attended the Board meeting.

III. KPMG Huazhen LLP and KPMG have issued standard unqualified auditor's reports for the Company.

IV. HUO Da, officer in charge of the Company, LIU Jie, officer in charge of accounting matters of the Company, and WANG Jianping, officer in charge of the accounting office of the Company (head of accounting department), hereby warrant that the financial statements contained in this annual report are true, accurate and complete.

V. Proposal on profit distribution or capitalization of common reserve for the Reporting Period considered and approved by the Board

The Company will not allocate profit to the statutory reserve for the year of 2025. Based on the total share capital registered on the equity registration date for equity distribution, a cash dividend of RMB4.49 (tax inclusive) for every 10 shares will be distributed to all shareholders; no bonus shares will be distributed; and no capital reserve will be converted to share capital.

Based on the total number of shares of the Company of 8,696,526,806 shares as of December 31, 2025, the total distributed profit is RMB3,904,740,535.89. If the Company's total share capital changes on the equity registration date for equity distribution, the Company will keep the total distribution unchanged and adjust the distribution per share accordingly.

Such cash dividend shall be denominated and declared in RMB and paid to holders of A Shares in RMB and to holders of H Shares in Hong Kong dollar. The actual amount of dividend paid in Hong Kong dollar shall be determined based on the average exchange rate of RMB to Hong Kong dollar published by the People's Bank of China for the five business days immediately before the date of the shareholders' general meeting for considering the profit distribution plan.

VI. Risks statement relating to forward-looking statements

Forward-looking statements, such as future plans and development strategies, contained in this report do not constitute any substantive commitments of the Company to investors. Investors should be aware of the investment risks.

VII. There is no appropriation of the Company's funds by the controlling shareholder and other related parties for non-operating purposes

VIII. There is no provision of guarantee by the Company in favor of any third party in violation of the prescribed decision-making procedures

IX. There are no circumstances where more than half of the Directors of the Company cannot undertake that the information in this annual report is true, accurate and complete

X. This annual report is prepared in both Chinese and English versions. In the event of any discrepancy between the Chinese and English versions of this annual report, the Chinese version shall prevail.

XI. Warning on material risks

The business, financial position and operating results of the Company may be susceptible to the general economic and market conditions in China and other regions where the relevant businesses are operated in various aspects.

The Company is primarily exposed to the following risks: securities industry is highly regulated and relevant rules and regulations could be revised from time to time based on the development of the securities markets. New rules and regulations, and changes in the interpretation or enforcement of the existing rules and regulations, may directly impact our business strategies and prospects, or could result in limitations on the business areas that we may conduct, modifications to our business practices or additional costs, which may adversely affect our ability to compete with other institutions that are not affected in the same way; if we are unable to fulfill the applicable laws, regulations and regulatory requirement in a timely manner, we may be exposed to legal and compliance risks; we are subject to credit risk associated with economic loss caused by the failure of the borrower or the counterparty to fulfill their contractual obligations; we face market risk arising from the losses on our portfolio due to adverse changes in relevant markets; we are exposed to operational risks arising from imperfect or defective internal procedures, employees and systems or external events; we face liquidity risk that we might not be able to get timely capital injection at reasonable costs to repay debts that are due, fulfill other payment obligations or satisfy other capital needs for normal business operation; we are subject to reputational risk arising from the negative publicity against the Company from stakeholders due to the operation, management or other acts of the Company or external events; and we are exposed to foreign exchange rate risks due to the operation of international business.

To cope with the above risks, the Company has adopted preventive measures in respect of the organizational structure, systems, indicators, risk management culture and IT system. For details, please see "Potential risks" in Chapter 3 of this report.

Statement of the Chairman of the Board

Leveraging Strengths, Opening New Horizons, and Achieving Excellence

2025 marks the final year of the 14th Five-Year Plan. China's economy continues to push forward under pressure, moving toward new and high-quality development. The resilience of the capital market has been enhanced, showing a trend of stabilization and positive growth. China Merchants Securities has thoroughly implemented the guiding principles of the 20th National Congress of the Communist Party of China and the plenary sessions of the 20th CPC Central Committee, earnestly fulfilled the requirements of the Central Economic Work Conference, the Central Financial Work Conference and the series of policies under the new "Nine National Policies". The Company achieved steady progress in operations with sustained improvements in quality and efficiency, marking a high-quality conclusion to the 14th Five-Year Plan development.

Over the past year, we maintained stable operations with a soaring performance, and our profit hit a record high in history. In 2025, we achieved annual operating income of RMB24.97 billion, a year-on-year increase of 20% and maintained growth for three consecutive years; we realized total profit of RMB14.08 billion and net profit of RMB12.32 billion, with a year-on-year increase of 25% and 19% respectively, both setting historical new highs. **Our transformation efforts have yielded remarkable results, with sustained improvements in both the quality and efficiency of business development.** Our advantages in wealth management and institutional business have become prominent, and the investment banking business has also seen sustained improvements in quality and efficiency. Financial market investments have achieved initial results in asset allocation across major categories, custodial business continues to take the lead in the industry, asset management performance and active management capabilities have been enhanced, key indicators of international business have risen sharply, and the distinctive characteristics of futures and private equity business have been further strengthened. **We have upgraded our core technological infrastructure capabilities, and the construction of the AI-driven Securities Company has been comprehensively advanced.** We became the first in the industry to complete the construction and smooth switchover of a distributed core trading system based on a cloud-native architecture, which has been operating steadily. The construction of the AI-driven Securities Company has made breakthroughs in various fields such as the "CMS Tianqi" multimodal model matrix and the intelligent assistant of the customer-facing App.

Looking back at the 14th Five-Year Plan, China Merchants Securities has forged new horizons, advanced transformation and strived for excellence. **Over the past five years, the Company has earnestly done a good job in the Five Major Areas of Finance, and submitted a remarkable answer sheet of serving the overall situation and fulfilling our responsibilities with concrete actions.** During the 14th Five-Year Plan period, the Company facilitated equity financing of RMB194.4 billion for science and technology innovation enterprises and underwrote science and technology innovation-related bonds of RMB100.8 billion; supported equity financing of RMB43.1 billion for enterprises related to the "dual carbon" goals and new energy, and underwrote domestic green-related bonds and asset-backed securities with a total scale of RMB64 billion; the "Gazelle Incubator Project" has served a total of 665 high-quality early-stage sci-tech enterprises; the year-end holdings of individual pension funds ranked among the forefront of the industry. **We have further promoted the "Double-hundred Enterprises" initiative of state-owned enterprise reform, and submitted a reform answer sheet of upholding fundamental principles and fostered innovation with enhanced vitality.** We deepened the transformation of wealth management and institutional business, and formed industry-leading advantages in custodial services, ETF market-making and other areas; built a strong modern investment bank, with indicators such as the number of IPO underwritings for sci-tech development, the ChiNext and the Beijing Stock Exchange rising to the industry-leading level; forged investment capabilities to navigate market cycles, and effectively improved the income and overall return level of neutral strategy investments; comprehensively constructed the AI-driven Securities Company, created a collaborative mechanism and culture suitable for the Company's characteristics, improved the risk control system featuring "rigorous adherence to bottom lines and flexible business empowerment", advocated a corporate culture of integrity,



compliance and prudent operation, and fully forged the risk prevention and control capabilities and comprehensive competitiveness. **We strived to convert the results of transformation into operational dividends, and submitted a striving answer sheet of greater resilience and better performance.** During the 14th Five-Year Plan period, the Company's average annual operating income reached RMB22.87 billion and average net profit reached RMB10.24 billion, an increase of 44% and 58% respectively compared with the 13th Five-Year Plan; the net profit hit a new high twice and exceeded RMB10 billion three times, firmly standing above the RMB10 billion profit mark; the average annual self-owned total assets doubled compared with the 13th Five-Year Plan, and the asset impairment rate has remained at a relatively low level among peer securities firms in the benchmark group for consecutive years; the net profit margin and the ratio of business and management expenses have maintained a leading position among major comprehensive securities firms.

Looking ahead to 2026, the grand blueprint for the 15th Five-Year Plan development is unfolding, the pace of building a strong financial country is accelerating, the capital market is moving toward a new stage of high-quality development, and the securities industry is facing new opportunities for high-quality development. As China Merchants Securities enters its 35th year, we will ride the tide and forge ahead, take serving the development of new quality productive forces as the main line, take sci-tech finance as the guide and take collaboration as the support, strive to do a good job in the Five Major Areas of Finance, accelerate the development of a first-class investment bank and investment institution, and achieve our own high-quality development in supporting self-reliance and strength in the nation's science and technology and boosting the construction of a strong financial country. The Company will leverage its strengths and address its weaknesses, and persevere in efforts in integrating the wealth management cycle, building benchmark projects for investment banking and investment, enhancing the capability of asset allocation across major categories and expanding the business scale of subsidiaries; we will continue to make efforts in Party building guidance, collaborative support, technology empowerment and talent cultivation, and strive to drive new breakthroughs in the Company's business scale as well as the quality and efficiency of its development.

Riding the surging tides with full sails, we press forward boldly, seizing the vast opportunities ahead. China Merchants Securities will anchor the main direction of serving national strategies and the development of the real economy, forge ahead with perseverance and accelerate transformation. We will respond to the call of the times with collaborative innovation, repay shareholders' trust with robust performance, meet customer needs with professional services, and fulfill social responsibilities with honesty and integrity, and strive to compose a new chapter of high-quality development!



HUO Da
Executive Director and Chairman of the Board of China Merchants Securities Co., Ltd.

Statement of the President

Strive to Build a Leading Investment Bank in China and Usher in a New Chapter of High-Quality Development During the "15th Five-Year Plan" Period

The year 2025 marked the conclusion of the "14th Five-Year Plan" of CMS and a critical juncture for advancing its five-year strategic plan from 2024 to 2028. Looking back on the just-passed year of 2025, the Company adhered to the guidance of the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and thoroughly studied and implemented the guiding principles of the 20th National Congress of the Communist Party of China (CPC) and all previous plenary sessions of the 20th CPC Central Committee. The Company actively responded to changes in the external operating environment, diligently fulfilled its responsibilities in the Five Major Areas of Finance, namely technology finance, green finance, inclusive finance, pension finance, and digital finance, and built a leading investment bank in China with high quality. The Company achieved commendable development results, and successfully concluded the "14th Five-Year Plan" with high-quality development.

Over the past year, we have expanded revenue streams and cultivated capabilities, achieving steady progress in operating performance. The annual operating income of the Company has maintained growth for three consecutive years. Both the total profit and the net profit reached historic highs. ROE further increased year-on-year; profitability remained strong; and the market competitiveness of core businesses continued to strengthen. According to the market data disclosed so far, the Company's net income from agency trading in securities of wealth management and institutional business ranked among the top three in the industry, while key indicators such as net income from agency sale of financial products, the scale and interest income of stock pledge business remained among the top five in the industry. The total scale of custody and fund administrative services exceeded RMB4 trillion for the first time, and the market share of private funds under custody continued to increase and maintained a leading position in the industry. Key indicators for the investment banking business, including the amount and number of equity underwritings and the amount and number of IPO underwritings, saw significant improvement in rankings, and the ranking of 4th in the number of IPO underwritings was the best in nearly a decade.

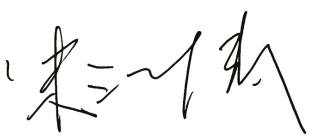
Over the past year, we have pursued progress with a long-term vision, achieving remarkable results in transformation. Anchored in the development goal of "building a leading investment bank in China", the Company made breakthrough progress in key transformation initiatives such as the transformation and upgrading, digitalization, and synergy of core businesses. The Company steadily advanced the transformation of wealth management, with the AUM of wealth management growing by 29% year-on-year to reach a record high at the end of the year. The Company accelerated the construction of an integrated service system for institutional clients and significantly enhanced the breadth and depth of services for institutional clients. The Company devoted full efforts to building a strong modern investment bank, deepened the transformation of the investment banking business model, and optimized the governance system of the modern investment bank. The Company accelerated the pace of digital development, establishing the industry's first new-generation core trading system based on a cloud-native architecture. The Company actively built an industry-leading "AI-driven Securities Company", accelerated the application of large model technologies, and promoted the deep integration of "AI + finance", which became a



new intelligent engine for the high-quality development of the Company. The Company continuously improved the level of coordinated development by adhering to a principle of complementing each other with own expertise and strengths, and comprehensively deepened the external collaboration with China Merchants Group, China Merchants Bank and other units. The Company continuously improved internal collaboration scenarios with the introduction of innovative mechanisms such as collaboration funds and collaboration points. We placed equal emphasis on internal and external collaboration, striving to build collaboration into a unique "moat" for the Company's development.

Over the past year, we have strengthened internal control and upheld the bottom line, maintaining stable operations. We continuously enhanced risk management capabilities and further improved the comprehensive risk management system. By the end of the year, the risk coverage ratio, liquidity coverage ratio, and net stable funding ratio of the Company all significantly exceeded regulatory standards. Adhering to a bottom-line thinking, we consistently refined the compliance management mechanism and strengthened law-based corporate governance and operations. Throughout the year, there were no major risk compliance or workplace safety incidents. Various risk-related losses maintained at a low level; risks were generally controllable; and all businesses operations run normally and stably.

The year 2026 marks the beginning of the Company's "15th Five-Year Plan" for strategic development. Forging ahead with enterprise and determination, the Company will stay focused on the strategic goal of "building a leading investment bank in China that is driven by technology and excels in collaboration". The Company will make every effort to enhance the comprehensive competitiveness and get off to a good start in achieving the strategic objectives of the "15th Five-Year Plan". We firmly believe that, with the strong support of our shareholders and all sectors of society, under the sound leadership of the Board, and through the collective efforts of all employees, CMS will maintain a positive development momentum, usher in a new chapter of building a leading investment bank in China with high quality, and contribute even greater CMS strength to Chinese modernization and the construction of a financial powerhouse!



Executive Director and President of
China Merchants Securities Co., Ltd.



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Chapter 1

Definitions

I. Definitions

In this report, unless the context otherwise requires, the following terms and expressions have the meanings set forth below:

Common terms and expressions	
"Company Law"	the Company Law of the PRC (《中華人民共和國公司法》)
"Securities Law"	the Securities Law of the PRC (《中華人民共和國證券法》)
"Articles of Association"	the Articles of Association of China Merchants Securities Co., Ltd.
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"SFC"	the Securities and Futures Commission of Hong Kong
"CSRC Shenzhen Office"	the Shenzhen office of the China Securities Regulatory Commission
"CIRC"	China Insurance Regulatory Commission (中國保險監督管理委員會), currently known as the State Administration of Financial Supervision and Administration (國家金融監督管理總局)
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
"SSE"	the Shanghai Stock Exchange (上海證券交易所)
"SZSE"	the Shenzhen Stock Exchange (深圳證券交易所)
"BSE"	the Beijing Stock Exchange (北京證券交易所)

Common terms and expressions	
"SSE website"	http://www.sse.com.cn, the website of the Shanghai Stock Exchange
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Authorized Representative"	the authorized representative under Rule 3.05 of the Hong Kong Listing Rules
"Hong Kong Stock Exchange website"	https://www.hkexnews.hk, the website of The Stock Exchange of Hong Kong Limited (HKExnews)
"Company", "China Merchants Securities", "us"	China Merchants Securities Co., Ltd., a joint stock company incorporated in August 1993 as a corporate legal person under PRC laws with limited liability, the H Shares and A Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 06099) and on the SSE (stock code: 600999), respectively
"Group"	China Merchants Securities Co., Ltd. (招商證券股份有限公司) and its controlled subsidiaries
"China Merchants Group"	China Merchants Group Limited (招商局集團有限公司)
"CM Financial Holdings"	China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司)
"Jisheng Investment"	Shenzhen Jisheng Investment Development Co., Ltd. (深圳市集盛投資發展有限公司)
"China Ocean Shipping"	China Ocean Shipping Co., Ltd. (中國遠洋運輸有限公司)
"China Merchants Bank"	China Merchants Bank Co., Ltd. (招商銀行股份有限公司)
"CMS International"	China Merchants Securities International Company Limited (招商證券國際有限公司)
"China Merchants Futures"	China Merchants Futures Co., Limited (招商期貨有限公司)
"CMS Zhiyuan Capital"	China Merchants Zhiyuan Capital Investment Co., Ltd. (招商致遠資本投資有限公司)
"CMS Investment"	China Merchants Securities Investment Co., Ltd. (招商證券投資有限公司)
"CMS Asset Management"	China Merchants Securities Asset Management Co., Ltd. (招商證券資產管理有限公司)
"Bosera Funds"	Bosera Asset Management Co., Limited (博時基金管理有限公司)
"China Merchants Fund"	China Merchants Fund Management Co., Ltd. (招商基金管理有限公司)
"Everbright Securities"	Everbright Securities Company Limited
"Ping An Securities"	Ping An Securities Co., Ltd.

Common terms and expressions	
"CITIC Securities"	CITIC Securities Company Limited
"Galaxy Securities"	China Galaxy Securities Co., Ltd.
"GF Securities"	GF Securities Co., Ltd.
"Huatai United Securities"	Huatai United Securities Co., Ltd.
"Zhongtai Securities"	Zhongtai Securities Co., Ltd.
"Guotai Haitong Securities"	Guotai Haitong Securities Co., Ltd.
"Shenwan Hongyuan Securities"	Shenwan Hongyuan Securities Co., Ltd.
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Main Board Listing Rules of the Hong Kong Stock Exchange
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"A Share(s)"	domestic share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange (stock code: 600999)
"H Share(s)"	overseas-listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on The Stock Exchange of Hong Kong Limited (stock code: 06099)
"A Shareholder(s)"	holders of A Shares
"H Shareholder(s)"	holders of H Shares
"RMB", "RMB10,000", and "RMB100 million"	Renminbi 1 Yuan, Renminbi 10,000 Yuan and Renminbi 100 million Yuan
"STAR Market"	the Science and Technology Innovation Board of the SSE
"VaR"	value at risk
"APP"	Application
"IPO"	initial public offering
"Reporting Period" and "Current Period"	from January 1, 2025 to December 31, 2025
"end of the Reporting Period"	December 31, 2025
"Previous Period"	from January 1, 2024 to December 31, 2024
"date of this report", "Latest Practicable Date"	March 27, 2026

Chapter 2

Corporate Profile and Key Financial Indicators

I. Corporate Information

Chinese name of the Company	招商證券股份有限公司
Abbreviation	招商證券
English name of the Company	CHINA MERCHANTS SECURITIES CO., LTD.
Abbreviation	CMS
Legal representative of the Company	HUO Da
President of the Company	ZHU Jiangtao
Authorized representatives of the Company	ZHU Jiangtao, LIU Jie, WONG Wai Yee Ella (as the alternate authorized representative to ZHU Jiangtao and LIU Jie)

Registered capital and net capital of the Company

Unit: Yuan Currency: RMB

	As at the end of the Reporting Period	As at the end of last year
Registered capital	8,696,526,806.00	8,696,526,806.00
Net capital	89,549,587,238.58	87,411,626,102.24

Qualifications of each of the business lines of the Company

China Merchants Securities is a member of the Securities Association of China (Membership code: 185053), SSE (Membership code: 0037), SZSE (Membership code: 000011) and BSE (Membership code: 000095). Qualifications of each of the business lines are as follows:

No.	Qualification	Approval authority	Date of approval
1	Participation in carbon emission transactions	The Securities and Fund Institution Supervision Department of the CSRC (formerly known as the Institution Supervision Department of the CSRC)	December 2024
2	Qualification for participating in "Cross-boundary Wealth Management Connect" Pilot Scheme	Guangdong Provincial branch and Shenzhen branch of The People's Bank of China, Guangdong Bureau and Shenzhen Bureau of the CSRC	November 2024
3	Qualification for participating in swap facilitation business	The Securities and Fund Institution Supervision Department of the CSRC	October 2024
4	Standardized bond forward quotation agencies (標準債券遠期報價機構)	Shanghai Clearing House	November 2023
5	Standard interest rate swap business	Shanghai Clearing House	November 2023
6	Qualification of listed securities market making trading	CSRC	October 2022
7	Qualification of issuing credit-protected warrants for providing pledge repo to protected bonds	China Securities Depository and Clearing Corporation Limited	June 2021
8	Pilot optimization for account management function	The Institution Supervision Department of the CSRC	June 2021
9	Fund investment advisory business	The Institution Supervision Department of the CSRC	June 2021
10	Issuer of credit protection warrants launched in SZSE	SZSE	November 2020
11	Standard forward contract on bond of Agricultural Development Bank of China	Shanghai Clearing House	October 2020
12	Interest option business	China Foreign Exchange Trade System	March 2020
13	Market maker of stock index options	The Institution Supervision Department of the CSRC	December 2019

No.	Qualification	Approval authority	Date of approval
14	Lead market maker of the CSI 300 ETF options	SZSE	December 2019
15	Licence for dealing in stock options business	SZSE	December 2019
16	Sale and settlement of foreign exchange business	State Administration of Foreign Exchange	August 2019
17	Participation in margin securities loan business of the STAR Market	China Securities Finance Co., Ltd.	July 2019
18	Market maker of treasury bond futures	The Institution Supervision Department of the CSRC	May 2019
19	Credit protection contract business	SSE	February 2019
20	Lead market maker of listed funds business	SSE	February 2019
21	Credit derivatives business	The Institution Supervision Department of the CSRC	December 2018
22	Market maker of crude oil futures business	Shanghai International Energy Exchange	October 2018
23	Market maker of nickel futures	Shanghai Futures Exchange	October 2018
24	Market maker of copper options	Shanghai Futures Exchange	September 2018
25	Dealer of OTC options business	Securities Association of China	August 2018
26	Market maker of Bond Connect "Northbound Trading"	China Foreign Exchange Trade System	July 2018
27	Conducting pilot cross-border businesses	The Institution Supervision Department of the CSRC	April 2018
28	Core dealer of credit risk mitigation instruments	National Association of Financial Market Institutional Investors	January 2017
29	Qualification to issue credit risk mitigation certificates	National Association of Financial Market Institutional Investors	January 2017
30	Qualification to issue credit-linked notes	National Association of Financial Market Institutional Investors	January 2017
31	Non-bank member of the Shanghai Commercial Paper Exchange	General Administration Department of the People's Bank of China	November 2016
32	Licence for dealing in Southbound Trading business under Shenzhen-Hong Kong Stock Connect	SZSE	November 2016

No.	Qualification	Approval authority	Date of approval
33	Approval for provision of online account opening service	The Institution Supervision Department of the CSRC	April 2015
34	Ordinary member for centralized settlement of standard forward bond	Shanghai Clearing House	April 2015
35	Approval for financing for exercising incentive share options of listed companies	SZSE	March 2015
36	Licence for spot gold proprietary trading business	The Institution Supervision Department of the CSRC	March 2015
37	Licence for providing payment services for customers' funds	China Securities Investor Protection Fund Corporation Limited	March 2015
38	Licence for stock options market making business	CSRC	January 2015
39	Licence for market making business for SSE 50 ETF options trading	SSE	January 2015
40	Proprietary trading of stock options	SSE	January 2015
41	Licence for options settlement	China Securities Depository and Clearing Corporation Limited	January 2015
42	Stock options trading participant on the SSE	SSE	January 2015
43	Licence for pilot online securities business	Securities Association of China	November 2014
44	Licence for dealing in Southbound Trading business	SSE	October 2014
45	Ordinary member of Interbank Market Clearing House Co., Ltd. for centralized settlement of RMB interest rate swaps	Interbank Market Clearing House Co., Ltd.	June 2014
46	Qualification of lead manager business (market making business)	NEEQ Co., Ltd.	June 2014
47	Licence for OTC options trading business	Securities Association of China	February 2014
48	Ordinary member for centralized settlement of interest rate swaps	Shanghai Clearing House	February 2014
49	Licence for securities investment fund custody business	CSRC	January 2014

No.	Qualification	Approval authority	Date of approval
50	Qualification for agency business of securities pledge registration	The Registration and Custody Department of China Securities Depository and Clearing Corporation Limited	July 2013
51	Licence for dealing in stock-pledged repo business	SSE	June 2013
52	Licence for dealing in stock-pledged repo	SZSE	June 2013
53	Participation in interest rate swap transactions	CSRC Shenzhen Office	May 2013
54	Permit for conducting insurance agency businesses	CIRC	April 2013 (latest certificate obtained in April 2020)
55	Qualification of lead manager business (recommendation and brokerage businesses)	NEEQ Co., Ltd.	March 2013
56	Licence for OTC trading business	Securities Association of China	February 2013
57	Licence for equity total return swap business	The Institution Supervision Department of the CSRC	January 2013
58	Licence for special institutional client business of insurance companies	CIRC	January 2013
59	Qualification for sale of financial products	CSRC Shenzhen Office	December 2012
60	Qualification of lead underwriting debt financing instruments of non-financial enterprises	National Association of Financial Market Institutional Investors	November 2012
61	Qualification to provide comprehensive custodian services for private investment funds	The Institution Supervision Department of the CSRC	October 2012
62	Licence for margin financing loan	China Securities Finance Co., Ltd.	August 2012
63	Qualification of underwriting private placement bonds of small and medium enterprises	Securities Association of China	June 2012
64	Licence for stock repurchase business	CSRC	May 2012
65	Qualification for dealer-quoted bond pledged repo transactions	The Institution Supervision Department of the CSRC	January 2012

No.	Qualification	Approval authority	Date of approval
66	Qualification for third-party custodian services for one customer – multiple bank services	CSRC Shenzhen Office	June 2011
67	Ordinary member for settlement	Shanghai Clearing House	November 2010
68	Qualification for margin financing and securities lending business	CSRC	June 2010
69	Licence for direct investment business	CSRC	August 2009
70	Qualification for intermediary introduction business for China Merchants Futures	CSRC	February 2008
71	Category A clearing participant of China Securities Depository and Clearing Corporation Limited	China Securities Depository and Clearing Corporation Limited	February 2008
72	Licence for overseas securities investment management business	CSRC	August 2007
73	Primary dealer on the integrated e-platform for fixed-income securities of the SSE	SSE	July 2007
74	Permit for foreign exchange operation in the securities business	State Administration of Foreign Exchange	December 2006 (latest certificate obtained in November 2012)
75	Clearing participant of China Securities Depository and Clearing Corporation Limited	China Securities Depository and Clearing Corporation Limited	March 2006
76	Primary dealer of SSE 180 Index Exchange Traded Fund	SSE	March 2006
77	Qualification for quote transfer business	Securities Association of China	January 2006
78	Licence for underwriting business of commercial paper	The People's Bank of China	July 2005
79	Qualification for operation of foreign shares business	CSRC	September 2002

No.	Qualification	Approval authority	Date of approval
80	Qualification for open-end securities investment fund consignment business	CSRC	August 2002
81	Qualification for trusted investment management business	CSRC	May 2002
82	Qualification for online securities agency business	CSRC	February 2001
83	Qualified member of interbank market	General Administration Department of the People's Bank of China	September 1999
84	Qualification for RMB special stocks business (unrestricted) in Shanghai	Shanghai Securities Management Office	November 1996
85	Licence for starting foreign exchange business	Shenzhen Office of the State Administration of Foreign Exchange	October 1996
86	Pilot unit of equity trading agency system for non-listed companies	Property Right Transfer Leading Group Office of the Shenzhen Municipal Government	January 1996
87	Licence for starting proprietary business	Shenzhen Securities Management Office	August 1993

Qualifications of each of the business lines of CMS International (a wholly-owned subsidiary of the Company) and its subsidiaries, are as follows:

No.	Qualification	Approval authority	Date of approval
1	License for the trust or corporate service provider	Registrar of Companies in Hong Kong	November 2020 (latest certificate obtained in December 2023)
2	1) 2-1-2 Investment brokerage business in securities; 2) 2-2-2 Investment brokerage business in exchange-traded derivatives	Financial Supervisory Service (韓國金融監督院)	June 2017
3	Qualified international member (category B) of the Shanghai Gold Exchange	Shanghai Gold Exchange	October 2014
4	Qualified Foreign Institutional Investor (QFII) securities investment business in the People's Republic of China	CSRC	February 2013
5	Securities investment business in the People's Republic of China	CSRC	December 2011
6	Licence for investment advisory business	Financial Services Commission (韓國金融監管委員會)	August 2009
7	Licence for advising on futures contracts	SFC	March 2005 (latest certificate obtained in June 2014)
8	Licence for dealing in futures contracts	SFC	January 2005 (latest certificate obtained in December 2025)
9	Licence for dealing in securities	SFC	January 2005 (latest certificate obtained in December 2025)
10	Licence for advising on corporate finance	SFC	January 2005 (latest certificate obtained in December 2025)
11	Licence for asset management	SFC	May 2004 (latest certificate obtained in March 2010)
12	Licence for advising on securities	SFC	May 2004 (latest certificate obtained in March 2010)

Qualifications of each of the business lines of China Merchants Futures, a wholly-owned subsidiary of the Company, are as follows:

No.	Qualification	Approval authority	Date of approval
1	Qualification of stock options trading participant and license for dealing in stock options brokerage business	SSE	December 2023
2	License for dealing in stock options business	SZSE	November 2023
3	Licence for options settlement	China Securities Depository and Clearing Corporation Limited	October 2023
4	Qualification of stock options trading participant	SZSE	August 2023
5	Member of Guangzhou Futures Exchange	Guangzhou Futures Exchange	June 2022
6	Market making business	China Futures Association	March 2018
7	Member of Shanghai International Energy Exchange	Shanghai International Energy Exchange	May 2017
8	Licence for basis trading	China Futures Association	April 2017
9	Licence for OTC derivatives business	China Futures Association	April 2017
10	Licence for warehouse receipt services	China Futures Association	December 2016
11	Filing for entry of the interbank bond market	The People's Bank of China	July 2016
12	Licence for commodities futures brokerage, financial futures brokerage and futures investment consulting	CSRC	August 2014 (latest certificate obtained in September 2021)
13	Licence for asset management	CSRC	March 2013
14	Licence for futures investment consulting	CSRC	August 2011
15	Member of Zhengzhou Commodity Exchange	Zhengzhou Commodity Exchange	March 2009
16	Member of Dalian Commodity Exchange	Dalian Commodity Exchange	December 2008
17	Member of Shanghai Futures Exchange	Shanghai Futures Exchange	October 2008
18	Clearing and settlement member of China Financial Futures Exchange	China Financial Futures Exchange Co., Ltd.	December 2007
19	Licence for financial futures trading settlement	CSRC	November 2007

Qualification of each of the business lines of CMS Zhiyuan Capital, a wholly-owned subsidiary of the Company, is as follow:

No.	Qualification	Approval authority	Date of approval
1	Private investment fund subsidiary of a securities firm	Securities Association of China	April 2017

Qualifications of each of the business lines of CMS Asset Management, a wholly-owned subsidiary of the Company, are as follows:

No.	Qualification	Approval authority	Date of approval
1	Qualification of publicly offered securities investment fund management	CSRC	July 2023
2	Pilot scheme for overseas investment of qualified domestic investors	Shenzhen Joint Meeting Office of the Pilot Scheme for Overseas Investment of Qualified Domestic Investors (深圳市合格境內投資者境外投資試點工作聯席會議辦公室)	November 2015
3	Qualification for securities asset management business and qualified domestic institutional investors	CSRC	January 2015

II. Contact Persons and Contact Methods

	Secretary to the Board	Representative of Securities Affairs
Name	LIU Jie	ZHANG Huanhuan
Correspondence address	No. 111, Fuhua Yi Road, Futian Street, Futian District, Shenzhen	
Telephone	0755-82960432	
Fax	0755-82944669	
E-mail address	IR@cmschina.com.cn	

	Joint Company Secretaries	
Name	LIU Jie	WONG Wai Yee Ella
Correspondence address	No. 111, Fuhua Yi Road, Futian Street, Futian District, Shenzhen	Room 1915, 19/F, Lee Gardens One, 33 Hysan Avenue, Causeway Bay, Hong Kong

III. Basic Information

Registered address of the Company	No. 111, Fuhua Yi Road, Futian Street, Futian District, Shenzhen
Historical change of the registered address of the Company	In August 1991, the registered address of the Company was 1/F, New Energy Building, Nanyou Industrial Zone, Shenzhen. In October 1993, it was changed to 1/F, Block C, Shenfang Industrial Building, Huaqiang North Road, Futian District, Shenzhen. In August 1998, it was changed to 8/F-11/F, Block A, Huaqiang Jiahe Building, Shenzhen. In May 2002, it was changed to 38/F-45/F, Block A, Jiangsu Building, Futian District, Shenzhen. In November 2018, it was changed to No. 111, Fuhua Yi Road, Futian Street, Futian District, Shenzhen.
Office address of the Company	No. 111, Fuhua Yi Road, Futian Street, Futian District, Shenzhen
Postal code	518046
Company's website	https://www.cmschina.com
Principal place of business in Hong Kong	32/F, One Exchange Square, 8 Connaught Place, Central, Hong Kong
E-mail address	IR@cmschina.com.cn

IV. Information Disclosure and Place for Document Inspection

The name and website of the media where the Company discloses its annual report	China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily
The websites where the Company discloses its annual report	http://www.sse.com.cn (the SSE website)
	https://www.hkexnews.hk (the Hong Kong Stock Exchange website)
Place for inspection of the Company's annual report	No. 111, Fuhua Yi Road, Futian Street, Futian District, Shenzhen
Enquiry index for changes during the Reporting Period	Nil

V. Information on the Company's Shares

Information on the Company's Shares				
Class	**Exchange at which the shares are listed**	**Stock abbreviation**	**Stock code**	**Previous stock abbreviation**
A Shares	Shanghai Stock Exchange	CMS	600999	–
H Shares	Hong Kong Stock Exchange	CMS	06099	–

VI. Other Information

(I) History of the Company, mainly including the reform and reorganization, capital increase and share capital enlargement in previous years

The predecessor of the Company is the Securities Department of China Merchants Bank. On August 3, 1991, with the approval of The People's Bank of China (Shenzhen branch) pursuant to the Notice on the Approval for Trial Operation of the Securities Department of China Merchants Bank ([1991] Shen Ren Yin Fa Zi No. 140) (《關於同意招商銀行證券業務部試營業的通知》([1991]深人銀發字第140號)), the Securities Department of China Merchants Bank was incorporated upon registration with the Shenzhen Administration for Industry and Commerce.

On August 1, 1993, with the approval of The People's Bank of China (Shenzhen branch) pursuant to the Approval for the Granting of Level 2 Legal Person Qualification to All Securities Business Department in Shenzhen (Shen Ren Yin Fu Zi [1993] No. 394) (《關於同意賦予各深圳證券業務部二級法人資格的批覆》(深人銀覆字[1993]第394號)), the Securities Department of China Merchants Bank was permitted by the Shenzhen Administration for Industry and Commerce to be incorporated as a legal person and became a level 2 legal person under China Merchants Bank with a registered capital of RMB25 million.

On August 26, 1994, with the approval of The People's Bank of China pursuant to the Approval for the Incorporation of CMB Securities Company (Yin Fu [1994] No. 161) (《關於成立招銀證券公司的批覆》(銀覆[1994]161號)) and the permission by the Shenzhen Administration for Industry and Commerce, China Merchants Bank, building on its Securities Department, established Shenzhen CMB Securities Company with a registered capital of RMB150 million. On September 28, 1994, the Shenzhen Administration for Industry and Commerce permitted Shenzhen CMB Securities Company (深圳招銀證券公司) to change its name to CMB Securities Company (招銀證券公司).

On November 6, 1998, with the approval of The People's Bank of China pursuant to the Approval for the Reformed Structure and Capital Increase of CMB Securities Company (Yin Fu [1997] No. 529) (《關於招銀證券公司增資改制的批覆》(銀覆[1997]529號)) and the CSRC pursuant to the Approval for the Reformed Structure and Capital Increase and Change of Name of CMB Securities Company (CSRC Ji Gou Zi [1998] No. 27) (《關於同意招銀證券公司增資改制、更名的批覆》(證監機構字[1998]27號)) and the permission of the Shenzhen Administration for Industry and Commerce, CMB Securities Company introduced 11 new shareholders for the purpose of capital increase and structural reform, and changed its name to Guotong Securities Limited Liability Company (國通證券有限責任公司). Its registered capital increased from RMB150 million to RMB800 million. China Merchants Bank contributed to the capital by means of the net assets of CMB Securities Company while the 11 new shareholders contributed to the capital by means of cash.

On August 31, 2000, with the approval of the CSRC pursuant to the Approval for the Capital Increase of Guotong Securities Limited Liability Company (CSRC Ji Gou Zi [2000] No. 15) (《關於核准國通證券有限責任公司增資擴股的批覆》(證監機構字[2000]15號)) and the permission of the Shenzhen Administration for Industry and Commerce, Guotong Securities Limited Liability Company increased its capital. With a total of RMB1.4 billion capital injection made by 12 shareholders including China Merchants Bank, the registered capital of the Company increased to RMB2.2 billion.

From 2000 to 2001, Guotong Securities Limited Liability Company underwent various equity transfers, and the number of its shareholders increased from 12 to 40.

On December 26, 2001, with the approval of the Ministry of Finance of the PRC pursuant to the Approval for the Relevant Issues on State-owned Shares Management by Guotong Securities Co., Ltd. (Cai Qi [2001] No. 723) (《關於國通證券股份有限公司(籌)國有股權管理有關問題的批覆》(財企[2001]723號)), the CSRC pursuant to the Approval for the Change of Guotong Securities Limited Liability Company to a Joint Stock Limited Company (CSRC Ji Gou Zi [2001] No. 285) (《關於同意國通證券有限責任公司改制為股份有限公司的批覆》(證監機構字[2001]285號)), the Municipal Government of Shenzhen pursuant to the Approval for Shareholding Structure Reform to Establish Guotong Securities Co., Ltd. (Shen Fu Gu [2001] No. 49) (《關於整體改組設立國通證券股份有限公司的批覆》(深府股[2001]49號)), and the permission of the Shenzhen Administration for Industry and Commerce, Guotong Securities Limited Liability Company reformed its company structure and changed its name to Guotong Securities Co., Ltd. (國通證券股份有限公司). The 40 shareholders of Guotong Securities Limited Liability Company, as the promoters, converted the audited net assets of Guotong Securities Limited Liability Company as at December 31, 2000 on a 1:1 basis into the capital of the joint stock company comprising a total of 2,400,280,638 shares, forming a registered capital of RMB2,400,280,638. The domicile was at 8/F-11/F, Block East, Huaqiang Jiahe Building, No. 34 Shennan Central Road, Futian District, Shenzhen.

On June 28, 2002, with the approval of the CSRC pursuant to the Reply on the Filing of Guotong Securities Co., Ltd. for the Changes of Name and Business Address (Ji Gou Bu Bu Han [2002] No. 120) (《關於國通證券股份有限公司更名、遷址有關材料備案的回函》(機構部部函[2002]120號)) and the permission of the Shenzhen Administration for Industry and Commerce, Guotong Securities Co., Ltd. changed its name to China Merchants Securities Co., Ltd. (招商證券股份有限公司) and the domicile was changed to 38/F-45/F, Block A, Jiangsu Building, Yitian Road, Futian District, Shenzhen.

In 2006, with the approval of the CSRC pursuant to the Approval for the Reduction of Shares and Capital Increase of China Merchants Securities Co., Ltd. (CSRC Ji Gou Zi [2006] No. 179) (《關於招商證券股份有限公司縮股並增資擴股的批覆》(證監機構字[2006]179號)) and the permission of the Shenzhen Administration for Industry and Commerce, the Company conducted share reduction and capital increase. Based on the audited net assets as at December 31, 2005, the total share capital was reduced from 2,400,280,638 shares to 1,726,915,266 shares. Following the reduction, seven shareholders subscribed the newly issued 1.5 billion shares, which increased the total share capital and the registered capital of the Company to 3,226,915,266 shares and RMB3,226,915,266, respectively.

On November 17, 2009, with the approval of the CSRC pursuant to the Approval for the Initial Public Offering of China Merchants Securities Co., Ltd. (Zheng Jian Xu Ke [2009] No. 1132) (《關於核准招商證券股份有限公司首次公開發行股票的批覆》(證監許可[2009]1132號)) and the SSE pursuant to the Notice on the Listing and Trading of RMB Ordinary Shares of China Merchants Securities Co., Ltd. (Shang Zheng Fa Zi [2009] No. 18) (《關於招商證券股份有限公司人民幣普通股股票上市交易的通知》(上證發字[2009]18號)), the Company launched its initial public offering of 358,546,141 A Shares on the SSE, among which 286,837,000 shares and 71,709,141 shares were subscribed and settled online and offline, respectively. With an offer price of RMB31 per share, the Company raised a total of RMB11.115 billion and received net proceeds of RMB10.883 billion after deducting offering expenses of RMB232 million. Following the completion of the offering, the total share capital of the Company increased from 3,226,915,266 shares to 3,585,461,407 shares.

In July 2011, the Company converted its capital reserve into shares on the basis of three shares for every ten shares, through which the total share capital of the Company increased by 1,075,638,422 shares to 4,661,099,829 shares from 3,585,461,407 shares.

In May 2014, with the approval of the CSRC pursuant to the Approval for the Private Placement of Shares of China Merchants Securities Co., Ltd. (Zheng Jian Xu Ke [2014] No. 455) (《關於核准招商證券股份有限公司非公開發行股票的批覆》(證監許可[2014]455號)), the Company issued 1,147,035,700 shares (A Shares) at RMB9.72 each by way of private placement, raising a total of RMB11,149,187,004.00 and receiving net proceeds of RMB11,101,736,135.93 after deducting the offering expenses of RMB47,450,868.07. The new shares were registered and deposited with the Shanghai office of the CSDC on May 27, 2014. On October 15, 2014, the Company completed the registration for the increase of the registered capital to RMB5,808,135,529.

On October 7, 2016, the Company completed the public issuance of overseas-listed foreign shares (H Shares) at an offer price of HK$12.00 per share, raising total proceeds of HK$10,695,285,600.00. After deducting the offering expenses, the net proceeds amounted to RMB8,947,439,178.14. On the same day, with the approval of the Hong Kong Stock Exchange, the Company issued 891,273,800 overseas-listed foreign shares (H Shares) for the listing and trading on the Main Board of the Hong Kong Stock Exchange. Following the offering, the total share capital of the Company increased from 5,808,135,529 shares to 6,699,422,311 shares. Due to a change in the shareholding by Liaoneng Holdings, an original state-owned shareholder of the Company, the deregistration for 12,982 A Shares which should have been transferred by it has not yet completed.

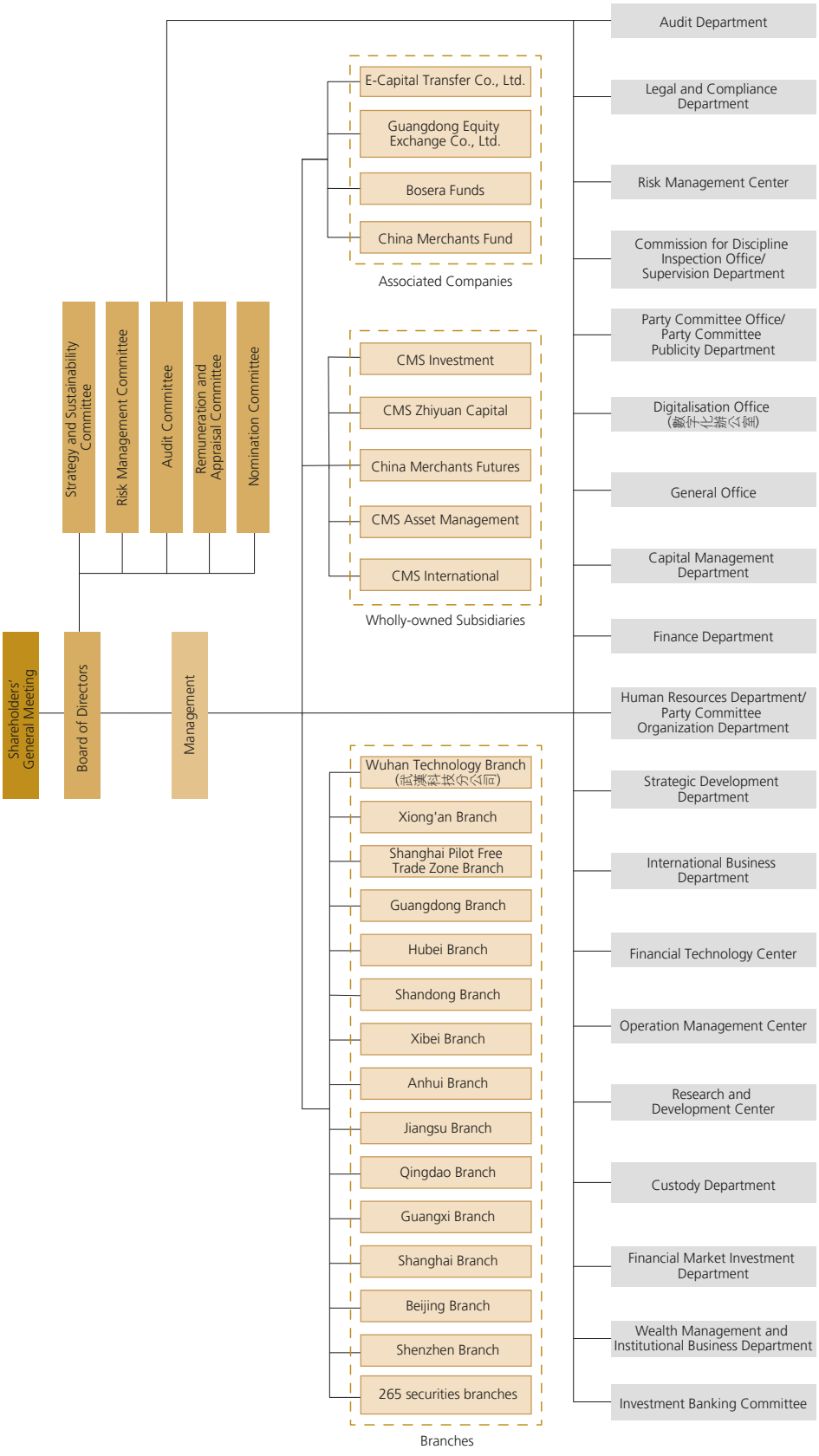
On March 27, 2017, the deregistration for 12,982 A Shares held by Liaoneng Holdings, an original state-owned shareholder of the Company, was completed. The total share capital of the Company was changed to 6,699,409,329 shares. For details, please see the Announcement on the Replenishment of State-owned Shares for Fulfillment of Transfer Obligation by Liaoneng Holdings, an Original State-owned Shareholder (《關於原國有股東遼寧遼能實業有限公司補充履行國有股轉持義務的公告》) of the Company dated March 27, 2017 published on the SSE website. On May 17, 2017, the Company completed the increase of its registered capital to RMB6,699,409,329.

In November and December 2018, the registered address and office address of the Company were changed to "No. 111, Fuhua Yi Road, Futian Street, Futian District, Shenzhen (深圳市福田區福田街道福華一路111號)".

As approved by the CSRC under Zheng Jian Xu Ke [2020] No. 723 (證監許可[2020]723號) and [2019] No. 1946 (證監許可[2019]1946號), the Company successfully completed the A Share and H Share rights issue in July and August 2020, respectively. In the rights issue, 1,702,997,123 RMB ordinary shares have been issued to the existing A Shareholders and 294,120,354 H Shares have been issued to the qualified existing H Shareholders. Upon the issuance, the total share capital of the Company increased from 6,699,409,329 shares to 8,696,526,806 shares. The A Shares and H Shares of the Company issued under the rights issue have been listed and traded on the SSE and the Hong Kong Stock Exchange on 31 July and 20 August, respectively. The total proceeds raised from the A Share rights issue and the H Share rights issue amounted to RMB12.704 billion and HK$2.407 billion, respectively. The net proceeds from the rights issue after deducting issuance related expenses amounted to RMB12.683 billion and HK$2.349 billion, respectively. In December 2020, upon completion of registration for the change of registered capital, the Company's registered capital increased from RMB6,699,409,329 to RMB8,696,526,806.

(II) Corporate organizational structure

As at the date of this report, our corporate organizational structure was as follows:



As at the date of this report, the Company had 5 first-level wholly-owned subsidiaries, the details of which are as follows:

No.	Company name	Address	Date of incorporation	Registered capital (RMB10,000)	Person-in-charge	Contact number
1	China Merchants Securities International Company Limited	32/F, One Exchange Square, Central, Hong Kong	1999.07.14	N/A	LIU Bo (劉波)	0755-82943666
2	China Merchants Futures Co., Ltd.	16/F and Room 1703, 17/F, China Merchants Securities Building, No. 111, Fuhua Yi Road, Fuan Community, Futian Street, Futian District, Shenzhen	1993.01.04	359,800	YAN Defu (嚴福德)	0755-82763133
3	China Merchants Zhiyuan Capital Investment Co., Ltd.	Unit 2803, Guangming Technology Financial Building, No. 160 Chuangtou Road, Dongkeng Community, Fenghuang Street, Guangming District, Shenzhen	2009.08.28	210,000	LIU Rui (劉銳)	0755-82943666
4	China Merchants Securities Investment Co., Ltd.	Room 201, Block A, No. 1 Qianwan 1st Road, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen (settled in Shenzhen Qianhai Business Secretary Company Limited)	2013.12.02	1,010,000	LING Jianghong (凌江紅)	0755-82943666
5	China Merchants Securities Asset Management Co., Ltd.	Unit 2501, Block A, Qianhai Hongrongyuan Center, No. 5059 Tinghai Avenue, Nanshan District, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen	2015.04.03	100,000	YI Weidong (易衛東)	0755-83084135

(III) Number and distribution of securities branches of the Company

As at the date of this report, the Company operated a total of 265 securities branches. The distribution of those operating securities branches is as follow:

Province/ municipality/ autonomous region	Number of branches	Province/ municipality/ autonomous region	Number of branches	Province/ municipality/ autonomous region	Number of branches
Guangdong Province	61	Beijing	28	Shandong Province	22
Shanghai	21	Zhejiang Province	17	Jiangsu Province	13
Anhui Province	10	Shaanxi Province	8	Hubei Province	8
Guangxi Zhuang Autonomous Region	8	Fujian Province	8	Liaoning Province	7
Hunan Province	7	Heilongjiang Province	6	Henan Province	6
Jiangxi Province	5	Tianjin	5	Chongqing	5
Sichuan Province	5	Gansu Province	3	Hebei Province	2
Inner Mongolia Autonomous Region	3	Yunnan Province	1	Xinjiang Uygur Autonomous Region	1
Shanxi Province	1	Ningxia Hui Autonomous Region	1	Jilin Province	1
Hainan Province	1	Guizhou Province	1	Tibet Autonomous Region	0
Qinghai Province	0				

(IV) Number and distribution of other branches

As at the date of this report, the Company had 14 branches, the basic information of which is as follows:

No.	Name of the branch	Date of incorporation	Place of business	Person-in-charge	Contact number
1	Shenzhen Branch of China Merchants Securities Co., Ltd. (招商證券股份有限公司深圳分公司)	February 1, 2010	9B, 9C, 9D, 9E1, 16F2, 16G, 16H, Fortune Building, No. 88, Fuhua 3rd Road, Gangxia Community, Futian Street, Futian District, Shenzhen (深圳市福田區福田街道崗廈社區福華三路88號財富大廈9B、9C、9D、9E1、16F2、16G、16H)	JIANG Wei (蔣偉)	0755-82922188
2	Shanghai Branch of China Merchants Securities Co., Ltd. (招商證券股份有限公司上海分公司)	February 12, 2010	Room 3008, No. 1500 Century Avenue, China (Shanghai) Pilot Free Trade Zone	ZHANG Feng (張峰)	021-68407178
3	Beijing Branch of China Merchants Securities Co., Ltd. (招商證券股份有限公司北京分公司)	February 26, 2010	Room 1901, 19/F, No. 118 Jianguo Road, Chaoyang District, Beijing	FAN Wenmeng (范文孟)	010-65668067
4	Guangxi Branch of China Merchants Securities Co., Ltd. (招商證券股份有限公司廣西分公司)	May 25, 2011	3/F, Shidailidu Mansion, No. 38-1 Jinhu Road, Qingxiu District, Nanning, Guangxi	DENG Jichang (鄧吉昌)	0771-5596333
5	Qingdao Branch of China Merchants Securities Co., Ltd. (招商證券股份有限公司青島分公司)	September 1, 2011	19/F, China Merchants Bank, No. 65 Hai'er Road, Laoshan District, Qingdao, Shandong	SUN Jingyan (孫經延)	0532-89067787
6	Jiangsu Branch of China Merchants Securities Co., Ltd. (招商證券股份有限公司江蘇分公司)	December 28, 2012	7/F, Nanjing China Merchants Bank Tower, No. 199 Lushan Road, Jianye District, Nanjing	CHEN Xinjian (陳昕鍵)	025-52868380
7	Anhui Branch of China Merchants Securities Co., Ltd. (招商證券股份有限公司安徽分公司)	January 4, 2013	Suite 1-501 to 1-511, Hui Feng Plaza, No. 118 Sui Xi Road, Luyang District, Hefei, Anhui Province	WANG Feng (王鋒)	0551-65697178
8	Hubei Branch of China Merchants Securities Co., Ltd. (招商證券股份有限公司湖北分公司)	January 4, 2013	Rooms 4002A2, 4002B1, 40/F, 1 Corporate Avenue, No.1505 Zhongshan Avenue, Jiang'an District, Wuhan, Hubei	XIAO Nana (孝娜娜)	027-82280666

No.	Name of the branch	Date of incorporation	Place of business	Person-in-charge	Contact number
9	Shandong Branch of China Merchants Securities Co., Ltd. (招商證券股份有限公司山東分公司)	January 9, 2013	Room 2001-1, 17/F, Zhongrun Century Plaza, No. 13777 Jingshi Road, Lixia District, Jinan	PENG Xiuling (彭秀玲)	0531-67885777
10	Xibei Branch of China Merchants Securities Co., Ltd. (招商證券股份有限公司西北分公司)	February 5, 2013	Semiconductor Industrial Park, No. 125 Jin Ye Road, Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province	ZHAO Xinyi (趙欣義)	029-81106919
11	Guangdong Branch of China Merchants Securities Co., Ltd. (招商證券股份有限公司廣東分公司)	May 16, 2013	Room 1902 (Position: Self-edited B), Room 1903 (Position: Self-edited A), No. 21 Zhujiang West Road, Tianhe District, Guangzhou	NIE Xiaosheng (聶小晟)	020-38394802
12	Shanghai Pilot Free Trade Zone Branch of China Merchants Securities Co., Ltd. (招商證券股份有限公司上海自貿試驗區分公司)	January 3, 2017	Unit 03, 20/F (Nominal Floor, actually 18/F), No. 759 Yanggao South Road, China (Shanghai) Pilot Free Trade Zone	LIU Chang (劉暢)	021-58905118
13	Xiong'an Branch of China Merchants Securities Co., Ltd. (招商證券股份有限公司雄安分公司)	October 9, 2024	No. 188 – 2 & 3, Shuangwen Street, Rongcheng County, Xiong'an New Area, Hebei Province	YU Hongzhe (于洪哲)	0312-6580388
14	China Merchants Securities Co., Ltd., Wuhan Technology Branch (招商證券股份有限公司武漢科技分公司)	August 28, 2023	7/F, 8/F, 9/F and 10/F, West Tower, China Special Purpose Vehicle R&D Center, No. 1 Zizhu Street, Donghu New Technology Development Zone, Wuhan, Hubei Province	LI Jianxin (李建新)	027-65529399

VII. Other Relevant Information

Domestic accounting firm appointed by the Company	Name	KPMG Huazhen LLP
	Office address	8/F, KPMG Tower, Oriental Plaza, 1 East Chang An Avenue, Beijing
	Names of the signing accountants	WU Zhongming (吴鐘鳴), SONG Yang (宋揚)
International accounting firm appointed by the Company	Name	KPMG
	Office address	8/F, Prince's Building, 10 Chater Road, Central, Hong Kong
	Names of the signing accountants	CHOI Ching Hin (蔡正軒)
Domestic legal adviser appointed by the Company	Name	King & Wood
	Office address	25/F, Guangzhou CTF Finance Centre, No. 6 Zhujiang East Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province
International legal adviser appointed by the Company	Name	King & Wood
	Office address	13/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Central, Hong Kong
A Share Registrar	Name	Shanghai Branch of China Securities Depository and Clearing Corporation Limited
	Office address	188 Yanggao South Road, Pudong New Area, Shanghai
H Share Registrar	Name	Computershare Hong Kong Investor Services Limited
	Office address	Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

VIII. Key Accounting Data and Financial Indicators

(I) Key accounting data

Unit: RMB'000

Key accounting data	2025	2024	Year-on-year increase/ decrease (%)	2023
Total revenue, other income and gains	34,616,375	30,622,282	13.04	30,020,438
Profit for the year attributable to shareholders of the Company	12,349,523	10,385,872	18.91	8,763,960
Profit for the year attributable to shareholders of the Company after deduction of non-recurring profit or loss	12,298,557	10,376,773	18.52	8,731,556
Net cash from operating activities	-33,384,021	22,261,032	-249.97	15,768,912
Total other comprehensive income for the year (net of tax)	-1,593,329	1,473,443	-208.14	187,867

Key accounting data	As at the end of 2025	As at the end of 2024	Year-on-year increase/ decrease (%)	As at the end of 2023
Total assets	753,477,090	721,160,331	4.48	695,852,992
Total liabilities	615,430,259	590,908,098	4.15	573,816,059
Equity attributable to shareholders of the parent company	138,004,658	130,178,629	6.01	121,961,428
Total owners' equity	138,046,831	130,252,233	5.98	122,036,933

(II) Key financial indicators

Key financial indicators	2025	2024	Year-on-year increase/decrease (%)	2023
Basic earnings per share (RMB per share)	1.35	1.13	19.47	0.94
Diluted earnings per share (RMB per share)	1.35	1.13	19.47	0.94
Basic earnings per share after deduction of non-recurring profit or loss (RMB per share)	1.35	1.13	19.47	0.94
Weighted average return on net assets (%)	9.94	8.82	Increased by 1.12 percentage points	7.91
Weighted average return on net assets after deduction of non-recurring profit or loss (%)	9.89	8.82	Increased by 1.07 percentage points	7.88

(III) Net capital and risk control indicators of the parent company

During the Reporting Period, the net capital and all risk control indicators of the Company complied with the requirements of the China Securities Regulatory Commission. As at the end of December 2025, the key risk control indicators, such as net capital of the Company, were as follows:

Unit: Yuan Currency: RMB

Items	As at the end of the Reporting Period	As at the end of last year
Net capital	89,549,587,238.58	87,411,626,102.24
Net assets	124,368,686,146.63	116,877,233,288.67
Sum of risk capital provisions	34,833,310,699.37	36,568,781,189.13
Total assets on-and off-balance sheet	521,841,033,313.48	397,270,766,199.38
Risk coverage ratio (%)	257.08	239.03
Capital leverage ratio (%)	11.91	15.27
Liquidity coverage ratio (%)	159.16	208.98
Net stable funding ratio (%)	164.85	170.72
Net capital/net assets (%)	72.00	74.79
Net capital/liabilities (%)	20.94	21.42
Net assets/liabilities (%)	29.09	28.63
Value of proprietary equity securities and security derivatives/net capital (%)	33.62	28.08
Value of proprietary non-equity securities and its derivatives/ net capital (%)	332.20	357.15

Note: In September 2024, CSRC issued the Requirements on the Calculation Standards for the Risk Control Indicators of Securities Companies (《證券公司風險控制指標計算標準規定》) with effect from January 1, 2025. All the risk control indicators of the Company as at the end of last year are adjusted pursuant to such requirements.

(IV) Key financial data for the past five years

1. *Earnings*

Unit: Million Yuan Currency: RMB

Items	2025	2024	2023	2022	2021
Total revenue, other income and gains	34,616	30,622	30,020	29,336	40,342
Total expenses	21,928	20,886	22,259	22,466	28,239
Profit before income tax	14,076	11,219	9,296	8,532	13,704
Profit for the year attributable to shareholders of the Company	12,350	10,386	8,764	8,070	11,645

2. *Assets*

Unit: Million Yuan Currency: RMB

Items	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Total assets	753,477	721,160	695,853	611,677	597,221
Total liabilities	615,430	590,908	573,816	496,420	484,631
Accounts payable to brokerage clients	155,016	151,611	117,852	106,378	99,605
Equity attributable to shareholders of the Company	138,005	130,179	121,961	115,175	112,503
Share capital	8,697	8,697	8,697	8,697	8,697

3. *Key financial indicators*

Items	2025	2024	2023	2022	2021
Basic earnings per share (RMB per share)	1.35	1.13	0.94	0.86	1.25
Diluted earnings per share (RMB per share)	1.35	1.13	0.94	0.86	1.25
Weighted average return on net assets (%)	9.94	8.82	7.91	7.54	11.52
Gearing ratio (%)	76.93	77.13	78.89	77.19	77.37

Gearing ratio = (Total liabilities – Accounts payable to brokerage clients – Accounts payable to underwriting clients)/(Total assets – Accounts payable to brokerage clients – Accounts payable to underwriting clients)

IX. Major Business Awards of the Company Obtained during the Period from the Beginning of the Reporting Period to the Date of this Report

Awardee Unit	Awarding Authorities	Awards
The Company	The People's Bank of China	Second Prize of 2024 FinTech Development Award
	SSE	2024 "Outstanding Underwriter of National Strategy Bonds" (服務國家戰略債券優秀承銷商), 2024 "Outstanding Underwriter of Industrial Bonds", Outstanding Credit Bond Market Maker (Credit Bonds) (優秀信用債做市商(信用債))
	HKEX	2024 Outstanding Broker Award of Hong Kong Stock Connect (2024年港股通卓越券商獎)
	Export-Import Bank of China	Outstanding Underwriter for Domestic RMB Financial Bonds (境內人民幣金融債券優秀承銷商)
	China Central Depository and Clearing Co., Ltd.	Outstanding Bond Underwriting Institution in the Bond Issuance and Underwriting Category (債券發行承銷類優秀債券承銷機構)
	China Foreign Exchange Trade System	Standard Interest Rate Swap Star (標準利率互換之星), Active Standard Interest Rate Swap Institution (標準利率互換活躍機構), Active Standard Bond Institution (標債活躍機構), Active Quoting Institution for Sci-Tech Innovation Bond Baskets (科技創新債券活躍籃子報價機構)
	Beijing Financial Assets Exchange	BFAE Market High-Quality Development Evaluation Results (北金所市場高質量發展評價結果) – "Institution with Greatest Market Breakthrough Potential" (最具市場突破力機構), BFAE Market High-Quality Development Evaluation Results – "Market Responsibility Institution" (市場責任機構)
	Local Financial Regulatory Bureau of Shenzhen Municipality	Third Prize of Shenzhen Financial Innovation Competition (深圳金融創新大賽三等獎)
	China Association for Public Companies	Best Sustainability Practice Cases of Listed Companies (上市公司可持續發展最佳實踐案例)
	Shenzhen Securities Association	Investor Education "Outstanding Contribution Unit" (投資者教育工作「突出貢獻單位」)
		Investor Education "Outstanding Investor Education Base" (投資者教育工作「優秀投資者教育基地」)

Awardee Unit	Awarding Authorities	Awards
	China Securities Journal	Golden Bull Securities Firms (金牛證券公司), Golden Bull Award for Securities Firm Culture Development (證券公司文化建設金牛獎), Fintech Golden Bull Award, Golden Bull Wealth Management Team, Golden Bull Research Team, Golden Bull Award for Fund Investment Advisory Innovative Cases (基金投顧創新案例金牛獎), Golden Bull Award for Securities Firms Supporting Sci-Tech Innovation (金牛證券支持科創獎)
	Securities Times	Jun Ding Award for Almighty Digitalization Practice in China Securities Industry (中國證券業數字化實踐全能君鼎獎), Jun Ding Award for All-Around Wealth Broker (全能財富經紀商君鼎獎), Jun Ding Award for APP Pioneer (APP先鋒君鼎獎), Best Industry Research Team (Finance) (最佳產業研究團隊(金融)), Sustainability Research Contribution Institution (可持續發展研究貢獻機構), Most Influential Research Institution (最具影響力研究機構), Jun Ding Award for Almighty Investment Bank, Jun Ding Award for Equity Financing Investment Bank, Jun Ding Award for Bond Financing Investment Bank, Jun Ding Award for Projects Supporting Private Enterprises
	CapitalWeek	Seller Analyst Crystal Ball Award – "The Third Fastest Growing Research Institution"
	Cailian Press (财聯社)	ESG Finance Award of the Year (ESG金融年度大獎), Best Wealth Management Institution Award (最佳財富管理機構獎), Best Fund Investment Advisory Award (最佳基金投顧獎), Innovative Physical Investor Education Base Award (創新實體投教基地獎)
	National Business Daily	Top 30 Listed Chinese Securities Companies in Terms of Brand Value, Outstanding Cases of Cultural Construction (優秀文化建設案例)
		Most Influential Physical Investor Education Base of Securities Firms (最具影響力券商實體投教基地), Best Broker and Investment Bank Manager, Best ESG Securities Companies

Awardee Unit	Awarding Authorities	Awards
	China Fund	Yinghua Typical Cases for Index Ecosystem (指數生態圈英華典型案例) – "Index Sales Institution" (指數銷售機構), "ETF Liquidity Service Provider" (ETF流動性服務商), "Index Product Custodian Institution" (指數產品託管機構), "Investor Education Cases in Index Ecosystem" (指數生態圈投教案例), Outstanding Private Fund Custodian Broker, Outstanding Securities Firm APP Demonstration Case, Outstanding AI Empowerment Demonstration Cases of Securities Firms (優秀券商AI賦能示範案例)
	New Fortune	Best Local Investment Bank (本土最佳投行), Best ESG Practice Investment Bank (最佳踐行ESG投行), Best Equity Underwriting Investment Bank (最佳股權承銷投行), Best Debt Underwriting Investment Bank (最佳債權承銷投行), Best IPO Investment Bank (最佳IPO投行), Best Refinancing Investment Bank (最佳再融資投行), Best M&A Investment Bank (最佳併購投行), Best Asset-Backed Securities (ABS) Investment Bank (最佳資產證券化(ABS)投行), Best Investment Bank in Mass Consumption (大消費產業最佳投行), Best Investment Bank for Technology and Intelligent Manufacturing Industry (科技與智能製造產業最佳投行)
	Sina Finance	Golden Kirin (金麒麟) "Most Distinctive ETF Ecosystem Service Institution" (最具特色ETF生態服務機構), "Most Distinctive Research Institution" (最具特色研究機構), "Elite Research Institution" (菁英研究機構)

Awardee Unit	Awarding Authorities	Awards
CMS Asset Management	SSE	Excellent Manager for Asset Securitization Business
	China Securities Journal	Five-Year Golden Bull Securities Firm Collective Asset Manager (五年期金牛券商集合資產管理人), Three-year Stock Long Position Golden Bull Asset Management Plan (三年期股票多頭型金牛資管計劃)
	Securities Times	Jun Ding Award for Almighty Asset Management Institution, Jun Ding Award for Asset Management Equity Team (資管權益團隊君鼎獎), Jun Ding Award for Fixed Income Asset Management Plan (固收資管計劃君鼎獎)
	China Fund	Demonstrative Institution for Asset Management of Securities Firms (優秀券商資管示範機構), Yinghua Demonstration Case of Securities Firm Asset Management Product (Five-Year FOF) (券商資管英華產品示範案例(五年期FOF)), ESG Development Asset Management Institution (ESG發展資產管理機構), Asset Management Institution for Fintech (金融科技資產管理機構), Investor Education Asset Management Institution (投資者教育資產管理機構)
China Merchants Futures	Local Financial Regulatory Bureau of Shenzhen Municipality	Third Prize of Shenzhen Financial Innovation Competition
	Futures Daily	Best Cultural Construction Practice Award in the Futures Industry (最佳期貨行業文化建設踐行獎), Best Futures Company in China (中國最佳期貨公司), China's Golden Futures Research Centre (中國金牌期貨研究所), Outstanding Contribution Award for Green Finance Services (綠色金融服務卓越貢獻獎), Best Comprehensive Rural Revitalization and Social Responsibility Public Welfare Award (最佳全面鄉村振興及社會責任公益獎)
	Cailian Press	Golden Hazelnut Award for Most Promising Futures Asset Management (最具成長性期貨資管金榛子獎)
	Chinese Academy of Financial Inclusion (中國普惠金融學院)	Capital Market Inclusive Finance Leadership Award (資本市場普惠金融引領獎)
	NETEASE	Green Finance Pioneer of the Year (年度綠色金融先鋒)

Awardee Unit	Awarding Authorities	Awards
CMS Zhiyuan Capital	CV INFO	Top 30 Best Private Equity Investment Institutions in GBA
	Zero2IPO Research	China Top 50 Private Equity Investment Institutions (中國私募股權投資機構50強)
	BRIDGE RESEARCH	China Top 100 Private Equity Investment Institutions (中國私募股權投資機構TOP100)
	China Venture Capital Research Institute	China Top 30 PE Investment Institutions Most Favored by LPs (中國最受LP青睞PE投資機構TOP30)
	China Fund	Excellent Private Equity Investment Model Institution (優秀私募股權投資示範機構)
CMS International	The Hong Kong Council of Social Service	"Caring Company"
	Hong Kong Commercial Daily	ESG Excellence Investment Value Securities Company (ESG卓越投資價值證券公司)
	HKQAA	Hong Kong Green and Sustainable Finance Awards
	HKEJ	Outstanding Financial Service Institution (卓越金融服務機構)



02
Operating Analysis

Chapter 3 Report of the Board of Directors /44



Chapter 3

Report of the Board of Directors

I. Business of the Company during the Reporting Period

Operating with a client-oriented approach, the Company offers one-stop, high-quality and comprehensive financial services and products to individual, institutional and corporate clients, and engages in investment and trading. The principal business segments are wealth management and institutional business, investment banking, investment management as well as investment and trading.

The Wealth Management and Institutional Business: The Company provides value-added services such as agency services on the trading of equity, funds, bonds, futures and financial derivatives, investment consultation, investment portfolio proposal, product sales, and asset allocation to earn fee and commission income. The Company provides capital intermediary services to clients (including margin financing and securities lending business, stock pledge repo, agreed repurchase transactions, etc.) to earn interest income. In addition, the Company provides investment research, sales and trading, and prime brokerage services to various institutional clients such as mutual funds and private funds to earn fee and commission income. The Company has continuously improved the stratified customer operation, promoted the integrated development of online and offline operations, and expanded the influence of the wealth management brand. The Company has optimized resource allocation, strengthened internal collaboration, and built a one-stop institutional service platform.

Investment Banking: The Company provides one-stop domestic and international investment banking services for corporate clients, including domestic and international equity financing, debt financing, structured financing, NEEQ listing, financial advisory services, etc. to earn underwriting fee, sponsorship fee, and financial advisory fee. The Company is committed to building a modern investment bank, shaping its services to be comprehensive, professional, and long-term-oriented, while continuously expanding the circle of high-quality clients.

Investment Management: The Company provides collective asset management schemes, single asset management schemes, specialized asset management schemes, mutual fund management, equity investment fund management, and other services to earn management fee and performance fee. Focusing on the development of new quality productive forces and its own professional advantages and capabilities, the Company adheres to a principle of pursuing progress while ensuring stability, and strives to optimize and expand the scale of asset management.

Investment and Trading: The Company conducts trading and market making of equity securities, fixed-income securities, commodities, foreign exchanges, alternative investments and derivative financial instruments (including trading and market making of financial products in the over-the-counter (OTC) market) with its own capital to earn investment income. The Company adheres to a strategy of achieving "large scale and stable growth", steadily expanding the business scale, continuously improving the income level, strictly controlling risks, and maintaining the sound and positive momentum in investment business.

II. Industry Condition of the Company during the Reporting Period

The year 2025 marked the conclusion of the "14th Five-Year Plan". Amidst mounting pressures, China's economy advanced with resilience, demonstrating a trajectory of innovation-driven and high-quality development. The Chinese government implemented a series of policies that effectively achieved stability in employment, enterprises, markets, and expectations. Meanwhile, new progress was made in the development of a modern industrial system, and new strides were achieved in deepening reform and opening-up. The People's Bank of China (PBOC) introduced a new package of monetary policy measures, strategically employing both aggregate and structural tools in a coordinated manner. While maintaining prudent and ample market liquidity, it provided targeted support to key sectors and enhanced "targeted irrigation", fostering a sound environment for steady progress and improved quality and efficiency of economic performance. China's GDP grew by 5% for the whole year.

2025 witnessed a significant enhancement in the resilience of China's capital market and a deepening of comprehensive reforms in investment and financing. On the one hand, the market's inherent stability markedly improved. A market-stabilizing mechanism with Chinese characteristics took shape, with the positioning of "market stabilization fund" akin to Central Huijin Investment clearly defined, and significant breakthroughs achieved in attracting medium- and long-term institutional funds into the market. On the other hand, the comprehensive reform of investment and financing continued to advance. On the financing side, the vitality of the multi-tiered capital market has been revitalized to better serve technological innovation and the development of new quality productive forces. The STAR Market's "1+6" reform measures were implemented and the "technology board" for the bond market was launched. Enhanced coordination between equity and bond markets has reinforced support in tech-driven advantages, further broadening financing channels for tech-innovation firms. On the investment side, the institutional framework for "long-term capital for long-term investment" was accelerated. The CSRC's *Action Plan for Promoting High-Quality Development of Public Fund Industry* and the Ministry of Finance's *Guidance on Encouraging Steady Long-Term Investments by Insurance Funds and Strengthening Long-Cycle Evaluations for State-Owned Commercial Insurers* have been successively issued. These reforms institutionalize a three-year or longer cycle evaluation mechanism for public funds and insurance capital, thereby enhancing the stability and sustainability of long-term investments from institutional investors.

2025 witnessed a notable surge in the vitality of China's capital markets. The markets stabilized and rebounded, with pronounced structural features. In 2025, the SSE Composite Index, SZSE Component Index, ChiNext Index, STAR 50, and BSE 50 Index increased by 18.41%, 29.87%, 49.57%, 35.92%, and 38.80% year-on-year, respectively; the Hang Seng Index, the HSTECH Index, and the Hang Seng China Enterprises Index rose by 27.77%, 23.45%, and 22.27% year-on-year, respectively; and the ChinaBond Composite Total Return Index edged up by 0.65% year-on-year. The market saw active trading and investment activities, with significant inflows of capital. In 2025, the average daily trading volume of stocks and funds in the A share market reached RMB2.08 trillion, representing a year-on-year increase of 70.19%; and the average daily trading volume of stocks in the Hong Kong market reached HK$249.820 billion, representing a year-on-year increase of 89.51%. Equity financing demonstrated a positive trend, with both the A share and Hong Kong markets experiencing rapid growth in equity financing scale in 2025.

2025 witnessed a new level of high-quality development in the securities industry. China's securities industry actively integrated into the broader economic and social landscape. It proactively served major national strategies and deeply implemented the client-centric development philosophy. The industry steadily expanded its scale and strengthened its capabilities, while continuously improving service quality and efficiency. It deeply advanced structural optimization and adjustment within the industry and made every effort to enhance risk management capabilities. Securities companies accelerated the process of mergers, acquisitions, and resource integration, with landmark cases emerging successively. The introduction of the *Provisions on the Classified Supervision and Administration of Securities Companies* emphasized the functional role of the industry and the enhancement of operational quality, propelling the industry into a new phase of value-based competition. During the critical period of the "15th Five-Year Plan" (2026-2030), to advance Chinese modernization and accelerate the construction of a strong financial industry, the securities industry is poised to embrace significant development opportunities as: The primary service provider of direct financing, a critical gatekeeper of the capital markets, a professional manager of social wealth, and a key companion facilitating Chinese enterprises going global and attracting overseas funds into China.

III. Discussion and Analysis of Operations

(I) General operations

The year 2025 marked the conclusion of the "14th Five-Year Plan" of the Company and a critical juncture for advancing its five-year strategic plan from 2024 to 2028. In 2025, the Company actively responded to changes in the external operating environment, made every effort to excel in the Five Major Areas of Finance and built a leading investment bank in China with high quality, achieving commendable development results and successfully concluding the "14th Five-Year Plan". In 2025, the Company recorded total revenue, other income and gains of RMB34.616 billion, representing a year-on-year increase of 13.04%; net profit attributable to shareholders of the parent company of RMB12.350 billion, representing a year-on-year increase of 18.91%, setting a record high; and ROE of 9.94%, up by 1.12 percentage points year-on-year. The Company achieved notable results in its transformation efforts, with both quality and efficiency improvements in business development. Its strengths in wealth management and institutional businesses became increasingly prominent. Investment banking saw simultaneous enhancements in quality and efficiency. In financial market investment operations, initial success was achieved in asset allocation, while investment management business delivered steady performance. The Company's foundational technological capabilities were significantly upgraded, with comprehensive progress in building an AI-driven securities firm. We successfully developed the industry's first distributed core trading system based on a cloud-native architecture, laying a digital foundation for the Company's high-quality development. Throughout the year, there were no major risk compliance or workplace safety incidents. Various risk-related losses maintained at a relatively low level, and risks were generally controllable. The Company boasted strong profitability, high-quality assets, and notable advantages in cost control.

(II) Analysis of principal businesses

In 2025, revenue and other income from the wealth management and institutional business, investment banking, investment management, investment and trading, and other business segment amounted to RMB20,467 million, RMB1,083 million, RMB1,096 million, RMB11,144 million and RMB840 million, respectively, accounting for 59.13%, 3.13%, 3.17%, 32.19% and 2.43% of the Company's total revenue, other income and gains, respectively.

1. Wealth management and institutional business

Market Environment

In 2025, the one-way trading volume of stocks and funds in A share market reached RMB505.57 trillion, representing a year-on-year increase of 70.89%. The capital inflows from margin financing and securities lending continued to expand, and the balance of margin financing and securities lending in the A share market amounted to RMB2.54 trillion as of the end of the year, representing an increase of 36.26% compared to the end of 2024. The balance of securities lending amounted to RMB16.526 billion, representing an increase of 58.33% compared to the end of 2024. With the accelerated implementation of reform pilots for long-term investment by insurance funds, the rollout of the action plan for high-quality development of mutual funds, and the continued emphasis on standardized development for private funds, institutional business is poised to enter a phase of high-quality development. According to data from the National Financial Regulatory Administration and the Asset Management Association of China, as of the end of December 2025, the balance of insurance funds in use across the market had reached RMB38.48 trillion, representing a year-on-year increase of 15.70%. The AUM of domestic mutual funds amounted to RMB37.71 trillion, representing a year-on-year increase of 14.86%. The AUM of private fund managers in operation was RMB22.15 trillion; among this, the AUM of private securities investment funds in operation was RMB7.08 trillion, representing a year-on-year increase of 35.89%, with sustained and solid growth momentum.

Actions and Achievements

(1) Brokerage and wealth management

During the Reporting Period, the Company firmly advanced the transformation of its wealth management business and its AI-driven digital empowerment strategy. Focusing on a buyer's perspective, it reinforced product capability development to create a client-centric digital wealth management model. Actively seizing market opportunities, the Company systematically established a selected product system centred on "Selected Mutual Fund", "Private Fund 50" (私募50) and the "Rising Eagle" (雛鷹), integrated quality resources, actively built an ETF ecosystem, and leveraged quality investment research services to enhance the quality and efficiency of wealth management across all client segments and throughout the entire life cycle. The Company continuously strengthened the capability building of wealth advisory system by deeply integrating AI technology into advisor services, building a dual-wheel drive service chain that combines "AI + human" expertise. As of the end of December 2025, the Company had 1,468 wealth advisors. The Company continuously deepened the stratified operation of customer segments. Efforts were made to build brand initiatives such as "CMS Private Club" (招證私享會) and "Visiting Listed Companies" (走進上市公司), to enhance the service experience and customer loyalty of wealth management and high-net-worth clients. In terms of the investment advisory business, the customized business of the Company's private banking and fund investment advisory business continuously refined asset allocation and enriched strategy varieties, and expanded business through institutional client customization, third-party channel collaborations, and other strategies. Meanwhile, by launching public welfare management fund portfolios, the Company actively explored new pathways for inclusive finance and philanthropic finance.

As of the end of December 2025, the Company had approximately 20.9722 million clients, representing a year-on-year increase of 8.67%; and clients' assets under custody amounted to RMB5.29 trillion, representing a year-on-year increase of 23.89%. During the Reporting Period, the domestic stock and fund trading volume of the Company was RMB45.35 trillion, representing a year-on-year increase of 69.79%. According to the statistics from the Asset Management Association of China (AMAC), in the second half of 2025, the non-monetary market funds, equity funds and Exchange Traded Fund (ETFs) held by clients of the Company amounted to RMB143.4 billion, RMB97.0 billion and RMB73.2 billion, respectively, ranking 6th, 4th and 4th among securities firms, respectively. According to the statistics from Analysys Qianfan, in 2025, the average monthly active clients of the CMS APP increased by 13.44% year-on-year, ranking 5th among securities firms, and the average daily visit duration per capita ranked the first among securities firms.

In terms of futures business, China Merchants Futures fully leveraged the resource advantages of China Merchants Group, deepened customer group operation, and enhanced business synergy to drive stable business growth. During the Reporting Period, the total trading volume of China Merchants Futures increased by 46.62% year-on-year, the transaction value increased by 34.00% year-on-year, and the market share of commission income increased by 0.17 percentage point year-on-year.

In the overseas market, CMS International has focused on enhancing global trading service and cross-border financial service capabilities. As of the end of December 2025, the clients' assets under custody of CMS International amounted to HK$268.738 billion, representing an increase of 24.64% as compared to the end of 2024. During the Reporting Period, the trading volume of CMS International in the Hong Kong stock market recorded a significant year-on-year growth, and its market ranking also improved year-on-year.

(2) Capital-based intermediary business

The Company's capital-based intermediary services mainly include margin financing and securities lending, margin financing loan as well as stock pledge repo businesses.

During the Reporting Period, adhering to a customer-centric approach, the Company kept optimizing service solutions in response to the differentiated demands of retail customers, private fund customers and shareholders of listed companies, thereby constantly enhancing business competitiveness. As of the end of December 2025, the balance of margin financing and securities lending of the Company amounted to RMB128.638 billion; the maintenance coverage ratio was 279.88%; and the market share increased to 5.06%. The balance of stock pledge repo (including contribution from asset management plans) to be repurchased amounted to RMB19.913 billion, and the overall collateral coverage ratio was 313.67%, of which, the balance of contribution from self-owned capital amounted to RMB17.330 billion, and the overall collateral coverage ratio was 342.35%.

In terms of overseas markets, as of the end of December 2025, the balance of margin financing of CMS International amounted to HK$3.385 billion, and the maintenance coverage ratio was 324.44%.

Operating indicators	As at the end of 2025	As at the end of 2024
Balance of margin financing and securities lending (RMB100 million)	1,286.38	908.79
Market share of margin financing and securities lending	5.06%	4.87%
Of which: Balance of securities lending (RMB100 million)	0.17	0.48
Market share of balance of securities lending	0.10%	0.46%
Balance of stock pledge repo (including contribution from asset management plans) (RMB100 million)	199.13	184.89
Balance of stock pledge repo by self-owned capital (RMB100 million)	173.30	145.94
Balance of overseas margin financing (HK$100 million)	33.85	33.41

(3) Institutional client integrated services

The Company is committed to providing a package of comprehensive financial services such as research, trading services, custody and fund administrative services, OTC derivatives and block trading for professional institutional investors such as mutual funds, private funds, banks and their wealth management subsidiaries, trusts, insurance firms and asset management companies.

① Institutional integrated services

In 2025, the Company deepened and advanced the transformation and reform of institutional client-related businesses by strengthening internal resource integration, optimizing the marketing service system for institutional clients, and comprehensively enhancing the integrated service capabilities for institutional clients. In terms of services for mutual fund and insurance clients, the Company actively capitalized on the policy opportunity of "the entry of medium and long-term capital into the market", and continuously reinforced the building of professional service teams for institutional business, fully enhancing the quality and efficiency of investment research services, and deepening services for mutual fund and insurance clients. The Company continuously boosted securities settlement business, with a focus on core clients and core products, and accelerated the introduction of securities settlement products. As at the end of the Reporting Period, the scale of the securities settlement business achieved steady growth. In terms of services for private fund clients, the Company focused on the tiered and categorised client operation, accelerated the integration of internal resources, further strengthened a "headquarters-led, branch-executed, platform-supported" three-tier marketing service system. By leveraging the the "Private Navigation Program" (私募領航計劃) brand, the Company achieved a 55.41% year-on-year growth in private fund transaction assets by the end of the Reporting Period. As of the end of December 2025, the Company's trading coverage rate of private fund clients with AUM of over RMB10 billion exceeded 90%. In terms of services for corporate clients, leveraging the comprehensive financial service brand "CMS Enterprise Navigation" (招證企航), the Company deeply explored the diversified demands of corporate clients, and achieved effective breakthroughs in key business areas such as corporate wealth management and share-based incentive programs, thereby realizing a two-way empowerment of the institutional and corporate service ecosystems.

② Research

As of the end of December 2025, the Company offered research coverage of 2,853 listed companies in China and overseas, and 94% of the total market capitalization of the constituent stocks of the CSI 300 Index, 94% of the total market capitalization of the constituent stocks of the ChiNext Board, and 85% of the total market capitalization of the constituent stocks of the STAR Market.

During the Reporting Period, the Company enhanced the quality and efficiency of research business by following a "three-curve" approach. For the first revenue curve where the market competition was fierce, the Company implemented multiple initiatives to enhance research product offerings, optimize the research product ecosystem, and strengthen collaboration between research and sales teams. These efforts contributed to the growth in seat leasing income. In 2025, the Company held 17 major investment research events, including the Tech Investment Forum, Macro Strategy Summit and All-Industry Listed Company Forum, providing in-depth coverage of institutional clients. For the second revenue curve, the Company actively implemented the "Research+" business model, continuously upgraded the industrial chain maps, and optimized the internal synergy system, thereby accurately and efficiently empowering the business development of the Company. For the third revenue curve, the Company comprehensively enhanced the brand influence of the "CMS Think Tank" (招證智庫) through initiatives such as building characteristic research bases and serving major national strategic deployments.

③ Custody and fund administrative services

In 2025, the private fund custody and fund administrative services of the Company adhered to a service strategy of "data-driven, service upgrade, and stratified customer operation", and maintained the leading position in the industry. The mutual fund custody and fund administrative services actively strengthened the marketing capabilities, with a focus on building an ETF and mutual fund ecosystem. In terms of cross-border business, the Company continuously built the brand advantage of "CMS Partner+" and comprehensively constructed a full-chain service system for offshore private funds. During the Reporting Period, the scale of offshore fund services grew rapidly. Guided by an innovation-driven strategy and leveraging the private fund financial engineering services, the Company pioneered the insurance fund-private MOM model in the industry, and deeply applied AI large model technology to continuously optimize customer service capabilities, thereby building a "compliant, efficient and intelligent" service system. The Company has passed the ISAE3402 international accreditation for twelve consecutive years, maintaining international standards in internal control and data security.

As of the end of December 2025, the number of products under custody and fund administrative services of the Company amounted to 33.7 thousand, and the size of which amounted to RMB4.28 trillion, representing a year-on-year increase of 23.72%. Among them, the size of offshore fund administrative management outsourcing business reached HK$22.579 billion, representing a year-on-year increase of 201.50%. According to the statistics from the AMAC and Wind, the Company's market share in terms of the number of private fund products under custody reached 21.24%. The number of mutual fund products under custody reached 81, representing a year-on-year increase of 24.62%.

Outlook for 2026

The Company will continue to deepen resource integration and coordinated allocation, strengthen the synergy in marketing services for individual, institutional and corporate clients, and fully enhance the customer acquisition capability and customer group service capability with an aim to consolidate the customer base, and promote a long-term virtuous cycle of customer group operation. The Company will make continued efforts to upgrade tiered and categorised services for individual clients, steadfastly pursue the strategic transformation of investment advisory business, and strengthen AI empowerment; improve the integrated service system for institutional clients, and comprehensively elevate the integrated financial service capabilities for institutional clients; and strengthen the construction of "CMS Enterprise Navigation" comprehensive service system, continuously increase the scale of corporate assets under custody, and expand corporate wealth management.

2. Investment banking business

The investment banking business of the Company includes equity financing, debt financing, and financial advisory businesses.

Marketing Environment

In 2025, both the domestic and overseas equity financing markets witnessed a strong recovery and growth momentum. Among them, the domestic equity financing market achieved significant growth thanks to policy guidance and the restoration of market confidence. According to the statistics from Wind, there were 300 A share equity financing projects (excluding share issuance for asset acquisition, same for below), raising total proceeds of RMB920.615 billion, representing year-on-year increases of 14.50% and 270.54%, respectively. Among them, there were 112 IPOs, raising RMB130.835 billion, representing year-on-year increases of 9.80% and 97.40%, respectively; and proceeds from equity refinancing amounted to RMB789.78 billion, representing a year-on-year increase of 333.54%. The Hong Kong's IPO market achieved a significant rebound driven by multiple positive factors. According to the statistics from Bloomberg, in 2025, proceeds from equity financing in Hong Kong market amounted to US$78.275 billion, representing a year-on-year increase of 307.87%. Among them, there were 120 Hong Kong IPOs, raising proceeds of US$38.174 billion, representing a year-on-year increase of 243.24%.

In 2025, the domestic bond market continued to expand. According to the statistics from Wind, the domestic bonds (excluding central bank bills and inter-bank deposit certificates, same for below) issued amounted to RMB55.14 trillion, representing a year-on-year increase of 14.14%. Among them, the credit bonds (excluding treasury bonds, local government bonds, central bank bills, inter-bank deposit certificates and policy bank bonds, same for below) issued amounted to RMB22.16 trillion, representing a year-on-year increase of 8.73%. The corporate bonds issued amounted to RMB4.46 trillion, representing a year-on-year increase of 12.91%. The financial bonds issued amounted to RMB12.36 trillion, representing a year-on-year increase of 21.06%. The asset securitization issued amounted to RMB2.33 trillion, representing a year-on-year increase of 14.22%.

In 2025, transactions in global M&A market exhibited robust vitality. According to the statistics from Bloomberg, a total of 57.9 thousand transactions were announced in the global M&A market, and the total transaction value amounted to US$5.80 trillion, representing a year-on-year increase of 34.63%. Driven by policies, the domestic M&A market expanded in scale. According to the statistics from Wind, 8,365 transactions were announced in China's M&A market (excluding overseas M&A), and the transaction value amounted to RMB2.56 trillion, representing a year-on-year increase of 19.41%. 4,158 transactions were completed, and the transaction value amounted to RMB1.33 trillion, representing a year-on-year increase of 74.52%.

Actions and Achievements

In 2025, the Company anchored its strategic focus on serving the development of new quality productive forces, continuously optimizing its investment banking business framework and regional layout. It deepened channel development, continuously expanded its product portfolio, and enhanced its customer service system, while accelerating the construction of technology-driven investment banking and Central SOE-focused investment banking. These efforts systematically advanced the modernisation, transformation and upgrading of the investment banking operations. Centering on the strategic deployment in the Five Major Areas of Finance, the Company delivered professional financial services to empower high-quality real economy development through the following pillars: In the field of technology finance, the Company focused on semiconductors and advanced manufacturing industries, supported equity financing and technology innovation corporate bond issuances for prominent enterprises, with an underwriting amount of RMB65.130 billion. In the field of green finance, the Company closely aligned with the "dual carbon" goals, supporting relevant enterprises in equity financing and the issuance of green and dual-carbon themed bonds, with an underwriting amount of RMB22.614 billion. In the field of inclusive finance, the Company addressed the financing needs of micro, small and medium-sized

enterprises, promoting the issuance of bonds themed "Rural Revitalization", "Agriculture, Rural Areas and Farmers (Three Rural Sector)" and inclusive finance, with an underwriting amount of RMB37.785 billion. In 2025, the Company maintained the Class A rating in both the investment banking business quality evaluation and bond underwriting practice assessment conducted by the Securities Association of China (CSA).

(1) Equity financing

In 2025, the Company precisely seized the market opportunities arising from the accelerated pace of A-share IPO issuance, actively advanced the issuance of projects, and achieved significant growth in both the scale and number of projects underwritten in equity businesses, steady enhancing the market competitiveness. According to the statistics from Wind, the number of A-share lead underwritings of Company was 15, ranking 6th in the industry, rising by 4 places year-on-year. The underwriting amount reached RMB17.148 billion, representing a year-on-year increase of 87.91%, ranking 8th in the industry. Among them, the number of A share IPO projects underwritten was 10, ranking 4th in the industry, rising by 5 places year-on-year. The underwriting amount was RMB8.022 billion, representing a year-on-year increase of 130.31%, ranking 6th in the industry, rising by 2 places year-on-year. The Company actively served sci-tech innovation and the development of new quality productive forces, and successfully helped a number of high-quality enterprises list on the multi-level capital markets. In the semiconductor and optical communications sectors, the Company assisted "China's first domestic GPU stock", Moore Threads (688795.SH), in its successful listing, and exclusively sponsored the successful listings of leading probe station equipment manufacturer Sidea (301629.SZ) and East Point (920045.BJ), "the first optical communications stock on the Beijing Stock Exchange". In the power and industrial IoT sectors, the Company exclusively sponsored the successful listings of CSG Digital Power Grid (301638.SZ), "the world's first digital grid stock", and IoT leader Senter Electronic (001388.SZ). In the green building and high-tech building materials sectors, the Company successfully sponsored MarcoPolo (001386.SZ) for listing on the Shenzhen Main Board and Guangdong Provincial Academy of Building (301632.SZ) on the ChiNext market. In the biopharmaceutical and healthcare sectors, the Company sponsored Dynamiker Biotechnology (920009.BJ), a leading fungal diagnosis enterprise, for its listing on the Beijing Stock Exchange. Additionally, the Company exclusively sponsored the successful listings of Tiansu Calibration (301449.SZ), Techking (920020.BJ) and other leading domestic measurement and calibration service enterprises. In the refinancing business, the Company completed a series of market-influential projects, including assisting Postal Savings Bank of China (601658.SH) in completing its largest refinancing since its establishment, and successfully sponsoring the private placement of shares for Huarui Precision (688059.SH), a leading enterprise in domestic numerically-controlled cutting tools, and Cathay Biotech (688065.SH), a leading enterprise in the domestic synthetic biology industry. The Company continued to enhance the capacity to serve technological innovation enterprises in the growth stage, and actively promoted the business opportunity of companies in the "Gazelle Incubator Project" company database. As at the end of the Reporting Period, a total of 665 companies have been selected into the "Gazelle Incubator Project" company database, of which, more than 80 companies have signed investment banking business agreements.

In terms of the overseas market, according to the statistics from Bloomberg, the Company completed 7 IPO projects, including Knowledge Atlas (2513.HK), and SANY HEAVY IND (6031.HK), in the Hong Kong stock market in 2025, with an underwriting amount of US$422 million, representing a year-on-year increase of 251.31%. During the Reporting Period, the number of Hong Kong IPO applications submitted by the Company to the Hong Kong Stock Exchange surged several times year-on-year.

A share projects	2025 Lead underwriting amount (RMB100 million)	2025 Number of projects	2024 Lead underwriting amount (RMB100 million)	2024 Number of projects
IPOs	80.22	10	34.83	4
Refinancing	91.27	5	56.43	6
Total	**171.48**	**15**	**91.26**	**10**

Source: Statistics from Wind, using issue date as statistics caliber

Note: Refinancing excludes share issuance for asset acquisition

(2) Debt financing

In 2025, the underwriting scale of corporate bonds grew steadily, and the market competitiveness remained solid. According to the statistics from Wind, the domestic bonds lead underwritten by the Company amounted to RMB517.49 billion, representing a year-on-year increase of 21.33%. The underwriting amounts of credit bonds, financial bonds and asset securitization all ranked 6th in the industry, among which, the underwriting amounts of NAFMII ABN and credit ABS ranked 1st and 2nd in the industry, respectively.

Milestone Projects of Debt Financing in 2025	
BOC Sinotrans Warehousing and Logistics Closed-End Infrastructure Securities Investment Fund (中銀中外運倉儲物流封閉式基礎設施證券投資基金)	Logistics infrastructure REITs benchmark case
2025 Sci-Tech Innovation and Low-carbon Transition Corporate Bonds (Phase-I) of COSCO SHIPPING Development Co., Ltd. Publicly Issued to Professional Investors (中遠海運發展股份有限公司2025年面向專業投資者公開發行科技創新低碳轉型公司債券(第一期))	The first low-carbon transition corporate bond in shipping sector
2025 Qingdao Conson Jiaozhou Bay Tunnel Private Placement Asset-Backed Notes (Phase-I) of Jiushi Financial Leasing (Shanghai) Co., Ltd. (Quasi-REITs) (久實融資租賃(上海)有限公司2025年度第一期青島國信膠州灣隧道定向資產支持票據(類REITs))	China's first tunnel asset-backed quasi-REIT; Qingdao's first quasi-REIT
2025 Bond Supporting Micro, Small and Medium-sized Sci-tech Innovation Enterprises (Phase I) of Wuhan Optics Valley Financial Holdings Group Co., Ltd. Privately Placed to Professional Investors (武漢光谷金融控股集團有限公司2025年面向專業投資者非公開發行科技創新中小微企業支持債券(第一期))	The first bond supporting micro, small and medium-sized sci-tech innovation enterprises in Central China
2025 Sci-Tech Innovation Bonds (Phase-I) of China Merchants Capital Investment Co., Ltd. (招商局資本投資有限責任公司2025年度第一期科技創新債券)	The first sci-tech innovation bonds of a Shenzhen-based venture capital institution
2025 Sci-Tech Innovation Corporate Bonds (Phase-I) of China Merchants Expressway Network & Technology Holdings Co., Ltd. Publicly Issued to Professional Investors (Follow-on Offering) (招商局公路網絡科技控股股份有限公司2025年面向專業投資者公開發行科技創新公司債券(第一期)(續發行))	First follow-on offering project of corporate bonds of central enterprise on the Shenzhen Stock Exchange
2025 Public Issuance of Green Carbon Neutral Rural Revitalization Corporate Bonds (Phase-I) of CNNC Financial Leasing Company Limited (Sustainability-Linked) (Type One) (中核融資租賃有限公司2025年公開發行綠色碳中和鄉村振興公司債券(第一期)(可持續掛鈎)(品種一))	Bond with three labels: "green carbon neutrality + rural revitalisation + sustainability-linked"
2025 Green Financial Bonds (Phase-I) of Huishang Bank Financial Leasing Co., Ltd. (徽銀金融租賃有限公司2025年第一期綠色金融債券)	China's first green financial bond in the financial leasing sector for Yangtze River Delta integration

Domestic bonds	2025 Lead underwriting amount (RMB100 million)	2025 Number of projects	2024 Lead underwriting amount (RMB100 million)	2024 Number of projects
Enterprise bonds	5.17	3	4.29	3
Corporate bonds	874.47	301	820.71	259
Financial bonds	2,400.51	259	1,661.36	148
Short-term financing bonds	22.00	5	26.30	7
Medium-term notes	274.32	89	273.74	97
Private placement notes	13.75	6	21.34	12
Asset securitization	1,584.69	1,031	1,449.00	932
Others	0.00	0	8.50	2
Total	**5,174.90**	**1,694**	**4,265.24**	**1,460**

Source: Statistics from Wind, using issue date as statistics caliber

Note: Bond underwriting excludes bonds issued as a principal. Others include local government bonds, international agency bonds, government-backed agency bonds, standardized notes and project revenue notes.

(3) Financial advisory

In 2025, with a focus on the core demands of new quality productive forces and industrial integration, the Company continuously strengthened resource allocation for M&A business, and actively constructed an M&A and restructuring database to enhance the efficiency of resource matching. According to the statistics from Wind, during the Reporting Period, the Company completed 9 M&A and restructuring projects, with a transaction value of RMB43.299 billion, ranking 7th in the industry. The Company completed the 36.67% equity change project of Cathay Biotech, the 23.70% equity change project of Humanwell, and other several projects with market influence.

Outlook for 2026

Guided by the fundamental principle of serving the real economy, the Company will continuously build its technology-based investment banking and central enterprise-focused investment banking brand, constantly optimize the business structure, deepen channel development, and accelerate the layout in key regions including the Beijing-Tianjin-Hebei Cluster, the Yangtze River Delta, and the Greater Bay Area, to promote the high-quality transformation into modern investment banking. The Company will identify high-potential assets in three key technology sectors: digital intelligence technology, green technology, and life science and technology, and expand its industry influence in niche sectors and build landmark investment banking projects to enhance equity business excellence. Additionally, the Company will continue to consolidate the foundation of bond business, strengthen its core advantages, actively expand its client base among central and state-owned enterprises and in the key regions, and developing REITs business as a new growth driver while maintaining rigorous risk control. Furthermore, it will elevate the strategic priority of the Hong Kong market, improve the integration of the onshore and offshore investment banking operations, and rapidly establish full-chain service capabilities covering both domestic and international markets.

3. Investment management

The Company engages in securities asset management business, mutual fund management business and private equity fund management business through its subsidiaries, namely China Merchants Securities Asset Management Co., Ltd. and China Merchants Zhiyuan Capital Investment Co., Ltd. The Company engages in mutual fund management business through its associated companies, namely Bosera Funds and China Merchants Fund.

Marketing Environment

In 2025, the CSRC successively issued a series of reform policies and regulatory documents for the public fund industry, further standardizing the fee rates, performance benchmarks, and sales conduct requirements of public funds, aiming to drive the fund sector to shift from a "scale-focused" to a "return-oriented" model. China's mutual fund industry demonstrated a trend of high-quality development, with significant improvements in both the number of new fund issues and fundraising efficiency. The product structure was continuously optimized, with equity actively-managed products and passive index-based instruments becoming the dominant forces in the market. During the Reporting Period, the number of newly issued mutual funds, stock plus hybrid mutual funds, and ETF products across the market increased by 35.87%, 60.70%, and 100.00% year-on-year, respectively. The securities asset management industry continued to accelerate its transformation towards active management, achieving steady growth in scale. According to the data from the AMAC, as of the end of December 2025, the AUM of private funds of securities companies and their asset management subsidiaries reached RMB5.80 trillion, representing an increase of 6.06% as compared with the end of 2024.

In 2025, the equity investment market in China experienced a comprehensive recovery. According to the statistics from Zero2IPO Research, a total of 5,039 new funds were raised in the entire market, representing a year-on-year increase of 26.6%; and the amount raised reached RMB1.65 trillion, representing a year-on-year increase of 14.1%. The number of investment cases was 10,795, representing a year-on-year increase of 28.4%; and the investment amount reached RMB928.716 billion, representing a year-on-year increase of 45.6%. Notably, investment and financing activities in the domestic AI industry increased significantly. There were 1,387 financing cases in the artificial intelligence sector, with a total investment amount of over RMB160.0 billion, representing a year-on-year increase of 60.5%. There were 5,211 exit cases, representing a year-on-year increase of 41.0%, among which IPO exits totaled 1,957, representing a year-on-year increase of 46.8%.

Actions and Achievements

(1) Asset management of securities companies

In 2025, CMS Asset Management focused on enhancing the active management capability, continuously optimizing the investment research mechanism and upgrading the team structure. Closely aligning with client needs, it accelerated the application and issuance of mutual fund products. During the Reporting Period, CMS Asset Management successfully issued 7 non-monetary mutual fund products, including 2 bond funds and 5 equity funds. CMS Asset Management intensified efforts to build customized private product service capabilities by strengthening the issuance of FOF products and signature equity-themed offerings, thereby further diversifying its customized product portfolio. During the Reporting Period, the issuance scale of FOF products grew significantly. As of the end of December 2025, the AUM of CMS Asset Management amounted to RMB261.050 billion, of which the AUM of mutual funds reached RMB70.401 billion. In 2025, benefiting from the growth in income from mutual fund management business, CMS Asset Management recorded net income of RMB821 million, representing a year-on-year increase of 12.77%.

Items	AUM (RMB100 million)		Net income from asset management business (RMB100 million)	
	As at the end of 2025	As at the end of 2024	2025	2024
Mutual fund management business	704.01	1.06	4.36	0.00
Collective asset management	424.46	1,265.62	2.53	5.44
Separately managed account	779.55	758.72	1.00	1.48
Specialized asset management	702.48	648.53	0.32	0.35
Total	**2,610.50**	**2,673.92**	**8.21**	**7.28**

In terms of overseas business, CMS International focused on building a diversified product system, with a key emphasis on promoting the issuance of ETF products to meet investors' cross-border asset allocation needs. During the Reporting Period, the CMS Hang Seng Tech Index ETF (3423.HK) was included in the ETF Connect, becoming a security eligible for Southbound trading under Stock Connect. As of the end of December 2025, the AUM of CMS International totaled HK$22.073 billion, representing an increase of 107.73% as compared to the end of 2024.

(2) Private equity fund management

In 2025, CMS Zhiyuan Capital adhered to a diversified development layout of "equity funds + REIT funds", deepening the cooperation with listed companies and industry leaders. Targeting strategic emerging industry sectors such as new-generation information technology, high-end equipment, new energy, and new materials, CMS Zhiyuan Capital made efforts in the Five Major Areas of Finance, supported breakthroughs in sci-tech innovation and served the green and low-carbon transformation of the society. During the Reporting Period, a total of 10 funds were newly established or expanded, with a total scale of RMB6.004 billion. CMS Zhiyuan Capital invested in 12 projects, with an investment amount of RMB1.239 billion. The amount of exit projects reached RMB1.528 billion, delivering positive returns to fund investors.

(3) Fund management

① Bosera Funds

In 2025, Bosera Funds adhered to a general principle of pursuing progress while ensuring stability, achieving growth in both asset management scale and operating efficiency. Focusing on core capability building, Bosera Funds consistently enhanced the efficiency of converting macroeconomic research into investment research performance. Bosera Funds continuously optimized the product structure, further increasing the proportion of equity mutual fund products. It developed a series of flagship sci-tech innovation products, with cumulative investment in innovation-focused products surpassing RMB60 billion. To meet new demands in wealth management, Bosera Funds focused on developing medium and low-risk "fixed income +", FOF, and ETF index instrumental products. As of the end of December 2025, the scale of non-monetary ETFs, "fixed income +" products, and FOF funds all recorded significant year-on-year growth. Bosera Funds further deepened its cross-border asset management capabilities and promoted the digital transformation across the entire chain of investment research, sales, and operations. By deeply integrating AI technology with its business, Bosera Funds continuously enhanced the efficiency of client service and internal operation.

As of the end of December 2025, the AUM of Bosera Funds (including the assets managed by subsidiaries) amounted to RMB1,774.2 billion, representing an increase of 2.93% as compared to the end of 2024. Of them, the AUM of mutual funds (excluding feeder funds) amounted to RMB1,096.6 billion, and the AUM of non-monetary mutual funds amounted to RMB632.1 billion, ranking among the top in the industry.

② China Merchants Fund

In 2025, China Merchants Fund thoroughly implemented the requirement on the high-quality development of public fund industry, with a focus on the strategic vision of "building a world-class asset management company led by the best client experience", and made positive progress across all business areas. In terms of product layout, China Merchants Fund continuously improved the diversified product system covering both active and passive product layout, and successfully launched innovative products such as the industry's first batch of floating fee products based on performance benchmarks, the industry's first batch of sci-tech innovation bond ETFs, and the industry's first batch of sci-tech innovation composite index ETFs. In terms of investment research capability building, China Merchants Fund continuously enhanced the active management capability, strengthened the multi-asset allocation frameworks and advanced the construction of a professional investment research system. In terms of risk management, China Merchants Fund continuously advanced comprehensive risk management. No material risk events occurred during the Reporting Period. In terms of client operation, China Merchants Fund included client profitability as an assessment indicator in the marketing system, steadily advanced the investment advisory business, fully seized the development opportunities in the pension business, and deepened its efforts in client companionship and investor education.

As of the end of December 2025, the AUM of China Merchants Fund (including the assets managed by subsidiaries) amounted to RMB1,594.4 billion, representing an increase of 1.63% as compared to the end of 2024. Among them, the AUM of mutual funds (excluding feeder funds) amounted to RMB961.5 billion; and the AUM of non-monetary mutual funds amounted to RMB589.1 billion, ranking among the top in the industry.

Outlook for 2026

CMS Asset Management will continue to deepen the asset allocation capability and the construction of customized product service system by further optimizing the investment research system to reinforce active management capabilities.The Company will actively expand into passive investment strategies and allocation-focused product segments, accelerating the construction of a long-term, stable asset management institution featured synergistic development of mutual and private fund businesses. CMS Zhiyuan Capital will continue to strengthen the cooperation with listed companies and leading enterprises in the industry, accelerate the expansion of fund management scale, and enhance the investment capability, while simultaneously deepening the integrated investment, management and exit operating system. The associated mutual fund companies will proactively expand innovative product portfolios to strategically capture market development opportunities, and focus on building a precision marketing service system centred on client experience, aiming to comprehensively enhance the core competitiveness of business.

4. Investment and trading

The investment and trading business of the Company mainly includes equity investment, trading and market making of derivative financial instruments, fixed-income investment, commodities, foreign exchange and alternative investment businesses.

Marketing Environment

In the stock market, in 2025, China's economy and finance operated smoothly, market expectations gradually improved, and the stock market as a whole showed an upward trend. In the bond market, in 2025, supported by the coordination of a prudent monetary easing policy and a more proactive fiscal policy, interest rates in the domestic bond market fluctuated within a reasonable range. The ChinaBond Composite Wealth Index rose by 0.65%. In the offshore bond market, the Federal Reserve resumed its rate-cutting cycle, US Treasury yields fluctuated downward, and the Chinese dollar bond investment-grade index increased by 6.81%. In the foreign exchange market, the US dollar index weakened significantly in 2025, with major non-US currencies generally strengthening and the RMB exchange rate appreciating notably.

Actions and Achievements

For equity business, the Company closely tracked macro policy orientation and industry development trends, systematically capturing investment opportunities in the capital market. It made full use of financing tools such as swap instruments to intensify the strategy of high-dividend asset allocation centered on central and state-owned enterprises. Following industry development trends, the Company also actively arranged investment in emerging technology sectors including artificial intelligence, semiconductor chips, and new energy, achieving favourable investment returns.

For equity derivatives business, the Company vigorously developed capital-based intermediary trading business, including derivatives market making, securities market making and OTC derivatives. For listed derivatives market making, the Company deepened the application of AI in market making, enhanced fundamental research, and continued to improve price discovery and risk management capabilities. As of the end of December 2025, the number of market making qualifications for listed derivatives reached 124, ranking first among securities companies. For securities market making business, the Company continued to expand market making projects, with the number of fund market making projects and the number of share market making projects on the STAR Market reaching 687 and 40 respectively, maintaining a leading position in the market in terms of the competitiveness in market making. The Company received an AA comprehensive evaluation from the SSE in 2025 as a lead market maker of funds. For OTC derivatives business, the Company was committed to building a comprehensive financial service platform with market competitiveness, empowering institutional clients in global asset allocation and risk management. During the Reporting Period, the Company deepened the integrated business management, upheld the bottom line of compliance and risk control, and continuously strengthened the trading service capabilities and product innovation capabilities to address client needs. The Company continuously improved the trading infrastructure to promote the sound business development. Notably, it launched the first China Merchants Securities Global Asset Allocation Strategy Index (GARRI.WI)-related products during the year.

For fixed-income investment business, taking solid macro market research as the foundation, the Company continuously strengthened the investment capabilities and enriched the trading strategies. It effectively captured the trading opportunities arising from market fluctuations through market-neutral strategies, increased the investment scale of the "fixed income +" business, and simultaneously promoted investment in various high-quality assets centered on public REITs and convertible bonds. During the Reporting Period, no material credit risks occurred. The Company maintained a leading position in the industry in terms of market making, with the scale of market making in interbank cash bonds and derivatives continuing to grow steadily. The Company deeply participated in the market making business for sci-tech innovation bonds and sci-tech innovation bond ETFs, ranking among the top in the market in terms of the number of market making projects. The Company steadily expanded the scale of cross-border investment business, and continuously improved the investment portfolio yield through onshore and offshore asset allocation.

The Company's foreign exchange proprietary and client-driven business achieved synergistic development. The proprietary foreign exchange trading basically achieved full product coverage in the interbank foreign exchange market. The Company strengthened the strategic trading capabilities and accurately captured market opportunities. For client-driven business, by continuously enhancing the onshore and offshore product design and trading service capabilities, the Company assisted clients in the neutral management of exchange rate risk. The company remained among the top securities firms in terms of market influence in the foreign exchange business.

For alternative investment, CMS Investment closely aligned with the national strategic direction. It steadily expanded its investment in hard technology sectors such as chip semiconductors and aerospace. During the Reporting Period, CMS Investment made additional investment of RMB225 million. CMS Investment continuously strengthened the post-investment management of existing projects and facilitated a diversified exit system, with an exit amount of approximately RMB578 million for the year. CMS Investment actively assisted portfolio companies in connecting with industrial chain resources. Several invested companies have completed IPO filings and gone public. Notably, Moore Threads (688795.SH), the first domestic GPU stock, and Leads Biolabs (9887.HK), a biotechnology company, successfully went public in the same year they filed for listing.

Outlook for 2026

The Company will continuously optimize the asset allocation capability, aiming to establish an industry-leading investment model and management structure for asset allocation. The Company will strengthen forward-looking research and pre-judgment of medium- to long-term economic cycles to further enhance its ability to respond to changes in the external environment and market fluctuations. The Company will scientifically manage the pace of investment and adjust the investment scale in a timely and dynamic manner so as to effectively improve investment returns and income stability. For equity investment, the Company will practice the value investment concept, strengthen cross-cycle and counter-cycle positioning, while synergizing dividend-focused, allocation-driven, and flexible strategies to optimize portfolio positioning. For equity derivatives business, the Company will continue to innovate and optimize the business models. The Company will advance the professional transformation of securities market making business, and continuously enrich the quantitative market-neutral strategy system. For OTC derivatives business, the Company will further improve the technology and trading infrastructure to build a comprehensive OTC derivatives financial services platform with market competitiveness. For fixed-income investment, the Company will proactively respond to the market environment where bond interest rates and spreads are at historically low levels, seize structural opportunities in the domestic bond market, and strengthen swing trade to capture neutral strategy arbitrage opportunities. It will further increase investment in "fixed income +" and innovative varieties, and steadily expand the investment scale of offshore bonds. The Company will accelerate product innovation and creation, continuously enhance the comprehensive capabilities in client demand-driven businesses. Efforts will also be made to improve the risk management system to facilitate the FICC full industrial chain development of the Company. The alternative investment business will continue to closely follow national strategies, with the mission of serving the nation's self-reliance and strength in science and technology. Closely leveraging the overall resources of China Merchants Group, the Company will further concentrate on strategic emerging industries and the three major sectors of "digital intelligence technology, life science and technology, and green technology" to accelerate the pace of investment in high-quality enterprises within the strategic hard-tech innovation sectors. Meanwhile, the Company will continue to enhance the risk monitoring and control capabilities for projects, and actively seize diverse exit opportunities.

IV. Analysis of Core Competitiveness during the Reporting Period

The Company is the largest securities firm of the SASAC and the only controlled securities firm under China Merchants Group. With its more than 30 years of development, the Company has established notable key competitiveness.

(I) Strong synergy of the China Merchants system

As a member of China Merchants Group, the Company fully benefits from the brand influence of "China Merchants" and the advantages of synergistic development between the industrial and financial resources within the Group. Strongly supported by China Merchants Group, the Company has continued to grow and develop, and successfully achieved A+H shares listing. It has always maintained a market-oriented operating mechanism and a sound corporate governance structure to provide a solid guarantee for the Company's steady and long-term development. Currently, the Company actively integrates into China Merchants Group's "Third Pioneering Endeavor" strategic initiative, adopting "synergy-driven growth" as its core philosophy to build a competitive advantage through cross-unit collaboration, aiming to achieve maximized corporate value through distinctive, differentiated operations.

(II) Efficient one-stop comprehensive financial service system

Focusing on the needs of the country, the general trend of the industry and the demands of clients, the Company continues to promote business transformation and development as well as forward-looking business strategy. The Company has actively built a modern investment banking business model, and made continuous efforts to consolidate the characteristic competitiveness of wealth management and institutional business, actively expand fixed income, equity investment, derivatives trading, asset management and other businesses, and has been committed to building a cross-market, cross-business and multi-variety diversified business system so as to provide customers with one-stop high-quality comprehensive financial services and products.

(III) Profound customer base and extensive channel network

Upholding a client-oriented approach, the Company relies on efficient and professional services and a wide range of agencies and operating sites to accumulate a solid client base. The Company has 265 securities branches and 14 branches in China, and business agencies in Hong Kong (SAR), South Korea and other places, with its service network covering major capital markets around the world. The Company actively grasps the trend of online development, continuously optimizes the digital service model, and focuses on enhancing the comprehensive customer service capabilities. By expanding the customer base and optimizing the customer structure, it lays a solid foundation for the high-quality development of the Company.

(IV) Growing financial technology capabilities

The Company attaches great importance to financial technology development, actively creates "AI-driven Securities Company" and ranks among the forefront of the industry in terms of its investment in information system. The Company comprehensively promotes digital transformation, continuously enhance digital thinking and digital culture, and enhanced the empowerment ability of digital technologies in business development, product innovation, client service, operation management, etc., so as to realize the transformation from supporting business to leading business development.

(V) Effective, sound risk management culture

The Company has always firmly upheld the bottom-line thinking, and has continuously enhanced the ability to predict, respond to and dispose of major risks by improved the comprehensive risk management system. It has effectively prevented and resolved major financial risks and ensured that the total amount of risks is controllable, the structure is balanced, and the risk control indicators meet the standards. The Company has developed a culture of compliance and sound operation. It has established a sound internal control management system that comprehensively covers the headquarters, subsidiaries and branches of the Company, and has built a solid "three lines of defense" of before, during and post trading to ensure the long-term stable and healthy development of the Company.

V. Operations of Principal Businesses during the Reporting Period

(I) Analysis of principal businesses

1. Details of changes related to profit and cash flows

Unit: RMB'000

Items	Current period	Previous period	Year-on-year change
Total revenue, other income and gains	34,616,375	30,622,282	13.04%
Total expenses	21,927,780	20,885,808	4.99%
Profit before income tax	14,076,273	11,219,492	25.46%
Profit for the year	12,318,092	10,389,971	18.56%
Profit for the year attributable to shareholders of the Company	12,349,523	10,385,872	18.91%
Net cash (used in) generated from operating activities	-33,384,021	22,261,032	-249.97%
Net cash generated from (used in) investing activities	4,858,448	-14,260,651	134.07%
Net cash generated from (used in) financing activities	22,196,756	-10,358,181	314.29%
Net decrease in cash and cash equivalents	-6,328,817	-2,357,800	-168.42%

In 2025, the Company recorded total revenue, other income and gains of RMB34.616 billion, profit before income tax of RMB14.076 billion and profit for the year attributable to shareholders of the Company of RMB12.350 billion, representing a year-on-year increase of 13.04%, 25.46% and 18.91%, respectively. Weighted average return on net assets was 9.94%, representing a year-on-year increase of 1.12 percentage points.

2. *Income*

Unit: RMB'000

Items	Current period		Previous period		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Fee and commission income	14,948,444	43.18%	10,691,787	34.92%	4,256,657	39.81%
Interest income	9,447,673	27.29%	10,019,521	32.72%	-571,848	-5.71%
Net gain on investment	9,785,158	28.27%	9,527,453	31.11%	257,705	2.70%
Net other income and gains	435,100	1.26%	383,521	1.25%	51,579	13.45%
Total revenue, other income and gains	**34,616,375**	**100.00%**	**30,622,282**	**100.00%**	**3,994,093**	**13.04%**

In 2025, the Company recorded total revenue, other income and gains of RMB34.616 billion, representing a year-on-year increase of RMB3,994 million, or 13.04%, of which:

Fee and commission income of the Company recorded a year-on-year increase of RMB4,257 million, or 39.81%, of which, the year-on-year increase in income from securities and futures brokerage business of RMB3,862 million or 45.82% was mainly attributable to the buoyant trading in the A-share market in 2025. As the equity and fund trading volume of the overall market rose year-on-year, the Company's trading volume of stocks and funds also increased accordingly; income from underwriting and sponsorship business recorded a year-on-year increase of RMB195 million, or 25.38%, of which, the Company achieved growth in both equity and debt underwriting and sponsorship.

Interest income recorded a year-on-year decrease of RMB572 million, or 5.71%, among which, interest income from exchanges and financial institutions balances, deposits and clearing settlement funds decreased by RMB490 million on a year-on-year basis in line with the decline in market interest rates.

Net gain on investment recorded a year-on-year increase of RMB258 million, or 2.70%, of which, the dividend income from financial assets at fair value through other comprehensive income recorded a year-on-year increase of RMB260 million.

Other income and gains, net recorded a year-on-year increase of RMB52 million, or 13.45%, of which, the year-on-year increase of RMB115 million in market making service revenue and the year-on-year decrease of RMB89 million in foreign exchange gains, net.

3. *Expenses*

Unit: RMB'000

Items	Current period		Previous period		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Depreciation and amortization	906,916	4.14%	864,978	4.14%	41,938	4.85%
Staff costs	7,118,259	32.46%	6,358,749	30.45%	759,510	11.94%
Fee and commission expenses	3,470,084	15.83%	2,313,992	11.08%	1,156,092	49.96%
Interest expenses	7,507,863	34.24%	8,885,650	42.54%	-1,377,787	-15.51%
Tax and surcharges	148,364	0.68%	118,726	0.57%	29,638	24.96%
Other operating expenses	2,516,606	11.48%	2,457,013	11.76%	59,593	2.43%
Impairment losses under expected credit loss model, net of reversal	259,688	1.18%	-113,300	-0.54%	372,988	-329.20%
Total expenses	**21,927,780**	**100.00%**	**20,885,808**	**100.00%**	**1,041,972**	**4.99%**

In 2025, the total expenses of the Company amounted to RMB21.928 billion, representing a year-on-year increase of RMB1.042 billion, or 4.99%, of which:

Fee and commission expenses amounted to RMB3.470 billion, representing a year-on-year increase of RMB1,156 million, or 49.96%, of which, fee and commission expenses of the securities and futures brokerage business recorded a year-on-year increase of RMB1,153 million.

Staff costs amounted to RMB7.118 billion, representing a year-on-year increase of RMB760 million, or 11.94%.

Interest expenses amounted to RMB7.508 billion, representing a year-on-year decrease of RMB1.378 billion, or 15.51%, of which, as a result of the decline in financing costs, the total interest expenses of bonds payable and placements from banks and other financial institutions recorded a year-on-year decrease of RMB743 million, the interest expenses of financial assets sold under repurchase agreements recorded a year-on-year decrease of RMB347 million, and the interest expenses of accounts payable to brokerage clients recorded a year-on-year decrease of RMB189 million.

Impairment losses under expected credit loss model, net of reversal amounted to RMB260 million, representing a year-on-year increase of RMB373 million, of which, impairment loss of financial assets held under resale agreements recorded a year-on-year increase of RMB175 million, and impairment loss of advances to customers recorded a year-on-year increase of RMB222 million.

Other expenses included depreciation and amortization, tax and surcharges, and other operating expenses.

4. Segment revenues

4.1 Analysis of segment revenue and other income

Unit: RMB'000

Business segment	Current period		Previous period		Change		Percentage change
	Amount	Percentage	Amount	Percentage	Amount	Percentage	
Wealth management and institutional business	20,467,117	59.13%	16,349,490	53.39%	4,117,627	25.19%	5.74%
Investment banking	1,082,885	3.13%	915,922	2.99%	166,963	18.23%	0.14%
Investment management	1,095,785	3.17%	1,016,835	3.32%	78,950	7.76%	-0.15%
Investment and trading	11,144,446	32.19%	11,366,527	37.12%	-222,081	-1.95%	-4.93%
Others	839,873	2.43%	1,072,985	3.50%	-233,112	-21.73%	-1.07%

In terms of segment revenue and performance, revenue from the wealth management and institutional business segment recorded a year-on-year increase of RMB4,118 million, or 25.19%, of which, income from securities and futures brokerage business recorded a year-on-year increase of RMB3,862 million; interest income from margin financing and securities lending recorded a year-on-year increase of RMB582 million; and interest income from financial assets held under securities back-lending resale agreements and other financial assets held under resale agreements recorded a year-on-year decrease of RMB270 million. Revenue from the investment banking business recorded a year-on-year increase of RMB167 million, or 18.23%, mainly attributable to the year-on-year increase of RMB195 million in income from underwriting and sponsorship business. Revenue from the investment management business recorded a year-on-year increase of RMB79 million, or 7.76%. Revenue from the investment and trading business recorded a year-on-year decrease of RMB222 million, or 1.95%, mainly due to the decrease in revenue from fixed-income investments. Revenue from others recorded a year-on-year decrease of RMB233 million, or 21.73%.

In terms of revenue composition, the proportion of operating income from the wealth management and institutional business, and the investment banking business increased by 5.74 percentage points and 0.14 percentage point, respectively, and the proportion of operating income from the investment management business, the investment and trading business and others decreased by 0.15 percentage point, 4.93 percentage points and 1.07 percentage points, respectively.

4.2 Analysis of segment expenses

Unit: RMB'000

Business segment	Current period		Previous period		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Wealth management and institutional business	13,435,192	61.27%	11,461,924	54.88%	1,973,268	17.22%
Investment banking	816,587	3.72%	717,736	3.44%	98,851	13.77%
Investment management	445,153	2.03%	387,691	1.86%	57,462	14.82%
Investment and trading	5,851,916	26.69%	7,062,444	33.81%	-1,210,528	-17.14%
Others	1,392,663	6.35%	1,355,490	6.49%	37,173	2.74%

In terms of segment expenses, expenses of the wealth management and institutional business recorded a year-on-year increase of RMB1,973 million or 17.22%; expenses of the investment banking recorded a year-on-year increase of RMB99 million or 13.77%; expenses of the investment management recorded a year-on-year increase of RMB57 million or 14.82%; expenses of others recorded a year-on-year increase of RMB37 million or 2.74%; expenses of the investment and trading recorded a year-on-year decrease of RMB1,211 million or 17.14%.

5. Cash flows

Unit: RMB'000

Items	Current period	Previous period	Change	Percentage change
Net cash (used in) generated from operating activities	-33,384,021	22,261,032	-55,645,053	-249.97%
Net cash generated from (used in) investing activities	4,858,448	-14,260,651	19,119,099	134.07%
Net cash generated from (used in) financing activities	22,196,756	-10,358,181	32,554,937	314.29%
Net decrease in cash and cash equivalents	-6,328,817	-2,357,800	-3,971,017	-168.42%

In 2025, the net decrease in cash and cash equivalents of the Company amounted to RMB6.329 billion. Of which, net cash used in operating activities amounted to RMB33.384 billion; net cash from investing activities amounted to RMB4.858 billion; and net cash from financing activities amounted to RMB22.197 billion. The Company's cash and cash equivalents are mainly denominated in RMB, HKD and USD.

(1) Net cash flow from operating activities decreased by RMB55.645 billion as compared to 2024, of which, net outflow from advances to customers recorded a year-on-year increase of RMB25.622 billion, and net inflow from accounts payable to brokerage clients recorded a year-on-year decrease of RMB31.049 billion.

(2) Net cash flow from investing activities increased by RMB19.119 billion as compared to 2024, mainly attributable to the year-on-year increase in net proceeds from disposal of financial assets at fair value through other comprehensive income of RMB17.885 billion.

(3) Net cash flow from financing activities increased by RMB32.555 billion as compared to 2024, of which, proceeds from issuance of bonds and short-term debt instruments increased by RMB15.722 billion year-on-year, and cash outflows as a result of repayment of bonds and short-term debt instruments decreased by RMB22.882 billion year-on-year.

6. Overview of consolidated statement of financial position

Unit: RMB'000

	End of Reporting Period		End of Previous Period		Change	
Items	**Amount**	**Percentage**	**Amount**	**Percentage**	**Amount**	**Percentage**
Non-current assets						
Property and equipment	1,631,381	0.22%	1,664,813	0.23%	-33,432	-2.01%
Right-of-use assets	1,173,534	0.16%	1,198,810	0.17%	-25,276	-2.11%
Goodwill	9,671	0.00%	9,671	0.00%	0	0.00%
Other intangible assets	920,670	0.12%	656,493	0.09%	264,177	40.24%
Interests in associates and joint ventures	13,339,482	1.77%	12,706,426	1.76%	633,056	4.98%
Equity instruments at fair value through other comprehensive income	35,425,795	4.70%	38,980,021	5.41%	-3,554,226	-9.12%
Financial assets held under resale agreements	1,216,578	0.16%	608,187	0.08%	608,391	100.03%
Financial assets at fair value through profit or loss	9,126,881	1.21%	8,038,679	1.11%	1,088,202	13.54%
Deferred tax assets	483,690	0.06%	575,628	0.08%	-91,938	-15.97%
Other non-current assets	253,442	0.03%	350,243	0.05%	-96,801	-27.64%
Total non-current assets	**63,581,124**	**8.44%**	**64,788,971**	**8.98%**	**-1,207,847**	**-1.86%**

Items	End of Reporting Period		End of Previous Period		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Current assets						
Advances to customers	133,353,124	17.70%	95,572,702	13.25%	37,780,422	39.53%
Current tax assets	80,710	0.01%	290,360	0.04%	-209,650	-72.20%
Account and other receivables	4,334,949	0.58%	6,431,873	0.89%	-2,096,924	-32.60%
Debt instruments at fair value through other comprehensive income	69,933,548	9.28%	68,351,202	9.48%	1,582,346	2.32%
Debt instruments at amortized cost	180,317	0.02%	1,380,138	0.19%	-1,199,821	-86.93%
Financial assets held under resale agreements	25,818,856	3.43%	31,236,933	4.33%	-5,418,077	-17.35%
Financial assets at fair value through profit or loss	261,539,131	34.71%	257,425,043	35.70%	4,114,088	1.60%
Derivative financial assets	2,947,104	0.39%	4,647,396	0.64%	-1,700,292	-36.59%
Other current assets	376,443	0.05%	367,434	0.05%	9,009	2.45%
Deposits with Exchanges and non-bank financial institutions	18,516,421	2.46%	13,113,733	1.82%	5,402,688	41.20%
Clearing settlement funds	40,025,951	5.31%	33,232,276	4.61%	6,793,675	20.44%
Cash and bank balances	132,789,412	17.62%	144,322,270	20.01%	-11,532,858	-7.99%
Total current assets	**689,895,966**	**91.56%**	**656,371,360**	**91.02%**	**33,524,606**	**5.11%**
Total assets	**753,477,090**	**100.00%**	**721,160,331**	**100.00%**	**32,316,759**	**4.48%**

As at the end of 2025, the Company's total assets amounted to RMB753.477 billion, representing an increase of RMB32.317 billion, or 4.48% as compared to the end of 2024, among which the total balance of advances to customers and financial assets held under resale agreements as at the end of the Reporting Period increased by RMB32.971 billion as compared to the end of 2024, the balance of the financial assets[1] as at the end of the Reporting Period increased by RMB330 million as compared to the end of 2024, the total balance of cash and bank balances and clearing settlement funds decreased by RMB4.739 billion as compared to the end of 2024. Excluding the accounts payable to brokerage clients and accounts payable to underwriting clients, as at the end of the year, the total assets of the Company amounted to RMB598.453 billion, increased by RMB28.904 billion, or 5.07%, as compared to the end of 2024. The Company's asset quality and liquidity remained sound. As at the end of 2025, its net current assets amounted to RMB162.044 billion, representing an increase of RMB21.890 billion or 15.62%, as compared to the end of 2024.

[1] Financial assets = Debt instruments at fair value through other comprehensive income + Debt instruments at amortized cost + Financial assets at fair value through profit or loss + Equity instruments at fair value through other comprehensive income + Derivative financial assets

As at the end of 2025, the Company's cash and bank balances and clearing settlement funds, financial assets, advances to customers and financial assets held under resale agreements, interests in associates, and property and equipment, right-of-use assets, goodwill and other intangible assets accounted for 22.94%, 50.32%, 21.29%, 1.77% and 0.50% of total assets, respectively. As compared to the end of last year, the proportion of the Company's advances to customers and financial assets held under resale agreements, cash and bank balances and clearing settlement funds, financial assets, interests in associates, and property and equipment, right-of-use assets, goodwill and other intangible assets increased by 3.62 percentage points, decreased by 1.68 percentage points, decreased by 2.21 percentage points, increased by 0.01 percentage point and increased by 0.01 percentage point, respectively.

Unit: RMB'000

	End of Reporting Period		End of Previous Period		Change	
Items	**Amount**	**Percentage**	**Amount**	**Percentage**	**Amount**	**Percentage**
Current liabilities						
Short-term borrowings	7,501,973	1.22%	9,711,063	1.64%	-2,209,090	-22.75%
Short-term debt instruments	64,381,201	10.46%	57,384,139	9.71%	6,997,062	12.19%
Placements from banks and other financial institutions	5,900,444	0.96%	9,979,675	1.69%	-4,079,231	-40.88%
Accounts payable to brokerage clients	155,015,825	25.19%	151,610,717	25.66%	3,405,108	2.25%
Accrued staff costs	5,722,694	0.93%	5,413,225	0.92%	309,469	5.72%
Other payables and accrued charges	29,767,157	4.84%	26,822,690	4.54%	2,944,467	10.98%
Current tax liabilities	519,887	0.08%	147,701	0.02%	372,186	251.99%
Financial liabilities at fair value through profit or loss	41,077,341	6.67%	52,344,882	8.86%	-11,267,541	-21.53%
Derivative financial liabilities	7,229,012	1.17%	5,219,511	0.88%	2,009,501	38.50%
Financial assets sold under repurchase agreements	152,377,884	24.76%	150,931,020	25.54%	1,446,864	0.96%
Lease liabilities due within one year	258,264	0.04%	273,090	0.05%	-14,826	-5.43%
Contract liabilities	42,999	0.01%	33,158	0.01%	9,841	29.68%
Provisions	1,175	0.00%	0	0.00%	1,175	0.00%
Long-term borrowings due within one year	456,485	0.07%	564,863	0.10%	-108,378	-19.19%
Bonds payables due within one year	57,591,249	9.36%	45,781,740	7.75%	11,809,509	25.80%
Accounts payable to underwriting clients	8,100	0.00%	0	0.00%	8,100	0.00%
Total current liabilities	**527,851,690**	**85.77%**	**516,217,474**	**87.36%**	**11,634,216**	**2.25%**
Net current assets	**162,044,276**	**26.33%**	**140,153,886**	**23.72%**	**21,890,390**	**15.62%**
Total assets less current liabilities	**225,625,400**	**36.66%**	**204,942,857**	**34.68%**	**20,682,543**	**10.09%**

Items	End of Reporting Period		End of Previous Period		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Non-current liabilities						
Deferred tax liabilities	570,386	0.09%	438,307	0.07%	132,079	30.13%
Financial liabilities at fair value through profit or loss	1,101,837	0.18%	1,303,238	0.22%	-201,401	-15.45%
Deferred income	98,585	0.02%	101,610	0.02%	-3,025	-2.98%
Lease liabilities	599,347	0.10%	633,482	0.11%	-34,135	-5.39%
Long-term borrowings	2,502,273	0.41%	3,024,422	0.51%	-522,149	-17.26%
Bonds payables	82,706,141	13.44%	69,189,565	11.71%	13,516,576	19.54%
Total non-current liabilities	**87,578,569**	**14.23%**	**74,690,624**	**12.64%**	**12,887,945**	**17.26%**
Total liabilities	**615,430,259**	**100.00%**	**590,908,098**	**100.00%**	**24,522,161**	**4.15%**

As at the end of 2025, the total liabilities of the Company amounted to RMB615.430 billion, representing an increase of RMB24.522 billion, or 4.15%, as compared to the end of 2024. Of which, bonds payable increased by RMB25.326 billion as compared to the end of 2024, short-term debt instruments increased by RMB6.997 billion as compared to the end of 2024, accounts payable to brokerage clients and accounts payable to underwriting clients increased by RMB3.413 billion as compared to the end of 2024. The Company's liabilities are mainly denominated in RMB, HKD and USD. For details of the Company's borrowing rates, please refer to Note 38 "Short-term borrowings", Note 39 "Short-term debt instruments", Note 40 "Placements from banks and other financial institutions", Note 51 "Long-term borrowings due within one year", Note 52 "Long-term borrowings", Note 53 "Bonds payables due within one year" and Note 54 "Bonds payables" to the consolidated financial statements of this report.

Excluding the accounts payable to brokerage clients and accounts payable to underwriting clients, the total liabilities of the Company amounted to RMB460.406 billion, increased by RMB21.109 billion, or 4.81%, as compared to the end of 2024. The gearing ratio, after deducting accounts payable to brokerage clients and accounts payable to underwriting clients, of the Company was 76.93%, representing a decrease of 0.20 percentage point as compared to the end of 2024.

Unit: RMB'000

Items	End of Reporting Period		End of Previous Period		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Equity						
Share capital	8,696,526	6.30%	8,696,526	6.68%	0	0.00%
Other equity instruments	17,000,000	12.31%	15,000,000	11.52%	2,000,000	13.33%
Capital reserve	40,360,966	29.24%	40,362,974	30.99%	-2,008	0.00%
Investment revaluation reserve of financial assets at fair value through other comprehensive income	379,905	0.28%	1,445,336	1.11%	-1,065,431	-73.72%
Foreign currency translation reserve	213,335	0.15%	446,769	0.34%	-233,434	-52.25%
General reserves	28,392,750	20.57%	25,881,942	19.87%	2,510,808	9.70%
Retained profits	42,961,176	31.12%	38,345,082	29.44%	4,616,094	12.04%
Equity attributable to shareholders of the Company	138,004,658	99.97%	130,178,629	99.94%	7,826,029	6.01%
Non-controlling interests	42,173	0.03%	73,604	0.06%	-31,431	-42.70%
Total equity	**138,046,831**	**100.00%**	**130,252,233**	**100.00%**	**7,794,598**	**5.98%**

As at the end of 2025, equity attributable to shareholders of the Company amounted to RMB138.005 billion, representing an increase of RMB7.826 billion, or 6.01%, as compared to the end of 2024. Among which, profit for the year attributable to shareholders of the Company amounted to RMB12.350 billion; dividends recognized as distribution amounted to RMB4.313 billion; and distribution to holders of other equity instruments amounted to RMB615 million.

7. Overseas assets

Overseas assets amounted to RMB53.112 billion, accounting for 7.05% of total assets.

(II) Analysis of investment

1. General analysis of external equity investments

During the Reporting Period, the Company had new external equity investments of USD3.00 million. For details, please refer to "Interests in associates and joint ventures" in "Chapter 9: Financial Report" of this report.

2. Financial assets measured at fair value

Unit: RMB10,000

Asset class	Opening amount	Profit or loss from changes in fair value for the Current Period	Cumulative changes in fair value included in equity	Impairment provision for the Current Period	Purchase amount for the Current Period	Disposal/ redemption amount for the Current Period	Other changes	Closing amount
Bonds	28,751,891.34	-314,271.65	-133,937.76	-265.92	154,064,278.60	156,307,355.57	-18,425.32	26,042,179.64
Funds	3,787,573.91	31,802.26	4,575.30	-	182,265,604.46	181,412,392.14	-2,706.24	4,674,457.55
Stocks	2,642,816.77	245,308.98	-8,526.21	-	40,284,752.62	38,880,206.57	-41,644.30	4,242,501.29
Derivatives	-57,211.42	-263,450.89	-	-	-	-	-107,528.46	-428,190.77
Others	2,097,212.44	43,520.33	-	-	2,946,503.42	2,428,865.14	-14,973.99	2,643,397.06
Total	**37,222,283.04**	**-257,090.97**	**-137,888.67**	**-265.92**	**379,561,139.10**	**379,028,819.42**	**-185,278.31**	**37,174,344.77**

3. Securities investment

As the Company is a securities company principally engaging in proprietary securities business with frequent and wide varieties of transactions, and has disclosed the investment categories, fair value changes, investment gains and other details in "Chapter 9: Financial Report", the Company will not disclose the relevant details of securities herein.

(III) Analysis of principal subsidiaries and companies in which the Company has a non-controlling interest

Unit: 100 Million Yuan Currency: RMB

Company name	Type	Principal activities	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
China Merchants Securities Asset Management Co., Ltd.	A subsidiary	It is principally engaged in securities asset management and publicly offered security investment funds management.	10.00	60.58	55.92	9.48	3.67	3.16
China Merchants Securities International Company Limited	A subsidiary	Through its subsidiaries, it is principally engaged in securities and futures contracts brokerage, listing sponsorship, financial advisory, corporate finance, investment management, asset management, market research and other businesses as permitted by regulatory rules of the places where its subsidiaries operate.	53.86	531.12	94.20	11.61	5.44	5.02
China Merchants Futures Co., Limited	A subsidiary	Its principal businesses include commodity futures brokerage, financial futures brokerage, futures investment consultation and asset management.	35.98	365.99	55.15	7.81	4.75	3.63
China Merchants Zhiyuan Capital Investment Co., Ltd.	A subsidiary	It is principally engaged in private equity investment funds and related consultancy and advisory services and other businesses as permitted by regulatory authorities.	21.00	36.32	21.58	0.69	-0.28	–0.35
China Merchants Securities Investment Co., Ltd.	A subsidiary	It is principally engaged in alternative investment businesses such as financial products and equity investment other than those listed in the List of Securities Investments for Proprietary Trading of Securities Companies (《證券公司證券自營投資品種清單》).	101.00	105.06	98.50	8.31	7.67	5.90
Bosera Asset Management Co., Limited	A non-controlling company	Its business scope includes fund raising, sales of funds, asset management and other businesses permitted by the CSRC.	2.50	145.64	109.12	49.92	20.09	15.31
China Merchants Fund Management Co., Ltd.	A non-controlling company	Its business scope includes fund management, promotion and establishment of funds and other businesses approved by the CSRC.	13.10	154.02	111.55	54.70	18.95	14.38

(IV) Structured entities controlled by the Company

As of the end of 2025, the Group consolidated 91 structured entities, including mainly asset management schemes, investment funds and limited partnership. Under the circumstance that the Group is involved in a structured entity as manager and investor, the Group comprehensively assesses whether its potential variable returns will be significantly affected by the returns attributable to its investment and the remuneration as a manager and whether the Group is a principal responsible person of the entity. As of the end of 2025, the total assets of the consolidated structured entities amounted to RMB41.214 billion.

(V) Financing

1. Financing channels and financing capabilities

The Company has established diversified financing channels, and engages in financing through onshore and offshore additional issuance, rights issue, issuance of perpetual subordinated bonds, subordinated bonds, corporate bonds, financial bonds, short-term financing bonds, income certificates, margin fund loan, interbank borrowing and repurchase, bank borrowings, etc. The Company arranges the types of financing according to its operation and business development needs, with an aim to optimize its financing structure.

In 2025, the Company actively pursued innovation in financing instruments. It was among the first securities firms on the SSE to issue sci-tech innovation corporate bonds, with a total issuance of such bonds reaching RMB10.0 billion throughout the year, funds from which were specifically used to support investment and financing in the technology innovation sector. Meanwhile, the Company was also among the first securities firms to issue bonds under the SSE's corporate bond follow-up issuance mechanism, with a total of RMB13.5 billion bonds reissued throughout the year.

2. Liability structure

As of the end of 2025, total liabilities of the Company amounted to RMB615.430 billion. Excluding the accounts payable to brokerage clients and accounts payable to underwriting clients, total liabilities amounted to RMB460.406 billion. Of which, as of the end of 2025, bonds payable amounted to RMB140.297 billion, accounting for 30.47% of liabilities; short-term debt instruments amounted to RMB64.381 billion, accounting for 13.98% of liabilities; long-term borrowings amounted to RMB2.959 billion, accounting for 0.64% of liabilities; financial assets sold under repurchase agreements amounted to RMB152.378 billion, accounting for 33.10% of liabilities; short-term borrowings amounted to RMB7.502 billion, accounting for 1.63% of liabilities; and placements from banks and other financial institutions amounted to RMB5.900 billion, accounting for 1.28% of liabilities. The Company had stable operation, good profitability, abundant liquidity replenishment channels and excellent asset quality, which provide a strong protection for the Company's solvency.

3. Liquidity management

In respect of liquidity management, the Company aims to ensure its liquidity safety and meet the needs of business development. In a normal operation environment, the Company aims to maintain sufficient capital to meet the needs of business development. In stressful situations, the Company aims to maintain sufficient buffer capacity to release cash flows and ensure the capital requirements in unconventional circumstances.

The Treasury Department of the Company is responsible for the allocation of capital, coordination of capital planning, management of capital positions and capital requirements, and daily monitoring of cash positions and cash flow gaps.

By analyzing and monitoring the size and structure of assets and liabilities, the Company ensures that the size and duration of its assets and liabilities are able to meet its business development needs, while also maintains premium liquid assets at a reasonable and sufficient level. The Company has formulated a multiplier liquidity risk indicator limit management system based on its risk appetite, and monitors the performance of each risk indicator on a daily basis. The Company monitors and analyzes the development of each business in a timely manner, and on such basis, uses risk assessment approaches such as sensitivity analysis, stress test and VaR analysis to dynamically monitor the liquidity risk, and takes corresponding risk management measures. The Company has established an internal risk reporting system so that it can be promptly aware of the liquidity risk of each business and take corresponding measures to ensure the safety, stability and sustainability of each business. The Company has formulated an emergency management system to deal with the shortage of funds, and organizes emergency plans and conducts regular drills and evaluations. The Company actively expands its financing channels, and meets various needs for capital in its business process through diverse financing approaches. In 2025, the Company's liquidity risk indicators performed well. It had adequate liquid assets, and the liquidity of asset allocation continued to maintain at a high level.

(VI) Business innovation and risk control during the Reporting Period

1. Business innovation during the Reporting Period

(1) Information on technology innovation

The Company has advanced the digital capability building with the "safely launch of the new-generation core trading system" as a core pillar, supported by the "comprehensive cloud migration of agile businesses" and the "full empowerment with AI technologies". During the Reporting Period, the Company completed the third phase of the new-generation core trading system project with high quality, establishing the securities industry's first core trading system based on a cloud-native architecture. This achievement marked a critical leap in the Company's digital transformation. Meanwhile, leveraging the "CMS Tianqi" (招證天啟) intelligent technology foundation, the Company achieved a full-stack breakthroughs in computing power, models, operation platforms, and applications, empowering the intelligent upgrade of over a hundred systems. The Company achieved milestone progress in cloud-native transformation and the autonomy of core technologies in key fields, further enhancing the quality and efficiency of the data operation center.

In terms of digitalization, the Company focused on the strategic vision of an "AI-driven Securities Company", continuously deepening the application layout of artificial intelligence technology and comprehensively promoting the in-depth AI-driven empowerment across all business lines, thereby achieving significant efficiency improvement and service innovation. In wealth business, the Company developed a marketing service assistant named "Zhao Xiao Gu" (招小顧) to help wealth advisors enhance service quality and efficiency in links such as capturing market hot topics, supporting product research, providing asset allocation services, and conducting investor education. In institutional business, the Company built "CMS Ji Zhi" (招商證券機智), an unified institutional service brand, and introduced the Ji Zhi platform assistant and an AI toolbox for institutional client managers to optimize the full-process intelligent service system for institutional clients. It also developed the "Custody 007" (託管007) digital employee, significantly improving the operational efficiency of custody business. In research business, the Company built an "AI Research Institute", actively exploring the innovative practices of generative AI in scenarios such as financial statement interpretation, research report writing, and researcher assistant. A one-stop intelligent research workstation has covered the entire process of "searching, reading, writing, and reviewing" for analysts' research content production. In investment banking business, the Company constructed an intelligent investment banking operation system, embedding AI applications

for intelligent document review, intelligent drafting of investment banking documents, and bank statement identification. In office and operation scenarios, the Company developed a data service assistant named "Zhao Xiao Shu" (招小數) and an universal office assistant named "Zhao Xiao Ju" (招小聚), improving the efficiency of front-line business operations and management.

The Company advanced intelligent upgrade through a approach integrating "strategic guidance, foundation building, and closed-loop scenarios". During the "15th Five-Year Plan" period, the Company will consistently focus on the business value that advanced technology can create, giving full play to the leverage effect of "AI+" to help strengthen and expand the advantageous businesses of the Company.

(2) Business innovation

For details, please refer to "Discussion and Analysis of Operations" in this chapter.

2. Risk control for innovative business

① The Company has established a decision-making and management structure for innovative activities and formulated relevant management systems to ensure that all innovative activities are carried out in compliance with relevant laws and regulations under reasonable risk control. The Company has standardized and clarified the processes of new business application, risk assessment, approval, implementation and review to ensure that new businesses can be developed and operated in a standardized and stable manner where risks are controllable, measurable and tolerable.

② The Company has established a risk monitoring and pre-warning system for innovative activities, designed various monitoring indicators and risk limits based on the risk characteristics of innovative activities and tracked the risk dynamics of innovative business in real time. The Company provides risk alerts to business departments in a timely manner when there are abnormalities in the risk indicators, so as to ensure that the risk exposure to innovative activities is always kept within an acceptable range as far as the Company's net capital and liquidity are concerned.

③ The Company has continuously strengthened the audit and supervision of innovative business, and constantly improved the internal control and risk response capabilities of innovative business. The Company's audit department pays close attention to innovative business in audits and, based on the issues identified, cooperates with the management department of relevant innovative business for analysis and discussion, in order to determine rectification measures and supervise the rectification by the management department of relevant innovative business, thereby continuously improving internal control of innovative business.

(VII) Establishment and disposal of branches

In 2025, no branches or securities branches were established or closed by the Company. During the Reporting Period, the Company relocated 3 branches and 17 securities branches within the same city.

VI. Discussion and Analysis of Future Development of the Company

(I) Industry pattern and trend

The "15th Five-Year Plan" clearly proposes to "accelerate the building of the country's financial strength", calls for "enhancing the inclusiveness and adaptability of the capital market" while strengthening the coordinated functions of investment and financing within the capital market framework. These directives chart the course for deepening the reform of the capital market and advancing the high-quality development of the securities industry.

As a "service provider" for direct financing, the securities industry continuously strengthens its responsibility and commitment to serving the real economy and new quality productive forces. Amidst the new wave of technological revolution and industrial transformation led by artificial intelligence, bio-pharmaceutical, and quantum technology, the securities industry will leverage policy dividends from the in-depth reforms of the STAR Market and the ChiNext Board. It needs to enhance the ability to identify, screen, and value sci-tech innovation enterprises, actively develop private equity and venture capital funds, and comprehensively improve the integrated service capabilities for entity enterprises across the entire chain and throughout the entire life cycle.

As a "manager" of social wealth, the securities industry shoulders the mission of facilitating the optimal allocation of residents' assets. Given the structural transformation of economy and demographic shifts, coupled with the continued downward trend in interest rates and the bottoming-out phase of real estate cycle, the demand for asset management and wealth management services has grown significantly, presenting substantial potential. The securities industry must strengthen bidirectional integration between wealth management and asset management businesses, leveraging investors' differentiated risk tolerance, asset tenure, and liability status to precision-provide diverse, customized, and long-term holding-oriented products and services. Furthermore, the "15th Five-Year Plan" explicitly proposes to "steadily develop futures, derivatives, and asset securitization". The improvement of risk management tools will effectively diversify the wealth management product range in the securities industry.

As a key element in building the country's financial strength, the securities industry accelerates its efforts to enhance the capability to serve the "going global" and "bringing in" of capital and enterprises. As China's industrial and supply chains continue to be optimally laid out internationally, and domestic enterprises expand and deepen their overseas presence, the demand for cross-border financing, mergers and acquisitions, and risk hedging has grown significantly. Meanwhile, against the backdrop of global asset rebalancing, Chinese assets are transitioning from being "tradable" to "investable", becoming a core component of global asset allocation. Under this trend, accelerating the layout of cross-border businesses has become a strategic consensus in the securities industry and a core choice for leading securities firms. Many securities firms take Hong Kong (SAR) as a bridgehead, gradually expanding their business networks to Southeast Asia and other key regions for Chinese enterprises going overseas, as well as capital-rich areas like the Middle East. An efficiently coordinated cross-border financial service system integrating domestic and overseas operations is progressively established.

(II) Development strategies of the Company

During the "15th Five-Year Plan" period, the Company has set the strategic goal of "building a leading investment bank in China that is driven by technology and excels in collaboration", with a development mission of "serving the nation's self-reliance and strength in science and technology, and helping preserve and increase social wealth". It will actively steer financial resources towards sci-tech innovation, deeply integrate into the overall coordinated development of China Merchants Group, and fully support the construction of a financial powerhouse. The Company will earnestly implement the four major business strategies: "intensive operation, digital intelligence, comprehensive development, and internationalization". It will continuously optimize the business structure, enhance endogenous growth drivers, and leverage the advantages of refined management and organizational synergy. The Company aims to build a leading "AI-driven Securities Company" in the industry, empowering all aspects of its development by deploying AI applications. Adhering to a customer-centric approach, the Company will comprehensively strengthen the core competitiveness of all businesses, consolidate the fundamental advantage in the retail client base, expand the circle of institutional clients, and develop technology investment banking and technology investment to provide full-chain, one-stop services for technology enterprises. The Company insists on integrated development of domestic and foreign operations, and actively and prudently lay out overseas markets.

(III) Business plan

The year 2026 marks the beginning of the Company's "15th Five-Year Plan" strategic development. The Company will resolutely implement the guiding principles of the Central Economic Work Conference, firmly fulfill its commitment to serving the nation through finance, and make due efforts in the Five Major Areas of Finance. The Company will forge ahead with enterprise and courage, firmly adhering to the strategic development goal of "building a leading investment bank in China that is driven by technology and excels in collaboration". It will make every effort to enhance the overall competitiveness to achieve steady improvement in the ranking of operating income and profit, thereby ensuring a good start and laying a solid foundation for the "15th Five-Year Plan" strategic development goals.

(IV) Potential Risks

During the Reporting Period, the Company continued to explore new risk management practices and approaches to ensure its long-term and sustainable development. Details of the risk management profile and relevant measures in relation to the market risks, credit risks, operational risks, liquidity risks and other risks during the business operation of the Company are as follows:

1. Risk management

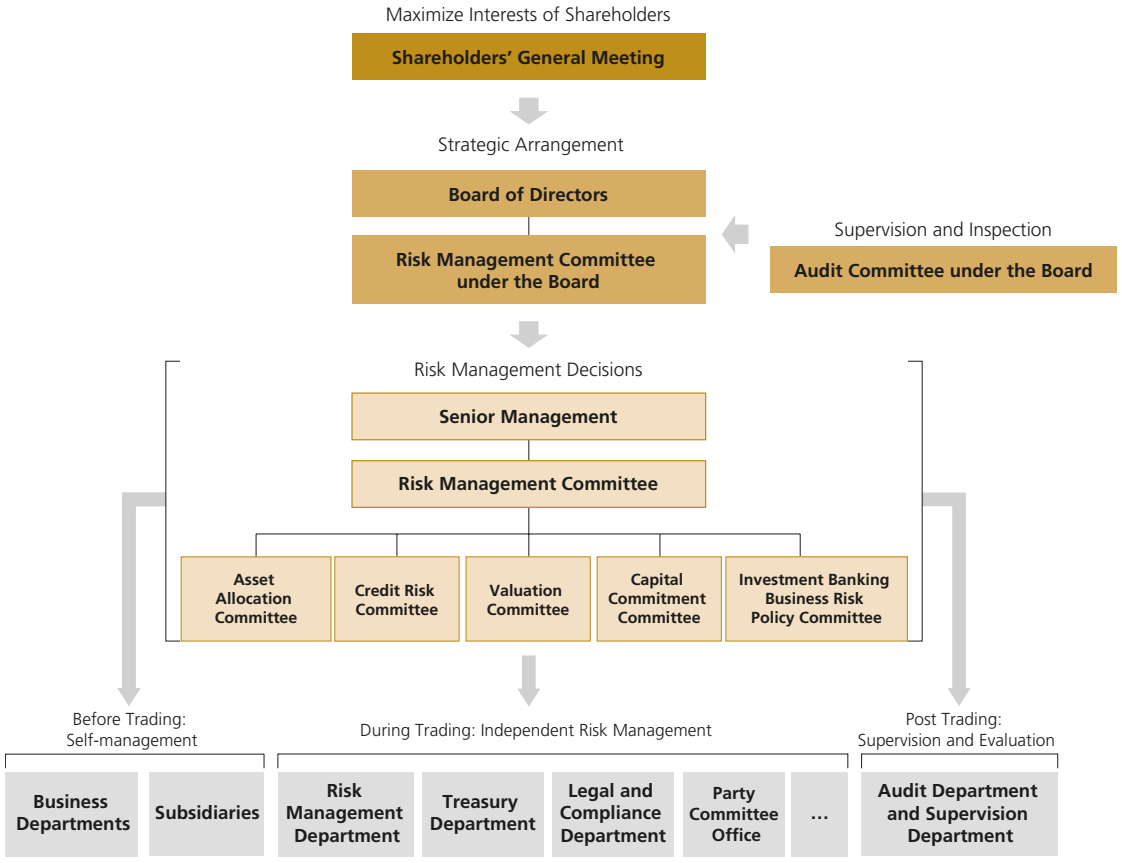
(1) Risk management structure

Since its incorporation, the Company has been committed to establishing a comprehensive, insightful, holistic, effective and compatible risk management system that is aligned with its general strategic development objectives. Sound corporate governance and effective risk management and internal control system have been put in place to cope with the risks in the securities market faced by the Company.

In accordance with the Guidelines for Internal Control of Securities Companies (《證券公司內部控制指引》) and the Norms for the Overall Risk Management of Securities Companies (《證券公司全面風險管理規範》), and taking into account its operational needs, the Company has taken the lead in establishing a modern five-level risk management structure, consisting of strategic arrangements of the Board, supervision and inspection of the Audit Committee under the Board, risk management decision of the senior management and the Risk Management Committee, risk control and supervision of relevant departments in charge of risk management and the direct management of other departments, branches and wholly-owned subsidiaries.

The chart below sets out the risk management organizational structure of the Company:

Risk Management Organizational Structure



The overall risk management responsibilities of the five levels in the risk management organizational structure of the Company are as follows:

① The Board and its Risk Management Committee are responsible for reviewing and approving the comprehensive risk management strategy, overall risk management system, risk appetite, risk tolerance and various risk limit indicators of the Company, convening quarterly meetings to review risk assessment reports of the Company.

② The Audit Committee under the Board is responsible for supervising and examining the operation of the overall risk management system of the Company.

③ The senior management is fully responsible for the risk management in the Company's business operation. They regularly review risk assessment reports, formulate risk management measures and establish risk limit indicators. The Risk Management Committee was set up under the senior management as the highest risk management decision-making body at the operation level. The Company has also appointed a Chief Risk Officer to oversee the formation of the overall risk management system, monitor, evaluate and report the enterprise risk level, and provide risk management advice for business decision-making of the Company. In addition, the Asset Allocation Committee, Credit Risk Committee, Valuation Committee, Capital Commitment Committee and Investment Banking Business Risk Policy Committee were set up under the Risk Management Committee and responsible for making collective decisions based on experts' suggestions on issues relating to asset allocation, credit risk, securities valuation, capital commitment risks and investment banking business risk within their respective scope of authorization. The risk management of subsidiaries is managed by the enterprise risk management system of the Company through vertical management approach.

④ As the department in-charge of coordinating the Company's management over market, credit and operational risks, the Risk Management Department is responsible for managing the market risks and credit risks, as well as assisting and guiding other business departments in managing operational risks of the Company. As the department in-charge of the liquidity risk management of the Company, the Treasury Department is responsible for managing liquidity risks and the formation of the liquidity risk management system. The Legal and Compliance Department is responsible for managing the compliance and legal risks as well as money laundering risks of the Company and assisting the Chief Compliance Officer in reviewing, supervising and examining the compliance over the business operations and practice of the Company and its employees, and promoting the implementation of work in relation to anti-money laundering. The Risk Management Department and the Party Committee Office are responsible for managing the reputational risks of the Company and other departments of the Company perform front-line responsibilities for reputation risk management. The Audit Department is responsible for auditing and examining the effectiveness and execution of the risk management procedures of the Company as well as conducting an overall evaluation of the internal control system of the Company at least once a year.

⑤ Each of the business departments, branches and wholly-owned subsidiaries of the Company is directly responsible for risk management and supervision of their respective business and management fields.

The Company has established a "three lines of defense" system of risk management to identify, assess, address, monitor, inspect and report risks. The first line of defense is the departments and branches which conduct effective self-regulated risk management; the second line of defense is the relevant risk-control functions that carry out professional measures on risk management; and the third line of defense is post-event supervision and evaluation conducted by the Audit Department and Supervision Department.

(2) Risk management system

Guided by the Overall Risk Management System of China Merchants Securities Co., Ltd. (《招商證券股 份有限公司全面風險管理制度》) and the Rules of Procedures for Risk Management Committee of the Board of China Merchants Securities Co., Ltd. (《招商證券股份有限公司董事會風險管理委員會工作規則》), the Company has developed a risk management system that covers various risk exposures including overall, market, credit, operational, liquidity, reputation and money laundering risks and specifies the boundaries and general principles of each risk category.

(3) Quantitative risk management indicator system

The Company has on a top-down basis established a quantitative risk management indicator system covering risk appetite, risk tolerance, economic capital and risk limit, so as to prioritize businesses with higher risk-adjusted returns for resource allocation. This approach has effectively improved the risk management and the corporate value of the Company.

① Coherent risk appetite and tolerance indicators: Risk appetite framework establishes the fundamental attitude of the Board and the senior management towards the balance between risk and return based on the analysis of various risk exposures of the Company. Risk tolerance refers to quantitative limit indicators reflecting the effectiveness of risk management set by the Company for each specific business segment based on risk appetite and the characteristics of different business segments, in order to specify the maximum tolerance range for risk management results. After years of effort, the Company has developed clear risk appetite descriptions covering risk types such as strategic risk, market risk, credit risk, operational risk, liquidity risk and legal compliance risk, based on which a risk appetite indicator system and a risk tolerance indicator system were established. The Company sets its targets of risk appetite and risk tolerance at the beginning of each year and determines economic capital budget and business authorization accordingly. The Company monitors and reports risk appetite and risk tolerance on a monthly basis, and continuously reviews the risk management based on the results.

② Scientific economic capital management model: The Company kept on optimizing the methodologies on economic capital measurement and improving the economic capital management process. Our economic capital management covered market risk, credit risk and operational risk. The Company has developed internal models to measure market risk and credit risk of the economic capital that are sufficiently sensitive to risk factors and practically sound. It measured operational risks according to the standards under the Basel Accords. The measurement of economic capital is generally used in areas such as risk monitoring, quantitative assessment and performance assessment.

③ Business authorization management system with the core of risk limits: Within the statutory business scope, the Company granted business authorization at different levels based on the risk rating of the decision-making matters. The Company granted authorization prudently based on the risk management capability, implementation of business authorization and actual risk management results of each business department, so as to improve decision-making efficiency while keeping the risks under control. Unauthorized operations are strictly prohibited. Authorized persons at each level must exercise their power and undertake business activities only within the authorized scope, and must not exceed their authorities.

④ Comprehensive stress testing mechanism: The Company established the Administrative Regulations for Stress Testing of China Merchants Securities Co., Ltd. (《招商證券股份有限公司壓力測試管理規範》),which specified the division of duties among departments in stress test and determined the methods and procedures of stress test. The Company conducts routine or ad hoc stress test on liquidity risk, credit risk and market risk, as well as net capital and other risk limit indicators, based on business and market development. With this approach, the Company can effectively evaluate changes in the operation and risk profiles under extreme circumstances.

(4) Risk management culture

Taking the prevention and control of risks as the eternal theme, the Company has actively cultivated a financial culture with Chinese characteristics, practices the core values of compliance, integrity, professionalism and prudence in the securities industry, steadfastly embraces the cultural concept of "commitment to practice" and has established an integrated risk management system. Through comprehensive physical risk audits, independent risk monitoring and targeted risk investigations, the Company will timely identify potential risks and take countermeasures, so as to adeptly navigate the balance between risk management and business development. Leveraging promotion platforms at different levels, the Company fosters a culture of stable risk management and upholds rigorous value standards. Comprehensive professional training is conducted, encompassing critical risk areas, risk control policies and systems, as well as risk warning cases. Additionally, a dedicated risk case column is instituted to sharpen the risk awareness and preventive acumen of all employees, thereby fortifying the foundation for the Company's unwavering high-quality development.

(5) Risk management IT system

The Company fully understood the importance of the digitalization in modern risk management. With the innovative establishment of the platform for intelligent integrated risk management of the Group, CMS-RISK, through which each subordinate systems is integrated to provide timely and effective identification, measurement, monitoring and reporting for various types of risks with reference to the experience drawn from international leading investment banks, the Company realized the idea of vertically managing risks which were associated with cross-border businesses of the parent company and its subsidiaries, globalization and multiple currencies in T+1 days. The Group's intelligent integrated risk management platform and each subordinate system have industry-leading level of risk data governance. The platform focused on ensuring the accurate calculation and submission of regulatory reports and data, as well as effectively realizing the Company's internal risk monitoring and measurement analysis. On this basis, various digital and intelligent means were used to gradually improve the efficiency of risk management.

The platform for intelligent integrated risk management of the Group automatically captures, calculates and integrates various basic data through construction of risk models, measurement of risk indicators, statistical analysis of historical data and other methodologies, and realizes the accurate submission of various regulatory reports and the monitoring and early warning of all risk limits of the parent company and its subsidiaries. Through the risk data collection of the Group, internal and external data sources such as business data and information data can be integrated, thereby continuously optimizing the functions of data collection, theme model design, data standards and data quality check as well as the risk data management mechanism, and realizing the integrated collection of risk information of the parent company and its subsidiaries. All subordinate risk systems include more than 10 modules such as risk cockpit, consolidated net capital monitoring indicator management system, market risk management system, credit risk management system, operational risk management system, comprehensive risk management system, risk warning platform, internal credit rating engine for bonds, market risk measurement engine, economic capital measurement engine, OTC derivatives valuation and risk measurement engine, all of which are built upon the data collection and integrated on the same platform through the risk management cockpit, thereby realizing single sign-on and unified authority management. The Company's overall risk profile can be displayed through a unified risk control view.

In the future, the intelligent integrated risk management platform will be based on continuous risk data governance to enhance the penetration and application of risk data. It will focus on researching the effectiveness and feasibility of real-time risk control in key areas, while actively exploring the application of AI in risk warning and other risk control scenarios. The goal will be to build a real-time, intelligent and efficient risk management platform, thereby laying a solid foundation for the business development and innovation of the Company.

2. Market risks and corresponding measures

(1) Overview

The market risk of the Company is the risk of losses on its investment portfolio due to adverse changes in market conditions. The investment portfolio of the Company includes portfolios covering equity, fixed-income, commodity, foreign exchange and equity investment. Major market risks of the Company include:

① equity risk: attributable to portfolio risk exposure to changes in prices and volatility of equity securities such as stocks, stock portfolio and stock index futures;

② interest rate risk: attributable to portfolio risk exposure to yield curve of fixed-income investment, interest rate movements and credit spreads;

③ commodity risk: attributable to portfolio risk exposure to changes in spot commodity prices, futures price, forward commodity prices and volatility;

④ exchange rate risk: attributable to portfolio risk exposure to changes in spot exchange rate, forward exchange rate, spot price and volatility;

⑤ equity investment risk: attributable to the risk exposure to changes in fair value of equity investment projects and private equity funds investment.

(2) Market risk management approaches

In order to manage the market risk, the Company has adopted the following measures:

① a comprehensive, multi-currency and cross-market risk management system;

② generic and specific market risk management methods.

Through these measures, the Company has robustly controlled the market risk. However, the usage and effectiveness of such measures are subject to certain limitations and various factors, such as hedging effectiveness, changes in market liquidity and relevance of hedging prices. Therefore, based on market development and changes in the portfolio as well as real-time and accurate assessment of market risk, the Company has continuously improved and adjusted the risk management measures to actively manage market risk.

(3) Responsibilities for managing market risk

The Company collectively allocates the economic capital in accordance with a series of risk appetite and tolerance indicators set by the Board. By considering the risk and return associated with each type of investment and for the purpose of relevance and diversification, the Company allocates the overall risk limitation to different business departments and business lines and formulates corresponding business authorization. Directly confronted with the market risk, the front-office business departments are responsible for risk management as the first line of defense. The person-in-charge and the investment manager conduct trades and front-line risk management within the scope of authorization by virtue of their in-depth knowledge and extensive experience in the relevant markets and products. They dynamically control the market risk exposures to the securities held by the Company and actively take risk management measures to reduce or hedge against such risks. The Risk Management Department, which is a department responsible for supervision and management independent from the business departments and reports to the Chief Risk Officer, uses professional risk management tools and methods for controlling, evaluating and managing different levels of market risk from investment strategies, business departments and business lines and the Company. Different risk reports and analysis and assessment reports of corresponding levels are delivered on a daily, monthly and quarterly basis to the operation management and the responsible officers of the business departments and business lines of the Company. When a risk indicator is approaching or exceeds the threshold values, the Risk Management Department will send an early warning or risk warning to the operation management as well as the responsible officers of the relevant business departments and business lines of the Company in a timely manner. Based on the review opinions from the management of the Company and committee, the business departments will be urged to take corresponding measures. The Risk Management Department will continuously communicate with the respective business departments and business lines with regard to the latest market conditions, current risk exposures and possible extreme stress situations.

(4) Measurement of market risk

The Company uses a series of risk measurement approaches to measure and analyze potential market risk losses under different market situations. The Company mainly employs VaR as the risk measurement instrument to measure potential losses from regular market fluctuation in the short-term. Stress test is also used to assess possible losses under extreme circumstances.

① VaR

The Company employs VaR, a common instrument used by international financial institutions, as its major tool for risk measurement. VaR analysis is a statistical technique that estimates the potential losses that could occur in portfolio positions due to movements in market prices over a specified time period and at a given level of confidence. The Company uses a VaR with a confidence level of 95% and a holding period of one day as major indicators for measuring the market risk. Historical market data is used in the VaR model. It also takes into account the impact of relevant risk factors in various risk types such as equity, interest rate, commodity and exchange rate on the portfolio position of the Company. In this way, movement in the market risk arising from changes in securities prices, interest rate/yield curve, commodity prices and exchange rate, etc. can be measured and the diversified effects of the portfolio are also considered.

With an ongoing expansion of the businesses, the Company continues to refine the VaR model actively, including adding risk factors in the new market and optimizing the computation. In addition, the Company examines the accuracy of the VaR computation model continuously through methods such as a backtesting. For certain particular investment portfolio of the Company (such as equity investment including direct equity investment, equity funds investment and structured equity investment) lack of liquidity, VaR may not be considered as an effective measure for risk calculation. Therefore, the Company has followed the industry practice to forecast the potential effect by assuming that the value of assets invested drops for a certain percentage.

② Stress test

Stress test is an integral and complementary instrument in the VaR risk measurement. Potential losses on the portfolio position under extreme circumstances were evaluated through stress test. Potential losses from a single risk factor or specific stressful circumstance were also assessed. Through analysis of risk and return, the Company examined the compliance of various key regulatory indicators as well as the bearing on the Company. For non-linear options portfolios, the Company established a stress test matrix based on the subject and the fluctuation ratio and conducted daily stress test so as to control significant tail risks.

③ Sensitivity analysis

The Company has also conducted sensitivity analysis on certain risk factors, including interest rate and exchange rate, to analyze their potential effects by measuring the possible changes in the assets and liabilities portfolio when the specific risk factor is assumed to have changed by a certain rate while all other factors remain constant.

(5) Market risk limit management system

The Company has already established relevant risk limit indicator system at different levels of departments, business lines and trading strategies, in order to control the fluctuation of profit and loss and market risk exposure. The risk limit of the Company is determined with reference to the risk appetite and tolerance after taking into account the investment features, risks and effects on overall risk exposures of different operations. The risk limit is adjusted based on the market environment, business development needs and risks of the Company. The risk limit of the Company mainly comprises size, concentration ratio, quantitative risk value (including VaR and Greeks, etc.), stop-loss and other indicators. The Company has implemented a classified review system and respective sub-limit indicators within the risk limit are applied to business departments, business lines and investment strategies. The operation management is able to effectively manage the overall risk exposure of the Company with risk indicators at the Company level. Business departments, business lines and investment strategies are able to enter into transactions effectively within the scope of sub-limit indicators. Sub-risk limit indicators, therefore, do not serve as maximum risk tolerance for the corresponding business but mainly a mechanism which reports any increasing risks in risk management when certain conditions are fulfilled. The Risk Management Department independently monitors each risk limit of the Company on a daily basis. The department will warn or remind the operation management, relevant business departments and business lines in a timely manner if the risk limit is to be reached or is exceeded. Such business departments and business lines will issue analysis reports and propose appropriate measures and, according to the specific condition, reduce risk exposures or increase risk threshold based on the authorization system. The Company has continuously optimized the risk limit system and enriched the risk limit system for the Company, business departments, business lines and trading strategies based on the existing indicators and pursuant to the business development and risk management of the Company. Specific rules or guidelines have been set up and the limit system was further optimized.

3. Credit risks and corresponding measures

(1) Overview

The credit risk of the Company refers to the risk of economic loss caused by the failure of a borrower or counterparty to fulfill their contractual obligations. Our credit risk arises primarily from the following four businesses:

① financing businesses such as securities lending, stock pledge repo and margin financing in which clients breach the contract and cannot repay the debts owed to the Company;

② investment in bonds, trusts and other credit products in which the issuer or the borrower breaches the contract, generating the risk that the principal and the interest cannot be paid;

③ risk of non-performance of payment or repayment obligations by counterparties in OTC derivatives business such as OTC option, income swap, forward contract, and counterparties in bond intermediary business such as reverse repurchase and negotiated forwards;

④ brokerage business in which clients default after brokers trade and settle securities, futures and other financial products on behalf of the clients due to their lack of funds on the settlement date.

(2) Credit risk management approaches

In order to effectively control credit risk, the Company has adopted the following measures:

① prudent and proactive credit risk management culture;

② an institutional system covering all stages and a risk policy system based on risk limits;

③ industry-leading credit risk management quantitative tools;

④ an internal credit rating system with the best practice in the industry;

⑤ full coverage of the substantive assessment of credit risk.

The Company has adopted the following measures including credit risk limit, internal credit rating, quantitative management of collaterals and credit risk measurement model to manage credit risk:

① Credit risk limit

The Company has adopted a classified credit risk limit system to control credit risk exposure. In accordance with the risk appetite and risk tolerance set by the Board, the Risk Management Department has monitored, reported and issued warning on the implementation of each limit indicator, including business scale limit, low-rating bonds investment ratio, the value of margin financing granted to a single client and the market value of a single collateral to total market value ratio, which were formulated based on credit features and subject to relevant adjustments based on market condition, business development needs and risk profile of the Company.

② Internal credit rating

The Company has developed several internal credit rating models and comprehensive internal credit rating systems based on the characteristics of different industries and target customers, to rate the credit standings of borrowers or bond issuers and their debts. Internal credit rating results are gradually employed in business authorization, limit forecast, limit approval, risk monitoring, asset quality management, etc. The internal credit rating has become an important instrument for credit business decisions and risk management.

③ Quantitative management of collaterals

The Company has paid great attention to the protection of collaterals for the Company's debts. The Company has strengthened collateral management by establishing negative collateral lists mechanism and collateral conversion rate models and adjusting collateral types and conversion rate periodically to safeguard the Company's right of credit. The adjustment mechanism on conversion rate is determined based on intrinsic value (financial statements) and market factors (market price fluctuation, increase, etc.). The Company has also founded a centralized collateral monitoring mechanism and key collaterals assessment mechanism.

④ Credit risk measurement model

The Company has taken into account each credit transaction with factors such as client mix, single liability amount, duration of borrowing, collateral coverage ratio and concentration of collaterals when conducting credit rating, borrower qualification assessment and collateral quantitative management on its counterparties. The aforementioned factors will be reflected as parameters such as probability of default (PD), loss given default (LGD) and maturity (M) to calculate the possible default loss for each credit transaction and aggregate the overall credit risk of the Company. The Company also combines stress testing and sensitivity analysis as supplementary measurement to credit risk.

(3) Responsibilities for managing credit risk

The Risk Management Committee of the Board is responsible for the review and approval of credit risk appetite. The Risk Management Committee of the Company is responsible for the review of overall risk management on credit business and development of major high-risk and innovative credit business. The Risk Management Committee of the Company and its Credit Risk Committee are responsible for the approval for the loan provision policy. All business departments of the Company are responsible for the particular operation, management and monitoring of credit-related business. The Risk Management Department of the Company is responsible for the research and establishment of credit risk management system, determination of credit risk appetite and tolerance, formulation of loan provision policy of the Company and independent monitoring and warning on credit risk.

(4) Credit risk management on principal businesses

For margin financing and securities lending, stock pledge repo, stock repurchase business and other financing businesses, the Company has established a multi-faceted business approval management system and a sound full-process risk management system covering all stages in advance of, during and after an event by virtue of client due diligence, credit approval, post-loan evaluation, approval of and dynamic adjustment to collaterals, mark-to-market system, forced liquidation and disposal on default.

For investment businesses such as bond investment, trust products and other credit products, the Company has implemented access management for investable bonds by establishing a bond pool. Bonds entering the pool must be assessed by professional credit assessors and comply with internal and external credit rating access standards, industry access standards, product access standards and financial access standards. Concentration risk is controlled through investment graded approval and authorization, and the latest risk information of issuers is monitored in real time through the public opinion monitoring system.

For OTC derivatives and bond intermediary business, the Company has formulated a set of management measures and rules in relation to the appropriateness of investors, due diligence, approval for credit extension, measurement of risk exposure, margin collection and mark-to-market, liquidation disposal, underlying securities management and follow-up on default of clients, in order to strengthen the management before, during and after trading.

For brokerage business, the Company has controlled the risk of default of clients through indicators such as the minimum rating of the underlying bonds, position concentration and leverage ratio for brokerage business that may be responsible for guaranteed settlement. With regard to the trading of securities and other financial products for overseas clients, the Company has effectively controlled the relevant credit risk by strengthening the management over credit grant and client deposits.

(5) Risk exposure of the Company's investment in onshore and offshore bonds as at the end of the Reporting Period

Unit: RMB10,000

	December 31, 2025	December 31, 2024
Onshore bonds		
PRC sovereign bonds	16,910,706	16,372,962
AAA	7,512,017	10,960,057
AA+	303,877	509,503
AA	105,299	65,058
AA–	7,804	–
Below AA–	1,736	153
Non-rated	15,344	7,558
Sub-total	**24,856,783**	**27,915,291**
Offshore bonds		
PRC sovereign bonds	13,195	14,708
A	675,186	681,912
B	495,296	263,435
Non-rated	–	14,559
Sub-total	**1,183,677**	**974,614**
Total	**26,040,460**	**28,889,905**

Note 1: The above data is provided on a consolidated basis;

Note 2: PRC sovereign bonds represent the rating of bonds issued by the government of the PRC. AAA~AA- and below AA- represent debt ratings. If there is no debt rating, issuer's rating would be used instead, where AAA is the highest rating. Non-rated represents that the credit rating agency has not rated the issuer or debt.

Credit rating of offshore bonds was derived from the lowest of Moody's, Standard & Poor's and Fitch Rating, if any. The bonds which are not rated by the above agencies are classified as Non-rated. Including in A rating are the bonds comprising Aaa~A3 rating of Moody's, AAA~A- rating of Standard & Poor's and AAA~A- rating of Fitch; including in B rating are the bonds comprising Baa1~B3 rating of Moody's, BBB+~B- rating of Standard & Poor's and BBB+~B- rating of Fitch; including in C rating are the bonds comprising Caa1~C rating of Moody's, CCC+~C rating of Standard & Poor's and CCC+~C rating of Fitch; and including in D rating are the bonds comprising D rating of Standard & Poor's and D rating of Fitch.

4. Operational risks and corresponding measures

(1) Overview

Operational risks refer to the risks arising from imperfect or problematic internal procedures, employees and systems or external events.

Operational risk events mainly include the following seven categories: internal fraud, external fraud, employment policy and safety of working environment, customers, products and business activities, damage of physical assets, interruption of business operation and shutdown of IT system, and execution, settlement and process management.

(2) Operational risk management

Operational risk management has been the focus among all types of risk management. Through development of mechanisms such as prior coordination, whole process monitoring and information collection after loss from operational risks, a refined operational risk management cycle has been established. In order to effectively manage operational risks, the Company has adopted the following measures:

① The Company has established comprehensive systems for operational risk management in accordance with the New Basel Accord and our strategic development needs, and effectively led the operation of various businesses through measurement and allocation of operational risk-based economic capital;

② The Company has established a scientific system on the basis of operational risk appetite, tolerance and management policy. The Company improved the operational risk governance structure on a continuous basis;

③ The Company has established a system of pre-risk identification and assessment covering all business procedures of all units, subsidiaries and branches by using operational risk and self-assessment management tools with procedure rationalization as the focus, facilitating the formation of operational risk manuals for each unit;

④ The Company has continued to set up a system of key indicators of operational risks to further enhance the in-process monitoring capabilities of operational risks based on risk-prone areas of different business features and operations by formulating risk management standards and conducting management by classification;

⑤ The Company has established an operational risk event management mechanism, collected and summarized the internal and external operational risk events encountered by the Company, analyzed reasons of the events and formulated alleviation plans, as well as strengthened the following-up of and improvements in the operational risk events;

⑥ The Company paid great attention to the control of substantive risks, and carried out various special operational risk inspections and management improvements focusing on areas with high and frequent operational risks according to the characteristics of different businesses;

⑦ The Company has promoted the systematic application of three major operational risk management tools on risk identification and assessment, risk monitoring and events collecting and reporting by establishing an operational risk system, so as to effectively improve the efficiency of the Company's operational risk management and its management level;

⑧ The Company paid great attention to the training and promotion of culture relating to operational risk management. The Company emphasized the importance of conducting risk identification and control before introducing innovative products and innovative businesses. Through various kinds of trainings and promotions, operational risk management covers all the departments and branches of the Company.

5. Liquidity risks and corresponding measures

(1) Overview

The Company's exposure to liquidity risks arises from failure to obtain sufficient funds at reasonable costs and in a timely manner to repay due debts, perform other payment obligations and satisfy capital needs for normal business operation. If there are material and adverse changes in operating condition in the future and the Company is not able to maintain its gearing ratio at a reasonable level, or its operation experiences unusual changes, it may not be able to repay the principal of, or interest on, relevant debts in full when due.

Possible liquidity risk events and factors of the Company include a significant shortage of funds, persistent high financing costs, downgraded regulatory rating, blocked financing channels and difficulties in servicing concentrated mature debts.

(2) Responsibilities for managing liquidity risks

The management of the Company establishes and refines a robust liquidity risk management framework, as well as reviews significant amendments to liquidity risk management policies and systems. The Treasury Department executes daily liquidity risk management operations and implements the decisions and measures outlined by the management in this regard.

(3) Liquidity risk management approaches

In order to prevent liquidity risks, the Company has adopted the following measures:

① The Company has established current asset reserves and a minimum excess reserve quota system. It has formulated liquidity contingency management measures to store minimum excess reserve in the capital plan and reserved treasury bonds, policy financial bonds and other highly liquid assets which can be liquidated timely under extreme circumstances to cover unexpected expenses;

② The Company has developed management for financing gaps. By using management tools such as a cash flow gap and stress testing, it can identify potential risks at an early stage and arrange financing and adjust the pace of fund usage for business purposes in advance so as to effectively avert payment risks. Additionally, an automated liquidity risk early warning indicator system has been established for real-time monitoring, enabling swift response to emerging risks;

③ The Company conducts dynamic management of the funding scale for each business and formulates financing plans by taking into account of factors such as liabilities and business development of the Company as well as the market condition. The Company has also continuously expanded its financing channels and balanced the distribution of debt maturity so as to avoid the payment risks caused by a single financing channel or concentrated maturity of debts;

④ The Company has established an internal risk reporting system to promptly monitor the liquidity risks in the operation of each business and at each branch. In addition, it has taken measures to promote the safe, sound and sustainable operation of the aforementioned business and branches.

6. Reputational risks and corresponding measures

(1) Overview

The reputational risks of the Company refer to the risks of formation of negative opinion on the Company by investors, issuers, regulatory authorities, self-regulatory organizations, the public and the media as a result of the business act or external events of the Company and the violation of integrity requirements, professional ethics, business norms, rules and regulations by the staff, thereby damaging the Company's brand value, posing detrimental impact to its normal operations and even affecting market stability and social stability.

(2) Reputational risk management

In terms of reputational risk management, the Company has continuously improved the standards of various financial services, actively fulfilled social responsibilities, maintained good customer satisfaction and market image, cultivated a sound reputational risk management culture, established the awareness of reputational risk prevention among all employees, actively prevented reputational risks and addressed reputation incidents, and prevented the escalation of general reputation incidents into major reputation incidents, so as to minimize reputation loss and reduce negative impacts.

(V) Dynamic monitoring over risk control indicators and the establishment of a mechanism on capital replenishment

The Company strictly implements the relevant requirements of regulatory authorities and has established dynamic monitoring over risk control indicators and replenishment mechanism on net capital and liquidity, covering system establishment, arrangement and staff deployment, to ensure that the risk control indicators are within the supervision limit consistently, and the details are as follows:

The Company has established a monitoring system over risk control indicators, achieving T+1 dynamic monitoring and automatic advance warning functions over all risk control indicators. The Company has formulated the "Administrative Measures for Risk Control Indicators of China Merchants Securities Co., Ltd." (《招商證券股份有限公司風險控制監管指標管理辦法》) and "Administrative Regulations for Stress Testing of China Merchants Securities Co., Ltd." (《招商證券股份有限公司壓力測試管理規範》) to formally set up the mechanism for the management of risk control indicators and stress tests over the indicators. The Company has designated staff to perform regular monitoring over the risk control indicators and immediately report and handle abnormalities. The Company has set up a net capital replenishment mechanism and replenished net capital through, among others, equity financing and issuance of subordinated debts and continuously conducts stress tests and analysis of the risk control indicators over a period of time in the future.

During the Reporting Period, all risk control indicators including net capital and liquidity of the Company continuously satisfied the regulatory requirements and the Company has not recorded any non-compliance with the regulatory requirements. As at the end of the Reporting Period, the net capital of the Company amounted to RMB89.55 billion.

(VI) Others

For investment in compliance and risk control, the Company has continued to maintain sufficient resource investment in compliance and risk control to strongly guarantee compliance and risk control management. The Company's investment in compliance and risk control mainly includes investment in personnel, systems and daily operations related to compliance and risk control. In 2025, the Company invested RMB469 million in compliance and risk control (based on the parent company).

In terms of information technology, the Company successfully concluded the "14th Five-Year Plan" for digitalization, establishing a strategic layout of digitalization with CMS characteristics. Our investment in fintech achieved three core breakthroughs. First, the Company built the first core trading system in the securities industry based on a cloud-native architecture, attaining technological leadership in system architecture. Second, the Company actively constructed an "AI-driven Securities Company", promoting the construction and iterative upgrading of AI applications. Third, through the in-depth integration of digital capabilities, the Company continuously enhanced the digital level of major business platforms such as wealth management and institutional business, deeply integrating digital transformation and business value.

The Company invested RMB1.908 billion in information technologies (based on the parent company) in 2025, representing a year-on-year increase of 20.58%.

VII. There was no Failure to Disclose in Accordance with Standards Due to Inapplicability of Standards or Special Reasons such as State Secrets and Business Secrets during the Reporting Period.



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Corporate Governance

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Chapter 4

Corporate Governance Report and Environment and Social Responsibility

I. Overview of Corporate Governance

The Company, being a securities company listed in the PRC and Hong Kong, in strict compliance with the relevant laws and administrative regulations of the domestic and overseas places where its shares are listed, as well as the requirements of the CSRC, the SFC, the Shanghai Stock Exchange and the Hong Kong Stock Exchange on the corporate governance of listed securities companies, has established a corporate governance structure consisting of the shareholders' general meeting, the Board and the management with separate duties and effective checks and balances in order to maintain its regulated operation. The corporate governance structure of the Company is sound and does not materially deviate from relevant requirements of the regulatory authorities where the Company's shares are listed.

During the Reporting Period, the Company strictly complied with the Corporate Governance Code under Appendix C1 of the Hong Kong Listing Rules (hereinafter referred to as the "Code"). The Company satisfied all provisions and substantially all of the recommended best practices under the Code.

During the Reporting Period, the Company held 3 shareholders' general meetings to consider 18 resolutions; 14 Board meetings to consider 62 resolutions and listen to 11 reports; 25 special meetings of committees under the Board to consider 56 resolutions and listen to or review 9 reports; as well as 8 meetings of the Supervisory Committee to consider 16 resolutions and listen to 2 reports.

(I) Shareholders and shareholders' general meetings

The shareholders' general meeting is the highest institution of authority of the Company which allows shareholders to exercise their powers. The Company convenes and holds shareholders' general meetings in strict compliance with the relevant rules, including the Articles of Association and the Rules of Procedures for Shareholders' General Meetings, to ensure that all of the shareholders, especially minority shareholders, are treated fairly to fully exercise their rights.

The de facto controller of the Company exercises its rights according to the applicable laws, regulations and the Articles of Association, and does not interfere directly or indirectly in the decision-making or operating activities of the Company beyond the authority of the shareholders' general meeting, occupy the funds of the Company or request the provision of any guarantee from the Company in favor of itself or other parties. The de facto controller of the Company is not involved in the personnel, assets, finance, organizations and business of the Company.

(II) Directors and the Board

The appointment and replacement of Directors of the Company are in strict compliance with the Articles of Association, and the number of Directors and composition of the Board fulfill the requirement of laws and regulations. The Board refines its rules of procedures from time to time and the convening, holding and voting procedures of the Board meetings are legal and effective. The Board has set up five committees, including the Strategy and Sustainability Committee, the Risk Management Committee, the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee, and formulated rules, clear division of authorities of each committee, decision-making procedures and rules of procedures. The Company has set up a work system of independent Directors, which can protect the interests of the Company and shareholders independently and objectively and ensure effective checks and balances during the decision-making process of the Board. In addition, the Company has set up a system of secretary to the Board. The secretary to the Board is responsible for the preparation of shareholders' general meetings, Board meetings and meetings of special committees under the Board, the filing of minutes and documents of the meetings, information disclosure and management of investor relations. The Board has reviewed the Policy of Diversified Composition of the Board (《董事多元化政策》) during the Reporting Period, and believes that such policy has been effectively implemented.

The Company believes that the diversified composition of the Board is the key factor in achieving its strategic targets and sustainable development, and has formulated the Policy of Diversified Composition of the Board (《董事多元化政策》) which provides that, in determination of the composition of the Board, the Company shall consider the diversity of the Board from various perspectives, including but not limited to gender, age, culture and educational background, professional experiences, skill, knowledge and term of office. The nomination of the members of the Board shall be carried out in accordance with the principle of merit, and shall fully consider the diversity of the composition of the Board. The Nomination Committee reports the diversity of the composition of the Board in each annual report. It is also responsible for supervising the implementation of the Policy of Diversified Composition of the Board (《董事多元化政策》), reviewing the same when necessary to ensure its effectiveness and revising the same when appropriate.

1. Composition of the Board

The Company has a Board accountable to the shareholders' general meeting. According to the Articles of Association, the Board shall consist of 15 Directors. As of the date of this report, the Board consists of 15 Directors, two of whom are executive Directors, seven of whom are non-executive Directors, one of whom is employee representative Director and five of whom are independent non-executive Directors. There is no relationship (including financial, business, family or other material/relevant relationship) among the Directors and senior management of the Company. The Company attaches great importance to Board diversity. As at the date of this report, the Board includes four female members. In terms of academic qualifications, there are eleven members with a master's degree and four members with a doctorate degree. In terms of professions, the executive Directors have long been engaged in the securities and financial industry and have extensive management experience and professional capabilities. The non-executive Directors have extensive working and management experience in the financial, transportation, insurance and other industries. The independent non-executive Directors have extensive experience in finance, economics, auditing, and other fields, thus can provide professional advice to the Company in respect of different fields. The Directors are elected at the shareholders' general meetings or the employee representatives' meeting and serve for a term of three years. Directors are eligible for re-elections upon the expiry of their terms of office. Independent non-executive Directors shall not hold office for more than six consecutive years. Please see "Change in shareholdings and remunerations of existing and resigned/retired Directors, Supervisors and senior management during the Reporting Period" in this chapter for the composition of the Board and the biographies of the Directors.

The Board complies the requirement of the Hong Kong Listing Rules that the board of directors shall comprise at least three independent non-executive directors, representing at least one-third of the board of directors. The qualifications of the five independent non-executive Directors of the Company fully comply with the requirements under Rules 3.10 and 3.10(A) of the Hong Kong Listing Rules. In addition, the Company has received annual confirmation letters from each of the independent non-executive Directors prepared according to Rule 3.13 of the Hong Kong Listing Rules with regard to their independence. Therefore, the Company confirms that all independent non-executive Directors of the Company have fulfilled the independence requirement under the Hong Kong Listing Rules.

2. Duties and responsibilities of the Board

The Board is the decision-making body of the Company and shall be accountable to the shareholders' general meeting. According to the Articles of Association, the Board shall exercise the following major functions and powers: to convene shareholders' general meetings and report to the shareholders' general meetings; to implement the resolution of the shareholders' general meeting; to decide the business plans and investment schemes of the Company; to formulate the profit distribution plan and loss recovery plan of the Company; to prepare plans for increase or reduction of registered capital of the Company, issuance of bonds or other securities and their listing; to formulate plans for major acquisition of the Company, repurchase of the Company's shares or merger, division, dissolution and change in the corporate form of the Company; to decide on the acquisition of the Company's own shares under circumstances set out in paragraphs (III), (V) and (VI) of Article 31 of the Articles of Association; to decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, external donations and other matters of the Company within the authority granted by the shareholders' general meeting; to decide on the establishment of the internal management structure of the Company; to decide to appoint or dismiss the Company's President and secretary to the Board, and determine their remunerations, rewards and penalties; to decide to appoint or dismiss the Company's vice president, Chief Financial Officer, Chief Compliance Officer, Chief Risk Officer, Chief Information Officer and other senior officers as nominated by the President and determine their remunerations, rewards and penalties; to set up the basic management system; to formulate the proposals for any amendment to the Articles of Association; to manage the disclosure of information by the Company; to propose to the shareholders' general meeting the adjustment of the scale and personnel composition of the Board; to propose to the shareholders' general meeting the appointment or change of the accounting firm acting as the auditors of the Company; to listen to the work report of the President of the Company and examine the President's work; to be ultimately responsible for the overall risk management, establish a risk management concept that is compatible with the Company, comprehensively promote the construction of risk culture, review and approve the risk management strategy of the Company, and promote its effective implementation in the operation and management of the Company; review and approve the Company's basic overall risk management system; review and approve risk preference, risk tolerance and material risk limits of the Company; review the regular risk assessment reports of the Company; establish a direct communication mechanism with the Chief Risk Officer; and determine the general goal of reputational risk management, and continuously pay attention to the Company's overall reputational risk management standard. The Board may authorize the relevant risk management committee to fulfil part of its risk management duties; to determine the Company's goal of compliance management and be responsible for its effectiveness; to review and approve the basic system of compliance management; to review and approve the annual compliance report; to ensure the independence of the Chief Compliance Officer, establish a direct communication mechanism with the Chief Compliance Officer, and safeguard the smooth reporting between the Chief Compliance Officer and the regulatory authority; to assess the effectiveness of compliance management and procure solutions for the problems relating to compliance management; to be ultimate responsibility for consolidated management, effectively participate in the entire process of consolidated management control; review and approve the basic system for consolidated

management and internal control of the Company and supervise its implementation within the consolidated management system of the Company; approve significant matters related to consolidated management and supervise their implementation; review the consolidated management situation of the Company and timely adjust the development strategy of the Company in light of the consolidated management situation; supervise and ensure that the management effectively fulfills its responsibilities for consolidated management, and urge the management to solve problems existing in consolidated management. The Board may authorize the relevant risk management committee to perform part of its consolidated management duties; to be responsible for urging, inspecting and evaluating the establishment and implementation of various internal control systems of the Company, and undertake ultimate responsibility for the validity of the internal control; and shall conduct a comprehensive internal control inspection and evaluation at least once a year and prepare a corresponding special report; and to be ultimately responsible for the independence and effectiveness of the internal audit; The Board is responsible for reviewing the Company's information technology management objectives, assume responsibility for the effectiveness of information technology management; to review information technology strategies to ensure their consistency with the Company's development strategies, risk management strategies and capital strength; to establish information technology human resource and fund guarantee programs; to assess the overall effectiveness and efficiency of annual information technology management work; to determine the objectives of business integrity management and be liable for ensuring the effectiveness of business integrity management; to guide the Company to accomplish the cultural construction of the Company and facilitate the cultural construction of the Company; determine the objectives of business integrity management and be liable for ensuring the effectiveness of business integrity management; to be ultimately responsible for protecting the interests of investors; to supervise and review the significant events on the Company's environmental, social and governance; and to exercise other functions and powers as conferred by laws, regulations and the Articles of Association or granted by the Board.

The Board confirms that corporate governance should be a collective responsibility of the Directors. During the Reporting Period, the Board took the following key measures regarding the corporate governance functions:

(1) The Company continuously monitored the promulgation or revision of domestic and foreign laws and regulations. In 2025, the Board and the special committees of the Company revised and improved over 20 systems, thereby continuously enhancing the establishment of its corporate governance system;

(2) The Company actively organized Directors, Supervisors and senior management to participate in various professional trainings, and established a multi-tier information communication mechanism, thereby providing the Directors with sufficient information to perform their duties;

(3) The Company continuously strengthened internal control management, regularly reviewed the effectiveness of internal control, and enhanced process management, thereby establishing a sound and comprehensive risk management system.

(III) Supervisory Committee

The Company convened the 2025 second extraordinary general meeting on December 19, 2025 and amended the Articles of Association. The Supervisory Committee has been abolished, and the Audit Committee of the Board shall subsequently perform the duties of the Supervisory Committee.

Prior to the abolition of the Supervisory Committee, there were a total of 6 Supervisors of the Company, namely Mr. ZHU Eric Liwei, Ms. SUN Xian, Mr. HUANG Zheng, Mr. PENG Luqiang, Ms. YIN Hongyan and Mr. CHEN Jun.

(IV) Senior management

The Company strictly complies with the Articles of Association in relation to the appointment and replacement of senior management. The senior management of the Company shall be appointed based on the procedures in compliance with the Company Law and the Articles of Association. The President of the Company shall be accountable to the Board.

According to the Articles of Association, the management consists of the President, the vice president, the secretary to the Board, the Chief Financial Officer, the Chief Compliance Officer, the Chief Risk Officer, the Chief Information Officer and other personnel approved by the resolutions of the Board as senior management. The President is in charge of business management, and shall be accountable to the Board and perform the following duties: to be in charge of the operation and management of the Company, organize the execution of the resolutions of the Board and report his work to the Board; to organize the implementation of the annual operation plan and investment plan of the Company; to formulate the internal management structure of the Company; to formulate the basic management system of the Company; to formulate the specific rules and regulations for the Company; to propose to the Board the appointment or dismissal of the vice president, Chief Financial Officer, Chief Compliance Officer, Chief Risk Officer, Chief Information Officer and other senior management (other than the secretary to the Board); to decide to appoint or dismiss management members other than those required to be appointed or dismissed by the Board; to be responsible for the specific implementation of the Company's investors' rights protection, and facilitate the execution of each requirement for investors' rights protection; to be responsible for implementing the objectives of professional incorruptibility management and be liable for ensuring professional incorruptibility; to be responsible for implementing the objectives of business integrity management and be liable for ensuring business integrity; and to exercise other authorities granted by the laws, regulations, the Articles of Association or the Board.

(V) Chairman and President

For the purpose of balancing power and authority, the roles of chairman and President of the Company shall be separated to enhance the independence of their duties, accountability and balanced division of power and authority, and to fully exercise the decision makers' extensive supervision and control over the executive officers. There is a clear division between the roles of chairman and the President. According to the Articles of Association, the chairman shall be the legal representative of the Company who is responsible for managing the operation of the Board to ensure that the Directors act in the best interests of the Company. The chairman shall also ensure the effectiveness and the performance of the duties of the Board, and that the Board discusses all significant and appropriate matters such that the Directors can obtain accurate, timely and clear information. The President shall be in charge of the daily work of the Company, observe Board meetings, report to the Board, and exercise his power pursuant to the scope of authorization of the President. There is no relationship (including financial, business, family or other material/relevant relationship) between the chairman and President of the Company.

(VI) Liability insurances for Directors and senior management of the Company

As authorized in the sixth extraordinary general meeting of the Company for 2015, the Company has maintained liability insurances for the Directors and senior management and other relevant personnel. Insurance coverage has been provided for the Directors and senior management of the Company against potential liabilities to reasonably avoid management and legal risks faced by the Directors and senior management of the Company and to facilitate the full discharge of duties by the Directors and senior management.

(VII) Party Committee

The Company has established a Party Committee. The Party Committee shall perform the leadership functions to provide directions, manage overall situations and ensure implementation. The Party Committee consists of one secretary, two vice secretaries and other several members. Eligible Party Committee members may be appointed as members of the Board and the management team of the Company through legal procedures, while eligible Party members from the Board and the management team of the Company may be appointed as members of the Party Committee pursuant to relevant requirements and procedures. The Company has also established a Discipline Inspection Commission in accordance with relevant regulations. The Company has established the working organs of the Party, equipped them with sufficient staff to deal with Party affairs and provided them with sufficient funds to operate the Party organization. The organic combination between the Party's leadership and the governance of the Company has promoted the scientific decision-making and high-quality development of the Company.

(VIII) Information disclosure and transparency

The Company has formulated several information disclosure systems, including the Administrative System Regarding Information Disclosure Affairs (《信息披露事務管理制度》), Registration System for Persons with Inside Information (《內幕信息知情人登記制度》), Investor Relations Management System (《投資者關係管理制度》), Accountability System for Major Mistakes Disclosed in Annual Reports (《年報信息披露重大差錯責任追究制度》), Annual Report Work System for the Independent Directors (《獨立董事年報工作制度》) and Annual Report Work Procedures for the Audit Committee Under the Board (《董事會審計委員會年報工作規程》). The secretary to the Board is responsible for information disclosure and investor relations. The Company discloses information truthfully, accurately, completely and promptly and ensures that all shareholders can have equal opportunities for obtaining information in accordance with the requirements of the laws, regulations, the Articles of Association and information disclosure systems. The Company discloses the information of substantial shareholders and the changes in shareholding according to the related requirements. Other than the information disclosure channels required by the laws, the Company mainly communicates with investors by telephone, e-mail, Internet platform, reception of visitors and attendance to investor meetings.

(IX) Stakeholders

The Company fully respects and protects the rights and interests of the creditors, customers, employees and other stakeholders. Efforts are also made to ensure the sustainable and healthy development of the Company in pursuit of a win-win situation between the Company and its stakeholders as well as to maximize the effectiveness of its social contribution.

II. Specific Measures Regarding the Undertakings of Controlling Shareholder and De Facto Controller on Independence of Assets, Personnel, Finance, Organization and Business of the Company, and Solution, Progress and Plans for Subsequent Works

The Company manages its operation in strict compliance with the Company Law, the Articles of Association and other laws, regulations and rules, and is independent from the controlling shareholder in terms of assets, personnel, finance, organization, business and other aspects with an independent and complete business system and independent operation capabilities.

1. In terms of assets, the Company has a clear property right relationship with the controlling shareholder, and has complete and independent legal person assets. The Company has complete control over all of its assets, and there is no situation where assets and funds are being appropriated by the controlling shareholder and damages the interests of the Company.

2. In terms of personnel, the Company has developed a comprehensive system regarding the management of personnel and remuneration, and established an independent human resources management department that manages personnel and remuneration independent from the controlling shareholder. The Company has an independent team of employees, and its Directors and senior management are legally appointed in accordance with the Company Law, the Articles of Association and relevant laws, regulations and rules. Senior management of the Company serves and receives remuneration from the Company, and does not hold any position other than the Director or Supervisor in the controlling shareholder and its subsidiaries.

3. In term of finance, the Company has an independent finance and accounting department with dedicated finance personnel, and established an independent accounting system and regulated financial management system to make financial decisions independently. The Company has independent bank accounts, and completes tax registration and fulfills its tax obligations independently according to the laws. There is no sharing of bank account or tax paid in mix with those of the controlling shareholder.

4. In terms of organization, the Company has established a sound organizational system that meets its operational needs. The system operates independently and stably without any subordination to departments of the controlling shareholder.

5. In terms of business, the Company has an independent and comprehensive business system. The Company conducts its businesses, audits and decision-making independently, and assumes liabilities and risks independently without reliance on the controlling shareholder or any other related parties.

III. Shareholders' General Meetings

Meeting	Date of meeting	Resolutions of meeting
2025 first extraordinary general meeting	April 7, 2025	Considered and approved the resolution on the Securities and Financial Products, Transactions and Services Framework Agreement between the Company and China Merchants Group Limited; resolution on the Securities and Financial Products, Transactions and Services Framework Agreement between the Company and China COSCO Shipping Corporation Limited; resolution on the election of Ms. LUO Li as a non-executive Director of the eighth session of the board of directors of the Company; and resolution on the election of Mr. HUANG Zheng as a shareholder representative Supervisor of the eighth session of the Supervisory Committee of the Company
2024 annual general meeting	June 26, 2025	Considered and approved the working report of the Board of the Company for 2024; the working report of the Supervisory Committee of the Company for 2024; the duty report of independent Directors of the Company for 2024; the annual report of the Company for 2024; the final accounts report of the Company for 2024; resolution on the profit distribution plan of the Company for 2024; resolution on the authorization for interim profit distribution of the Company for 2025; resolution on the budget for proprietary investment of the Company for 2025; resolution on engagement of the auditors of the Company for 2025; resolution on the contemplated ordinary related party transactions of the Company for 2025; resolution on the guarantee authorization scheme for the year 2025 of China Merchants Securities International Company Limited and its wholly-owned subsidiaries; resolution on the election of Mr. ZHU Jiangtao as an executive Director of the eighth session of the board of directors of the Company; and resolution on the grant of the general mandate to the Board to issue additional H Shares of the Company
2025 second extraordinary general meeting	December 19, 2025	Considered and approved the resolution on the dissolution of the Supervisory Committee and revision or repeal of relevant policies

IV. Information about Directors and Senior Management

(I) Change in shareholdings and remunerations of existing and resigned/retired Directors, Supervisors and senior management during the Reporting Period

Unit: share

Name	Position	Gender	Age	Term commencement date	Term expiration date	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Changes (+/-) in shareholdings during the year	Reason for changes	Total remuneration from the Company during the Reporting Period (before tax) (RMB10,000)	Remuneration from related parties
HUO Da (霍達)	Chairman of the Board, executive Director	Male	57	2017.05	2027.01	-	-	-	-	228.07	No
	Chief Information Officer			2022.03	2025.03						
	Chief Information Officer			2025.11	2027.01						
LUO Li (羅立)	Non-executive Director	Female	42	2025.04	2027.01	-	-	-	-	-	Yes
LIU Zhenhua (劉振華)	Non-executive Director	Male	52	2024.10	2027.01	-	-	-	-	-	Yes
ZHU Jiangtao (朱江濤)	Executive Director	Male	53	2025.06	2027.01	-	-	-	-	137.12	No
	President			2025.06	2027.01						
	Authorized Representative of the Hong Kong Stock Exchange			2025.06	-						
LI Delin (李德林)	Non-executive Director	Male	51	2024.10	2027.01	-	-	-	-	-	Yes
LI Xiaofei (李曉霏)	Non-executive Director	Male	55	2023.01	2027.01	-	-	-	-	-	Yes
HUANG Jian (黃堅)	Non-executive Director	Male	56	2012.08	2027.01	-	-	-	-	-	Yes
ZHANG Mingwen (張銘文)	Non-executive Director	Male	47	2024.01	2027.01	-	-	-	-	-	Yes
DING Lusha (丁璐莎)	Non-executive Director	Female	46	2023.06	2027.01	-	-	-	-	-	Yes
YIP, Ying Chi Benjamin (葉熒志)	Independent non-executive Director	Male	62	2024.01	2027.01	-	-	-	-	20.00	No
ZHANG Ruijun (張瑞君)	Independent non-executive Director	Female	64	2024.01	2027.01	-	-	-	-	20.00	Yes
CHEN Xin (陳欣)	Independent non-executive Director	Female	57	2024.06	2027.01	-	-	-	-	20.00	No

Name	Position	Gender	Age	Term commencement date	Term expiration date	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Changes (+/-) in shareholdings during the year	Reason for changes	Total remuneration from the Company during the Reporting Period (before tax) (RMB10,000)	Remuneration from related parties
CAO Xiao (曹驍)	Independent non-executive Director	Male	55	2024.01	2027.01	–	–	–	–	20.00	No
FENG Jinhua (豐金華)	Independent non-executive Director	Male	69	2022.11	2027.01	–	–	–	–	20.00	No
MA Xiaoli (馬小利)	Employee representative Director	Male	52	2025.12	2027.01	–	–	–	–	6.65	No
LIU Jie (劉傑)	Vice President (chief financial officer)	Male	54	2023.04	2027.01	–	–	–	–	171.05	No
	Secretary to the Board			2023.08	2027.01						
	Joint Company Secretary and Authorized Representative of the Hong Kong Stock Exchange			2023.04	–						
LIU Rui (劉銳)	Vice President	Male	52	2023.08	2027.01	–	–	–	–	182.48	No
LIU Bo (劉波)	Vice President	Male	49	2024.11	2027.01	–	–	–	–	171.05	No
ZHANG Xing (張興)	Vice President	Male	49	2025.05	2027.01	–	–	–	–	140.68	No
	Chief Compliance Officer			2024.03	2027.01						
	Chief Risk Officer			2024.02	2027.01						
WANG Zhijian (王治鑒)	Vice President	Male	51	2025.05	2027.01	–	–	–	–	106.38	No
LIU Weiwu (劉威武)	Non-executive Director (resigned)	Male	61	2021.06	2025.04	–	–	–	–	–	Yes
LIU Hui (劉輝)	Non-executive Director	Female	55	2024.10	2025.11	–	–	–	–	–	Yes
WU Zongmin (吳宗敏)	Executive Director (resigned)	Male	60	2022.04	2025.06	–	–	–	–	56.13	No
	President (resigned)										
ZHANG Haochuan (張浩川)	Vice President (resigned)	Male	53	2022.05	2025.05	–	–	–	–	51.09	No
MA Yunchun (馬蘊春)	Shareholder representative Supervisor (resigned)	Male	57	2017.06	2025.04	–	–	–	–	–	Yes
ZHU Eric Liwei (朱立偉)	Shareholder representative Supervisor (resigned)	Male	54	2023.08	2025.12	–	–	–	–	–	Yes
SUN Xian (孫獻)	Shareholder representative Supervisor (resigned)	Female	53	2024.10	2025.12	–	–	–	–	–	Yes
HUANG Zheng (黃崢)	Shareholder representative Supervisor (resigned)	Male	47	2025.04	2025.12	–	–	–	–	–	Yes

Name	Position	Gender	Age	Term commencement date	Term expiration date	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Changes (+/-) in shareholdings during the year	Reason for changes	Total remuneration from the Company during the Reporting Period (before tax) (RMB10,000)	Remuneration from related parties
PENG Luqiang (彭陸強)	Shareholder representative Supervisor (resigned)	Male	58	2023.06	2025.12	-	-	-	-	-	Yes
YIN Hongyan (尹虹豔)	Employee representative Supervisor (resigned)	Female	54	2007.08	2025.12	-	-	-	-	107.12	No
CHEN Jun (陳鋆)	Employee representative Supervisor (resigned)	Male	48	2023.03	2025.12	-	-	-	-	69.88	No
Total	/	/	/	/	/	/	/	/	/	1,527.70	/

Note:

1. Total remuneration before tax of Directors, Supervisors and senior management during their tenure of office shown above were remuneration during the year 2025;
2. The total remuneration before tax of the Directors, Supervisors and senior management who worked full-time for the Company during the Reporting Period is the remuneration before tax they received during their tenure of office. Further information (if any) will be disclosed after confirmation;
3. Certain Directors, Supervisors and senior management of the Company participated in the employee stock ownership scheme in 2020. As at the date of this report, Mr. HUO Da held an aggregate of 531,210 shares through the employee stock ownership scheme, accounting for 6.38% of the total shares held under the scheme and 0.006% of the total share capital.

Name	Major work experience
HUO Da (霍達)	Mr. HUO has served as the Chairman of the Board and executive Director of the Company since May 2017, and the Chief Information Officer of the Company from March 2022 to March 2025 and since November 2025. He was a director of China Merchants Securities International Company Limited (招商證券國際有限公司) from January 2019 to November 2020, the chairman of the board of directors of China Merchants Zhiyuan Capital Investment Co., Ltd. (招商致遠資本投資有限公司) from November 2021 to January 2022 and a member of the Execution Committee of China Merchants Financial Services Business Unit (招商局金融事業群／平台) from June 2018 to September 2022. He served the CSRC as the principal staff member, deputy division head and division head, an assistant to the head of the Shenzhen office (深圳監管局) of the CSRC, a deputy inspector, deputy director and director of the Market Supervision Department (市場監管部) of the CSRC, a director of the Corporate Bonds Supervision Department (公司債券監管部) of the CSRC, a director of the Research Center (研究中心) of the CSRC, the head of Beijing Institute of Securities and Futures (北京證券期貨研究院), the head of China Institute of Finance and Capital Markets (中證金融研究院) and a part-time member of the 17th Public Offering Review Committee (第十七屆發行審核委員會) of the CSRC. Mr. HUO Da obtained a bachelor's degree in engineering from Huazhong University of Science and Technology (華中科技大學) (formerly known as Huazhong Institute of Technology (華中理工大學)), a master's degree in economics from Huazhong University of Science and Technology (華中科技大學) (formerly known as Huazhong Institute of Technology (華中理工大學)) and a doctoral degree in economics from Chinese Academy of Fiscal Sciences (中國財政科學研究院) (formerly known as the Research Institute for Fiscal Science of the Ministry of Finance (財政部財政科學研究所)) in July 1989, April 1994 and January 2008, respectively.

Name	Major work experience
LUO Li (羅立)	Ms. LUO has served as a non-executive Director of the Company since April 2025. Ms. LUO has been the head of the finance department (property rights department) of China Merchants Group Limited since November 2024, a director of China Merchants Investment Development Company Limited and Sinotrans Limited (中國外運股份有限公司) (a company listed on the SSE, stock code: 601598; a company listed on the Hong Kong Stock Exchange, stock code: 00598) since September 2022, a director of Greater Bay Area Homeland Youth Community Foundation since October 2022, a director of China Merchants International Finance Company Limited (招商局國際財務有限公司) since September 2023, a director of Liaoning Port Group Limited (遼寧港口集團有限公司) since February 2025, the chairman of the board of directors of China Merchants Union (BVI) Limited (招商局聯合發展有限公司) March 2025, and a director of China Merchants Life Insurance Company Limited (招商局仁和人壽保險股份有限公司) since June 2025. She served as the assistant to the head (from May 2018 to January 2022) and the deputy head (from January 2022 to November 2024) of the finance department (property rights department) of China Merchants Group Limited, a supervisor of China Merchants (Shanghai) Co., Ltd from October 2022 to April 2025, a director of China Merchants Shekou Industrial Zone Holdings Co., Ltd. (招商局蛇口工業區控股股份有限公司) (a company listed on the SZSE, stock code: 001979) from December 2022 to October 2023, a director of China Merchants Group Finance Co., Ltd. from December 2022 to June 2025, and a director of Bosera Asset Management Co., Limited from September 2024 to February 2026. Ms. LUO also served as the director of the capital division of the finance department of Sinotrans & CSC Holdings Co., Ltd., the general manager of the settlement department of Sinotrans & CSC Finance Co., Ltd., and the assistant to the general manager of China Merchants Group Finance Co., Ltd. (formerly Sinotrans & CSC Finance Co., Ltd.). Ms. LUO Li obtained a bachelor's degree and a master's degree in economics from Central University of Finance and Economics in June 2003 and June 2005, respectively. She was awarded the certificate for senior practitioner (asset management) by the Hong Kong Securities and Investment Institute, the Certified Management Accountant of the United States of America and the title of Senior Economist in March 2018, November 2021 and October 2023, respectively.

Name	Major work experience
LIU Zhenhua (劉振華)	Mr. LIU has served as a non-executive Director of the Company since October 2024. He has served as the head of the Strategy and Development Department/Science and Technology Innovation Department of China Merchants Group Limited (招商局集團有限公司) since March 2024, and a director (and vice chairman of the board of directors since October 2024) of China Merchants Energy Shipping Co., Ltd. (招商局能源運輸股份有限公司) (a company listed on the SSE, stock code: 601872) since September 2024. He served as the deputy director of the general office of China Merchants Group from March 2019 to September 2021, the general manager of China Yangtze Shipping Group Co., Ltd. (中國長江航運集團有限公司) from September 2021 to February 2023, the head of Transportation and Logistics Division of China Merchants Group, and an executive director and the general manager of Sinotrans & CSC Holdings Co., Ltd. (中國外運長航集團有限公司) from February 2023 to March 2024, and a director of Sinotrans Limited (中國外運股份有限公司) (a company listed on the SSE, stock code: 601598; a company listed on the Hong Kong Stock Exchange, stock code: 00598) from June 2024 to August 2024. He served as the assistant to the general manager and the deputy general manager of the logistics department of Sinotrans Limited, the deputy general manager of China Marine Shipping Agency Co., Ltd. (中國船務代理有限公司), the general manager of the strategic development department of Sinotrans & CSC Holdings Co., Ltd. (中國外運長航集團有限公司), and the deputy general manager of China Yangtze Shipping Group Co., Ltd. (中國長江航運集團有限公司). Mr. LIU Zhenhua obtained a bachelor's degree in economics from the University of International Business and Economics in June 1996 and a master's degree in business administration from China Europe International Business School (中歐國際工商管理學院) in September 2008. He was awarded the title of senior logistician.
ZHU Jiangtao (朱江濤)	Mr. ZHU has served as the President, executive Director and the Authorized Representative of the Hong Kong Stock Exchange of the Company since June 2025. Mr. ZHU served as an executive director of China Merchants Bank Co., Ltd. (招商銀行股份有限公司) (hereinafter referred to as "China Merchants Bank", a company listed on the Shanghai Stock Exchange, stock code: 600036; a company listed on the Hong Kong Stock Exchange, stock code: 03968) from August 2023 to May 2025, the executive vice president of China Merchants Bank from September 2021 to May 2025, and the chief risk officer of China Merchants Bank from July 2020 to May 2024. Mr. ZHU served as the president of Nanchang Qingshanhu Sub-branch, the general manager of each of the risk control department and the credit approval department, the assistant general manager and deputy general manager of Guangzhou Branch, the general manager of Chongqing Branch, and the general manager of each of the credit risk management department and the risk management department of the head office of China Merchants Bank. Mr. ZHU Jiangtao also worked in Jiangxi Branch, Nanchang Ganjiang Sub-branch of Industrial and Commercial Bank of China Limited (a company listed on the Shanghai Stock Exchange, stock code: 601398; a company listed on the Hong Kong Stock Exchange, stock code: 01398) and Shanghai Branch of China Guangfa Bank Co., Ltd. Mr. ZHU Jiangtao holds a master's degree in economics and the title of Senior Economist.

Name	Major work experience
LI Delin (李德林)	Mr. LI has served as a non-executive Director of the Company since October 2024. He has been the deputy general manager of China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司) since April 2024 and a director of Bosera Asset Management Co., Limited (博時基金管理有限公司) since September 2024. He worked in China Merchants Bank Co., Ltd. (招商銀行股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600036; a company listed on The Stock Exchange of Hong Kong Limited, stock code: 03968) from October 2013 to July 2023, and successively served as the director of the general office, the general manager of each of the strategic customer department and the institutional customer department of the head office, the general manager of the Shanghai Branch, the general manager of the Shanghai Pilot Free Trade Zone Branch, the executive assistant president and executive vice president (April 2021 to July 2023) of China Merchants Bank. He served as an assistant to the president of CCB International (Holdings) Limited (建銀國際(控股)有限公司), a member of the execution committee of Zhong De Securities Company Limited (中德證券有限責任公司), the managing director and the head of financial institutions in China of Deutsche Bank Aktiengesellschaft (德意志銀行股份有限公司) (a company listed on the Frankfurt Stock Exchange: stock code: DBK; a company listed on the New York Stock Exchange, stock code: DB). Mr. LI Delin obtained a bachelor's degree in international economics, a master's degree in global economics and a doctorate degree in economics from Wuhan University in July 1996, June 2001 and June 2007, respectively. He was awarded the title of Senior Economist in February 2019.

Name	Major work experience
LI Xiaofei (李曉霏)	Mr. LI has served as a non-executive Director of the Company since January 2023, and served as our Supervisor from July 2014 to January 2023. He has been the deputy officer of the human resources department of China Merchants Group (招商局集團) since December 2021, a director of China Merchants Investment Development Company Limited (招商局投資發展有限公司) since September 2022, and a director of Creative Enterprise Holdings Limited (創毅控股有限公司) since August 2024. He served as a director of China Merchants Hoi Tung Trading Company Limited (招商局海通貿易有限公司) from September 2022 to June 2025. He was an assistant to general manager of China Merchants Finance Holdings Co., Ltd. (招商局金融集團有限公司) from November 2014 to November 2017, a deputy general manager of China Merchants Finance Holdings Co., Ltd. (招商局金融集團有限公司) from November 2017 to February 2019, an executive member (standing) of the Execution Committee of China Merchants Financial Services Business Unit (招商局金融事業群／平台) from June 2018 to December 2021, and a supervisor of China Great Wall Securities Co., Ltd. (長城證券股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002939) from July 2015 to June 2023. He held such positions as a secretary (chief at section level) of the general manager office, a deputy manager of the planning and development department and deputy manager of the leasing department of Shenzhen Nanyou (Holdings) Ltd. (深圳市南油(集團)有限公司), a manager of the administration and human resources department and a secretary to the board of directors of Grand Auto Park Company Limited (深圳市平方汽車園區有限公司), a senior manager of the human resources department of China Merchants Group (招商局集團), and a general manager of the human resources department of China Merchants Finance Holdings Co., Ltd. (招商局金融集團有限公司). Mr. LI Xiaofei obtained a master's degree in economics majoring in labor economics from Renmin University of China (中國人民大學) in January 2004.

Name	Major work experience
HUANG Jian (黃堅)	Mr. HUANG has served as a non-executive Director of the Company since August 2012. He has been the general manager of the capital operation department of China COSCO Shipping Corporation Limited (中國遠洋海運集團有限公司) since September 2016, a director of Lanhai Medical Investment Co., Ltd. (覽海醫療產業投資股份有限公司) since May 2017, a director of COSCO SHIPPING Captive Insurance Co., Ltd. (中遠海運財產保險自保有限公司) since August 2017, a director of SAIC Motor Corporation Limited (上海汽車集團股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600104) since June 2023, and a non-executive director of China Merchants Bank Co., Ltd. (招商銀行股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600036; a company listed on The Stock Exchange of Hong Kong Limited, stock code: 03968) since March 2025. He was a director of Shanghai Rural Commercial Bank Co., Ltd. (上海農村商業銀行股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 601825) from June 2018 to December 2022. He was a non-executive director of COSCO SHIPPING Development Co., Ltd. (中遠海運發展股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 601866; a company listed on the Hong Kong Stock Exchange, stock code: 02866) from June 2016 to September 2024. He served as the head of the capital management department of the finance and capital division of China Ocean Shipping (Group) Company (中國遠洋運輸(集團)總公司), a vice president and the general manager of the finance department of COSCO Logistics (Americas), Inc. (中遠物流(美洲)有限公司) (formerly known as Intermodal Bridge Services Inc. (中遠美國內陸運輸公司)), the general manager of the finance department and the chief financial officer of COSCO Americas Inc. (中遠美洲公司), the deputy general manager of the finance department of China Ocean Shipping (Group) Company (中國遠洋運輸 (集團)總公司), the deputy general manager (person-in-charge) of the capital operation department of China COSCO Shipping Corporation Limited (中國遠洋海運集團有限公司), and a director of COSCO SHIPPING Technology Co., Ltd. (中遠海運科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002401). Mr. HUANG Jian obtained a bachelor's degree in economics majoring in auditing from Capital University of Economics and Business (首都經濟貿易大學) (formerly known as Beijing Institute of Finance and Trade (北京財貿學院)) and a master's degree in business administration from Beijing Institute of Technology (北京理工大學) in July 1992 and March 2002, respectively. Mr. HUANG obtained the qualifications of accountant and senior accountant from the Ministry of Finance in May 1997 and December 2015, respectively.

Name	Major work experience
ZHANG Mingwen (張銘文)	Mr. ZHANG has served as a non-executive Director of the Company since January 2024. He has served as the chairman of the board of directors of COSCO SHIPPING Development (Hainan) Co., Ltd. (海南中遠海發航運有限公司) since September 2025, an executive director of COSCO SHIPPING Development Co., Ltd. (中遠海運發展股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 601866; a company listed on the Hong Kong Stock Exchange, stock code: 02866) since June 2022 and the chairman of the board of directors since April 2024, and a director and the general manager of COSCO Shipping (Shanghai) Investment Management Co., Ltd. (中遠海運(上海)投資管理有限公司) since December 2022 and the chairman of the board of directors since April 2024. He has served as a director of China Everbright Bank Company Limited (中國光大銀行股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 601818; a company listed on the Hong Kong Stock Exchange, stock code: 06818) since October 2024. He was the general manager of COSCO SHIPPING Development Co., Ltd. (中遠海運發展股份有限公司) from June 2022 to September 2025. He served as the chief accountant of COSCO SHIPPING Holdings Co., Ltd. (中遠海運控股股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 601919; a company listed on the Hong Kong Stock Exchange, stock code: 01919) from July 2018 to June 2022, and the chief financial officer of Orient Overseas (International) Limited (東方海外(國際)有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 00316) and a director, the chief financial officer and a member of the executive committee of Orient Overseas Container Line Limited (東方海外貨櫃航運有限公司) from August 2018 to June 2022. He served as a deputy section chief and vice director of the capital centre of the planning and finance department, the assistant to the general manager of the planning and finance department and an assistant to the general manager of the financial capital department of China Shipping (Group) Company (中國海運(集團)總公司), and a deputy chief accountant and the chief accountant of COSCO SHIPPING Development Co., Ltd. (中遠海運發展股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 601866; a company listed on the Hong Kong Stock Exchange, stock code: 02866, formerly known as China Shipping Container Lines Company Limited (中海集裝箱運輸股份有限公司)). Mr. ZHANG Mingwen obtained a bachelor's degree in investment economics from the School of Finance under Shanghai University of Finance and Economics (上海財經大學金融學院) in June 1999, and a master's degree in business administration from Antai College of Economics & Management under Shanghai Jiao Tong University (上海交通大學安泰經濟與管理學院) in January 2007, respectively. He is a Chartered Financial Analyst (CFA) and a senior accountant at professor level.

Name	Major work experience
DING Lusha (丁璐莎)	Ms. DING has served as a non-executive Director of the Company since June 2023. She has been a supervisor of China Securities Credit Investment Co., Ltd. (中證信用增進股份有限公司) since June 2020, a director of PICC Financial Services Company Limited (人保金融服務有限公司) since September 2023, and the general manager of the investment business department of PICC Life Insurance Company Limited (中國人民人壽保險股份有限公司) since November 2023. She was a supervisor of PICC Health & Senior Care Management (Guangzhou) Co., Ltd. (人保健康養老管理(廣州)有限公司) from July 2023 to July 2025. She was a level II senior expert of the investment department of PICC Pension Company Limited (中國人民養老保險有限責任公司) from October 2022 to January 2023, the deputy general manager of the investment business department of PICC Life Insurance Company Limited (中國人民人壽保險股份有限公司) from January 2023 to November 2023, and successively served as the team leader of the secretariat of president's office/ party committee office, a manager and senior manager of the investment management division of the investment and financial management department, a senior manager of the asset allocation division and senior manager of the inclusive finance management division of the investment and financial management department, a senior expert of the investment management department, and a level II senior expert of the investment management department of The People's Insurance Company (Group) of China Limited (中國人民保險集團股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 601319; a company listed on the Hong Kong Stock Exchange, stock code: 01339) from June 2008 to October 2022. Ms. DING Lusha obtained a bachelor's degree in law from Beihang University (北京航空航天大學) in July 2001, and a master's degree in law from the Graduate School of Chinese Academy of Social Sciences (中國社會科學院研究生院) in June 2007, respectively.

Name	Major work experience
YIP, Ying Chi Benjamin (葉熒志)	Mr. YIP has served as an independent non-executive Director of the Company since January 2024. He has served as a director of IR Sensor Technology Limited (紅外芯科技有限公司) since September 2019 and a director of BN Capital Management Limited (奔富資本管理有限公司) since February 2024. He has served as an independent director of Terminus Smart Technology Co., Ltd. (特斯聯智慧科技股份有限公司) (formerly known as Chongqing Terminus Smart Technology Co., Ltd. (重慶特斯聯智慧科技股份有限公司)) since September 2024. He was a director of Beijing Meixin Technology Co., Ltd. (北京鎂芯科技有限公司) from January 2020 to December 2024. He was a director, chief investment officer and responsible officer of Nan Guo International Asset Management Limited (南國國際資產管理有限公司) (formerly known as Benington Capital Limited (柏寧頓資本管理有限公司)) from October 2014 to February 2020, a director and responsible officer of Alex KY Wong Asset Management Company Limited (黃國英資產管理有限公司) (formerly known as Benington Capital Partners Limited (柏寧頓資本有限公司), a corporation licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO (Chapter 571 of the Laws of Hong Kong)) from February 2020 to February 2024. He was an account manager of the credit and marketing department of the Hong Kong branch of Standard Chartered Bank (渣打銀行香港分行), a manager of the corporate banking division of the Hong Kong branch of Bank Austria (奧地利銀行香港分行), a vice president of the investment banking division of Societe Generale Asia Limited (法國興業亞洲有限公司), the managing director of Ka Wah Capital Limited (嘉華金融有限公司), a director of Gain Forever Investment Limited (恆豐投資有限公司), a vice president of the investment department of FT Securities Limited (富通證券有限公司) (formerly known as Dryden Securities (Hong Kong) Limited (美國培基證券有限公司)), the investment director of the global private client department of Merrill Lynch (Asia Pacific) Limited (美林(亞太)有限公司), the managing director and head of investment banking division of Baron Asia Limited (建勤亞洲有限公司) (currently known as BGI Capital Limited (金泉金融有限公司)), a director and president of Oriental Ginza Holdings Limited (東方銀座控股有限公司) (currently known as Carnival Group International Holdings Limited (嘉年華國際控股有限公司), a company listed on the Hong Kong Stock Exchange, stock code: 00996), a director and responsible officer of Capital Instinct Limited (資本觸覺資產管理有限公司), and a director and responsible officer of Value Star Asset Management (Hong Kong) Limited (恒星資產管理(香港)有限公司) (a corporation licensed to carry out Type 9 regulated activity under the SFO). Mr. YIP, Ying Chi Benjamin obtained a bachelor's degree in business administration from the Chinese University of Hong Kong (香港中文大學), a master's degree in business administration from the University of Hong Kong (香港大學) and a master's degree in accounting from Victoria University (維多利亞大學) in Australia in May 1987, May 1993 and July 1996, respectively. Mr. YIP, Ying Chi Benjamin is a fellow of Chartered Professional Accountants of Australia (FCPA (Australia)) and Certified Public Accountants (CPA) of Hong Kong and holds the professional qualification of Certified International Investment Analyst (CIIA).

Name	Major work experience
ZHANG Ruijun (張瑞君)	Ms. ZHANG has served as an independent non-executive Director of the Company since January 2024. She has served as a partner and the chief executive officer of Y&R Capital Management (Beijing) Co., Ltd. (雅瑞和宜資本管理(北京)有限責任公司) since July 2015, an executive director of Beijing Universal Pioneering Technology Co., Ltd. (北京博創興盛科技有限公司) since June 2012, an independent non-executive director of Inspur Digital Enterprise Technology Limited (浪潮數字企業技術有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 00596) since April 2014, a director of UML-TECH Co., Ltd. (博創聯動科技股份有限公司) since January 2016, a director of Beijing Dawei Laser Technology Co., Ltd. (北京大威激光科技有限公司) since July 2016, a director of Beijing Duodian Online Technology Co., Ltd. (北京多點在線科技有限公司) since November 2016, the general manager of Hainan Ruijing Investment Co., Ltd. (海南瑞晶投資有限責任公司) since March 2021, a director of Beijing X-Magtech Technologies Co., Ltd. (北京未磁科技有限公司) since May 2021, an independent director of Tinavi Medical Technologies Co., Ltd. (北京天智航醫療科技股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 688277) since September 2023 and an independent director of Yonyou Network Technology Co., Ltd. (用友網絡科技股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600588) since July 2024. She served as a director of Nuosikai Technology (Beijing) Co., Ltd. (諾思凱科技(北京)有限公司) from September 2020 to December 2024. She successively served as an associate professor and a professor at Renmin University of China (中國人民大學) from December 1992 to November 2022, and a director of Suzhou Racosensor Technology Co., Ltd. (蘇州理工雷科傳感技術有限公司) from April 2021 to January 2026. Ms. ZHANG Ruijun obtained a bachelor's degree in mechanical manufacturing technology and equipment from Xinjiang University (新疆大學) (formerly known as Xinjiang Institute of Technology (新疆工學院)), a master's degree in software from the Computer Department of Northwest University (西北大學) and a doctoral degree in accounting from Renmin University of China (中國人民大學) in July 1983, June 1988 and July 2002, respectively.

Name	Major work experience
CHEN Xin (陳欣)	Ms. CHEN has served as an independent non-executive Director of the Company since June 2024. Ms. CHEN has been an independent director of Anton Oilfield Services Group (a company listed on the Hong Kong Stock Exchange, stock code: 03337) since December 2024, and an independent director of China Pacific Insurance (Group) Co., Ltd. (中國太平洋保險(集團)股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 601601; a company listed on the Hong Kong Stock Exchange, stock code: 02601) since April 2025. She served as a member of the Executive Committee and the Head of China market of Banque Internationale à Luxembourg S.A. from April 2022 to April 2023. From January 2015 to March 2022, she successively served as the head of the preparatory group of London Branch, the chief representative of London Representative Office and the general manager of London Branch of Shanghai Pudong Development Bank (a company listed on the Shanghai Stock Exchange, stock code: 600000). Ms. CHEN Xin served as a deputy section chief of the Foreign Exchange Reserve Management Division (外匯儲備管理處), section chief of the Foreign Exchange Reserve Clearing Division (外匯儲備清算處) of the SAFE (the State Administration of Foreign Exchange), section chief of the Dealing Room of the People's Bank of China Representative Office for Europe, section chief of the Foreign Exchange Reserve Risk Management Division (外匯儲備風險管理處), deputy head of the Comprehensive Division of the Reserve Department (儲備司綜合處), head of the Internal Audit Division & Human Resource Division of the Reserve Department (儲備司內部審計處兼人力資源處) of the SAFE, head and chief dealer of the Dealing Room of the People's Bank of China Representative Office for Europe, general manager of China Huaou Investment Company Limited (中國華歐投資有限公司) (Ginkgo Tree Investment Co., Ltd (銀杏樹投資有限公司)), deputy head of the preparatory group of the UK Representative Office of Agricultural Bank of China (a company listed on the Shanghai Stock Exchange, stock code: 601288; a company listed on the Hong Kong Stock Exchange, stock code: 01288), deputy head of the preparatory group of Agricultural Bank of China (UK) Limited and executive vice president of Agricultural Bank of China (UK) Limited. Ms. CHEN Xin obtained a bachelor's degree in international accounting from Tianjin University of Finance and Economics in July 1991 and a master's degree in MBA from University of Westminster in the United Kingdom in February 2002.

Name	Major work experience
CAO Xiao (曹嘯)	Mr. CAO has served as an independent non-executive Director of the Company since January 2024. He has served as the vice dean at the School of Finance under Shanghai University of Finance and Economics since October 2023, a professor of the School of Finance under Shanghai University of Finance and Economics since June 2021, and the dean of the Institute of Pan-Yangtze River Delta Transaction Bank and Industry Chain Finance (泛長三角交易銀行暨產業鏈金融研究院) under Shanghai University of Finance and Economics since November 2018. He has served as the director of the Quantitative Finance Research Center (量化金融研究中心) under Shanghai University of Finance and Economics since June 2015, a researcher of the Shanghai Institute of International Finance and Economics (上海國際金融與經濟研究院) under Shanghai University of Finance and Economics since October 2018, a researcher of the Shanghai Institute of International Finance Center (上海國際金融中心研究院) under Shanghai University of Finance and Economics since June 2017, and an independent director of Ping An Wealth Management Co., Ltd. (平安理財有限責任公司) since May 2024. He was an associate professor at the School of Finance under Shanghai University of Finance and Economics from June 2007 to June 2021 and the assistant to the dean of the School of Finance under Shanghai University of Finance and Economics from October 2014 to October 2023. He served as an independent director of Huaan Securities Co., Ltd. (華安證券股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600909) from December 2020 to May 2024. He served as a researcher of the Fund Department of Fullgoal Fund Management Company Limited (富國基金管理有限公司). Mr. CAO Xiao obtained a bachelor's degree in materials from Xi'an Jiaotong University (西安交通大學) in July 1992, and a doctorate degree in finance from Xi'an Jiaotong University (西安交通大學) in November 2003, respectively.

Name	Major work experience
FENG Jinhua (豐金華)	Mr. FENG has served as an independent non-executive Director of the Company since November 2022. He served as an independent non-executive director of CIMC Vehicles (Group) Co., Ltd. (中集車輛(集團)股份有限公司) (hereinafter referred to as "CIMC Vehicles" (中集車輛)) (a company listed on the Shenzhen Stock Exchange, stock code: 301039; a company listed on the Hong Kong Stock Exchange, stock code: 01839) from June 2019 to September 2024. He served as a vice section chief, the section chief, a vice division chief, the division chief of the finance department, a vice chief accountant and the chief accountant of Qingdao Ocean Shipping Company (青島遠洋運輸公司), the general manager of the finance department of China Ocean Shipping (Group) Company (中國遠洋運輸(集團)總公司), the chief financial officer of COSCO SHIPPING Holdings Co., Ltd. (中遠海運控股股份有限公司) (formerly known as China COSCO Holdings Company Limited (中國遠洋控股股份有限公司)) (a company listed on the Shanghai Stock Exchange, stock code: 601919; a company listed on the Hong Kong Stock Exchange, stock code: 01919), a vice managing director of COSCO Pacific Limited (中遠太平洋有限公司), the chief financial officer of COSCO (Hong Kong) Group Limited (中遠(香港)集團有限公司), and a non-executive director of CIMC Vehicles (中集車輛) (a company listed on the Shenzhen Stock Exchange, stock code: 301039; a company listed on the Hong Kong Stock Exchange, stock code: 01839). Mr. FENG Jinhua graduated from Qingdao Ocean Shipping Mariners College (青島遠洋船員學院) in the PRC, majoring in accounting, in July 1986, and obtained an Executive Master of Business Administration degree from the Business School of the University of International Business and Economics (對外經濟貿易大學) in the PRC in December 2006. He was awarded the senior accountant qualification by China Road and Bridge Corporation (中國路橋(集團)總公司) in September 2005, the title of excellent accountant in transportation industry by the China Communications Accounting Society (中國交通會計學會) in April 2006 and the title of outstanding informatization application promoter by the National Informatization Evaluation Center (國家信息化測評中心) in February 2007.
MA Xiaoli (馬小利)	Mr. MA has served as the employee representative Director of the Company since December 2025 and as the general manager of the general office, and director of the Party committee office of the Company since November 2024. Mr. MA joined the Company in October 1999, and successively served as the director of the finance department of the Haikou securities branch of the Company, the deputy manager of clearing center of the Finance Department, the financial manager of the general office of brokerage business, the manager of the accounting department of brokerage business, the deputy director of the general office of brokerage business, the deputy general manager of the finance department of the Company, the chief financial officer of China Merchants Securities (HK) Co., Limited, the chief financial officer and chief operating officer of China Merchants Securities International Company Limited, the deputy general manager (in charge) of the strategic development department and the general office of the Company, and deputy director (in charge) of the Party committee office. Mr. MA Xiaoli obtained a bachelor's degree in accounting from Zhongnan University of Finance and Economics in July 1994 and a master's degree in business administration from Shanghai University of Finance and Economics in January 2010. Mr. MA was certified as a Certified Public Accountant in May 1998 and obtained the professional title of Economist in October 1999.

Name	Major work experience
LIU Jie (劉傑)	Mr. LIU has served as a Vice President (Chief Financial Officer), the Joint Company Secretary and the Authorized Representative of the Hong Kong Stock Exchange since April 2023 and the Secretary to the Board since August 2023. He served as the chairman of the supervisory committee of China Merchants Fund from December 2023 to November 2025. He served as the deputy head of the preparatory group, a member of the Party Committee, the deputy general manager and the chief financial officer of China Merchants Life Insurance Company Limited (招商局仁和人壽保險股份有限公司) from December 2016 to March 2023 successively, a director of China Merchants Financial Leasing Co., Ltd. (招商局融資租賃有限公司) from June 2016 to March 2023, a director of China Merchants Life Community Investment Co., Ltd. (招商局仁和養老投資有限公司) from April 2019 to March 2023 and a director of China Merchants Health Care (Shenzhen) Company Limited (招商局仁和厚德醫療管理(深圳)有限公司) from January 2020 to March 2023. He was the assistant to the general manager of the Capital Market Planning Department of the Company, the deputy general manager of the finance department and the deputy chief financial officer of China Merchants Holdings (International) Company Limited (招商局國際有限公司), the assistant to general manager of the finance department of China Merchants Group Limited (招商局集團有限公司), and the chief financial officer of China Merchants Finance Holdings Co., Ltd. (招商局金融集團有限公司). Mr. LIU Jie obtained a bachelor's degree of Engineering in industrial management engineering (industrial accounting) from the Management Engineering Department of Hefei University of Technology in July 1993, a master's degree in accounting from the Accounting Department of Xiamen University in July 1996, and a doctoral degree in accounting from the Accounting Department of Xiamen University in July 1999.

Name	Major work experience
LIU Rui (劉銳)	Mr. LIU has served as a vice president of the Company since August 2023. He has served as a director of China Merchants Zhiyuan Capital Investment Co., Ltd. (招商致遠資本投資有限公司) since December 2024, the chairman of the board of directors of Chizhou Zhong'an China Merchants Equity Investment Management Co., Ltd. (池州中安招商股權投資管理有限公司) since June 2022, and the chairman of the board of directors of Anhui Traffic Control China Merchants Fund Management Co., Ltd. (安徽交控招商私募基金管理有限公司) since April 2022. He served as the general manager of China Merchants Zhiyuan Capital Investment Co., Ltd. (招商致遠資本投資有限公司) from June 2025 to October 2025, a supervisor of China State-owned Enterprise Structural Adjustment Fund Phase II Co., Ltd. (中國國有企業結構調整基金二期股份有限公司) from August 2022 to June 2025, the chairman of the board of directors of China Merchants Futures Co., Limited from September 2022 to April 2025, the chairman of the board of directors of China Merchants Securities International Company Limited from June 2023 to March 2025, an assistant to the President of the Company from July 2018 to August 2023, the deputy director of Investment Banking Committee of the Company from April 2021 to December 2021, a director of China Merchants Securities (HK) Co., Limited, China Merchants Futures (HK) Co., Limited, CMS Capital (HK) Co., Limited and CMS Asset Management (HK) Co., Limited from July 2023 to November 2023, the chief executive officer of China Merchants Securities International Company Limited (招商證券國際有限公司) from June 2023 to October 2023, and then vice chairman of the board of directors (until January 2022), general manager (until February 2023), chairman of the board of directors (from January 2022 to March 2023) and executive director (from March 2023 to December 2024) of China Merchants Zhiyuan Capital Investment Co., Ltd. (招商致遠資本投資有限公司) from December 2021 to December 2024, and a director of Guangdong Equity Exchange Center Co., Ltd. from June 2018 to January 2024. Mr. LIU Rui held the following major positions in the Company: deputy manager, deputy manager (person-in-charge) and manager of our Shenzhen Zhenhua Road branch (振華路營業部), general manager of the pipeline management department, general manager of the over-the-counter ("OTC") marketing department, and general manager of the OTC market business headquarters. Mr. LIU Rui obtained a bachelor's degree in securities specialization from Shanghai University of Finance and Economics and a master's degree in business administration from Huazhong University of Science and Technology in July 1995 and September 2001, respectively.

Name	Major work experience
LIU Bo (劉波)	Mr. LIU has served as a vice president of the Company since November 2024, and the chairman of the board of directors of China Merchants Securities International Company Limited since March 2025. Mr. LIU worked in China Merchants Bank Co., Ltd. (招商銀行股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600036; a company listed on The Stock Exchange of Hong Kong Limited, stock code: 03968) from July 1999 to October 2024, and worked for the planning and credit department of Chongqing Branch, and served as the deputy manager of the statistical information center, the manager of the planning and finance department, the senior manager of head office, the head of the capital management office of the asset and liability management department, an assistant to general manager of the asset and liability management department, the executive assistant president and the executive vice president of Shenzhen Branch, the general manager of the asset custody department of the head office, and the general manager of Wuhan Branch. Mr. LIU Bo obtained a bachelor's degree in economics from Southwestern University of Finance and Economics in July 1999 and a master's degree in business administration from Shanghai University of Finance and Economics in September 2008. He obtained a graduate degree, was awarded the title of Senior Economist, and served as a Deputy of the 14th Hubei Provincial People's Congress.

Name	Major work experience
ZHANG Xing (張興)	Mr. ZHANG has served as a vice president of the Company since May 2025, the Chief Compliance Officer of the Company since March 2024 and Chief Risk Officer since February 2024. He was an assistant to the President of the Company from September 2023 to May 2025. He has served as the director and the general manager of the Risk Management Department of the Risk Management Center of the Company since April 2021, and a director of China Merchants Securities International Company Limited (招商證券國際有限公司) since January 2019. He served as the head of risk management of China Merchants Securities International Company Limited (招商證券國際有限公司) from April 2020 to June 2025, a supervisor of China Merchants Futures Co., Limited from March 2008 to April 2025, a director of China Merchants Securities Asset Management Co., Ltd. from July 2015 to March 2025, the Chief Risk Officer of China Merchants Zhiyuan Capital Investment Co., Ltd. from September 2020 to May 2024, the Chief Risk Officer of China Merchants Securities Investment Co., Ltd. (招商證券投資有限公司) from September 2017 to May 2024, the director of the Operation and Management Center of the Company from September 2023 to January 2024, a director of China Merchants Zhiyuan Capital Investment Co., Ltd. from May 2019 to March 2023, and the Chief Risk Officer of China Merchants Securities Asset Management Co., Ltd. from December 2017 to July 2021. Mr. ZHANG Xing worked as an investment researcher at the Mainland Finance Department of China Shipping Development (Shanghai) Ltd. (中海發展(上海)有限公司) and China Shipping Group Finance Company Limited (中海財務), manager of the Customer Department of the Shenzhen Securities Business Office of Hainan Hong Kong and Macao International Trust and Investment Corporation (海南港澳國際信託投資有限公司), assistant to the general manager and deputy director (person-in-charge) of the Risk Management Department, deputy general manager (person-in-charge) and general manager of the Legal and Compliance Department, and general manager and director of the Risk management Department of the Company. Mr. ZHANG Xing obtained a bachelor's degree in Securities from Shanghai University of Finance and Economics in July 1997 and a master's degree in Finance from Fudan University in June 2004, respectively. Mr. ZHANG Xing has obtained Legal Professional Certificate of PRC and Financial Risk Manager (FRM) certificate.

Name	Major work experience
WANG Zhijian (王治鑒)	Mr. WANG has served as Vice President of the Company since May 2025. Mr. WANG served as assistant to the President of the Company from May 2021 to May 2025, and has served as Chief Investment Officer of the Company since February 2025. Mr. WANG served as vice chairman of the board of directors of China Merchants Zhiyuan Capital Investment Co., Ltd. from May 2021 to December 2021, deputy director of Investment Banking Committee of the Company from December 2021 to January 2022, and director of the Investment Banking Committee of the Company from January 2022 to March 2024. Mr. WANG previously held positions at CITIC Securities Company Limited (a company listed on the SSE, stock code: 600030; and a company listed on the Hong Kong Stock Exchange, stock code: 6030), including senior vice president, director, and executive general manager in the investment banking department; head of the industry and strategy research group and executive general manager in the investment banking management committee; administrative head and managing director of the strategic planning department, concurrently serving as head of the private equity industry group in the investment banking management committee; head of operations department and managing director in the investment banking management committee. Mr. WANG also served as deputy general manager and managing director of CITIC Buyout Fund Management Company Limited (中信併購基金管理有限公司), expert advisor and general manager of Beijing West Fund Management Co., Ltd (北京京西創業投資基金管理有限公司), and managing director and chief investment officer of Beijing Shougang Fund Co., Ltd. Mr. Wang Zhijian received his Bachelor's degree in Public Relations from Zhongnan University of Economics (currently known as Zhongnan University of Economics and Law) in July 1997, his Master's degree in Ethics from Zhongnan University of Economics and Law in June 2000, and his Executive Master of Business Administration degree from Tsinghua University in July 2016.

Name	Major work experience
LIU Weiwu (劉威武) (resigned)	Mr. LIU served as a non-executive Director of the Company from June 2021 to April 2025. He has been an independent non-executive director of AviChina Industry & Technology Company Limited (中國航空科技工業股份有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 02357) since June 2018. He was the deputy general manager of China Merchants Energy Shipping Co., Ltd. (招商局能源運輸股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 601872) from February 2016 to January 2021, a director of China LNG Shipping (Holdings) Limited (中國液化天然氣運輸(控股)有限公司) from March 2009 to February 2021, the chairman of the supervisory committee of Nanjing Tanker Corporation (招商局南京油運股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 601975) from April 2021 to October 2021, an executive director and then non-executive director of China Merchants Port Holdings Company Limited (招商局港口控股有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 00144) from March 2021 to December 2022, a director of China Merchants Industry Holdings Co., Ltd. (招商局工業集團有限公司) and China Merchants Chongqing Communications Technology Research & Design Institute Co., Ltd. (招商局重慶交通科研設計院有限公司) from March 2021 to September 2022, a non-executive director of Sinotrans Limited (中國外運股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 601598; a company listed on the Hong Kong Stock Exchange, stock code: 00598) and a director of China Merchants Investment Development Company Limited (招商局投資發展有限公司) from June 2021 to September 2022, a director of China Merchants Taiping Bay Development Investment Co., Ltd. (招商局太平灣開發投資有限公司) from July 2021 to September 2022, a director of China Merchants Testing Technology Holdings Co., Ltd. (招商局檢測技術控股有限公司) from February 2022 to September 2022, a director of China Merchants Group Finance Co., Ltd. (招商局集團財務有限公司) from March 2022 to September 2022, a director of

Name	Major work experience
	China Merchants Zhangzhou Development Zone Co., Ltd. (招商局漳州開發區有限公司) from March 2021 to November 2022, a director of China Merchants Expressway Network & Technology Holdings Co., Ltd. (招商局公路網絡科技控股股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 001965) from April 2021 to January 2023, and a director of China Merchants International Finance Company Limited (招商局國際財務有限公司) from March 2021 to September 2023. He served as a director of China Merchants Port Group Co., Ltd. (招商局港口集團股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 001872) from May 2021 to January 2024. He served as the head of the finance department (property rights department) of China Merchants Group Limited (招商局集團有限公司) from December 2020 to November 2024, a director of Liaoning Port Group Limited (遼寧港口集團有限公司) from March 2021 to February 2025, a director of China Merchants Union (BVI) Limited (招商局聯合發展有限公司) from October 2021 to March 2025 (and the chairman of the board of directors from June 2023 to March 2025), a director of China Merchants Life Insurance Company Limited (招商局仁和人壽保險股份有限公司) from June 2021 to June 2025, and an executive director of China Merchants Sharing Services Co., Ltd. (招商局共享服務有限公司) from April 2021 to November 2025. He served as the head of Treasury Division of Financial Department of Guangzhou Ocean Shipping Company (廣州遠洋運輸公司), the manager of Financial Department of Hong Kong Ming Wah Shipping Company Limited (香港明華船務有限公司), the deputy general manager of the Finance Department of China Merchants Group Limited (招商局集團有限公司), a director and the Chief Financial Officer of China Merchants Energy Shipping Co., Ltd. (招商局能源運輸股份有限公司), and the chairman of the board of directors of China Merchants Investment Development (Hong Kong) Limited (招商局投資發展(香港)有限公司) (formerly known as Sinotrans Shipping Limited (中外運航運有限公司)). Mr. LIU Weiwu obtained a Bachelor 's degree in Transportation Financial Accounting from Xi'an Highway Institute (西安公路學院) and a master's degree of Business Administration from Macau University of Science and Technology (澳門科技大學) in July 1988 and January 2008, respectively. He also obtained the intermediate accountant qualification in May 2005.

Name	Major work experience
LIU Hui (劉輝) (resigned)	Ms. LIU served as a non-executive Director of the Company from October 2024 to November 2025. She worked in China Merchants Bank Co., Ltd. (招商銀行股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600036; a company listed on The Stock Exchange of Hong Kong Limited, stock code: 03968) from April 1995 to May 2021, and successively served as an assistant to general manager and the deputy general manager of the planning and finance department, the general manager of the market risk management department, the deputy general manager of the comprehensive risk management office and concurrently the general manager of the market risk management department, the general manager of the asset and liability management department and concurrently the general manager of the investment management department, the president of investment banking and financial markets and concurrently the general manager of the asset management department of the head office and the executive assistant president of China Merchants Bank. She served as the chairperson of China Merchants Fund Management Co., Ltd. (招商基金管理有限公司) and CMB Wealth Management Company Limited (招銀理財有限責任公司) from October 2019 to June 2021, the chairperson of CIGNA & CMB Asset Management Company Limited (招商信諾資產管理有限公司) from January to November 2021, the chairperson of CIGNA & CMB Life Insurance Co., Ltd. (招商信諾人壽保險有限公司) from February to September 2021, a standing vice chairman of the execution committee of China Merchants Financial Services Business Unit (招商局金融事業群／平台) from May 2021 to January 2022, a director of China Merchants Commerce Financial Leasing Co., Ltd. (招商局通商融資租賃有限公司) (renamed as China Merchants Financial Leasing Co., Ltd. (招商局融資租賃有限公司)) from October 2021 to September 2022, a director of Shenzhen China Merchants Ping An Asset Management Co., Ltd. (深圳市招商平安資產管理有限責任公司) from October 2021 to November 2023 (and the general manager from January 2022 to October 2023), and the general manager of China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司) from October 2023 to September 2025. Ms. LIU Hui obtained a bachelor's degree from Zhongnan University of Economics and Law in July 1992, a master's degree in Finance from Southwestern University of Finance and Economics in July 2002, and an MBA degree in Finance from Tsinghua University and The Chinese University of Hong Kong in December 2006. She was awarded the title of Senior Economist in February 2019.

Name	Major work experience
WU Zongmin (吳宗敏) (resigned)	Mr. WU served as an executive Director of the Company from April 2022 to June 2025, and our President from January 2022 to May 2025. He served as a deputy director (standing) of the Execution Committee of China Merchants Financial Services Business Unit (招商局金融事業群／平台) from April 2021 to October 2021; he served as an executive member (standing) of the Execution Committee of China Merchants Financial Services Business Unit (招商局金融事業群／平台) from June 2018 to April 2021; he concurrently served as a director of China Merchants Insurance Holdings Company Limited (招商局保險控股有限公司) and the chairman of the board of directors of CM Houlder Insurance Brokers Limited (招商海達保險顧問有限公司) from February 2019 to November 2021; and he concurrently served as a director of China Merchants Life Insurance Company Limited (招商局仁和人壽保險股份有限公司) from March 2019 to October 2021. Mr. WU Zongmin held various positions in China Pacific Insurance (Group) Co., Ltd. (中國太平洋保險(集團)股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 601601; a company listed on the Hong Kong Stock Exchange, stock code: 02601) and its subsidiaries, and his last positions were the vice president of China Pacific Insurance (Group) Co., Ltd. (中國太平洋保險(集團)股份有限公司), a director of China Pacific Property Insurance Co., Ltd. (中國太平洋財產保險股份有限公司), a director of China Pacific Life Insurance Co., Ltd. (中國太平洋人壽保險股份有限公司), a director of Pacific Asset Management Co., Ltd. (太平洋資產管理有限責任公司) and a director of CPIC Allianz Health Insurance Co., Ltd. (太保安聯健康保險股份有限公司) (currently known as Pacific Health Insurance Co., Ltd. (太平洋健康保險股份有限公司)). Mr. WU Zongmin also served as a deputy general manager of China Merchants Finance Holdings Co., Ltd. (招商局金融集團有限公司) and the general manager of China Merchants Renhe Property Insurance Company Limited (招商局仁和財產保險股份有限公司) (preparatory). Mr. WU Zongmin received his bachelor's degree in engineering from Shanghai Jiaotong University (上海交通大學) in July 1986, a master's degree in engineering from Shanghai Jiaotong University (上海交通大學) in January 1989 and a master's degree in business administration from China Europe International Business School (中歐國際工商學院) in September 2007. Mr. WU Zongmin holds the title of Senior Economist and is a member of the Associateship of the Chartered Insurance Institute (英國特許保險協會) (ACII).

Name	Major work experience
ZHANG Haochuan (張浩川) (resigned)	Mr. ZHANG served as a vice president of the Company from May 2022 to May 2025. He was a director and the chief investment officer of China Life Franklin Asset Management Company Limited from October 2019 to November 2021. ZHANG Haochuan once worked in China Life Asset Management Company Limited and served as a senior researcher, deputy general manager (person-in-charge) of strategic planning department, deputy general manager (person-in-charge) of direct investment division, deputy general manager (person-in-charge) of international business department and the general manager of international business department. He was a senior manager of international quantitative portfolio strategy department of Lehman Brothers/Nomura Securities, a senior system design engineer of engineering department of Applied Materials, Inc., and a director and the president of China Life Franklin Asset Management Company Limited. Mr. ZHANG Haochuan obtained a bachelor's degree in engineering mechanics from Tsinghua University in July 1995, a master's degree in aerospace engineering from Georgia Institute of Technology in December 1996, a doctoral degree in mechanical engineering from the University of California, Berkeley in December 2001, and a master's degree in financial engineering from the University of California, Berkeley in May 2007.

(II) Positions of incumbent Directors and senior management and those resigned during the Reporting Period

1. Positions in shareholders

Name	Name of shareholder	Position	Date of appointment	Date of termination
LI Delin (李德林)	China Merchants Financial Holdings Co., Ltd.	Deputy general manager	April 2024	to date
DING Lusha (丁璐莎)	PICC Life Insurance Company Limited	General manager of the investment business department	November 2023	to date
LIU Hui (劉輝) (resigned)	China Merchants Financial Holdings Co., Ltd.	General manager	October 2023	September 2025
Description of positions in shareholders		Nil		

2. Positions in other companies

Name	Name of company	Position	Date of appointment	Date of termination
LUO Li (羅立)	China Merchants Group Limited	Head of the finance department (property rights department)	November 2024	to date
	China Merchants Investment Development Company Limited	Director	September 2022	to date
	Sinotrans Limited	Director	September 2022	to date
	Greater Bay Area Homeland Youth Community Foundation	Director	October 2022	to date
	China Merchants International Finance Company Limited	Director	September 2023	to date
	Bosera Asset Management Co., Limited	Director	September 2024	February 2026
	Liaoning Port Group Limited	Director	February 2025	to date
	China Merchants Union (BVI) Limited	Chairman of the board of directors	March 2025	to date
	China Merchants Life Insurance Company Limited	Director	June 2025	to date
LIU Zhenhua (劉振華)	China Merchants Group Limited	Head of the Strategic Development Department/ Technological Innovation Department	March 2024	to date
	China Merchants Energy Shipping Co., Ltd.	Director	September 2024	to date
		Vice chairman of the board of directors	October 2024	to date
LI Delin (李德林)	Bosera Asset Management Co., Limited	Director	September 2024	to date

Name	Name of company	Position	Date of appointment	Date of termination
LI Xiaofei (李曉霏)	China Merchants Group Limited	Deputy officer of the human resources department	December 2021	to date
	China Merchants Investment Development Company Limited	Director	September 2022	to date
	China Merchants Hoi Tung Trading Company Limited	Director	September 2022	June 2025
	Creative Enterprise Holdings Limited	Director	August 2024	to date
HUANG Jian (黃堅)	China COSCO Shipping Corporation Limited	General manager of the capital operation department	September 2016	to date
	Lanhai Medical Investment Co., Ltd.	Director	May 2017	to date
	COSCO SHIPPING Captive Insurance Co., Ltd.	Director	August 2017	to date
	SAIC Motor Corporation Limited	Director	June 2023	to date
	China Merchants Bank Co., Ltd.	Non-executive Director	March 2025	to date
ZHANG Mingwen (張銘文)	COSCO SHIPPING Development Co., Ltd.	Chairman of the board of directors	April 2024	to date
		Executive Director and general manager	June 2022	September 2025
	COSCO Shipping (Shanghai) Investment Management Co., Ltd.	Chairman of the board of directors	April 2024	to date
		Director and general manager	December 2022	to date
	China Everbright Bank Company Limited	Director	October 2024	to date
	COSCO SHIPPING Development (Hainan) Co., Ltd.	Chairman of the board of directors	September 2025	to date
DING Lusha (丁璐莎)	PICC Health & Senior Care Management (Guangzhou) Co., Ltd.	Supervisor	July 2023	July 2025
	PICC Financial Services Company Limited	Director	September 2023	to date

Name	Name of company	Position	Date of appointment	Date of termination
	China Securities Credit Investment Co., Ltd.	Supervisor	June 2020	to date
YIP, Ying Chi Benjamin (葉熒志)	IR Sensor Technology Limited	Director	September 2019	to date
	BN Capital Management Limited (奔富資本管理有限公司)	Director	February 2024	to date
	Terminus Smart Technology Co., Ltd. (特斯聯智慧科技股份有限公司)	Independent Director	September 2024	to date
ZHANG Ruijun (張瑞君)	Beijing Universal Pioneering Technology Co., Ltd.	Executive Director	June 2012	to date
	Inspur Digital Enterprise Technology Limited	Independent non-executive Director	April 2014	to date
	Y&R Capital Management (Beijing) Co., Ltd.	Partner and the chief executive officer	July 2015	to date
	UML-TECH Co., Ltd.	Director	January 2016	to date
	Beijing Dawei Laser Technology Co., Ltd.	Director	July 2016	to date
	Beijing Duodian Online Technology Co., Ltd.	Director	November 2016	to date
	Hainan Ruijing Investment Co., Ltd.	General manager	March 2021	to date
	Suzhou Racosensor Technology Co., Ltd.	Director	April 2021	January 2026
	Beijing X-Magtech Technologies Co., Ltd.	Director	May 2021	to date
	Tinavi Medical Technologies Co., Ltd.	Independent Director	September 2023	to date
	Yonyou Network Technology Co., Ltd.	Independent Director	July 2024	to date
CHEN Xin (陳欣)	Anton Oilfield Services Group	Independent Director	December 2024	to date
	China Pacific Insurance (Group) Co., Ltd.	Independent Director	April 2025	to date

Name	Name of company	Position	Date of appointment	Date of termination
CAO Xiao (曹嘯)	Shanghai University of Finance and Economics	Associate dean of the School of Finance	October 2023	to date
		Director of the Quantitative Finance Research Center	June 2015	to date
		Researcher of the Shanghai Institute of International Finance Center	June 2017	to date
		Researcher of the Shanghai Institute of International Finance and Economics	October 2018	to date
		Dean of the Institute of Pan-Yangtze River Delta Transaction Bank and Industry Chain Finance	November 2018	to date
		Professor at the School of Finance	June 2021	to date
	Ping An Wealth Management Co., Ltd.	Independent Director	May 2024	to date
LIU Jie (劉傑)	China Merchants Fund Management Co., Ltd.	Chairman of the supervisory committee	December 2023	November 2025

Name	Name of company	Position	Date of appointment	Date of termination
LIU Rui (劉銳)	China Merchants Securities International Company Limited	Chairman of the board of directors	June 2023	March 2025
	China Merchants Zhiyuan Capital Investment Co., Ltd.	Director	December 2024	to date
		General manager	June 2025	October 2025
	China Merchants Futures Co., Limited	Chairman of the board of directors	September 2022	April 2025
	Chizhou Zhong'an China Merchants Equity Investment Management Co., Ltd. (池州中安招商股權投資管理有限公司)	Chairman of the board of directors	June 2022	to date
	Anhui Traffic Control China Merchants Fund Management Co., Ltd. (安徽交控招商私募基金管理有限公司)	Chairman of the board of directors	April 2022	to date
	China State-owned Enterprise Structural Adjustment Fund Phase II Co., Ltd. (中國國有企業結構調整基金二期股份有限公司)	Supervisor	August 2022	June 2025
LIU Bo (劉波)	China Merchants Securities International Company Limited	Chairman of the board of directors	March 2025	to date
ZHANG Xing (張興)	China Merchants Futures Co., Limited	Supervisor	March 2008	April 2025
	China Merchants Securities Asset Management Co., Ltd.	Director	July 2015	March 2025
	China Merchants Securities International Company Limited	Director	January 2019	to date
		Person-in-charge of risk management	April 2020	June 2025

Name	Name of company	Position	Date of appointment	Date of termination
LIU Weiwu (劉威武) (resigned)	AviChina Industry & Technology Company Limited	Independent non-executive Director	June 2018	to date
	China Merchants Sharing Services Co., Ltd.	Executive Director	April 2021	November 2025
	China Merchants Life Insurance Company Limited	Director	June 2021	June 2025
	China Merchants Union (BVI) Limited	Director	October 2021	March 2025
		Chairman of the board of directors	June 2023	March 2025
	Liaoning Port Group Limited	Director	March 2021	February 2025
Description of positions in other companies	Nil			

(III) Remuneration of Directors and senior management

Decision-making procedures of remuneration of Directors and senior management	Non-executive Directors of the Company shall not collect remuneration from the Company, and independent non-executive Directors shall receive the allowance of independent Directors according to the resolutions of the Company's shareholders' general meeting. The Remuneration and Appraisal Committee under the Board considers and reviews the remuneration policy, standard and proposal for the Directors and senior management who worked full-time for the Company, and makes recommendations to the Board on establishing official and transparent procedures for formulating the remuneration policy. Remuneration of the Directors and senior management who worked full-time for the Company shall be considered and determined by the Remuneration and Appraisal Committee under the Board.
Whether a director recuses himself/herself from the Board's discussion of his/her own emoluments	Yes

Specific circumstances in which the Remuneration and Appraisal Committee or the special meeting of independent Directors issued recommendations on the remuneration of Directors and senior management	During the Reporting Period, the Remuneration and Appraisal Committee under the Board convened a total of 6 meetings, and considered and approved 7 resolutions, which included the resolution on the approval and distribution of the total labor cost for the year, the calculation of total remuneration, the approval of remuneration for senior management, the resolution on the evaluation of the annual performance, evaluation contents and results of the managers during their term of office, the resolution on the annual evaluation report of compliance officer, and other resolutions.
Basis for determination of remuneration of Directors and senior management	Remuneration of the Directors and senior management who worked full-time for the Company shall be determined by the Board with reference to the principal duties of relevant managerial positions, the results of performance assessment as well as the remuneration level in the market, according to the Company's Scheme of Management Methods of the Remuneration of Senior Management (《高級管理人員薪酬管理辦法》).
Remuneration paid to Directors and senior management	For details, please see "Change in shareholdings and remunerations of existing and resigned/retired Directors, Supervisors and senior management during the Reporting Period" in this chapter.
Aggregate remuneration actually paid to all the Directors and senior management as of the end of the Reporting Period	Remunerations before tax received by Directors and senior management from the Company during the Reporting Period totaled to RMB13.507 million.
The assessment basis and completion status of the remuneration actually paid to all the Directors and senior management as of the end of the Reporting Period	During the Reporting Period, the Company comprehensively advanced the tenure system and contract-based management of the management members, organizing senior management to sign annual operating performance responsibility letters. The assessment indicators were not only related to the Company's annual development strategy but also reflected the compliance operation orientation, and the priorities and difficulties of their respective areas of responsibility. A performance bonus incentives system was adopted under the current management framework, and the remuneration of the senior management of the Company was determined based on their positions and performance. The Board determined individual performance-based remuneration based on the operating results of the Company, the positions held by the Chairman and senior management, their individual performance, and their compliance performance. The distribution plan was implemented after being considered and approved by the Remuneration and Appraisal Committee under the Board and the Board. The independent Directors receive an annual allowance of RMB200,000 (tax inclusive), while the other directors are not involved in this arrangement.

The deferred payment arrangement for the remuneration actually paid to all the Directors and senior management as of the end of the Reporting Period	During the Reporting Period, the Company strictly adhered to regulatory requirements such as the Corporate Governance Guidelines for Securities Companies and the Guidelines for Securities Companies to Establish a Stable Remuneration System (《證券公司建立穩健薪酬制度指引》), and implemented a deferred payment mechanism for the remuneration of senior management performing their duties on a full-time basis within the Company. This mechanism was linked to risk, responsibility, and long-term performance, effectively preventing excessive incentives and short-term behaviors, and promoting stable operation and sustainable development. Directors of the Company are not involved in this arrangement.
Suspension and clawback of the remuneration actually paid to all the Directors and senior management as of the end of the Reporting Period	During the Reporting Period, the Company strictly complied with regulatory provisions such as the Guidelines for Securities Companies to Establish a Stable Remuneration System, establishing a strict accountability and clawback mechanism to enhance the binding force of remuneration management. The mechanism clearly stipulates that for senior management who have been disciplined due to violations of laws or regulations while performing their duties on a full-time basis at the Company, measures such as remuneration suspension, clawback and recovery shall be implemented. The Directors of the Company are not involved in this arrangement.

(IV) Changes in Directors and senior management

Name	Position	Change	Date of Change	Reason
HUO Da (霍達)	Chief Information Officer	Resigned	March 27, 2025	Resigned upon expiration of term of office
	Chief Information Officer	Appointed	November 24, 2025	Appointed by the Board
LIU Weiwu (劉威武)	Non-executive Director	Resigned	April 7, 2025	Retirement
WU Zongmin (吳宗敏)	President	Resigned	May 6, 2025	Retirement
	Executive Director	Resigned	June 26, 2025	
ZHANG Haochuan (張浩川)	Vice President	Resigned	May 12, 2025	Personal reasons
LIU Hui (劉輝)	Non-executive Director	Resigned	November 21, 2025	Retirement
LUO Li (羅立)	Non-executive Director	Elected	April 7, 2025	Elected at the shareholders' general meeting
ZHANG Xing (張興)	Vice President	Appointed	May 26, 2025	Appointed by the Board
WANG Zhijian (王治鑒)	Vice President	Appointed	May 26, 2025	Appointed by the Board
ZHU Jiangtao (朱江濤)	President	Appointed	June 3, 2025	Appointed by the Board
	Executive Director	Elected	June 26, 2025	Elected at the shareholders' general meeting
MA Xiaoli (馬小利)	Employee representative Director	Elected	December 19, 2025	Elected at the employee representatives' meeting

For details, please refer to the relevant announcements published by the Company on the Hong Kong Stock Exchange website on April 7, May 6, May 12, May 26, June 3, June 26, November 21, November 23, and December 19, 2025.

During the Reporting Period, a total of four Directors and senior management of the Company resigned, accounting for 20% of the total number of Directors and senior management as at the beginning of the Reporting Period.

Pursuant to Rule 3.09D of the Hong Kong Listing Rules, Ms. LUO Li (appointed as non-executive Director of the Company on April 7, 2025) obtained the legal opinion referred to in Rule 3.09D on April 4, 2025. Mr. ZHU Jiangtao (appointed as executive Director of the Company on June 26, 2025) obtained the legal opinion referred to in Rule 3.09D on June 24, 2025. Mr. MA Xiaoli (appointed as employee representative Director of the Company on December 19, 2025) obtained the legal opinion referred to in Rule 3.09D on December 10, 2025. Each of the above appointed Directors has confirmed that he/she understands his/her responsibilities as a Director of the Company.

(V) Major changes in respect of the information of Directors

For details of the changes in appointment of Directors from the beginning of the Reporting Period to the date of this report, please see "Positions of incumbent Directors and senior management and those resigned during the Reporting Period" and "Changes in Directors and senior management" in this chapter.

Save as disclosed above, as at the date of this report, there was no other material change in relation to the Directors that is required to be disclosed under Rule 13.51B of the Hong Kong Listing Rules.

(VI) Details of fines imposed by the securities regulatory authority in the past three years

For details, please refer to "Punishment and Remedial Measures on the Listed Company, its Directors, Senior Management, Controlling Shareholder and De Facto Controller Due to Suspected Violations of Laws and Regulations" of the 2024 Annual Report of China Merchants Securities Co., Ltd. issued in the SSE website by the Company on March 28, 2025.

V. Convening of Board Meetings during the Reporting Period

Meeting	Date of meeting	Resolutions of meeting
14th meeting of the eighth session of the Board	February 21, 2025	Considered and approved the resolution on the formulation of the Market Value Management System of China Merchants Securities Co., Ltd. (《招商證券股份有限公司市值管理制度》); and resolution on the change of the representative of securities affairs of the Company
15th meeting of the eighth session of the Board	March 17, 2025	Considered and approved the resolution on the nomination of Ms. LUO Li as a candidate for non-executive Directors of the eighth session of the board of directors of the Company
16th meeting of the eighth session of the Board	March 27, 2025	Considered and approved the working report of the Board of the Company for 2024; the work report of the Audit Committee under the Board for 2024; resolution on the operational report of the Company for 2024; the annual report of the Company for 2024; the final accounts report of the Company for 2024; resolution on the profit distribution plan of the Company for 2024; resolution on the authorization for interim profit distribution of the Company for 2025; resolution on the 2024 Sustainable Development Report and Environmental, Social and Governance Report of the Company; resolution on the internal control assessment report of the Company for 2024; resolution on the internal control audit report of the Company for 2024; resolution on the internal audit report of the Company for 2024 and internal audit work plan of the Company for 2025; resolution on the compliance report of the Company for 2024; resolution on the money laundering risk management report of the Company for 2024; resolution on the internal control system report of the Company for 2024; resolution on the risk assessment report of China Merchants Group Finance Co., Ltd. for 2024; the assessment report on major operational risk forecast of the Company for 2025; resolution on the budget for the proprietary investment of the Company for 2025; resolution on the financial budget report of the Company for 2025; resolution on the contemplated ordinary related party transactions of the Company for 2025; resolution on engagement of the auditors of the Company for 2025; resolution on the grant of the general mandate to the Board to issue additional H Shares of the Company; resolution on convening a shareholders' general meeting at an opportune time

Meeting	Date of meeting	Resolutions of meeting
17th meeting of the eighth session of the Board	April 18, 2025	Considered and approved the resolution on the by-election of members of committees under the eighth session of the Board of the Company; resolution on the guarantee authorization scheme for the year 2025 of China Merchants Securities International Company Limited and its wholly-owned subsidiaries; and resolution on the dissolution and cancellation of China Merchants Securities (UK) Limited
18th meeting of the eighth session of the Board	April 28, 2025	Considered and approved the resolution on the first quarterly report of the Company for 2025; and resolution on the assessment report of the action plan for "Improving the Quality, Increasing Efficiency and Enhancing Returns" of the Company for 2024
19th meeting of the eighth session of the Board	May 26, 2025	Considered and approved the resolution on the appointment of Mr. ZHANG Xing and Mr. WANG Zhijian as vice presidents of the Company; and resolution on the change of the authorized person for matters related to Computershare Hong Kong Trustees Limited
20th meeting of the eighth session of the Board	June 3, 2025	Considered and approved the resolution on the appointment of Mr. ZHU Jiangtao as a president of the Company; resolution on the nomination of Mr. ZHU Jiangtao as a candidate for the executive Director of the eighth session of the board of directors of the Company; resolution on the election of members of the Strategy and Sustainability Committee under the eighth session of the Board; resolution on the change of the authorized representative of the Company; and resolution on the first quarterly internal audit report of the Company for 2025
21st meeting of the eighth session of the Board	August 5, 2025	Considered and approved the resolution on the proposed amendments to the Enterprise Annuity Scheme of China Merchants Securities Co., Ltd. (《招商證券股份有限公司企業年金方案》)
22nd meeting of the eighth session of the Board	August 28, 2025	Considered and approved the resolution on the 2025 interim operational report of the Company; resolution on the 2025 interim report of the Company; resolution on the interim profit distribution of the Company for 2025; resolution on the 2025 interim audit work report of the Company; resolution on the 2025 interim risk assessment report of China Merchants Group Finance Co., Ltd.; resolution on the proposed amendments to the Overall Risk Management System of China Merchants Securities Co., Ltd. (《招商證券股份有限公司全面風險管理制度》); and resolution on the proposed amendments to the Administrative Measures for the Authorization of the Board of China Merchants Securities Co., Ltd.

Meeting	Date of meeting	Resolutions of meeting
23rd meeting of the eighth session of the Board	October 30, 2025	Considered and approved the resolution on the third quarterly report of the Company for 2025; resolution on formulation of the Financial Management System of China Merchants Securities Co., Ltd. (《招商證券股份有限公司財務管理制度》); and resolution on raising the upper limit of the Company's margin financing and securities lending business scale
24th meeting of the eighth session of the Board	November 24, 2025	Considered and approved the resolution on the dissolution of the Supervisory Committee, and revision and formulation of certain policies; resolution on the appointment of the Chief Information Officer of the Company; resolution on adjusting the annual caps under the 2022-2026 Property Leasing Framework Agreement between the Company and China Merchants Group Limited; and resolution on convening a shareholders' general meeting at an opportune time
25th meeting of the eighth session of the Board	December 8, 2025	Considered and approved the resolution on the capital increase of the wholly-owned subsidiary by CMS International; and resolution on the proposed amendments to the Appointment Agreement for the Position of Management Member of China Merchants Securities Co., Ltd. (《招商證券股份有限公司經理層成員崗位聘任協議》)
26th meeting of the eighth session of the Board	December 22, 2025	Considered and approved the resolution on the by-election of members of committees under the eighth session of the Board of the Company; resolution on the approval of remuneration for the senior management of the Company for 2024; resolution on matters related to the formulation of the Enterprise Annuity Scheme of China Merchants Securities Co., Ltd. (Implementation Rules) (《招商證券股份有限公司企業年金方案(實施細則)》) and joining the enterprise annuity scheme of China Merchants Group Limited
27th meeting of the eighth session of the Board	December 29, 2025	Considered and approved the resolution on the third quarterly internal audit report of the Company for 2025; resolution on the proposed amendments to the Management Measures of Money Laundering and Terrorism Financing Risk of China Merchants Securities Co., Ltd.; resolution on the determination of the audit fees of the Company for 2025; resolution on matters related to adjusting the charitable donations of the Company for 2025; and resolution on the adjustment of the integrated competitiveness index system in the Medium- to Long-term Development Strategy and 2024-2028 Development Plan of China Merchants Securities Co., Ltd. (《招商證券中長期發展戰略暨2024-2028年發展規劃》)

VI. Duty Performance of Directors

(I) Attendance of Directors at Board meetings and shareholders' general meetings

Name of Director	Whether an independent Director	Attendance of Board meeting						Attendance of shareholders' general meeting
		Number of Board meetings requiring attendance	Attendance in person (times)	Attendance through correspondence (times)	Attendance by proxy (times)	Absence (times)	Whether not attending in person for two consecutive meetings	Attendance of shareholders' general meeting (times)
HUO Da (霍達)	No	14	14	10	0	0	No	3
LUO Li (羅立)	No	11	11	8	0	0	No	3
LIU Zhenhua (劉振華)	No	14	14	10	0	0	No	3
ZHU Jiangtao (朱江濤)	No	7	7	5	0	0	No	2
LI Delin (李德林)	No	14	14	10	0	0	No	3
LI Xiaofei (李曉霏)	No	14	14	10	0	0	No	3
HUANG Jian (黃堅)	No	14	14	10	0	0	No	3
ZHANG Mingwen (張銘文)	No	14	14	10	0	0	No	3
DING Lusha (丁璐莎)	No	14	14	10	0	0	No	3
YIP, Ying Chi Benjamin (葉熒志)	Yes	14	14	10	0	0	No	3
ZHANG Ruijun (張瑞君)	Yes	14	14	10	0	0	No	3
CHEN Xin (陳欣)	Yes	14	14	10	0	0	No	3
CAO Xiao (曹嚆)	Yes	14	14	10	0	0	No	3
FENG Jinhua (豐金華)	Yes	14	14	10	0	0	No	3
MA Xiaoli (馬小利)	No	2	2	2	0	0	No	0
LIU Weiwu (劉威武) (resigned)	No	3	3	2	0	0	No	1
LIU Hui (劉輝) (resigned)	No	7	7	5	0	0	No	2
WU Zongmin (吳宗敏) (resigned)	No	7	7	5	0	0	No	2

Number of Board meetings convened during the year	14
Of which: number of onsite meetings	0
Number of meetings convened by way of correspondence	10
Number of meetings convened onsite and by way of correspondence	4

(II) Duty performance of independent Directors

For details of the duty performance of independent Directors, please see the Annual Duty Report of Independent Directors for 2025 (獨立董事2025年度述職報告) published on the SSE website for the same period of this report.

(III) Others

1. Directors' training

The Company places high emphasis on the continuous training of the Directors, persistently improves internal workflow and builds up multi-layers information communication system so as to provide information security for the duty performance of the Directors, and to ensure that the Directors have a proper understanding of the operation and business of the Company, as well as the duties and responsibilities as conferred by the CSRC, the SSE, the Hong Kong Stock Exchange, the Articles of Association and relevant laws and regulations. During the Reporting Period, through the "Correspondences to the Directors and Supervisors" (《董監事通訊》), the Directors actively participated in training organized by regulatory authorities and self-regulatory organizations, and paid attention to media reports, to keep abreast of the latest policies and regulations, industry dynamics and the operation of the Company, update their expertise and skills and further enhance their performance of obligations.

Name	Position	Time and content of the training
HUO Da (霍達)	Chairman of the Board, Executive Director, Chief Information Officer	He participated in the 2025 compliance training for directors, supervisors and senior management of listed companies in February 2025; the training on the exploration of AI-driven securities companies and the online special course on "Strengthening Compliance Operations and Enhancing Corporate Risk Prevention and Control Capabilities" in March; the ideas spreading (思享匯) series lectures of China Merchants Group from January to June; the online course for interpreting the spirit of the national "two sessions" from March to June; the training on the newly revised Hong Kong Listing Rules in July; the "AI + Management" special training organized by China Merchants Group in October; and read the Monthly Correspondences to the Directors and Supervisors

Name	Position	Time and content of the training
LUO Li (羅立)	Non-executive Director	She participated in the special lecture on the Impact of the New Company Law and the Accounting Law on Enterprises (《新公司法與會計法對企業的影響》) in February 2025; the special lecture on Interpretation of the New Value-Added Tax Law and Corporate Practical Responses (《新<增值税法>解讀與企業實務應對》) in March; the compliance training for newly appointed directors of Hong Kong-listed companies, and the 2025 first training session for newly appointed directors, supervisors and senior management of listed companies in April; the training course for directors and senior management of listed companies in the Shenzhen in 2025, and the special lecture on Empowering World-Class Financial Management System with AI Large Models (《AI大模型賦能世界一流財務管理體系》) in June; the training on the newly revised Hong Kong Listing Rules in July; the value creation training course for financial managers of China Merchants Group in August; and read the Monthly Correspondences to the Directors and Supervisors
LIU Zhenhua (劉振華)	Non-executive Director	He participated in the compliance training for directors, supervisors and senior management of listed companies in February 2025; the online course for interpreting the spirit of the national "two sessions" from March to June; the training on the newly revised Hong Kong Listing Rules in July; the "AI + Management" special training organized by China Merchants Group in October; read the Monthly Correspondences to the Directors and Supervisors
ZHU Jiangtao (朱江濤)	Executive Director, President	He participated in the compliance training for newly appointed directors of Hong Kong-listed companies in June 2025; the training on the newly revised Hong Kong Listing Rules in July; the "AI + Management" special training organized by China Merchants Group in October; the ideas spreading series lectures of China Merchants Group from July to December; and read the Monthly Correspondences to the Directors and Supervisors
LI Delin (李德林)	Non-executive Director	He participated in the compliance training for directors, supervisors and senior management of listed companies in February 2025; the training on the newly revised Hong Kong Listing Rules in July; and read the Monthly Correspondences to the Directors and Supervisors
LI Xiaofei (李曉霏)	Non-executive Director	He participated in the compliance training for directors, supervisors and senior management of listed companies in February 2025; the training on the newly revised Hong Kong Listing Rules in July; the AI + management smart strategy class of "Three-Innovation Class" (三創班) of China Merchants Group in November; and read the Monthly Correspondences to the Directors and Supervisors

Name	Position	Time and content of the training
HUANG Jian (黃堅)	Non-executive Director	He participated in the compliance training for directors, supervisors and senior management of listed companies in February 2025; the training on the newly revised Hong Kong Listing Rules in July; and read the Monthly Correspondences to the Directors and Supervisors
ZHANG Mingwen (張銘文)	Non-executive Director	He participated in the compliance training for directors, supervisors and senior management of listed companies in February 2025; the 2025 special training for chairmen and general managers of listed companies in July; the regular training for directors on the Corporate Governance Guidelines (《企業管治指引》) organized by the Hong Kong Stock Exchange in December; and read the Monthly Correspondences to the Directors and Supervisors
DING Lusha (丁璐莎)	Non-executive Director	She participated in the Compliance training for directors, supervisors and senior management of listed companies in February 2025; the training on the newly revised Hong Kong Listing Rules in July; the training course for outstanding young cadres of PICC Group in August; the special training on "Persistently Implementing the Central Party Leadership's Eight-point Decision on Improving Conduct to Promote the Party's Work Style Construction" in October; the special training on "Interpretation of the Spirit of the Fourth Plenary Session of the 20th Central Committee of the Communist Party of China" in November; and read the Monthly Correspondences to the Directors and Supervisors
YIP, Ying Chi Benjamin (葉熒志)	Independent non-executive Director	He participated in the compliance training for directors, supervisors and senior management of listed companies in February 2025; the 2025 second session of follow-up training for independent directors of listed companies in May; the training on the newly revised Hong Kong Listing Rules in July; and read the Monthly Correspondences to the Directors and Supervisors
ZHANG Ruijun (張瑞君)	Independent non-executive Director	She participated in the compliance training for directors, supervisors and senior management of listed companies in February 2025; the 2025 3rd session of special training for listed companies in Beijing in June; the training on the newly revised Hong Kong Listing Rules in July; the 2025 10th session of special training for listed companies in Beijing in September; and read the Monthly Correspondences to the Directors and Supervisors
CHEN Xin (陳欣)	Independent non-executive Director	She participated in the compliance training for directors, supervisors and senior management of listed companies in February 2025; the training on the newly revised Hong Kong Listing Rules in July; read the Monthly Correspondences to the Directors and Supervisors

Name	Position	Time and content of the training
CAO Xiao (曹嘯)	Independent non-executive Director	He participated in the compliance training for directors, supervisors and senior management of listed companies in February 2025; the training on the newly revised Hong Kong Listing Rules in July; read the Monthly Correspondences to the Directors and Supervisors
FENG Jinhua (豐金華)	Independent non-executive Director	He participated in the compliance training for directors, supervisors and senior management of listed companies in February 2025; the training on the newly revised Hong Kong Listing Rules in July; read the Monthly Correspondences to the Directors and Supervisors
MA Xiaoli (馬小利)	Employee Representative Director	He participated in the 2025 special lecture on national security education and the 2025 national confidentiality education online training in April 2025; the 2025 online course for interpreting the spirit of the national "two sessions" from March to June; the online training on enhancing the ability to perform duties in safe production from April to June; the "AI + Management" special training organized by China Merchants Group in October; the compliance training for newly appointed directors of Hong Kong-listed companies in December; and read the Monthly Correspondences to the Directors and Supervisors

2. Terms of office of non-executive Directors

As at the end of the Reporting Period, there were seven non-executive Directors (LUO Li, LIU Zhenhua, LI Delin, LI Xiaofei, HUANG Jian, ZHANG Mingwen and DING Lusha), one employee representative Director (MA Xiaoli) and five independent non-executive Directors (YIP, Ying Chi Benjamin, ZHANG Ruijun, CHEN Xin, CAO Xiao and FENG Jinhua). For details of their terms of office, see "Change in shareholdings and remunerations of existing and resigned/retired Directors, Supervisors and senior management during the Reporting Period" in "Chapter 4: Corporate Governance Report and Environment and Social Responsibility" of this report.

3. Diversity policy

(1) Purpose

This policy aims to set out the approach to achieve diversity on the Board of the Company.

(2) Statements

① The Board should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the business of the Company. It should ensure that changes to its composition can be managed without undue disruption. It should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgment. Non-executive Directors should be of sufficient caliber and number for their views to carry weight.

② When determining the composition of the Board, the Company will consider board diversity in terms of, among other things, gender, age, cultural and educational background, races, expertise, skills, know-how and length of services. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

(3) Measurable objectives

Selection of candidates for Board membership will be based on a range of diverse perspectives, including but not limited to gender, age, cultural and educational background, races, expertise, skills, know-how and length of services. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition (including gender, age, educational background, professional experience, length of services, etc.) will be disclosed in the Corporate Governance Report annually (Note: Corporate Governance Report is included in the annual result announcement and the annual report prepared and reported by the Company in accordance with the H share standard. The content of the Corporate Governance Report is the same as the "Corporate Governance, Environment, and Society" section in the annual report prepared and reported by the Company in accordance with the A share standard, the same for below).

As at the date of this report, the Board consists of 15 members, four of whom are female Directors, accounting for 27%. As such, gender diversity has been achieved in terms of the Board. The Company will refer to shareholders' expectations and industry best practices. The Company will focus on (i) achieving gender diversity in recruitment; and (ii) improving the competency of female employees, so as to maintain gender diversity on the Board in the long-term.

As at December 31, 2025, the Company had 12,792 employees (including senior management), of which female employees accounted for approximately 43.82%. As such, the Company has achieved the goal of maintaining a relatively balanced gender ratio. The Company has observed the rules of fair employment and merit-based recruitment with no gender discrimination. Based on the review of the Board, there are no factors or circumstances that would make achieving gender diversity among all employees (including senior management) more challenging or less relevant. The Company will continue to pay attention to the representation of female among its employees.

(4) Monitoring and reporting

The Nomination Committee will disclose the composition of the Board in terms of diversity annually in the Corporate Governance Report and monitor the implementation of this policy.

(5) Review of this policy

The Nomination Committee will review this policy, as appropriate, to ensure the effectiveness of this policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

(6) Disclosure of this policy

① This policy will be published on the Company's website for public information.

② A summary of this policy together with the measurable objectives set for implementing this policy, and the progress made towards achieving those objectives, will be disclosed in the annual Corporate Governance Report.

4. Nomination policy

The Nomination Committee shall study the conditions, selection procedures and term of office of the Directors and senior management of the Company in accordance with applicable laws and regulations, the Hong Kong Listing Rules and the Articles of Association as well as the actual circumstances of the Company, and submit its decisions to the Board for approval.

Directors and senior management shall be elected through the following procedures:

(1) the Nomination Committee shall study the needs of the Company for directors and senior management;

(2) the Nomination Committee may identify to a wide extent the candidates of directors and senior management within the Company, its subsidiaries and the talent market;

(3) the Nomination Committee shall collect the information about the candidates in respect of the profession, education, job title, detailed work experience and part-time jobs and record the same into written documents;

(4) the Nomination Committee shall obtain consent from the candidates on the nomination before they are proposed as candidates of directors or senior management;

(5) the Nomination Committee shall convene a meeting to examine the qualifications of candidates in accordance with the job requirements of directors and senior management;

(6) the Nomination Committee shall submit the relevant materials and proposals for the appointment and removal of director and senior management in accordance with the procedures of the relevant meetings, prior to the election of new directors and the appointment of new senior management personnel;

(7) the Nomination Committee shall carry out subsequent work based on the decisions and feedbacks of the Board.

5. Board Independence Assessment Mechanism

The Company has adopted the Board Independence Assessment Mechanism. The Board Independence Assessment Mechanism aims to ensure that the Board has strong independence, so that the Board can effectively make independent judgments and better safeguard the interests of shareholders. In order to ensure that independent non-executive Directors can provide independent views and opinions to the Board, the Nomination Committee and the Board assess the independence of independent non-executive Directors every year, and the relevant considerations include the following: (1) the character, integrity, professional knowledge, experience and stability necessary for the performance of duties; (2) the time and energy devoted to the affairs of the Company; (3) whether they have performed their duties as independent Directors and devoted themselves to the work of the Board; (4) the declaration of conflict of interests for serving as independent non-executive Directors; (5) the fact that they should not participate in the daily management of the Company, with no relationships or circumstances that would affect their independent judgments; and (6) the fact that the chairman of the Board should meet with the independent non-executive Directors regularly with the absence of executive Directors. In addition, according to the Board Independence Assessment Mechanism, Directors are allowed to seek independent professional advice when performing their duties, and are encouraged to contact and consult the senior management of the Company independently.

VII. Information about Special Committees under the Board

The Company has established five committees under the Board, namely the Strategy and Sustainability Committee, the Risk Management Committee, the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee in accordance with relevant PRC laws, regulations, the Articles of Association and the corporate governance practices prescribed under the Hong Kong Listing Rules. The committees are accountable to the Board and perform duties under the authorization of the Board. The decision-making procedures of the Board have been further refined by a clear division of duties, powers and responsibilities and high operation efficiency of the committees. The committees provide advice on the decisions of the Board and have made favorable contributions when the Board makes major decisions for the Company.

During the Reporting Period, the special committees under the Board performed their duties earnestly and actively put forward various opinions and recommendations on the strategy and sustainability, risk management, internal and external audit, internal control and remuneration management of the Company. During the Reporting Period, the special committees under the Board did not have any disagreement.

(I) Information about the members of special committees under the Board

Category of special committee	Name of members
Strategy and Sustainability Committee	HUO Da (Chairman), LIU Zhenhua, ZHU Jiangtao, LI Delin, ZHANG Mingwen, DING Lusha, CHEN Xin, WU Zongmin, LIU Hui
Risk Management Committee	LI Delin (Chairman), LUO Li, ZHU Jiangtao, ZHANG Mingwen, DING Lusha, CHEN Xin, MA Xiaoli, LIU Hui (former convenor), LIU Weiwu, WU Zongmin
Audit Committee	ZHANG Ruijun (Chairperson), LUO Li, HUANG Jian, CAO Xiao, FENG Jinhua, LIU Weiwu
Remuneration and Appraisal Committee	CHEN Xin (Chairperson), LI Delin, LI Xiaofei, YIP, Ying Chi Benjamin, FENG Jinhua, LIU Hui
Nomination Committee	YIP, Ying Chi Benjamin (Chairman), HUO Da, LI Xiaofei, ZHANG Ruijun, CAO Xiao

During the Reporting Period, the changes in the composition of Board Committees are listed as follows:

Strategy and Sustainability Committee: Mr. ZHU Jiangtao and Mr. LI Delin were appointed as members of the committee on June 26, 2025, and December 22, 2025, respectively; Mr. WU Zongmin and Ms. LIU Hui ceased to serve as members of the committee on June 26, 2025, and November 21, 2025, respectively.

Risk Management Committee: Mr. Li Delin was appointed as the convenor of the committee on December 22, 2025, and Ms. LIU Hui ceased to serve as the convenor of the committee on November 21, 2025. Ms. LUO Li, Mr. ZHU Jiangtao, and Mr. MA Xiaoli were appointed as members of the the committee on April 18, 2025, June 26, 2025, and December 22, 2025, respectively; Mr. LIU Weiwu and Mr. WU Zongmin ceased to serve as members of the committee on April 7, 2025, and June 26, 2025, respectively.

Audit Committee: Ms. LUO Li was appointed as a member of the committee on April 18, 2025, and Mr. LIU Weiwu ceased to serve as a member of the committee on April 7, 2025.

Remuneration and Appraisal Committee: Mr. LI Delin was appointed as a member of the committee on December 22, 2025, and Ms. LIU Hui ceased to serve as a member of the committee on November 21, 2025.

(II) The Strategy and Sustainability Committee held three meetings during the Reporting Period

Date of meeting	Details of meeting	Major opinions and recommendations	Other duty performance
March 27, 2025	Considered and approved the resolution on the 2024 Sustainability Report and Environmental, Social and Governance Report of the Company	Nil	Nil
August 28, 2025	Considered and approved the resolution on the amendments to the Administrative Measures for Financial Technology Innovation Fund of China Merchants Securities Co., Ltd.	Nil	Nil
December 29, 2025	Considered and approved the resolution on the adjustment to Integrated Competitiveness Index System in Medium- to Long-term Development Strategy and 2024-2028 Development Plan of China Merchants Securities Co., Ltd.	Nil	Nil

The main duties of the Strategy and Sustainability Committee of the Company include: analyzing, planning and providing recommendations on the mid- and long-term development strategies of the Company; analyzing and providing recommendations on major investment plans and M&A which are required to obtain approval from the Board according to the Articles of Association; analyzing and providing recommendations on other major matters affecting the development of the Company; organizing expert review committee(s) for the above matters, if needed; monitoring the implementation of the above matters; conducting research and decision-making on the Company's environmental, social and governance-related goals, plans, strategies, risks and other major issues, and supervising the progress of implementation; and performing other duties as authorized by the Board.

During the Reporting Period, the Strategy and Sustainability Committee held a total of three meetings, and considered and approved the resolution on the 2024 Sustainability Report and Environmental, Social and Governance Report of the Company, resolution on the amendments to the Administrative Measures for Financial Technology Innovation Fund of China Merchants Securities Co., Ltd., and resolution on the adjustment to Integrated Competitiveness Index System in Medium- to Long-term Development Strategy and 2024-2028 Development Plan of China Merchants Securities Co., Ltd.

In addition, through the Strategy and Sustainability Committee, the Board also reviewed and was satisfied with the adequacy of resources, employee qualifications and experience in terms of the performance and reporting of environmental, social and governance of the Company, as well as the training courses received by employees and related budgets.

During the Reporting Period, the attendance of meeting of the Strategy and Sustainability Committee was as follows:

No.	Name	Number of meetings attended/ Number of meetings requiring attendance
1	HUO Da (Chairman)	3/3
2	LIU Zhenhua	3/3
3	ZHU Jiangtao	2/2
4	LI Delin	1/1
5	ZHANG Mingwen	3/3
6	DING Lusha	3/3
7	CHEN Xin	3/3
8	LIU Hui	2/2
9	WU Zongmin	1/1

(III) The Risk Management Committee held four meetings during the Reporting Period

Date of meeting	Details of meeting	Major opinions and recommendations	Other duty performance
March 26, 2025	Considered and approved the report on overall risk management of the Company for the fourth quarter of 2024 and allocation of economic capital for 2025; summary and planning report on overall risk management of the Company for 2024; report on keeping within the supervision limit of risk control indicators (such as net capital) of the Company at the end of 2024; resolution on the budget for the proprietary investment of the Company for 2025; report on an all-inclusive budget arrangement for the proprietary investment of the Company for 2025; the assessment report on major operational risk forecast of the Company for 2025; resolution on the compliance report of the Company for the fourth quarter of 2024; resolution on the compliance report of the Company for 2024; and resolution on the money laundering risk management report of the Company for 2024	It is recommended that the Company implement dynamic, differentiated, and regionalized risk management, allowing its risk management capabilities to empower profitability.	Nil

Date of meeting	Details of meeting	Major opinions and recommendations	Other duty performance
June 25, 2025	Considered and approved the report on overall risk management of the Company for first quarter of 2025; and resolution on the compliance report of the Company for the first quarter of 2025	It is recommended that the Company focus on the impact of the tariff war on market fluctuations and various business operations, and work towards transforming the risk management capabilities into the ability to safeguard investment returns.	Nil
August 27, 2025	Considered and approved the report on overall risk management of the Company for second quarter of 2025; resolution on the compliance report of the Company for the second quarter of 2025; resolution on the adjustment of Risk Appetite Statement of the Company; and report on keeping within the supervision limit of risk control indicators (such as net capital) of the Company at the end of June 2025	It is recommended that the Company properly manage the risks associated with the custody business, embed compliance requirements into all business environment, strengthen investor protection, resolve conflicts with clients, and ensure that risk control within operational management is thoroughly implemented.	Nil
December 17, 2025	Considered and approved the resolution on the adjustment of Risk Appetite Statement of the Company; the report on overall risk management of the Company for third quarter of 2025; and resolution on the compliance report of the Company for the third quarter of 2025	It is recommended that the Company strengthen market risk monitoring, enhance supervisory guidance over the compliance management of its subsidiaries, and strictly uphold the bottom line of investment banking risk management and compliance management.	Nil

The main duties of the Risk Management Committee of the Company include: reviewing and providing recommendations on the general goals and basic policies of risk management and compliance management of the Company; reviewing and discussing with the management on the risk management system of the Company to ensure that the management has fulfilled its duties and set up an effective risk management system; discussing issues such as the adequacy of resources, the qualifications and experience of employees, the sufficiency of training programs for employees and relevant budget in respect of risk management, legal and compliance management; reviewing and providing recommendations on the organizational deployment and the duties of risk management and legal compliance management of the Company; evaluating and providing recommendations on the risks involved in major decisions and the proposals in resolving major risks; reviewing and providing recommendations on the regular risk evaluation reports, regular compliance reports and economic capital allocation of the Company; analyzing the results of major investigations and the response of the management on such investigations in respect of risk management, legal and compliance management issues on its own or as designated by the Board; and handling other matters required to be resolved by regulatory authorities or as authorized by Articles of Association or the Board.

During the Reporting Period, the Risk Management Committee held a total of four meetings. The Risk Management Committee gained a comprehensive understanding of the risk and compliance situation of the Company through reviewing its quarterly and annual compliance reports and risk evaluation reports. It also conducted an assessment of the risk profile and risk control capability of the Company on a regular basis. The cooperation between various departments of the Company, such as compliance and risk management departments, was enhanced to facilitate the establishment of a comprehensive risk prevention system of the Company. The Board of Directors of the Company confirmed its responsibilities regarding the Company's risk management and internal control systems, and confirmed that such systems was capable of appropriately and effectively achieving the objectives set forth in Code D2 of the Corporate Governance Code.

During the Reporting Period, the attendance of meetings of the Risk Management Committee was as follows:

No.	Name	Number of meetings attended/ Number of meetings requiring attendance
1	LI Delin (Chairman)	4/4
2	LUO Li	3/3
3	ZHU Jiangtao	2/2
4	ZHANG Mingwen	4/4
5	DING Lusha	4/4
6	CHEN Xin	4/4
7	MA Xiaoli	0/0
8	LIU Hui (former chairman)	3/3
9	LIU Weiwu	1/1
10	WU Zongmin	2/2

(IV) The Audit Committee held seven meetings during the Reporting Period

Date of meeting	Details of meeting	Major opinions and recommendations	Other duty performance
March 26, 2025	Considered and approved the annual report of the Company for 2024; the final accounts report of the Company for 2024; resolution on the financial budget report of the Company for 2025; resolution on engagement of the auditors of the Company for 2025; the report of the Company for assessment on the performance of duties by accounting firm for 2024; resolution on the internal control audit report of the Company for 2024; resolution on the internal control assessment report of the Company for 2024; resolution on the internal audit report of the Company for 2024 and internal audit work plan of the Company for 2025; resolution on the internal control system report of the Company for 2024; the report of the Audit Committee under the Board on the performance of supervisory duties by auditor for 2024; and the work report of the Audit Committee under the Board for 2024	It is recommended that the Company's management pay continuous attention to general internal control deficiencies on a daily basis.	Nil
April 28, 2025	Considered and approved the resolution on the first quarterly report of the Company for 2025	It is recommended that the Company balance profitability and risk control, pursue stable profits, maintain strategic focus, while remaining alert to business opportunities.	Nil
June 3, 2025	Considered and approved the resolution on the first quarterly internal audit report of the Company for 2025	Nil	Nil
August 27, 2025	Considered and approved the resolution on the 2025 interim report of the Company; and resolution on the 2025 interim audit work report of the Company	Following the introduction of the State Council's opinions on the in-depth implementation of the AI+ action, it is recommended that the Company focus on the impact of AI+ auditing on audit quality.	Nil

Date of meeting	Details of meeting	Major opinions and recommendations	Other duty performance
October 30, 2025	Considered and approved the resolution on the third quarterly report of the Company for 2025	Nil	Nil
November 24, 2025	Considered and approved the resolution on the proposed amendments to the Rules for the Selection and Appointment of Accountants' Firm of China Merchants Securities Co., Ltd.; resolution on the 2025 Self-assessment Program on Internal Control of China Merchants Securities Co., Ltd.; and resolution on the appointment of an expert as an observer to the Audit Committee under the Board	Nil	Nil
December 29, 2025	Considered and approved the resolution on the third quarterly internal audit report of the Company for 2025; resolution on the determination of the audit fees of the Company for the year 2025; and resolution on the the continued engagement of a third-party professional institution to issue the evaluation report on effectiveness of compliance management of the Company for 2025	Nil	Nil

The main duties of the Audit Committee of the Company include: to assume the functions and powers of the Board of Supervisors required by the Company Law; to supervise and assess the performance of the external auditors, and propose the engagement or change of the external auditors; to supervise and assess internal auditing; to coordinate the communication among the management, the internal audit department, other relevant departments and the external auditors, and to perform the role as a major representative of the Company to liaise with the external auditors and supervise their relationship; to supervise and assess the internal control of the Company; to oversee the financial reporting system of the Company, review the financial information of the Company and its disclosure, supervise annual audits, make judgments on the authenticity, accuracy and completeness of the audited financial information and submit the same to the Board of Directors for consideration; to ensure and review the arrangements of the Company which enable its employees and those who deal with the Company (e.g. customers and suppliers) to raise concern, on a confidential and anonymous basis, over any possible improprieties in financial reporting, internal control or other aspects of the Company. The Audit Committee shall ensure that proper arrangements are made for the Company to conduct fair and independent investigation on such matters and take appropriate actions; to propose to the Board of Directors the appointment or dismissal of the chief financial officer of the Company; to review changes in accounting policies and accounting estimates or corrections of major accounting errors due to reasons other than changes in accounting standards, and submit to the Board of Directors for consideration; to study other topics and matters delegated by the Board of Directors.

During the Reporting Period, the Audit Committee held a total of seven meetings. The Audit Committee convened meetings, considered and made decisions on the relevant issues pursuant to the Terms of Reference of the Audit Committee under the Board of Directors of the Company. In accordance with the Annual Report Work Procedures for the Audit Committee under the Board (《董事會審計委員會年報工作規程》), the Audit Committee participated actively in the preparation of the annual financial report, auditing and disclosure, and strived to uphold its audit independence. Its audit quality was also enhanced to safeguard the interests of the Company and shareholders as a whole.

In accordance with the requirements of relevant laws and regulations, the Audit Committee and its members fully discharged its audit and supervision obligations. Its diligent efforts were indispensable to the optimization of the corporate governance structure and the audit quality.

After carrying out audit on the financial statements prepared by the Company and prudently reviewing the financial position of the Company, as well as supervision and guidance on the Company's internal audit work, the Audit Committee considered that the Company has a stable financial system and satisfactory financial position. In addition, the Board is satisfied with the adequacy of resources, staff qualification and experience for performing accounting, internal audit and financial reporting functions as well as the sufficiency of staff training and relevant budget after conducting reviews through the Audit Committee.

During the Reporting Period, the attendance of meetings of the Audit Committee was as follows:

No.	Name	Number of meetings attended/ Number of meetings requiring attendance
1	ZHANG Ruijun (Chairperson)	7/7
2	LUO Li	6/6
3	HUANG Jian	7/7
4	CAO Xiao	7/7
5	FENG Jinhua	7/7
6	LIU Weiwu	1/1

(V) The Remuneration and Appraisal Committee held six meetings during the Reporting Period

Date of meeting	Details of meeting	Major opinions and recommendations	Other duty performance
March 12, 2025	Considered and approved the resolution on the approval and distribution of the total labor cost of the Company for 2023; and resolution on the calculation of total remuneration of the Company for 2024	Nil	Nil
March 26, 2025	Considered and approved the resolution on the 2024 assessment report of compliance officer of the Company	Nil	Nil
August 18, 2025	Considered and approved the resolution on the evaluation of the operating performance of the Company's managers for 2025 and the term from 2025 to 2027	Nil	Nil
November 7, 2025	Considered and approved the resolution on the evaluation results of the operating performance of the Company's managers for 2024 and the term from 2022 to 2024	Nil	Nil
November 24, 2025	Considered and approved the resolution on the proposed amendments to the Special Compliance Assessment Measures for Senior Management of China Merchants Securities Co., Ltd. (《招商證券股份有限公司高級管理人員合規性專項考核辦法》)	Nil	Nil
December 22, 2025	Considered and approved the resolution on the approval of remuneration for the senior management of the Company for 2024	Nil	Nil

The main duties of the Remuneration and Appraisal Committee of the Company include: to study and review the remuneration policy, standards and proposals of Directors and senior officers based on the major responsibilities, duties and importance of the relevant Directors and senior officers of the Company as well as the remuneration level for relevant positions of other comparable companies, and to make recommendations to the Board of Directors in respect of the overall remuneration policy and structure for Directors and senior officers of the Company and the establishment of official and transparent procedures for determining the remuneration policy. The remuneration standards or proposals shall include, without limitation to, performance appraisal standards, procedures, major evaluation system, and major proposals and systems of incentives and penalties; to review and approve the remuneration proposal for senior officers based on the corporate principles and goals set by the Board of Directors; to review the overall remuneration policy and the total amount of annual remuneration of the Company, supervise and inspect the remuneration policy and the execution of annual remuneration, and express opinions on whether the main remuneration policies comply with the principles for establishing the remuneration system; and to supervise the Board of Directors to timely remedy the material defects identified; to make recommendations to the Board of Directors on the remunerations of executive Directors and senior officers (including cash remuneration, pension rights and compensation (including the compensation for loss or termination of office or appointment)) as well as the remuneration of non-executive Directors; to consider the remuneration of relevant positions in comparable companies, time commitment and responsibilities, as well as employment conditions for other positions in the Company; to review and approve the compensation payable to executive Directors and senior officers for any loss or termination of office or appointment to ensure that it is consistent with the contractual terms or is otherwise fair and reasonable; to review and approve compensation arrangements relating to the dismissal or removal of Directors for reason of misconduct to ensure they are consistent with the contractual terms or are otherwise reasonable and appropriate; to ensure that no Director or any of his/her associates is involved in determining his/her own remuneration; to study and develop the standards for appraisal of Directors and senior officers of the Company; to examine the performance of Directors and senior officers of the Company, conduct annual performance appraisals and make recommendations; to formulate or change equity incentive plans, employee stock ownership plans, and conditions for incentive participants to be granted with and exercise interests, and make recommendations to the Board of Directors; to make recommendations to the Board of Directors on the arrangement of shareholding scheme of Directors and senior officers in the subsidiaries proposed to be spun off; to deal with other matters as authorized by the Board of Directors.

During the Reporting Period, the Remuneration and Appraisal Committee held a total of six meetings. The Remuneration and Appraisal Committee reviewed the performance of and conducted annual performance appraisals for the executive Directors and senior management of the Company, conducted special assessment on the compliance of the compliance officer of the Company. The Remuneration and Appraisal Committee confirmed the evaluation results of the 2024 operating performance of the Company's managers and determined the evaluation of the operating performance of the Company's managers for 2025.

During the Reporting Period, the attendance of meetings of the Remuneration and Appraisal Committee was as follows:

No.	Name	Number of meetings attended/Number of meetings requiring attendance
1	CHEN Xin (Chairperson)	6/6
2	LI Delin	0/0
3	LI Xiaofei	6/6
4	YIP, Ying Chi Benjamin	6/6
5	FENG Jinhua	6/6
6	LIU Hui	4/4

(VI) The Nomination Committee held five meetings during the Reporting Period

Date of meeting	Details of meeting	Major opinions and recommendations	Other duty performance
March 17, 2025	Considered and approved the resolution on the nomination of Ms. LUO Li as a candidate for non-executive Directors of the eighth session of the board of directors of the Company	Nil	Nil
March 26, 2025	Considered and approved the resolution on the Director diversity and independence review report of the Company	Nil	Nil
May 26, 2025	Considered and approved the resolution on the nomination of Mr. ZHANG Xing and Mr. WANG Zhijian as vice presidents of the Company	Nil	Nil
June 3, 2025	Considered and approved the resolution on the nomination of Mr. ZHU Jiangtao as a president of the Company; and resolution on the nomination of Mr. ZHU Jiangtao as a candidate for the executive Director of the eighth session of the board of directors of the Company	Nil	Nil
November 24, 2025	Considered and approved the resolution on the nomination of the Chief Information Officer of the Company	Nil	Nil

The main duties of the Nomination Committee of the Company include: to review the structure, size and composition of the Board of Directors (including skills, knowledge and experience) at least annually, assist the Board of Directors in maintaining a board skills matrix, and make recommendations on any changes to the Board of Directors to align with the corporate strategies; to make recommendations to the Board of Directors on the size and composition of the Board of Directors based on the business activities, asset scale and equity structure of the Company; to study and develop criteria and procedures for the selection of Directors and senior officers, and make recommendations to the Board of Directors; to identify qualified candidates for Directors and senior officers and review their qualifications, and make recommendations to the Board of Directors on the nomination, appointment or removal of Directors, the appointment or dismissal of senior officers; to assess the independence of the independent Directors; to make recommendations to the Board of Directors on the appointment or re-appointment of Directors and succession plans for Directors, in particular the Chairman and the President; to support the Company's evaluation of performance of the Board of Directors at least once every two (2) years; to conduct an annual assessment of each Director's time commitment and contribution to the Board of Directors, as well as the Director's ability to discharge his or her responsibilities effectively, taking into account professional qualifications and work experience, existing directorships of other listed companies, other significant external time commitments and other circumstances; to handle other matters authorized by the Board of Directors.

During the Reporting Period, the Nomination Committee held a total of five meetings. The Nomination Committee reviewed the structure of the Board (including Board diversity) and the qualifications of candidates for Directors and senior management. For details of the nomination procedures, processes and guidelines observed by the Nomination Committee during the Reporting Period, please see "Diversity policy" in "Chapter 4: Corporate Governance Report and Environment and Social Responsibility" of this report.

During the Reporting Period, the attendance of meetings of the Nomination Committee was as follows:

No.	Name	Number of meetings attended/ Number of meetings requiring attendance
1	YIP, Ying Chi Benjamin (Chairman)	5/5
2	HUO Da	5/5
3	LI Xiaofei	5/5
4	ZHANG Ruijun	5/5
5	CAO Xiao	5/5

VIII. Risks of the Company Identified by the Audit Committee

The Audit Committee had no objections to the matters under supervision during the Reporting Period.

IX. Employees of the Parent Company and Major Subsidiaries as at the End of the Reporting Period

(I) Employees

Number of employees of the parent company	11,689
Number of employees of major subsidiaries	1,103
Total number of employees	12,792
Number of resigned and retired employees with expenses borne by the parent company and major subsidiaries	45

Classification by business function	
Business function	**Number**
Securities and futures brokerage	7,152
Research	678
Investment and trading	262
Investment management	285
Investment banking	1,153
Legal and compliance, risk management and internal audit	191
IT	2,156
Finance and accounting	166
Administration and management	569
Others	180
Total	12,792

Classification by educational background	
Educational background	**Number**
Doctor	110
Master	4,968
Bachelor	6,351
Others	1,363
Total	12,792

(II) Remuneration policy

The Company practices the principles of implementing the concept of stable operation, ensuring the bottom line requirements of compliance, promoting the formation of positive incentives and enhancing the long-term value of the Company, integrates the cultural concept of "compliance, integrity, professionalism and stability" into remuneration management, establishes a sound remuneration system, continuously improves the remuneration incentive and restraint mechanism, gathers and attracts outstanding talents, and promotes the stable operation and high-quality development of the Company.

The remuneration of the Company's employees primarily consists of three components: salary, bonus, and benefits. On the basis of the total payroll management system applicable to state-owned enterprises, the Company reasonably determines employee remuneration levels in accordance with market-oriented and performance-based principles. In compliance with national laws and regulations, the Company provides and contributes to various social insurances (including pension insurance, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance), the housing provident fund, and the enterprise annuity for employees.

(III) Training program

Focusing on its strategy goals and closely following the needs of business development and talent training, the Company has formulated annual training program, aiming to enhance the professional competence of all employees and strengthen the core talent pool. Throughout the year, the Company offered various training programs to employees through diverse formats such as online and offline sessions, internal training, and external assignments. A total of over 600 internal and external training projects were organized at the corporate level or independently conducted by departments. The training focused on areas including political awareness, professional ethics, corporate culture, macroeconomics, compliance and risk control, cutting-edge technologies, artificial intelligence, wealth management, and leadership. Through these initiatives, the Company strengthened the practice capabilities of cadres and employees, facilitated the achievement of business objectives, and enhanced core competitiveness. The Company advanced the development of the mobile learning platform, and continuously enriched training resources by adding 294 online courses and 194 audio book resources to support employees' flexible and self-directed learning needs.

(IV) Outsourced services

Some departments and branches of the headquarters of the Company outsource certain works which are not essential, non-business and supporting in nature. The Company enters into relevant service agreements with outsourcers and regulates service quality in compliance with related national laws and regulations.

(V) Others

As of December 31, 2025, the Company entered into the securities agency contracts with 13 securities agents. The Company adopted categorized and classified management on its securities agents. In respect of categorized management, the headquarters of the Company is responsible for formulating necessary management systems and regulations, while branch companies and branches shall implement management of the marketing personnel under the systems and regulations of the Company. In respect of classified management, the Company shall conduct classified management of their duty requirements and rewards according to overall circumstances of securities agents.

X. Proposals on Profit Distribution or Conversion of Capital Reserve

(I) Formulation, implementation or adjustment of cash dividend policy

While striving to achieve sustainable growth and development, the Company has also attached great importance to providing reasonable, steady and constant returns to investors, and has implemented a continuous and stable profit distribution policy.

The Company may distribute its profits in the form of cash, shares or a combination of cash and shares, and may distribute its profit by way of cash dividend as priority. The specific distribution ratio shall be determined by the Board according to the operating status of the Company and the relevant requirements of the CSRC, subject to the approval at the shareholders' general meeting. Under the premises that both the profit and risk control indicators of the Company have met the regulatory requirements, and after taking into account the operation and long-term development needs of the Company, the Company will actively adopt profit distribution in the form of cash.

The profit distribution of the Company shall comply with the following requirements:

(I) profits distributed by the Company in cash each year shall be no less than 10% of distributable profits realized in that year[1], and for any three consecutive years, profits accumulatively distributed by the Company in cash shall be no less than 30% of annual average distributable profits realized for such three years;

(II) the Company may not distribute profits beyond the scope of accumulative distributable profits and shall ensure that, after the implementation of the profit distribution plan, all risk control indicators comply with the standard warning requirements set out in the Measures for the Risk Control Indicators of Securities Companies;

(III) the Company shall in principle distribute profits once each year, but the Board may suggest the Company make the interim cash dividend distribution according to its profitability and funding requirements and on relevant conditions;

(IV) where the Company maintains the consistency of share capital expansion with business development and performance growth on the premise of complying with the provisions concerning cash dividend distribution contained in (1) above and ensuring the reasonable scale of share capital of the Company, it may distribute dividends in shares or by other means.

[1] revised to "profits distributed by the Company in cash each year shall be no less than 20% of distributable profits realized in that year" in the Articles of Association of the Company amended in December 2025.

During the Reporting Period, the Company formulated and implemented the annual profit distribution plan for 2024 and the 2025 interim profit distribution plan in accordance with the requirements on the policy, decision-making process and arrangement of dividend under the Articles of Association and the Plan on Shareholders' Returns. The above plans were in line with the cash dividend policy of the Company.

The proposal on the annual profit distribution for 2024 is as follows: based on the Company's total share capital of 8,696,526,806 shares prior to the implementation of the proposal, the Company shall distribute a cash dividend of RMB0.377 (tax inclusive) for each share, amounting to cash dividend of RMB3,278,590,605.86 (tax inclusive) in total. The cash dividend distributed accounted for 31.57% of the net profit attributable to shareholders of the parent company in the consolidated statement of the Company for 2024.

Such cash dividend shall be denominated and declared in RMB and paid to holders of A Shares in RMB and to holders of H Shares in Hong Kong dollar. The actual amount of dividend paid in Hong Kong dollar shall be determined based on the average exchange rate of RMB to Hong Kong dollar published by the People's Bank of China for the five business days immediately before the date of the shareholders' general meeting for considering the profit distribution plan.

The above profit distribution plan was considered and approved by the Board before it was submitted to the shareholders' general meeting for approval. The proposal was considered and passed by the shareholders' general meeting, where the vote by minority shareholders was counted separately.

The proposal on the 2025 interim profit distribution is as follows: based on the Company's total share capital of 8,696,526,806 shares prior to the implementation of the proposal, the Company shall distribute a cash dividend of RMB0.119 (tax inclusive) for each share, amounting to cash dividend of RMB1,034,886,689.91 (tax inclusive) in total. The cash dividend distributed accounted for 19.96% of the net profit attributable to shareholders of the parent company in the interim consolidated statement of the Company for 2025.

Such cash dividend shall be denominated and declared in RMB and paid to holders of A Shares in RMB and to holders of H Shares in Hong Kong dollar. The actual amount of dividend paid in Hong Kong dollar shall be determined based on the average exchange rate of RMB to Hong Kong dollar published by the People's Bank of China for the five business days immediately before the date of the Board meeting for considering the profit distribution plan.

The above profit distribution plan was considered and approved by the Board upon authorization by the shareholders' general meeting of the Company.

The 2024 profit distribution plan for A Share and H Share were implemented on July 16 and August 8, 2025, respectively. The Company's 2025 interim profit distribution plans for A Shares and H Shares were implemented on September 18 and October 24, 2025, respectively.

(II) Details of cash dividend policy

Whether the policy was in compliance with the requirements of the Articles of Association or the resolutions passed at the shareholders' general meetings	✓ Yes ☐ No
Whether the dividend distribution basis and ratio were specific and clear	✓ Yes ☐ No
Whether the relevant decision-making procedures and arrangement were complete	✓ Yes ☐ No
Whether the independent Directors have duly performed their duties and functions	✓ Yes ☐ No
Whether there were enough opportunities for minority shareholders to express their views and concerns, and whether their legitimate rights and interests were sufficiently safeguarded	✓ Yes ☐ No

(III) Proposals on profit distribution and conversion of capital reserve during the Reporting Period

Unit: Yuan Currency: RMB

Number of bonus shares for every 10 shares	0
Dividends for every 10 shares (RMB) (tax inclusive)	4.49
Number of shares converted for every 10 shares	0
Cash dividends (tax inclusive)	3,904,740,535.89
Net profit attributable to ordinary shareholders of the Company in the consolidated statement	12,349,522,678.95
Proportion of cash dividends to the net profit attributable to ordinary shareholders of the Company in the consolidated statement (%)	31.62
Amount of repurchase of shares in cash included in the cash dividends	0
Total dividends (tax inclusive)	3,904,740,535.89
Proportion of total dividends to the net profit attributable to ordinary shareholders of the Company in the consolidated statement (%)	31.62

Note: the 2025 interim and annual dividends of the Company amounted to RMB4,939,627,225.80 in total, representing 40.00% of net profit attributable to ordinary shareholders of the Company in the 2025 consolidated financial statement.

The Company will not allocate profit to the statutory reserve for 2025. Based on the total share capital registered on the equity registration date for equity distribution, a cash dividend of RMB4.49 (tax inclusive) for every 10 shares will be distributed to all shareholders; no bonus shares will be distributed; and no capital reserve will be converted to share capital.

Based on the total number of shares of the Company of 8,696,526,806 shares as of December 31, 2025, the total distributed profit is RMB3,904,740,535.89. If the Company's total share capital changes on the equity registration date for equity distribution, the Company will keep the total distribution unchanged and adjust the distribution per share accordingly.

Such cash dividend shall be denominated and declared in RMB and paid to holders of A Shares in RMB and to holders of H Shares in Hong Kong dollar. The actual amount of dividend paid in Hong Kong dollar shall be determined based on the average exchange rate of RMB to Hong Kong dollar published by the People's Bank of China for the five business days immediately before the date of the shareholders' general meeting for considering the profit distribution plan.

Subject to consideration and approval of the 2025 annual profit distribution plan at the 2025 shareholders' general meeting of the Company, the Company will distribute the 2025 annual cash dividend before August 30, 2026. The Company will make separate announcement regarding the equity registration date for A Share dividend distribution, the specific payment date, the record date of such H Share dividend distribution and the period of closure of register of members.

In accordance with the Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution of Listed Companies (《上市公司監管指引第3號－上市公司現金分紅》) issued by the CSRC, the resolution on the authorization for 2026 interim profit distribution of the Company was considered and approved at the twenty-eighth meeting of the eighth session of the Board, which proposed to the shareholders' general meeting to authorize the Board to make decisions on the 2026 interim profit distribution plan of the Company according to the profitability and funding requirements of the Company and provided that the dividend amount will not be less than the interim dividend for 2025 and the dividend ratio will not exceed 40% of the net profit attributable to shareholders of the parent in the corresponding period.

(IV) Cash dividend for the latest three financial years

Unit: Yuan Currency: RMB

Accumulated cash dividends for the latest three financial years (tax inclusive) (1)	11,288,091,794.18
Accumulated amount of shares repurchased and cancelled for the latest three financial years (2)	0
Accumulated amount of cash dividends and shares repurchased and cancelled for the latest three financial years (3) = (1)+(2)	11,288,091,794.18
Average net profit attributable to ordinary shareholders of the Company in the consolidated statement for the latest three financial years (4)	10,499,784,758.21
Proportion of cash dividends for the latest three financial years (%) (5) = (3)/(4)	107.51
Net profit attributable to ordinary shareholders of the Company in the consolidated statement for the latest financial year	12,349,522,678.95
Retained profits as at the end of the year in the statement of the parent company for the latest financial year	31,720,897,376.61

XI. Information about the Company's Share Incentive Plan, Employee Stock Ownership Scheme or Other Employee Incentive Measures and Their Impacts

(I) Incentive events which have not been disclosed in the temporary announcements with subsequent progress

Employee stock ownership scheme

Summary of event	Reference
The "Plan for Repurchasing A Shares of the Company by Centralized Bidding Transactions" was considered and approved at the 17th meeting of the sixth session of the Board, the 2019 first extraordinary general meeting, the 2019 first A Shareholders class meeting and the 2019 first H Shareholders class meeting of the Company. The Company intended to use all of the A Shares repurchased this time for the employee stock ownership scheme.The "Proposal for Employee Stock Ownership Scheme (Draft) of China Merchants Securities Co., Ltd. and its Summary" was considered and approved at the 25th meeting of the sixth session of the Board and the 2020 first extraordinary general meeting of the Company. The "Proposal on the Advanced Completion of A Share Repurchase of the Company" and the "Proposal on Defining the Price and Scale of Purchasing the Repurchased Shares of the Company's Employee Stock Ownership Scheme" were considered and approved at the 28th meeting of the sixth session of the Board and the 2020 first extraordinary general meeting of the Company, and the "Employee Stock Ownership Scheme (Draft) of China Merchants Securities Co., Ltd." and its summary were accordingly revised. The purpose of the employee stock ownership scheme of the Company is to (1) further improve the corporate governance structure, establish and enhance the benefit-sharing and risk-sharing mechanism among shareholders, the Company and its employees, promote the concept of common and sustainable development of the Company and individuals, and fully stimulate the enthusiasm of the senior management and key talents of the Company; (2) attract and retain outstanding talents and key employees, balance the long-term and short-term interests of the Company, and attract various talents more flexibly, so as to better promote the long-term, sustainable and sound development of the Company. Upon the implementation of the employee stock ownership scheme, the total number of shares held under the employee stock ownership scheme shall not exceed 10% of the total share capital of the Company, and the total number of shares held by any individual holder under the employee stock ownership scheme shall not exceed 1% of the total share capital of the Company. On January 21, 2020, the Company held the first meeting of holders of employee stock ownership scheme, and considered and approved the "Proposal on the Establishment of Employee Stock Ownership Scheme Management Committee of the Company" and the "Proposal on the Election of Members of the Employee Stock Ownership Scheme Management Committee of the Company".	The relevant announcements published by the Company on the Hong Kong Stock Exchange website on March 12, March 13, April 11, May 20, October 15, November 8 and December 26, 2019, January 14, January 15, January 22, March 5, July 6 and August 18, 2020.

Summary of event	Reference
The participants of the employee stock ownership scheme are Directors, Supervisors, senior management, personnel at D-tier and above and other key employees who have entered into labor contracts with the Company and its wholly-owned subsidiaries. Upon the implementation of the employee stock ownership scheme, the total number of A Shares held under the employee stock ownership scheme shall not exceed 10% of the total share capital of the Company, and the total number of A Shares held by any individual holder under the employee stock ownership scheme shall not exceed 1% of the total share capital of the Company. The Company engaged CMS Asset Management as the management authority for the employee stock ownership scheme, and signed the "CMS Asset Management – Asset Management Contract for Single Asset Management Scheme under the China Merchants Securities No. 1 Employee Stock Ownership Scheme" with CMS Asset Management on behalf of the employee stock ownership scheme. On March 6, 2020, the Company received the "Share Transfer Confirmation" issued by CSDC. On March 3, 2020, the Company completed the share transfer procedures for the employee stock ownership scheme. The employee stock ownership scheme holds 40,020,780 A Shares of the Company, accounting for 0.5974% of the total share capital of the Company, with a total of 995 participants. Upon the completion of the Company's A+H Shares rights issue from July to August 2020, the employee stock ownership scheme holds 52,026,381 A Shares of the Company, accounting for 0.5982% of the total share capital of the Company. The subscription price under the employee stock ownership scheme is RMB16.5912 per share, which is determined based on the average price of the shares repurchased by the Company (including transaction fees) for the implementation of the employee stock ownership scheme. The subscription price for the allotment of shares under the employee stock ownership scheme is RMB7.46 per share, the basis of which is set out in the relevant announcements dated July 6 and August 18, 2020 of the Company published on the Hong Kong Stock Exchange. The source of funds for the Company's employees to participate in the scheme is the legal salary of the employees and self-raised funds obtained by other means permitted by laws and administrative regulations. According to the "China Merchants Securities Employee Stock Ownership Scheme (Revised Draft)", the relevant shares under the Company's employee stock ownership scheme shall be locked up from the date on which the Company announced the completion of such share transfer (March 6, 2020) for a period of 36 months. The employee stock ownership scheme shall last for 10 years, commencing from the date on which its was approved at the shareholders' general meeting (January 15, 2020). The scheme can be extended upon consideration at the meeting of holders under the employee stock ownership scheme and submission to the Board for consideration and approval. If the employee stock ownership scheme expires and has not been effectively extended, the employee stock ownership scheme shall be automatically terminated. As of the date of this report, there were 213 holders of the employee stock ownership scheme of the Company, holding a total of 8,320,873 A Shares of the Company, representing 0.10% of the total issued share capital of the Company. In 2025, there was no any outstanding or granted shares under the employee stock ownership. The remaining term of the employee stock ownership scheme is approximately 3.8 years.	

In 2023, shares under the employee stock ownership scheme were sold 1 time, with a total of 24,094,488 shares sold and 27,931,893 shares unsold; 6 times in 2024 with a total of 17,927,120 shares sold and 10,004,773 shares unsold; 5 times in 2025 with a total of 1,683,900 shares sold and 8,320,873 shares unsold. Saved as above, none of the shares under the employee stock ownership scheme were granted, exercised, lapsed or canceled. As of the date of this report, details of the shares granted under the employee stock ownership scheme are as follows:

Name/category of holder	Number of shares held (shares)
HUO Da (Director)	531,210
Total of the five individuals with the highest total remuneration in 2025 (one of whom is Director)	531,210
Total of other employees	7,789,663

(II) Interests and short positions in shares, underlying shares or debentures of the Company and its associated corporations of the Directors and chief executive

As of December 31, 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations which would be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or interests or short positions which would be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange were as follows:

Directors	Position	Class of shares	Nature of interest	Number of shares held	Percentage of total number of issued shares of the Company (%)	Percentage of total number of issued A Shares of the Company (%)	Long positions/ short positions/ shares available for lending
HUO Da	Chairman of the Board, executive Director	A Shares	Beneficial owner	531,210	0.006	0.007	Long position

(III) Appraisal system of senior management and the establishment and implementation of incentive mechanism during the Reporting Period

A performance bonus incentives system has been adopted under the current management framework, and the remuneration of the senior management of the Company is determined based on their position and performance. The individual performance-based bonuses is determined by the Board with reference to the operating results of the Company, positions, individual performance and compliance performance of the Chairman and senior management of the Company, etc. The distribution proposal shall be implemented upon consideration and approval by the Remuneration and Appraisal Committee under the Board and the Board.

XII. Establishment and Implementation of Internal Control System during the Reporting Period

The Company has established a comprehensive internal control system in accordance with relevant domestic and overseas laws and regulations as well as relevant regulations and rules on internal control promulgated by regulatory authorities, the Exchanges and other self-regulatory organizations. The Company has always established internal control covering pre-control, in-process control and post-control, which permeates all aspects of the Company's decision-making, execution, supervision and feedback throughout its business development, constantly improved the system construction, strengthened the implementation of the system, implemented supervision and inspection, so as to ensure the sustainable and stable development of the Company.

According to the evaluation results of internal control of the Company for 2025, the Company had no major defects in the internal control of financial reporting and non-financial reporting during the Reporting Period. The Company has established and effectively implemented a relatively comprehensive internal control mechanism, thereby achieving the overall goal of the Company's internal control.

XIII. Development of Compliance Management System of the Company

(I) Establishment of compliance management system of the Company

The Company has established its five-level compliance management structure comprising the Board, senior management, Chief Compliance Officer, Legal and Compliance Department, and other departments, branches and subsidiaries at all levels. In 2025, each level duly performed its respective compliance management duties and generally maintained proper compliance level.

The Company continued to promote the improvement of compliance management system, actively organized the implementation of new regulatory rules and strengthened communication and collaboration with regulatory authorities. It also carried out compliance management such as compliance consulting and review, compliance training promotion, compliance inspection, compliance tips and supervision, compliance risk treatment, compliance monitoring and anti-money laundering in accordance with the laws and regulations as well as rules of the Company. Meanwhile, the Company strengthened the identification and prevention of compliance risks, and continuously improved the compliance risk control mechanism. It followed up and interpreted laws, regulations and standards in a timely manner, and procured relevant departments to timely revise and refine internal rules and regulations, and effectively enhance the Company's internal control management. In addition, the Company newly formulated or revised 13 legal and compliance management policies, including the Management Measures for Handling Customer Complaints of China Merchants Securities Co., Ltd. (《招商證券股份有限公司客戶投訴處理管理辦法》), the Management System for Money Laundering and Terrorist Financing Risks of China Merchants Securities Co., Ltd. (《招商證券股份有限公司洗錢和恐怖融資風險管理制度》), the Rules and Regulations Management System of China Merchants Securities Co., Ltd. (《招商證券股份有限公司規章制度管理制度》) and the Administrative Measures on Suitability for Investors of China Merchants Securities Co., Ltd. (《招商證券股份有限公司投資者適當性管理辦法》) to further consolidate the basis of compliance management system. The Company strictly implemented the Accountability Regulations for Cadre and Staff of China Merchants Securities Co., Ltd. (《招商證券股份有限公司幹部員工問責管理規定》), thereby forming an effective compliance accountability mechanism and strengthening the rigid constraints of systems.

(II) Compliance inspections during the Reporting Period

In 2025, the Company actively carried out compliance inspections which focused on major regulatory concerns, high-risk areas and new businesses, and comprehensively identified the compliance risk and supervised the rectification. A total of 33 compliance inspections were carried out throughout the year, which ensured the standardized development of the Company's business.

XIV. Management and Control on Subsidiaries during the Reporting Period

The Company conducts standardized management on its subsidiaries in accordance with the subsidiary management system. The Company's management of wholly-owned subsidiaries follows the basic principles of unified management, independent decision-making and standardized operation with high flexibility and efficiency. Each functional department of the Company conducts strategic management, human resources management, financial management and risk compliance management for subsidiaries according to the functional lines. In addition, the Company has also strengthened the internal management and control on subsidiaries through the Kingdee system, OA system and other management system software, so as to improve the operation and management on subsidiaries.

XV. Relevant Issues Based on the Audit Report on Internal Control

For details of the audit report on internal control of the Company, please refer to the 2025 Audit Report on Internal Control of China Merchants Securities Co., Ltd. (《招商證券股份有限公司2025年度內部控制審計報告》) published on the SSE website for the same period of this report.

The Company has disclosed a standard internal control audit report with unqualified opinion.

XVI. Progress of Internal Audit

During the Reporting Period, the Audit Department of the Company carried out internal audit guided by the principle of "identifying hidden risks, addressing existing issues, and preventing potential ones". Focusing on systemic obstacles, mechanism deficiencies, and institutional loopholes, the department conducted comprehensive, end-to-end, and full-process oversight over the entire business workflow to ensure areas subject to audit were audited, and that every audit was conducted strictly.

During the Reporting Period, the Company launched a total of 166 audit items of various types, in which 38 were related to audit and assessment of the headquarters and subsidiaries, covering key business areas such as brokerage and wealth management, capital-based intermediary business, institutional business, custody and fund administrative services, investment banking, equity investment, and alternative investment, as well as critical management links including anti-money laundering, information system management, and emergency management. In compliance with regulatory requirements, the Company efficiently completed 128 audit items of branches, ensuring both quality and efficiency. Among them, 55 audit items were about the resignation of branch heads.

The Company continuously strengthened the rectification of internal audit findings and the application of the results through multiple measures. It employed systematic methods to track the implementation of corrective actions for identified issues on an item-by-item basis. Concurrently, through mechanisms such as reports on key issues, the Company reinforced the implementation of audit recommendations to enhance the quality and effectiveness of the internal audit rectification.

XVII. Rectification of Issues Identified from Self-inspection of the Special Governance Action of Listed Companies

During the Reporting Period, the Company was not involved in relevant self-inspection and rectification.

XVIII. Performance of Social Responsibilities

(I) Whether a social responsibility report, sustainable development report or ESG report has been disclosed separately

For details, please refer to the 2025 Sustainable Development Report of China Merchants Securities Co., Ltd. disclosed on the SSE website and Hong Kong Stock Exchange website by the Company for the same period of this report.

(II) Details of social responsibility work

External donations and public welfare projects	Amount/Content	Description
Total investment (in RMB10,000)	1,016.38	—
Of which: monies (in RMB10,000)	1,001.27	—
Supplies (in RMB10,000)	15.11	—
Number of people benefited	1,122	Only the current countable number

Specific description

The Company has actively fulfilled its social responsibilities and engaged in public welfare and charitable activities, including poverty alleviation and educational funding projects.

1. The Company donated student mattresses, water heaters, computers and other supplies worth RMB94,200 to Nimalong Wanquan Primary School (尼瑪龍完全小學) in Xiahe County, Gansu Province. These efforts improved the boarding conditions for the children, enabling them to study with peace of mind and grow up healthily.

2. The Company donated RMB150,000 to the Shenzhen Ageing Development Foundation, specifically for the "Anti-Falling Pack Public Welfare Project" (防跌包公益項目). Through the "Anti-Falling Pack + Community Education" model, the project aimed to create an elderly-friendly bathroom space for the elderly and their families and a community environment that cared about falling prevention, striving to ensure that every elderly person could use the toilet and bathe with peace of mind.

3. The Company donated RMB100,000 to the Education Bureau and Science and Technology Bureau of Tianzhu Tibetan Autonomous County, specially allocated for the "AI Smart Classroom Construction Project of Chakouyi Primary School in Huazangsi Town, Tianzhu County" (天祝縣華藏寺鎮岔口驛小學AI智慧教室建設項目). Through the use of the recording and broadcasting classroom, special courses and activities were carried out to enrich the cultural life at school and enhance the quality and influence of the school's education.

4. The Company donated RMB200,000 to the China Charity Federation, specially allocated for the "Heartbeat of Angels" (使的心跳) themed CMS · Handpicked united charity initiative. Through implementing charitable relief projects for children with congenital heart disease in poverty-alleviated regions, the initiative funded surgeries for these children to help them recover as soon as possible.

5. The Company donated RMB518,000 to the Chongqing Xing'an Poverty Alleviation Foundation (重慶市興安幫扶基金會), specially allocated for the "Ayi Tudou – Chuhuoqian Primary School Education Support Project in Meigu County" (阿依土豆—美姑縣處火千小學支教項目). This funding provided local students with one academic year of high-quality, free basic education, supported the school and its eight volunteer teachers in carrying out various themed activities, and better facilitated the healthy growth of students at Chuhuoqian Primary School.

6. The Company organized the "Carrying Forward Hope, Warming Baise with Love" (賡續希望，愛暖百色) education support activity among youth volunteers. The 9th batch of the Company's youth teaching group, comprising four members, went to Pingtang Primary School (平塘小學) in Baise, Guangxi, for a month-long educational support program. They integrated the mission of "sowing the seeds of technology for rural children" into daily teaching innovations and technical support for the school, demonstrating the depth and warmth of educational assistance through their actions. Meanwhile, a batch of storytelling devices worth RMB56,900 was donated to students at Pingtang Primary School to enrich their extracurricular activities.

7. The Company donated HK$10.00 million (equivalent to RMB9.0447 million based on the central parity rate on the payment date) to China Merchants Foundation Limited (招商局慈善基金會有限公司) to support the development of the charitable ecosystem in Hong Kong, contribute to the improvement of people's livelihoods and the advancement of public welfare initiatives in Hong Kong, as well as social harmony and stability.

XIX. Details of Consolidation and Advancement of Poverty Alleviation, Rural Revitalization and Other Activities

Poverty alleviation and rural revitalization projects	Amount/Content	Description
Total investment (in RMB10,000)	366.90	–
Of which: monies (in RMB10,000)	366.90	–
Supplies (in RMB10,000)	–	–
Number of people benefited	117,444	–
Form of assistance (e.g. Poverty alleviation through developing industries, employment, education, etc.)	Poverty alleviation through finance, charity and consumption	–

Specific description

The Company actively responded to the national rural revitalization strategy by continuing poverty alleviation through finance, charity and consumption, and made further progress in promoting rural revitalization and development.

(I) Poverty alleviation through finance

In 2025, the Company, acting as a lead underwriter, participated in the issuance of bond business products related to the "Rural Revitalization" and "Agriculture, Rural Areas and Farmers" themes, with a total scale of RMB50.750 billion, of which the Company's underwriting amount was RMB8.415 billion.

The Company donated RMB860,000 to the People's Governments of Shache County in Kashgar of Xinjiang and Jingning County of Gansu Province. The funds were specially allocated for the "Insurance + Futures" projects of corn in Shache County and apples in Jingning County, effectively helping farmers manage price fluctuations of agricultural products, stabilize their income, and consolidate the achievements of local poverty alleviation.

(II) Poverty alleviation through charity

The Company donated RMB750,000 to the Health Commission of Shitai County (石台縣衛生健康委員會), specially allocated for the "Shitai County Mobile Multi-functional Physical Examination Tour Vehicle Equipment Procurement Project" (石台縣移動式多功能體檢巡迴車設備採購項目). This initiative aimed to address the challenge of medical service accessibility caused by the local complex terrain and inconvenient transportation, enabling residents in the county to access high-quality diagnostic and treatment services. It sought to enhance the overall efficiency of medical and health services in Shitai County and strengthen the county's medical rescue response capacity for public emergencies.

The Company donated RMB200,000 to the People's Government of Liuba County, Hanzhong City, Shaanxi Province, specially allocated for the "Miaotaizi Village Public Toilet Construction Project in Liuhou Town, Liuba County" (留壩縣留侯鎮廟檯子村公廁建設項目). This project aimed to support local tourism, improve local infrastructure and service levels, and enhance the quality of life and economic income of local residents.

(III) Poverty alleviation through consumption

Throughout the year, the Company purchased agricultural products totaling RMB1,859,000 to support farmers through the China Merchants Group's agriculture assistance platform, the online sales platform for agricultural and sideline products from poverty-alleviated regions, and from Neixiang County and Shitai County (the paired-up counties) as well as Xixian County in Shanxi Province (a poverty-alleviated region). The Company consolidated and advanced the achievements of poverty alleviation through concrete actions and contributed to rural revitalization.

XIX. Miscellaneous

(I) Compliance with code on securities transactions

The Company has adopted the Model Code as the code of conduct regarding the transactions of securities of the Company by all Directors and chief executives. Having made specific inquiries, all Directors and Supervisors of the Company have confirmed that during the Reporting Period, they have strictly complied with the standards under the Model Code. The Company is not aware of any breach of the Model Code by the relevant employees. The Board will inspect the corporate governance and its operation from time to time, in order to comply with the applicable requirements under the Hong Kong Listing Rules and safeguard the interests of shareholders. Upon inquiry, all Directors, Supervisors and senior management have confirmed that they have strictly complied with the applicable requirements under the Management Rules on the Shares and Changes of Shareholdings of Directors, Supervisors and Senior Management in China Merchants Securities Co., Ltd. (《招商證券股份有限公司董事、監事及高級管理人員所持公司股份及其變動管理制度》). For details regarding the shareholdings of the Directors, Supervisors and senior management in the Company, please see "Change in shareholdings and remunerations of existing and resigned/retired Directors, Supervisors and senior management during the Reporting Period" in "Chapter 4: Corporate Governance Report and Environment and Social Responsibility" of this report.

(II) Responsibilities of Directors for financial statements

The following responsibility statement of Directors regarding the financial statements shall be read in conjunction with the responsibility statement of the certified public accountants included in the audit report of this report, while each responsibility statement shall be interpreted separately.

The Board has confirmed that it took responsibility for the preparation of the annual report for the year ended December 31, 2025 of the Group.

The Board is responsible for presenting a balanced, clear and well-defined assessment on the annual and interim reports, price-sensitive information, and other matters that need to be disclosed according to the Hong Kong Listing Rules and other regulatory provisions. The management has provided relevant and necessary explanations and information for the Board so that the Board could make an informed assessment on the financial data and position of the Group for approval.

To the knowledge of the Directors, the Company does not face any events or situations of significant uncertainty that are likely to give rise to the significant doubt of the Company's capability of sustained operations. In addition, the Company has arranged appropriate insurance cover for the legal actions and liabilities to which the Directors and senior management may be exposed.

(III) Joint company secretaries

Mr. LIU Jie and Ms. WONG Wai Yee Ella are the joint company secretaries of the Company, whose appointments were made in April 2023 and January 2025, respectively. Mr. LIU Jie is vice president (chief financial officer), the secretary to the Board and the main contact person within the Company. Ms. WONG Wai Yee Ella is a director of company secretarial services division of Tricor Services Limited (a member of Vistra Group). According to Rule 3.29 of the Hong Kong Listing Rules, for the year 2025, both Mr. LIU Jie and Ms. WONG Wai Yee Ella have received over 15 hours of relevant professional training.

(IV) Interests of shareholders

The shareholders' general meeting is the organ of the highest authority of the Company, and the shareholders exercise their rights through the shareholders' general meeting. The Company convenes and holds shareholders' general meetings in strict compliance with the relevant provisions of the Articles of Association and the Rules of Procedures for the Shareholders' General Meetings to ensure the equal status of all shareholders, in particular the minority shareholders, and enable them to exercise their rights completely.

According to the Articles of Association, Shareholder(s) severally or jointly holding 10% or above Shares of the Company shall request the Board of Directors to convene an extraordinary general meeting in writing. The Board of Directors shall, pursuant to laws, regulations and the Articles of Association, indicate its written feedbacks to the agreement or disagreement to the convening of the extraordinary general meeting within ten (10) days after receipt of the request. Where the Board of Directors agrees to convene the extraordinary general meeting, it will serve a notice of such meeting within five (5) days after the resolution is made by the Board of Directors. In the event of any change to the original request set forth in the notice, the consent of the relevant Shareholder(s) shall be obtained. If the Board of Directors does not agree to convene the extraordinary general meeting or gives no feedback within ten (10) days after receipt of the request, Shareholder(s) severally or jointly holding 10% or above shares of the Company shall request the Audit Committee to convene an extraordinary general meeting in writing. Where the Audit Committee agrees to convene the extraordinary general meeting, it will serve a notice of such meeting within five (5) days after the receipt of the said request. In the event of any change to the original request set forth in the notice, the consent of the relevant Shareholder(s) shall be obtained. In the case of failure to issue the notice for the shareholders' general meeting within the prescribed period, the Audit Committee shall be deemed as failing to convene and preside over the general meeting. As a result of its failure to do so, Shareholder(s) severally or jointly holding 10% or above Shares of the Company for ninety (90) consecutive days or more shall be entitled to convene and preside over such meeting by itself/themselves.

The Company pays high attention to the shareholders' opinions and advice, actively, eagerly and regularly carries out various investor relations activities to keep communication with shareholders and fulfill their reasonable requests timely. The Company has formulated a series of thorough rules and regulations such as the Administrative System Regarding Investor Relationship (《投資者關係管理制度》) to manage investor relationship in accordance with the standards, systems and procedures. The Company has formed good interaction and communication with the investors through various channels, such as investor briefings, investor telephone, the SSE e-Interaction platform, investor relations email, the special column for investor relations in the Company's website and reception of on-site researchers.

The Board of the Company welcomes the shareholders' advice and encourages shareholders to attend the shareholders' general meetings to ask the Board or management directly about any doubts they may hold. Shareholders may convene and hold extraordinary general meetings and submit temporary proposals to shareholders' general meetings according to the procedures set out in the Articles of Association, which has been published on the SSE website, the Hong Kong Stock Exchange website as well as the Company's website. The Company will arrange for the Board and the Management to answer shareholders' questions in its shareholders' general meeting.

According to the Articles of Association, the Board of Directors, the Audit Committee, and Shareholder(s) severally or jointly holding 1% or above Shares of the Company shall be entitled to submit proposals to the Company at the shareholders' general meeting. Shareholder(s) severally or jointly holding 1% or above Shares of the Company shall have the right to submit ad hoc proposals to the convener in writing ten (10) days prior to the holding of the shareholders' general meeting. The convener shall, within two (2) days after receipt of a proposal, issue a supplementary notice of the shareholders' general meeting, and announce the name of shareholders submitting ad hoc proposals, their shareholding ratio and the content of ad hoc proposals, and submit ad hoc proposals to the shareholders' general meeting for consideration. However, this does not apply if the ad hoc proposals are in violation of provisions of laws, administrative regulations or the Articles of Association, or out of the term of reference of shareholders' general meetings. The such Shareholders shall hold no less than 1% of Shares from the date of the notice of the proposal to the announcement of the meeting resolution. Save for the circumstances above, the convener shall not amend the proposal set out in the notice of the shareholders' general meeting or add any new proposal after the said notice is announced. Proposals which are not specified in the notice of the shareholders' general meeting or which do not comply with the Articles of Association shall not be voted and resolved at the shareholders' general meeting.

(V) Auditor's remuneration

For details of the auditor's remuneration of the Company, please refer to "Appointment and Removal of Accounting Firms" in "Chapter 5: Major Events" of this report.

(VI) Relationship with investors

The Company attaches great importance to investor relations management, actively carries out the management of investor relations, continuously enhances the transparency of the Company, and comprehensively introduces the business development advantages of the Company, so as to enable investors to have a better understanding of the Company. The Company has formulated the Standards for the Work of the Secretary to the Board (《董事會秘書工作規範》), Information Disclosure Management System (《信息披露事務管理制度》) and Investor Relations Management System (《投資者關係管理制度》), and has defined the relevant working mechanisms. The Company has designated the secretary to the Board to be responsible for investor relationship management and information disclosure, and received visits and consultations from Shareholders. In addition to the information disclosure channels stipulated by the laws, the Company mainly communicates with investors through shareholders' meetings, investor briefings, telephone, e-mail, online platforms, receptions and attendance to investor meetings.

The Company has adopted the Shareholders Communication Policy with the aim of establishing mutual relationship and communication between the Company and its shareholders. The Company has established the following channels to communicate with its shareholders: (1) corporate communications such as annual reports, interim reports and circulars are available on the Hong Kong Stock Exchange website (www.hkexnews.hk) and the Company's website (https://www.cmschina.com/); (2) regular announcements published through the Hong Kong Stock Exchange which are available on the Hong Kong Stock Exchange website and the Company's website; (3) corporate information provided on the Company's website; (4) annual general meetings and extraordinary general meetings which provide a platform for shareholders to express their opinions and exchange views with the Directors and senior management; and (5) the Hong Kong branch share registrar and transfer office of the Company which provides services to shareholders in relation to share registration, distribution of dividends and related matters. The Company has reviewed the implementation and effectiveness of the Shareholders Communication Policy. The Board believes that the Shareholders Communication Policy has facilitated adequate communication with shareholders and that such policy is effective and adequate.

During the Reporting Period, the Chairman of the Board, President, Vice President (Chief Financial Officer), the secretary to the Board and independent Directors of the Company participated in the "Collective Results Briefings of Listed Subsidiaries of China Merchants Group on 'Driven by innovation, Striving for excellence' (創新驅動，創建一流)". More than 100 analysts from domestic and overseas organizations and more than 20 media participated in the collective results briefings, and about 200,000 people participated in the conference online. The Company organized the analyst conferences on 2024 annual results and 2025 interim results, the online briefing on 2025 interim results and 2025 third quarterly results, and participated in the 2025 investor online collective reception day for listed companies in Shenzhen. The Company made continuous and in-depth communications with a total of approximately 400 person-times through various means such as the SSE e-Interaction platform, attendance at strategy meetings of securities companies, reception of researchers, investor hotlines and e-mail.

(VII) Risk management and internal control

For details of the risk management of the Company, please refer to the relevant content of "Potential risks" in "Chapter 3: Report of the Board of Directors" of this report.

The Company has established an internal auditing department, whose main duties include the independent and objective supervision, evaluation and recommendation on the Company's internal control, risk management, finance, accounting and business activities, and ensuring the implementation of remedial measures.

Based on their respective functions, the Board, the Risk Management Committee and the Audit Committee of the Board of the Company examine the risk management and internal control systems four times a year. The Company believes that, during the Reporting Period, the Group's risk management and internal control systems were adequate and effective.

For details of the internal control of the Company, please refer to the 2025 Internal Control Assessment Report of China Merchants Securities Co., Ltd. (《招商證券股份有限公司2025年度內部控制評價報告》) published on the Hong Kong Stock Exchange website for the same period of this report and "Establishment and Implementation of Internal Control System during the Reporting Period", "Development of Compliance Management System of the Company" and "Progress of Internal Audit" in this chapter of this report.

(VIII) Management of inside information

In accordance with regulations such as the Measures for the Administration of Information Disclosure by Listed Companies (《上市公司信息披露管理辦法》), Measures for the Administration of Information Disclosure of Corporate Credit Bonds (《公司信用類債券信息披露管理辦法》), Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and Self-regulatory Guidelines for Companies Listed on the Shanghai Stock Exchange No. 2 – Information Disclosure Management (《上海證券交易所上市公司自律監管指引第2號－信息披露事務管理》) promulgated by the CSRC as well as the actual circumstances of the Company, the Company formulated regulations such as the Registration System for Persons with Inside Information of China Merchants Securities Co., Ltd. (招商證券股份有限公司內幕信息知情人登記制度), the Measures for the Administration of Information Disclosure of China Merchants Securities Co., Ltd. (《招商證券股份有限公司信息披露事務管理制度》) and the Management System on Investor Relations of China Merchants Securities Co., Ltd. (《招商證券股份有限公司投資者關係管理制度》 to establish an operational mechanism for the management of insider information.

The confidentiality and registration of inside information are regulated based on the Registration System for Persons with Inside Information (《內幕信息知情人登記制度》) to enhance the level of confidentiality and the management of insiders. According to the Measures for the Administration of Information Disclosure (《信息披露事務管理制度》), the content, procedure, management and responsibility of information disclosure are clarified; internal collection and management of major information are refined through the appointment of contact persons for internal reporting of major information at each of the departments, branches and subsidiaries; and timely collection and standard management of the Company's significant information are safeguarded. According to Management System on Investor Relations (《投資者關係管理制度》), information disclosure shall be made on a fair basis. The operating mechanism for managing inside information covers all key aspects of controlling inside information including the collection, circulation, verification, confidentiality and fair disclosure. The Company ensures the implementation of such mechanism by enhancing the training system, defining the duty requirements, upholding accountability and improving the awareness of information disclosure.

(IX) Amendments to the Articles of Association

The Company amended the Articles of Association in December 2025. For details, please refer to the relevant announcements published by the Company on the Hong Kong Stock Exchange website on November 17, 2025 and December 19, 2025.

Chapter 5

Major Events

I. Performance of Undertakings

(I) Undertakings of obligors, including the de facto controller, shareholders, related parties and acquirer of the Company and the Company, during or subsisting at the time of the Reporting Period

Background	Type	Party(ies)	Details	Effective time	Whether the undertakings have a performance deadline	Validity period	Whether the undertakings have been strictly performed in a timely manner	Reason for not performed in a timely manner	Follow-up actions, in case of undertakings not performed in a timely manner
Undertaking related to the initial public offering	To resolve horizontal competition	China Merchants Group	China Merchants Group has undertaken that it and the legal entities beneficially controlled by it will not establish new securities companies or control other securities companies through acquisition in the PRC. For businesses of the same or similar nature to securities companies engaged by the non-securities companies controlled by China Merchants Group, the Company will make sufficient disclosure in accordance with laws upon the public offering and listing of the shares of the Company. China Merchants Group shall not harm the interests of the Company and other shareholders by virtue of its role of de facto controller of the Company.	November 2007	Yes	Upon the public offering and listing of the A Shares of the Company, and as long as China Merchants Group is the de facto controller of the Company.	Yes	–	–

Background	Type	Party(ies)	Details	Effective time	Whether the undertakings have a performance deadline	Validity period	Whether the undertakings have been strictly performed in a timely manner	Reason for not performed in a timely manner	Follow-up actions, in case of undertakings not performed in a timely manner
	To resolve horizontal competition	CM Financial Holdings	CM Financial Holdings has undertaken that it and other entities controlled by it will not engage in any business which competes with the businesses of the Company.	May 2019	Yes	As long as CM Financial Holdings is the controlling shareholder of the Company.	Yes	–	–
Undertaking related to refinancing	Others	China Merchants Group, CM Financial Holdings	They have undertaken not to interfere in the operation and management activities of the Company beyond the authority; not to encroach upon the interests of the Company; not to deliver interests to other units or individuals free of charge or under unfair conditions, nor damage the interests of the Company by other means; if the CSRC makes other new regulatory provisions on remedial measures and their undertakings before the completion of the rights issue, and the aforesaid undertakings fail to meet such provisions of the CSRC, additional undertakings will be given in accordance with the latest provisions of the CSRC; in case of any loss caused to the Company or other shareholders due to violation of the aforesaid undertakings or refusal to perform the aforesaid undertakings, they shall be liable for compensation to the Company or other shareholders according to the laws.	March 2019	Yes	As long as China Merchants Group is the de facto controller of the Company; as long as CM Financial Holdings is the controlling shareholder of the Company.	Yes	–	–

II. The Company's Analysis and Explanation of the Reasons and Impacts of Changes in Accounting Policies and Accounting Estimates, or Corrections of Significant Accounting Errors

The Company's analysis and explanation of the reasons and impacts of changes in accounting policies and accounting estimates

Changes in significant accounting policies

Unit: Yuan Currency: RMB

Contents and reasons of changes in accounting policies	Financial statement item materially affected	Amount affected
On 8 July 2025, the Ministry of Finance issued the accounting treatment implementation Q&A for standard warehouse receipt transactions, clarifying that when an enterprise frequently enters into contracts in respect of the purchase and sales of standard warehouse receipts in a futures trading venue to earn price differences, without actually taking delivery of the goods corresponding to the standard warehouse receipts, the enterprise should consider the contracts in respect of the purchase and sales of standard warehouse receipts as financial instruments and account for them in accordance with the Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments.	This change in accounting policy has no impact on the financial statement data for the current period and the comparable period of the Company.	Not applicable

III. Appointment and Removal of Accounting Firms

Unit: 10,000 Yuan Currency: RMB

	Currently appointed
Name of domestic accounting firm	KPMG Huazhen LLP
Remuneration of domestic accounting firm	RMB2.22 million
Term of appointment of domestic accounting firm	2 years
Name of the certified public accountants of domestic accounting firm	WU Zhongming (吴鐘鳴), SONG Yang (宋揚)
Accumulated years of audit services provided by the certified public accountants of domestic accounting firm	WU Zhongming (吴鐘鳴) (2 years), SONG Yang (宋揚) (1 year)
Name of international accounting firm	KPMG
Remuneration of international accounting firm	RMB1 million
Term of appointment of international accounting firm	2 years

	Name	Remuneration
Accounting firm for internal control and auditing	KPMG Huazhen LLP	RMB350,000

Description of appointment and removal of accounting firms

Reference is made to the announcement of the Company dated June 11, 2024 in relation to the change of auditor. Upon completion of the audit work of the Company for the year 2023, Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu, the accounting firms previously engaged by the Company, have been the auditors of the Company for six consecutive years. In accordance with the Administrative Measures for the Appointment of Accounting Firms by State-owned Financial Enterprises (《國有金融企業選聘會計師事務所管理辦法》), after being considered and approved by the 2023 annual general meeting, the Company engaged KPMG Huazhen LLP as the domestic accounting firm for 2024, and KPMG as the international accounting firm for 2024, to provide related annual audit, interim review, internal control audit and other relevant audit services in accordance with the PRC Accounting Standards for Business Enterprises and the International Financial Reporting Standards, respectively. For details, please refer to relevant announcements of the Company.

China Merchants Securities (UK) Ltd., an overseas subsidiary of the Company, has separately appointed PKF Little John LLP as its external auditor for 2025, with audit fees amounting to RMB0.86 million.

IV. Material Litigations or Arbitrations

During the Reporting Period, the Company had no material litigation or arbitration matters that were required to be disclosed in accordance with the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Descriptions of other litigation and arbitration matters are as follows:

On September 19, 2025, the Company received a Civil Ruling Case No.: (2024) Hu 74 Min Chu 884 and the Civil Ruling Case No.: (2024) Hu 74 Min Chu 942-1 from the Shanghai Financial Court, which respectively ruled to allow China Security to withdraw the service contract dispute lawsuit, and to allow the Company to withdraw the lawsuit filed against China Security and its subsidiaries in the right of recourse dispute.

V. Punishment and Remedial Measures on the Listed Company, its Directors, Senior Management, Controlling Shareholder and De Facto Controller Due to Suspected Violations of Laws and Regulations

In January 2025, due to the failure to properly implement procedures such as the verification of internal control deficiencies in the issuer's information system and sales-related verification in the FS (飛速創新) IPO project, the Company and its sponsor representatives received the Regulatory Letter on China Merchants Securities Co., Ltd., YANG Meng and LIU Xingde issued by the Shenzhen Stock Exchange. In response to this matter, the Company has completed the relevant verification and rectification work.

VI. Integrity of the Company and Its Controlling Shareholder and De Facto Controller during the Reporting Period

During the Reporting Period, the Company and its controlling shareholder and de facto controller were not subject to any outstanding court order or large amount of overdue liabilities.

VII. Material Connected Transactions

We entered into the Securities and Financial Products, Transactions and Services Framework Agreement (the "CMG Framework Agreement") with China Merchants Group on December 18, 2024, the Administrative Procurement Framework Agreement (the "2025 Administrative Procurement Framework Agreement") with China Merchants Group on December 18, 2024, and the Property Leasing Framework Agreement (the "2022 Property Leasing Framework Agreement", together with other framework agreements, the "Framework Agreements") with China Merchants Group on March 27, 2022. Of which, the term of the CMG Framework Agreement shall commence from April 7, 2025 until December 31, 2027; the term of the 2025 Administrative Procurement Framework Agreement shall commence from January 1, 2025 until December 31, 2027; and the term of the 2022 Property Leasing Framework Agreement shall commence from March 27, 2022 until December 31, 2026. Pursuant to the Framework Agreements, the Company and China Merchants Group and/or its associates agreed that (i) they shall provide securities and financial products and transactions to each another, and the Group shall provide financial services to China Merchants Group and/or its associates, in their respective ordinary course of business based on normal commercial terms and market practices at prevailing market prices or rates; (ii) the Group shall procure various administrative office supplies and administrative comprehensive services related to its daily business activities from China Merchants Group and/or its associates in its ordinary course of business; and (iii) China Merchants Group and/or its associates shall lease properties to the Group in its ordinary course of business. For details, please refer to the announcements of the Company dated March 27, 2022 and December 18, 2024, respectively, circular of the Company dated March 19, 2025 and announcement of poll results of the Company dated April 7, 2025.

We entered into the Securities and Financial Products, Transactions and Services Framework Agreement (the "COSCO Shipping Framework Agreement") with China COSCO Shipping Corporation Limited ("COSCO Shipping") on December 18, 2024 for a term commencing from April 7, 2025 until December 31, 2027. Pursuant to the COSCO Shipping Framework Agreement, the Company and COSCO Shipping and/or its associates agreed that they shall provide securities and financial products and transactions to each another, and the Group shall provide financial services to COSCO Shipping and/or its associates, in their respective ordinary course of business based on normal commercial terms and market practices at prevailing market prices or rates.

China Merchants Group is the controlling shareholder of the Company. Under the Hong Kong Listing Rules, China Merchants Group and its associates are connected persons of the Company.

COSCO Shipping became a substantial shareholder of the Company in July 2020. Under the Hong Kong Listing Rules, COSCO Shipping and its associates are connected persons of the Company.

(I) Continuing connected transactions between the Company and China Merchants Group and/or its associates

A. Securities and financial products and transactions

Reasons for the transactions

We conduct securities and financial transactions with China Merchants Group and/or its associates in our ordinary course of business from time to time. Such transactions can generate cost synergies by integrating the advantageous resources of the Group and China Merchants Group and/or its associates, thereby enhancing the Group's profitability and strengthening the Group's leading position in the securities industry. The estimated annual caps of the total inflow and total outflow of the securities and financial products and transactions contemplated under the CMG Framework Agreement for the three years ending December 31, 2027 are as follows:

	RMB million		
Securities and financial products and transactions	**2025**	**2026**	**2027**
Inflow	12,500	12,500	12,500
Outflow	22,050	22,050	22,050

(1) "Inflow" represents our total cash inflow from the sale/trading of fixed-income products, equity products and derivative products to/with and/or borrowing/repurchase from financing transactions with China Merchants Group and/or its associates.

(2) "Outflow" represents our total cash outflow from the purchase/trading of fixed-income products, equity products and derivative products from/with and/or lending/resale from financing transactions with China Merchants Group and/or its associates.

In entering into the above connected transactions in 2025, the Group has followed the pricing policy and guidelines as set out in the Company's announcement dated December 18, 2024 and the circular dated March 19, 2025.

Historical figures

For the year ended December 31, 2025, the Group had securities and financial products transactions with China Merchants Group and/or its associates, with a total cash inflow of RMB5,968.24 million and a total cash outflow of RMB7,299.74 million. Such amounts were below the caps for 2025.

B. Financial services

Reasons for the transactions

In our ordinary course of business, we provide various financial services to our clients, which include China Merchants Group and its associates. Such transactions can generate cost synergies by integrating the advantageous resources of the Group and China Merchants Group and/or its associates, thereby enhancing the Group's profitability and strengthening the Group's leading position in the securities industry. Due to their business needs and our expertise and professional capabilities, we had been engaged by China Merchants Group and/or its associates to provide financial services including (but not limited to) (i) underwriting and sponsorship services; (ii) other investment banking services; and (iii) other financial services from time to time. The estimated annual caps of the financial services (insofar as an annual cap is required to be set for that service) to be provided under the CMG Framework Agreement for the three years ending December 31, 2027 are as follows:

	RMB million		
Financial services	**2025**	**2026**	**2027**
Income generated by us	141	111	111

In entering into the above connected transactions in 2025, the Group has followed the pricing policy and guidelines as set out in the Company's announcement dated December 18, 2024 and the circular dated March 19, 2025.

Historical figures

For the year ended December 31, 2025, the Group provided securities and financial services to China Merchants Group and/or its associates and generated income of RMB25.54 million, which was below the annual cap of 2025.

Details of the above continuing connected transactions are set out in "Note 60 to the consolidated financial statements" in this report.

C. Administrative procurement

Reasons for the transactions

We conduct administrative procurement with China Merchants Group, our controlling shareholder, and its associates from time to time in our ordinary course of business. Such transactions can generate synergies by integrating the strengths of the Group and China Merchants Group and/or its associates, thereby reducing the Group's overall operating costs and overheads to further enhance its profitability and the Group's leading position in the securities industry. The estimated annual caps of the administrative procurement contemplated under the 2025 Administrative Procurement Framework Agreement for the three years ending December 31, 2027 are as follows:

	RMB million		
Transaction	**2025**	**2026**	**2027**
Administrative procurement	132	132	132

In entering into the above connected transactions in 2025, the Group has followed the pricing policy and guidelines as set out in the Company's announcement dated December 18, 2024.

Historical figures

For the year ended December 31, 2025, the administrative procurement between the Group and China Merchants Group and its associates from time to time amounted to RMB127.58 million, which was below the annual cap of 2025.

D. Property leasing

Reasons for the transactions

We conduct property leasing with China Merchants Group, our controlling shareholder, and its associates from time to time in our ordinary course of business. Such transactions can generate synergies by integrating the strengths of the Group and China Merchants Group and/or its associates, thereby reducing the Group's overall operating costs and overheads to further enhance its profitability and the Group's leading position in the securities industry. The estimated annual caps of the property leasing contemplated under the 2022 Property Leasing Framework Agreement for the five years ending December 31, 2026 are as follows:

	RMB million				
Transaction	**2022**	**2023**	**2024**	**2025**	**2026**
Property leasing (the rental expenses and related comprehensive property management fees to be paid by the Group to China Merchants Group and/or its associates/the total value of right-of-use assets of properties to be leased from China Merchants Group and/or its associates)	116.28	116.38	116.44	166.83	283.87

As considered and approved at the thirteenth meeting of the eighth session of the Board of the Company on December 30, 2024, the annual transaction caps for the connected transactions between the Group and China Merchants Group and/or its associates in respect of property leasing for 2025 and 2026 have been adjusted from RMB116.63 million and RMB124.54 million to RMB166.83 million and RMB177.34 million, respectively. As considered and approved at the twenty-fourth meeting of the eighth session of the Board of the Company on November 24, 2025, the annual transaction cap for the connected transactions between the Group and China Merchants Group and/or its associates in respect of property leasing for 2026 has been adjusted from RMB177.34 million to RMB283.87 million. For details, please refer to the announcements published by the Company on the Hong Kong Stock Exchange website on December 30, 2024 and November 24, 2025.

In entering into the above connected transactions in 2025, the Group has followed the pricing policy and guidelines as set out in the Company's announcement dated March 27, 2022.

Historical figures

For the year ended December 31, 2025, the rental expenses and related comprehensive property management fees paid by the Group to China Merchants Group and/or its associates and the total value of right- of-use assets of properties leased from China Merchants Group and/or its associates in relation to the property leasing between the Group and China Merchants Group and its associates from time to time amounted to RMB128.98 million, which was below the annual cap of 2025.

(II) Continuing connected transactions between the Company and COSCO Shipping and/or its associates

A. Securities and financial products and transactions

Reasons for the transactions

We conduct securities and financial transactions with COSCO Shipping and/or its associates in our ordinary course of business from time to time. Such transactions can give full play to the resource advantages of the Group and COSCO Shipping and enhance the market competitiveness of the cooperative business between the two parties. The transactions under the agreement can facilitate the provision of comprehensive and high-quality services for both parties and their clients. The estimated annual caps of the total inflow and total outflow of the securities and financial products and transactions contemplated under the COSCO Shipping Framework Agreement for the three years ending December 31, 2027 are as follows:

	RMB million		
Securities and financial products and transactions	2025	2026	2027
Inflow	6,500	6,500	6,500
Outflow	9,500	9,500	9,500

(1) "Inflow" represents our total cash inflow from the sale/trading of fixed-income products, equity products and derivative products to/with and/or borrowing/repurchase from financing transactions with COSCO Shipping and/or its associates.

(2) "Outflow" represents our total cash outflow from the purchase/trading of fixed-income products, equity products and derivative products from/with and/or lending/resale from financing transactions with COSCO Shipping and/or its associates.

In entering into the above connected transactions in 2025, the Group has followed the pricing policy and guidelines as set out in the Company's announcement dated December 18, 2024 and the circular dated March 19, 2025.

Historical figures

For the year ended December 31, 2025, the Group had securities and financial products transactions with COSCO Shipping and/or its associates, with a total cash inflow of RMB0 million and a total cash outflow of RMB130 million. Such amounts were below caps for 2025.

B. Financial services

Reasons for the transactions

In our ordinary course of business, we provide various financial services to our clients, which include COSCO Shipping and/or its associates. Such transactions can give full play to the resource advantages of the Group and COSCO Shipping and enhance the market competitiveness of the cooperative business between the two parties. The transactions under the agreement can facilitate the provision of comprehensive and high-quality services for both parties and their clients. Due to their business needs and our expertise and professional capabilities, we had been engaged by COSCO Shipping and/or its associates to provide financial services including (but not limited to) (i) underwriting and sponsorship services; (ii) other investment banking services; and (iii) other financial services from time to time. The estimated annual caps of the financial services (insofar as an annual cap is required to be set for that service) to be provided under the COSCO Shipping Framework Agreement for the three years ending December 31, 2027 are as follows:

	RMB million		
Financial services	**2025**	**2026**	**2027**
Income generated by us	48	48	48

In entering into the above connected transactions in 2025, the Group has followed the pricing policy and guidelines as set out in the Company's announcement dated December 18, 2024 and the circular dated March 19, 2025.

Historical figures

For the year ended December 31, 2025, the Group provided securities and financial services to COSCO Shipping and/or its associates and generated income of RMB2.28 million, which was below the annual cap of 2025.

The Company has confirmed that, during the Reporting Period, when engaging in the continuing connected transactions set out above, the Group has followed the pricing principles for such continuing connected transactions.

Confirmation of independent non-executive Directors

The independent non-executive Directors of the Company have reviewed the above continuing connected transactions in accordance with Rule 14A.55 of the Listing Rules, and confirmed that:

(1) the above continuing connected transactions are entered into during the ordinary course of the business of the Group;

(2) the above continuing connected transactions are entered into on normal commercial terms or more favorable terms; and

(3) the above continuing connected transactions are executed by agreements, the terms of which are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

Confirmation of independent auditor

The independent auditor of the Company has reviewed the above continuing connected transactions and confirmed that:

(1) they are not aware of any matters that would make them believe that the continuing connected transactions disclosed have not been approved by the Board;

(2) in respect of the continuing connected transactions involving the provision of services by the Group, they are not aware of any matters that would make them believe that the transactions are not executed in accordance with the pricing policy of the Group in any material aspects;

(3) they are not aware of any matters that would make them believe that the transactions are not entered into in accordance with the relevant governing agreements in any material aspects; and

(4) in respect of the aggregate transaction amount of each continuing connected transaction, they are not aware of any matters that would make them believe that the continuing connected transactions disclosed have exceeded the annual caps determined by the Company.

For details of other connected transactions subject to the listing rules for A Shares, please refer to the Announcement on the Contemplated Ordinary Connected Transactions of the Company for 2026 (《關於公司2026年度預計日常關聯交易的公告》) published by the Company on the SSE website, China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily.

Save as disclosed above, there are no related party transactions or continuing connected transactions as set out in "Note 60 to the consolidated financial statements" of this report that falls into the connected transactions or continuing connected transactions that are required to be disclosed under the Hong Kong Listing Rules. The connected transactions and continuing connected transactions of the Company complied with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

(III) Guarantees

Unit: 100 Million Yuan Currency: RMB

Guarantees provided by the Company (excluding guarantees for subsidiaries)														
Guarantor	Relationship between the guarantor and the listed company	Guaranteed party	Amount of guarantee	Date of guarantee (date of agreement)	Effective date of guarantee	Expiry date of guarantee	Type of guarantee	Collateral (if any)	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Outstanding amount of guarantee overdue	Counter guarantee	Whether it is a guarantee for related parties	Relationship
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total guarantees provided during the Reporting Period (excluding guarantees for subsidiaries)														-
Total balance of guarantees as at the end of the Reporting Period (A) (excluding guarantees for subsidiaries)														-
Guarantees for subsidiaries by the Company and its subsidiaries														
Total guarantees for subsidiaries during the Reporting Period														11.21
Total balance of guarantees for subsidiaries as at the end of the Reporting Period (B)														31.38
Total guarantees of the Company (including guarantees for subsidiaries)														
Total guarantees (A+B)														31.38
Ratio of total guarantees to net assets of the Company (%)														2.27
Among which:														
Guarantees for shareholders, de facto controller and their related parties (C)														-
Debt guarantee provided directly or indirectly for companies with gearing ratio over 70% (D)														26.38
Amount of guarantees in excess of 50% of the net assets (E)														-
Total amount of the above three types of guarantees (C+D+E)														26.38
Outstanding guarantees subject to joint and several liabilities														–

Details of guarantees	1. On January 20, 2014, the provision of net assets guarantee of up to RMB500 million for CMS Asset Management was approved at the 2014 first extraordinary meeting of the fourth session of the Board. On September 27, 2016, the increase of net assets guarantee in favor of CMS Asset Management by no more than RMB3 billion in stages and authorization for the management of the Company to perform in stages, or terminate, such net assets guarantee within the above limit based on the actual operating condition of CMS Asset Management were approved at the 42th meeting of the fifth session of the Board. The balance of net assets guarantee provided by the Company for CMS Asset Management as at the end of the Reporting Period amounted to RMB500 million. 2. In June 2025, at the 2024 annual general meeting of the Company, it was considered and approved that the total amount of guarantees provided by CMS International and its wholly-owned subsidiaries in favor of the guaranteed parties within the term of authorization shall not exceed HK$68 billion equivalent, of which, financing guarantees shall not exceed HK$3.7 billion equivalent. As at the end of the Reporting Period, the agreed amount of guarantees provided by CMS International and its wholly-owned subsidiaries was approximately RMB41.357 billion in total (with financing guarantees of approximately RMB2.752 billion). The balance of guarantees utilized and traded was approximately RMB2.638 billion in total.

VIII. Other Disclosures

(I) Sufficiency of public float of H Shares

As at the Latest Practicable Date, based on the information publicly available and to the best knowledge of the Directors, the Directors believe that the public float of the Company complied with Rule 8.08 of the Hong Kong Listing Rules and satisfied the minimum public float requirement prescribed by the Hong Kong Stock Exchange.

(II) Directors' interests in business competing with the Company

As of the Latest Practicable Date, none of the Directors had any interests in another business which has or may have direct or indirect conflict of interests with the business of the Company.

(III) Directors' service contracts

None of the Directors had a service contract with the Company or its subsidiaries which is not terminable by the employer within one year without payment of compensation (other than statutory compensation).

(IV) Directors' interests in transactions, arrangements or contracts of significance

During the Reporting Period, none of the Directors or any entity connected with any Director of the Company had any material interests, whether directly or indirectly, in any transaction, arrangement or contract of significance entered into by the Company or its subsidiaries, and no such transaction, arrangement or contract of significance subsisted as of December 31, 2025.

(V) Permitted indemnity provision

During the Reporting Period, a permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the Reporting Period. The Company has arranged appropriate insurance coverage for potential legal actions and liabilities against the Directors and senior management.

(VI) Pre-emptive rights

Pursuant to PRC laws and the Articles of Association, shareholders of the Company are not entitled to any pre-emptive rights.

(VII) The Board's responsibility statement on risk management, internal control and compliance management

The Board shall assume ultimate responsibility of the risk management, internal control and compliance management of the Group, and shall be responsible for assessing the effectiveness of such systems. Given that the objectives of such risk management and internal control systems are to manage, rather than eliminate, the risk of failure to achieve the business objectives, the Board may only provide reasonable instead of absolute assurance that such systems and internal control can prevent any material misstatement or loss.

(VIII) Remuneration to Directors

Details of remuneration to the Directors are set out in "Change in shareholdings and remunerations of existing and resigned/retired Directors, Supervisors and senior management during the Reporting Period" under "Chapter 4: Corporate Governance Report and Environment and Social Responsibility" of this report.

(IX) Purchase, sale or redemption of securities of the Company

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any securities of the Company (including treasury shares).

(X) Major events after the Reporting Period

Save for those in "Events after the reporting period" under "Chapter 9: Financial Report" of this report, there were no other major events after the Reporting Period.

(XI) Compliance of accounts

The Company has fully implemented the account regulation in strict accordance with the regulations and requirements under the CSRC. The Company has no new unqualified accounts during the year. As of December 31, 2025, the Company has 6,082 unqualified cash accounts, 6,127 unqualified securities accounts, 1,007,346 dormant cash accounts and 1,693,326 dormant securities accounts.

(XII) Tax reduction

1. A Shareholders

Pursuant to the Notice on Issues Regarding Differentiated Individual Income Tax Policy for Dividends and Bonuses of Listed Company (Cai Shui [2015] No. 101) (《關於上市公司股息紅利差別化個人所得税政策有關問題的通知》(財税[2015]101號)) and the Notice on Issues Regarding the Implementation of Differentiated Individual Income Tax Policy for Dividends and Bonuses of Listed Company (Cai Shui [2012] No. 85) (《關於實施上市公司股息紅利差別化個人所得税政策有關問題的通知》(財税[2012]85號)) issued by the Ministry of Finance, the State Administration of Taxation and the CSRC, for the dividend and bonus received by corporate investors on shares with holding period less than one month (inclusive) from the date when the corporate investors acquired the listed shares from public issuance or secondary market to the date which is one day before the settlement of the shares, a tax levy at the tax rate of 20% is imposed. For holding period between one month to one year (inclusive), 50% reduction will be applied to the tax rate imposed on the amount of taxable income, with effective tax rate of 10%. For holding period of more than one year, no income tax will be imposed on the dividend and bonus. For the dividend and bonus distributed by listed companies to individual investors, no individual income tax will be charged for holding period of less than one year (inclusive). Pending to the transfer of shares, Securities Depository and Clearing Corporation shall calculate the tax payable based on the holding period and the Company shall withhold the tax through Securities Depository and Clearing Corporation. Dividend and bonus received from listed companies by securities investment companies shall pay individual income tax pursuant to the requirements of Cai Shui [2012] No. 85. For resident enterprise shareholders, income tax on their cash bonuses shall be paid by themselves. For Qualified Foreign Institutional Investors (QFII), pursuant to provisions in the Notice on Issues Regarding Withholding and Payment of Corporate Income Taxes when PRC Resident Enterprises Distribute Dividends, Bonuses and Interests to the QFII issued by the State Administration of Taxation (Guo Shui Han [2009] No. 47) (《國家税務總局關於中國居民企業向QFII支付股息、紅利、利息代扣代繳企業所得税有關問題的通知》(國税函[2009]47號)), corporate income taxes are withheld and paid by the listed company at the tax rate of 10%. If the QFII shareholder intends to claim the preferential treatment as stipulated in tax treaties (arrangements) after obtaining dividend and bonus incomes, application for tax refund can be submitted to the competent tax authority after obtaining such dividends and bonuses in accordance with the regulations. Pursuant to the Notice on Tax Policy Regarding Shanghai-Hong Kong Stock Connect Pilot Programs issued by the Ministry of Finance, the State Administration of Taxation and the CSRC (Cai Shui [2014] No. 81) (《財政部國家税務總局證監會關於滬港股票市場交易互聯互通機制試點有關税收政策的通知》(財税[2014]81號)), for dividend and bonus incomes obtained by investors (including enterprises and individuals) in the Hong Kong market from investing in A Shares listed on the SSE, the implementation of differentiated taxation is suspended before Hong Kong Securities Clearing Co., Ltd. meets the conditions of providing identification, term of shareholding and other specific data of investors to the CSDC; the income taxes thereof are withheld and paid by the listed company at the rate of 10%, which should be duly declared to the competent taxation authority. For Hong Kong investors who are tax residents of foreign countries that have entered into a tax treaty with the PRC specifying an income tax rate for dividend and bonus incomes below 10%, the investing enterprises or individuals may by themselves or entrust a withholding agent on their behalf to apply to the competent tax authority of the listed company to claim the preferential treatment as stipulated in such tax treaties. Upon the verification and approval of the competent tax authority, taxes shall be refunded based on the discrepancy between the levied taxes and the taxes payable pursuant to the tax rate of the tax treaty. Other institutional investors shall pay the tax with respect to dividends and bonus income themselves.

2. H Shareholders

Pursuant to the Notice on Matters Concerning the Levy and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045 issued by the State Administration of Taxation (Guo Shui Han [2011] No. 348) (《國家税務總局關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》(國税函[2011]348號)), dividend and bonus income received by overseas resident individual shareholders who hold shares issued by domestic non-foreign invested enterprises in Hong Kong is subject to the payment of individual income tax according to the items of "interests, dividend and bonus income", which shall be withheld and paid by the withholding agents according to relevant laws. The overseas resident individual shareholders who hold shares issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between the countries where they reside and China and the tax arrangements between Mainland and Hong Kong (Macau). The tax rate for dividends under the relevant tax agreements and tax arrangements is generally 10%, and for the purpose of simplifying tax administration, domestic non-foreign invested enterprises issuing shares in Hong Kong may, when distributing dividends and bonus, generally withhold individual income tax at the rate of 10%, and are not required to file an application. If the tax rate for dividends is not equal to 10%, the following provisions shall apply: (1) for citizens from countries which have entered into tax agreements stipulating a tax rate of lower than 10%, the withholding agents can file applications on their behalf to claim the relevant agreed preferential treatments, and upon approval by the competent tax authorities, the excess tax amounts withheld will be refunded; (2) for citizens from countries which have entered into tax agreements stipulating a tax rate of higher than 10% but lower than 20%, the withholding agents will withhold the individual income tax at the agreed-upon effective tax rate when distributing dividends and bonus, and are not required to file an application; (3) for citizens from countries without tax agreements or under other situations, the withholding agents will withhold the individual income tax at 20% when distributing dividends and bonus. Pursuant to the Circular on Questions Concerning Withholding of Enterprise Income Tax for Dividends Distributed by Resident Enterprises in China to Non-resident Enterprises Holding H Shares of the Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》(國税函[2008]897號)) issued by the State Administration of Taxation, a PRC resident enterprise, when distributing dividends for 2008 and for the years afterwards to holders of H Shares who are overseas non-resident enterprises, shall withhold and pay enterprise income tax at a flat rate of 10%. Pursuant to the Notice on Tax Policy Regarding Shanghai-Hong Kong Stock Connect Pilot Programs (Cai Shui [2014] No. 81) (《財政部國家税務總局證監會關於滬港股票市場交易互聯互通機制試點有關税收政策的通知》(財税[2014]81號)) and the Notice on Tax Policy Regarding Shenzhen-Hong Kong Stock Connect Pilot Programs (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關税收政策的通知》(財税[2016]127號)) issued by the Ministry of Finance, the State Administration of Taxation and the CSRC, for dividend and bonus incomes obtained by mainland individual investors from investing in H Shares listed on the Hong Kong Stock Exchange via the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the individual income taxes thereof are withheld and paid by the H Share company at the rate of 20%; for dividend and bonus incomes obtained by mainland securities investment funds from investing in H Shares listed on the Hong Kong Stock Exchange via the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the individual income taxes are accrued and levied according to the same provision stated above; and for dividend and bonus incomes obtained by mainland corporate investors from investing in H Shares listed on the Hong Kong Stock Exchange via the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the income taxes thereof shall be reported and paid by the investing enterprise on its own instead of being withheld and paid by the H Share company, provided that where such dividend and bonus incomes are obtained by the mainland resident enterprise after holding relevant H Shares for 12 consecutive months, the enterprise income taxes thereof shall be exempted pursuant to law. Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by the Company. Shareholders of the Company shall pay the relevant taxes and/or be entitled to the tax relieves in accordance with the above provisions.

(XIII) Management contracts

Save for employment contracts, no contract in relation to the management and administration of the whole or any substantial part of the business of the Company was entered into or subsisted during 2025.

(XIV) Directors' rights to acquire shares or debentures

During the Reporting Period or as at the end of 2025, none of the Directors or their respective associates were granted any right by the Company or its subsidiaries to acquire the shares or debentures of the Company or any other body corporate or had exercised any of such right.

(XV) Equity-linked agreements

No equity-linked agreement was entered into by the Company at any time during or subsisted at the end of the 2025.

(XVI) Major customers and suppliers

In 2025, the revenue generated from the Group's five largest customers accounted for less than 30% of the Group's total revenue. Due to the nature of business of the Company, the Company has no major suppliers.

(XVII) Pension schemes

The domestic employees of the Group in the PRC participate in state-managed retirement benefit schemes, operated by the relevant municipal and provincial governments. According to the relevant regulations, the premiums and retirement benefit contributions borne by the Group are calculated and paid to the relevant labor and social welfare authorities on a regular basis. The Group also provides annuity schemes for certain qualified employees in the PRC. The employees' and the Group's contributions for the annuity schemes are calculated based on certain percentage of employees' salaries. The Group also operates the Mandatory Provident Fund Scheme for all qualified employees in Hong Kong. The Group contributes certain percentage of relevant payroll costs to the scheme, and the contribution is matched by employees but subject to a maximum amount for each employee.

No forfeited contribution (by the Group on behalf of its employees who leave the scheme prior to vesting fully in such contributions) is available to be utilized by the Group to reduce the contributions payable in the future years or to reduce the Group's existing level of contributions to the retirement scheme. For details of the pension schemes provided by the Group, please refer to "Note 12 to the consolidated financial statements" of this report.

(XVIII) Reserves and distributable reserves

For changes in reserves and distributable reserves of the Company, please refer to "Financial Report – Consolidated Statement of Changes in Equity" and "Note 67 to the consolidated financial statements" of this report.

(XIX) Review of annual results

The Audit Committee of the Company has reviewed the annual results announcement for the twelve months ended December 31, 2025, the 2025 annual report and the audited financial statements for 2025 prepared in accordance with the International Financial Reporting Standards and did not raise any objection to the accounting policy and practices adopted by the Company. The external auditor of the Company has reviewed the annual financial information for the twelve months ended December 31, 2025 in accordance with International Standard on Review Engagements 2410.

(XX) Fixed assets

For details of the fixed assets of the Group as of December 31, 2025, please refer to "Financial Report – Consolidated Statement of Changes in Equity" and "Note 19 to the consolidated financial statements" of this report.

(XXI) Contracts with the controlling shareholder

Save as disclosed in "Note 60 to the consolidated financial statements" and "Material Connected Transactions" in "Chapter 6: Major Events" of this report, for the year ended December 31, 2025, neither the Company nor any of its subsidiaries entered into any contract of significance with the controlling shareholder or any of its subsidiaries, nor has the controlling shareholder or any of its subsidiaries entered into any contract of significance for the provision of services to the Company or any of its subsidiaries.

Chapter 6

Changes in Shares and Shareholders

I. Changes in Share Capital

During the Reporting Period, the total number of shares and the share capital structure of the Company remained unchanged.

II. Issuance and Listing of Securities

(I) Issuance of securities during the Reporting Period

Unit: share Currency: RMB

Class of shares and their derivative securities	Code	Abbreviation	Date of issuance	Offer price (or interest rate %)	Issuance amount (RMB100 million)	Date of listing	Amount permitted for listing and trading/ listing (RMB100 million)	Date of closing
Ordinary shares								
–	–	–	–	–	–	–	–	–
Convertible corporate bonds, bonds with warrants								
–	–	–	–	–	–	–	–	–

Class of shares and their derivative securities	Code	Abbreviation	Date of issuance	Offer price (or interest rate %)	Issuance amount (RMB100 million)	Date of listing	Amount permitted for listing and trading/ listing (RMB100 million)	Date of closing
Bonds (including enterprise bonds, corporate bonds and non-financial enterprise debt financing instruments)								
Public corporate bonds	242603.SH	25 China Merchants Securities K1 (25招證K1)	May 13, 2025	1.75	20.00	May 16, 2025	20.00	May 13, 2027
Public corporate bonds	242604.SH	25 China Merchants Securities K2 (25招證K2)	May 13, 2025	1.75	10.00	May 16, 2025	10.00	May 13, 2028
Public corporate bonds	243692.SH	25 China Merchants Securities G1 (25招證G1)	August 29, 2025	1.75	72.00	September 3, 2025	72.00	September 11, 2026
Public corporate bonds	243693.SH	25 China Merchants Securities G2 (25招證G2)	August 29, 2025	1.92	28.00	September 3, 2025	28.00	August 29, 2028
Public corporate bonds	242603.SH	25 China Merchants Securities K1 (25招證K1) (Follow-on Offering)	September 19, 2025	1.75	23.00	September 24, 2025	23.00	May 13, 2027
Public corporate bonds	242604.SH	25 China Merchants Securities K2 (25招證K2) (Follow-on Offering)	September 19, 2025	1.75	27.00	September 24, 2025	27.00	May 13, 2028
Public corporate bonds	244460.SH	25 China Merchants Securities G3 (25招證G3)	December 24, 2025	1.82	38.00	December 29, 2025	38.00	December 24, 2027
Public corporate bonds	244461.SH	25 China Merchants Securities G4 (25招證G4)	December 24, 2025	1.88	48.00	December 29, 2025	48.00	December 24, 2028
Short-term corporate bonds	242574.SH	25 China Merchants Securities S1 (25招證S1)	March 11, 2025	2.08	14.00	March 14, 2025	14.00	August 14, 2025
Short-term corporate bonds	242575.SH	25 China Merchants Securities S2 (25招證S2)	March 11, 2025	2.08	34.00	March 14, 2025	34.00	November 13, 2025
Short-term corporate bonds	242579.SH	25 China Merchants Securities S3 (25招證S3)	March 11, 2025	2.06	32.00	March 14, 2025	32.00	March 6, 2026
Short-term corporate bonds	242681.SH	25 China Merchants Securities S5 (25招證S5)	April 7, 2025	1.87	27.00	April 10, 2025	27.00	November 20, 2025
Short-term corporate bonds	242682.SH	25 China Merchants Securities S6 (25招證S6)	April 7, 2025	1.88	18.00	April 10, 2025	18.00	February 12, 2026
Short-term corporate bonds	242681.SH	25 China Merchants Securities S5 (25招證S5) (Follow-on Offering)	June 4, 2025	1.87	15.00	June 9, 2025	15.00	November 20, 2025

Class of shares and their derivative securities	Code	Abbreviation	Date of issuance	Offer price (or interest rate %)	Issuance amount (RMB100 million)	Date of listing	Amount permitted for listing and trading/ listing (RMB100 million)	Date of closing
Short-term corporate bonds	243206.SH	25 China Merchants Securities S7 (25招證S7)	June 23, 2025	1.62	25.00	June 26, 2025	25.00	October 16, 2025
Short-term corporate bonds	243420.SH	25 China Merchants Securities S9 (25招證S9)	July 24, 2025	1.62	64.50	July 29, 2025	64.50	February 11, 2026
Short-term corporate bonds	243421.SH	25 China Merchants Securities S10 (25招S10)	July 24, 2025	1.62	10.50	July 29, 2025	10.50	July 16, 2026
Short-term corporate bonds	243421.SH	25 China Merchants Securities S10 (25招S10) (Follow-on Offering)	August 15, 2025	1.62	60.00	August 20, 2025	60.00	July 16, 2026
Short-term corporate bonds	243642.SH	25 China Merchants Securities S11 (25招S11)	August 21, 2025	1.68	16.00	August 26, 2025	16.00	January 9, 2026
Short-term corporate bonds	243643.SH	25 China Merchants Securities S12 (25招S12)	August 21, 2025	1.75	34.00	August 26, 2025	34.00	August 6, 2026
Short-term corporate bonds	243858.SH	25 China Merchants Securities S13 (25招S13)	September 22, 2025	1.72	38.00	September 25, 2025	38.00	April 22, 2026
Short-term corporate bonds	243859.SH	25 China Merchants Securities S14 (25招S14)	September 22, 2025	1.75	22.00	September 25, 2025	22.00	September 16, 2026
Short-term corporate bonds	244242.SH	25 China Merchants Securities S15 (25招S15)	November 17, 2025	1.64	30.00	November 20, 2025	30.00	March 12, 2026
Short-term corporate bonds	244243.SH	25 China Merchants Securities S16 (25招S16)	November 17, 2025	1.71	30.00	November 20, 2025	30.00	November 12, 2026
Subordinated bonds	240166.SH	23 China Merchants Securities C10 (23招C10) (Follow-on Offering)	September 11, 2025	3.45	10.00	September 16, 2025	10.00	October 30, 2028
Subordinated bonds	244114.SH	25 China Merchants Securities C1 (25招證C1)	October 30, 2025	2.07	27.00	November 4, 2025	27.00	October 30, 2028
Subordinated bonds	244115.SH	25 China Merchants Securities C2 (25招證C2)	October 30, 2025	2.28	13.00	November 4, 2025	13.00	October 30, 2030
Subordinated bonds	244407.SH	25 China Merchants Securities C3 (25招證C3)	December 11, 2025	2.13	30.00	December 16, 2025	30.00	December 11, 2028
Subordinated bonds	244408.SH	25 China Merchants Securities C4 (25招證C4)	December 11, 2025	2.28	15.00	December 16, 2025	15.00	December 11, 2030

Class of shares and their derivative securities	Code	Abbreviation	Date of issuance	Offer price (or interest rate %)	Issuance amount (RMB100 million)	Date of listing	Amount permitted for listing and trading/ listing (RMB100 million)	Date of closing
Perpetual subordinated bonds	242920.SH	25 China Merchants Securities Y1 (25招證Y1)	April 25, 2025	2.21	9.00	April 30, 2025	9.00	April 25, 2030
Perpetual subordinated bonds	243324.SH	25 China Merchants Securities Y2 (25招證Y2)	July 14, 2025	2.05	11.00	July 17, 2025	11.00	July 14, 2030
Non-publicly issued corporate bonds	257433.SH	25 China Merchants Securities F2 (25招證F2)	February 13, 2025	1.85	14.00	February 18, 2025	14.00	November 6, 2025
Non-publicly issued corporate bonds	257434.SH	25 China Merchants Securities F3 (25招證F3)	February 13, 2025	1.85	43.00	February 18, 2025	43.00	February 5, 2026
Non-publicly issued corporate bonds	134266.SZ	25 China Merchants Securities KD1 (25招證KD1)	May 16, 2025	1.69	20.00	May 22, 2025	20.00	May 15, 2026
Non-publicly issued corporate bonds	280328.SH	25 China Merchants Securities F4 (25招證F4)	October 15, 2025	1.78	41.00	October 20, 2025	41.00	October 22, 2026
Non-publicly issued corporate bonds	280329.SH	25 China Merchants Securities F5 (25招證F5)	October 15, 2025	1.98	15.00	October 20, 2025	15.00	June 17, 2027
Non-publicly issued corporate bonds	280330.SH	25 China Merchants Securities F6 (25招證F6)	October 15, 2025	2.03	37.00	October 20, 2025	37.00	October 15, 2027
Non-publicly issued corporate bonds	280873.SH	25 China Merchants Securities F7 (25招證F7)	November 28, 2025	1.75	24.00	December 3, 2025	24.00	November 26, 2026
Non-publicly issued corporate bonds	280874.SH	25 China Merchants Securities F8 (25招證F8)	November 28, 2025	1.94	16.00	December 3, 2025	16.00	November 28, 2027
Other derivative securities								
Medium-term notes	/	CMSINT 2.1 12/01/28 Corp	December 1, 2025	2.10	6.00	/	6.00	December 1, 2028
Medium-term notes	/	CMSINT 2.1 12/04/28 Corp	December 4, 2025	2.10	7.00	/	7.00	December 4, 2028
–	–	–	–	–	–	–	–	–

Issuance of securities during the Reporting Period (separate explanation for bonds with different interest rates during the duration):

1. Public issuance of corporate bonds to professional investors

In June 2024, the Company received the Approval for the Registration of Corporate Bonds Publicly Issued by China Merchants Securities Co., Ltd. to Professional Investors (Zheng Jian Xu Ke [2024] No. 923) (《關於同意招商證券股份有限公司向專業投資者公開發行公司債券註冊的批覆》(證監許可[2024]923號)) from the CSRC, pursuant to which, the CSRC approved that the Company may publicly issue to professional investors corporate bonds, the total face value of which shall not be more than RMB20 billion. In 2025, the Company issued one tranche of corporate bonds with a maturity of more than one year, one tranche of sci-tech innovation corporate bonds with a maturity of more than one year, and conducted a follow-on offering of one tranche of sci-tech innovation corporate bonds with a maturity of more than one year accordingly.

In December 2025, the Company received the Approval for the Registration of Corporate Bonds Publicly Issued by China Merchants Securities Co., Ltd. to Professional Investors (Zheng Jian Xu Ke [2025] No. 2679) (《關於同意招商證券股份有限公司向專業投資者公開發行公司債券註冊的批覆》(證監許可[2025]2679號)) from the CSRC, pursuant to which, the CSRC approved that the Company may publicly issue to professional investors corporate bonds, the total face value of which shall not be more than RMB40 billion. In 2025, the Company issued one tranche of corporate bonds with a maturity of more than one year accordingly.

2. Public issuance of short-term corporate bonds to professional investors

In December 2024, the Company received the Approval for the Registration of Short-term Corporate Bonds Publicly Issued by China Merchants Securities Co., Ltd. to Professional Investors (Zheng Jian Xu Ke [2024] No. 1963) (《關於同意招商證券股份有限公司向專業投資者公開發行短期公司債券的批覆》(證監許可[2024]1963號)) from the CSRC, pursuant to which, the CSRC approved that the Company may publicly issue to professional investors short-term corporate bonds, with the balance of the face value not more than RMB40 billion. In 2025, the Company issued seven tranches of short-term corporate bonds, and conducted follow-on offering of two tranches of short-term corporate bonds accordingly.

3. Public issuance of subordinated corporate bonds to professional investors

In September 2023, the Company received the Approval for the Registration of Subordinated Corporate Bonds Publicly Issued by China Merchants Securities Co., Ltd. to Professional Investors (Zheng Jian Xu Ke [2023] No. 2134) (《關於同意招商證券股份有限公司向專業投資者公開發行次級公司債券的批覆》(證監許可[2023]2134號)) from the CSRC, pursuant to which, the CSRC approved that the Company may publicly issue to professional investors subordinated corporate bonds, the total face value of which shall not be more than RMB20 billion. In 2025, the Company conducted a follow-on offering of one tranche of subordinated corporate bonds accordingly.

In October 2025, the Company received the Approval for the Registration of Subordinated Corporate Bonds Publicly Issued by China Merchants Securities Co., Ltd. to Professional Investors (Zheng Jian Xu Ke [2025] No. 2289) (《關於同意招商證券股份有限公司向專業投資者公開發行次級公司債券的批覆》(證監許可[2025]2289號)) from the CSRC, pursuant to which, the CSRC approved that the Company may publicly issue to professional investors subordinated corporate bonds, the total face value of which shall not be more than RMB30 billion. In 2025, the Company issued two tranches of subordinated corporate bonds accordingly.

4. Public issuance of perpetual subordinated corporate bonds to professional investors

In March 2025, the Company received the Approval for the Registration of Perpetual Subordinated Corporate Bonds Publicly Issued by China Merchants Securities Co., Ltd. to Professional Investors (Zheng Jian Xu Ke [2025] No. 529) (《關於同意招商證券股份有限公司向專業投資者公開發行永續次級公司債券的批覆》(證監許可[2025]529號)) from the CSRC, pursuant to which, the CSRC approved that the Company may publicly issue to professional investors perpetual subordinated corporate bonds, the total face value of which shall not be more than RMB6 billion. In 2025, the Company issued two tranches of perpetual subordinated corporate bonds accordingly.

5. Non-public issuance of corporate bonds to professional investors

In February 2024, the Company received the No Objection Letter for the Offer for Sale of Corporate Bonds Non-publicly Issued by China Merchants Securities Co., Ltd. (Shang Zheng Han [2024] No. 542) (《關於對招商證券股份有限公司非公開發行公司債券掛牌轉讓無異議的函》(上證函[2024]542號)) from the SSE, pursuant to which, the SSE has no objection to the offer for sale of corporate bonds non-publicly issued by the Company to professional investors, the total amount of which shall not be more than RMB20 billion. In 2025, the Company issued one tranche of non-publicly issued short-term corporate bonds accordingly.

In February 2025, the Company received the No Objection Letter for the Offer for Sale of Corporate Bonds Non-publicly Issued by China Merchants Securities Co., Ltd. (Shang Zheng Han [2025] No. 573) (《關於對招商證券股份有限公司非公開發行公司債券掛牌轉讓無異議的函》(上證函[2025]573號)) from the SSE, pursuant to which, the SSE has no objection to the offer for sale of corporate bonds non-publicly issued by the Company to professional investors, the total amount of which shall not be more than RMB20 billion. In 2025, the Company issued two tranches of non-publicly issued corporate bonds accordingly.

In April 2025, the Company received the No Objection Letter for the Non-public Issuance of Short-term Corporate Bonds by China Merchants Securities Co., Ltd. in Compliance with the Conditions for Listing on the Shenzhen Stock Exchange (Shen Zheng Han [2025] No. 445) (《關於招商證券股份有限公司非公開發行短期公司債券符合深交所掛牌條件的無異議函》(深證函[2025]445號)) from the SZSE, pursuant to which, the SZSE has no objection to the listing conditions for the short-term corporate bonds non-publicly issued by the Company to professional investors, the face value of which shall not be more than RMB2 billion. In 2025, the Company issued one tranche of non-publicly issued sci-tech innovation short-term corporate bonds accordingly.

III. Shareholders and De Facto Controller

(I) Total number of shareholders

Total number of holders of ordinary shares as of the end of the Reporting Period	175,836
Total number of holders of ordinary shares as of the end of the month preceding the disclosure of this annual report	169,943

(II) Shareholdings of the top ten shareholders and the top ten holders of tradable shares (or holders of unrestricted shares) as of the end of the Reporting Period

Unit: share

Shareholdings of the top ten shareholders (Excluding shares lent through margin financing)							
Name of shareholder (in full)	Changes during the Reporting Period	Number of shares held at the end of the period	Percentage (%)	Number of restricted shares held	Pledged, marked or locked-up		Nature of shareholder
					Status	Number	
China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司)	0	2,047,900,517.00	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)	0	1,703,934,870.00	19.59	—	Nil	—	State-owned legal person
HKSCC Nominees Limited	40,430	1,274,312,582.00	14.65	—	Nil	—	Overseas legal person
China Ocean Shipping Company Limited (中國遠洋運輸有限公司)	0	544,632,418.00	6.26	—	Nil	—	State-owned legal person
Hebei Port Group Co., Ltd. (河北港口集團有限公司)	0	343,282,732.00	3.95	—	Nil	—	State-owned legal person
CCCC Capital Holdings Co., Ltd. (中交資本控股有限公司)	-41,770,700	185,374,403.00	2.13	—	Nil	—	State-owned legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	0	170,789,261.00	1.96	—	Nil	—	Unknown
Hong Kong Securities Clearing Company Limited	-101,189,170	126,057,173.00	1.45	—	Nil	—	Overseas legal person
COSCO Shipping (Guangzhou) Co., Ltd. (中遠海運(廣州)有限公司)	0	109,199,899.00	1.26	—	Nil	—	State-owned legal person
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended 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)	47,935,695	102,007,798.00	1.17	—	Nil	—	Other

Shareholdings of the top ten holders of unrestricted shares (Excluding shares lent through margin financing)			
Name of shareholder	Number of tradable unrestricted shares held	Class and number of shares	
		Class	Number
China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司)	2,047,900,517.00	RMB ordinary shares	2,047,900,517.00
Shenzhen Jisheng Investment Development Co., Ltd. (深圳市集盛投資發展有限公司)	1,703,934,870.00	RMB ordinary shares	1,703,934,870.00
HKSCC Nominees Limited	1,274,312,582.00	Overseas listed foreign shares	1,274,312,582.00
China Ocean Shipping Company Limited (中國遠洋運輸有限公司)	544,632,418.00	RMB ordinary shares	544,632,418.00
Hebei Port Group Co., Ltd. (河北港口集團有限公司)	343,282,732.00	RMB ordinary shares	343,282,732.00
CCCC Capital Holdings Co., Ltd. (中交資本控股有限公司)	185,374,403.00	RMB ordinary shares	185,374,403.00
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	170,789,261.00	RMB ordinary shares	170,789,261.00
Hong Kong Securities Clearing Company Limited	126,057,173.00	RMB ordinary shares	126,057,173.00
COSCO Shipping (Guangzhou) Co., Ltd. (中遠海運(廣州)有限公司)	109,199,899.00	RMB ordinary shares	109,199,899.00
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended 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)	102,007,798.00	RMB ordinary shares	102,007,798.00
Description of the special account for repurchase among the top ten shareholders	Nil		
Description of the entrusting voting right, entrusted voting right and waiver of voting right of the above shareholders	Nil		
Description of the connected relationships or concerted actions among the above shareholders	1. CM Financial Holdings holds 100% of the equity interest in Jisheng Investment. CM Financial Holdings and Jisheng Investment are both subsidiaries of China Merchants Group, the de facto controller of the Company; 2. China Ocean Shipping and COSCO Shipping (Guangzhou) Co., Ltd. are both 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 Northbound Trading Link of the Shanghai-Hong Kong Stock Connect;

3. 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 credit securities accounts.

(III) Interests and short positions of the substantial shareholders and other persons in the shares and underlying shares

As at December 31, 2025, to the best knowledge of the Directors having made reasonable enquiries, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

No.	Name of de facto controller and substantial shareholders	Class of shares	Nature of interest	Number of shares held	Percentage of total number of issued shares of the Company (%)	Percentage of total number of issued A Shares/H Shares of the Company (%)	Long positions[7]/ short positions[8]/ shares available for lending
1	China Merchants Group	A Shares	Interest held by controlled corporations[1]	3,751,835,387	43.14	50.55	Long position
		H Shares	Interest held by controlled corporations[2]	89,042,607	1.02	6.99	Long position
2	China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司)	A Shares	Beneficial owner and interest of corporation controlled by substantial shareholders[3]	3,751,835,387	43.14	50.55	Long position
		H Shares	Interest held by controlled corporations[3]	89,042,607	1.02	6.99	Long position
3	Shenzhen Jisheng Investment Development Co., Ltd. (深圳市集盛投資發展有限公司)	A Shares	Beneficial owner	1,703,934,870	19.59	22.96	Long position
4	China Merchants Financial Holdings (Hong Kong) Company Limited	H Shares	Interest held by controlled corporations[3]	89,042,607	1.02	6.99	Long position
5	Best Winner Investment Limited	H Shares	Beneficial owner	89,042,607	1.02	6.99	Long position
6	China COSCO Shipping Corporation Limited (中國遠洋海運集團有限公司)	A Shares	Interest held by controlled corporations[4]	663,437,515	7.63	8.94	Long position
		H Shares	Interest held by controlled corporations[5]	207,797,720	2.39	16.30	Long position
7	China Ocean Shipping Company Limited (中國遠洋運輸有限公司)	A Shares	Beneficial owner	544,632,418	6.26	7.34	Long position

No.	Name of de facto controller and substantial shareholders	Class of shares	Nature of interest	Number of shares held	Percentage of total number of issued shares of the Company (%)	Percentage of total number of issued A Shares/H Shares of the Company (%)	Long positions[7]/ short positions[8]/ shares available for lending
8	COSCO SHIPPING Investment Holdings Co., Limited	H Shares	Beneficial owner	207,797,720	2.39	16.30	Long position
9	Hebei Port Group Co., Ltd. (河北港口集團有限公司)	A Shares	Beneficial owner	343,282,732	3.95	4.63	Long position
		H Shares	Beneficial owner	90,674,260	1.04	7.11	Long position
10	PICC Life Insurance Company Limited (中國人民人壽保險股份有限公司)	H Shares	Beneficial owner	433,290,000	4.98	34.00	Long position
11	The People's Insurance Company (Group) of China Limited (中國人民保險集團股份有限公司)	H Shares	Interest held by controlled corporations[6]	433,290,000	4.98	34.00	Long position

1. China Merchants Group Limited holds 100% of the equity interest in China Merchants Financial Holdings Co., Ltd. and Shenzhen Jisheng Investment Development Co., Ltd., and is deemed to be interested in the same number of A Shares which China Merchants Financial Holdings Co., Ltd. (23.55%) and Shenzhen Jisheng Investment Development Co., Ltd. (19.59%) are interested in under the SFO.

2. China Merchants Group Limited holds 100% of the equity interest in Best Winner Investment Limited, and is deemed to be interested in the same number of H Shares which Best Winner Investment Limited (1.02%) is interested in under the SFO.

3. China Merchants Financial Holdings Co., Ltd. directly holds 23.55% of the shares of the Company. China Merchants Financial Holdings Co., Ltd. holds 100% of the equity interest in Shenzhen Jisheng Investment Development Co., Ltd., and is deemed to be interested in the same number of A Shares which Shenzhen Jisheng Investment Development Co., Ltd. (19.59%) is interested in under the SFO. Thus, China Merchants Financial Holdings Co., Ltd. holds, directly and indirectly, an aggregate of 43.14% of the equity interest in the A Shares of the Company. China Merchants Financial Holdings Co., Ltd. holds 100% of the equity interest in China Merchants Financial Holdings (Hong Kong) Company Limited, and China Merchants Financial Holdings (Hong Kong) Company Limited holds 100% of the equity interest in Best Winner Investment Limited. China Merchants Financial Holdings Co., Ltd. and China Merchants Financial Holdings (Hong Kong) Company Limited are deemed to be interested in the same number of H Shares which Best Winner Investment Limited (1.02%) is interested in under the SFO.

4. China COSCO Shipping Corporation Limited holds 100% of the equity interest in China Ocean Shipping Co., Ltd. and China Shipping Group Co., Ltd. (中國海運集團有限公司), and is deemed to be interested in the same number of A Shares which China Ocean Shipping Co., Ltd. (6.26%), COSCO Shipping (Guangzhou) Co., Ltd. (1.26%), a wholly-owned subsidiary of China Shipping Group Co., Ltd., COSCO SHIPPING Investment Holdings Co., Limited (0.10%), a wholly-owned subsidiary of China Shipping Group Co., Ltd., and Guangzhou Sanding Oil Products Transport Co., Ltd. (廣州市三鼎油品運輸有限公司) (0.01%), a controlled subsidiary of China Shipping Group Co., Ltd., are interested in under the SFO.

5. China COSCO Shipping Corporation Limited is deemed to be interested in the same number of H Shares which COSCO SHIPPING Investment Holdings Co., Limited (2.39%), a wholly-owned subsidiary of China Shipping Group Co., Ltd., is interested in under the SFO.

6. The People's Insurance Company (Group) of China Limited directly and indirectly holds 80% of the equity interest in PICC Life Insurance Company Limited, and is deemed to be interested in the same number of H Shares which PICC Life Insurance Company Limited is interested in under the SFO.

7. A shareholder has a "long position" if it has an interest in shares, including interests through holding, selling or issuing financial instruments (including derivatives) under which such shareholder has the following rights and liabilities: (i) it has a right to buy the underlying shares; (ii) it is under an obligation to buy the underlying shares; (iii) it has a right to receive money if the price of the underlying shares increases; or (iv) it has a right to avoid or reduce a loss if the price of the underlying shares increases.

8. A shareholder has a "short position" if it borrows shares under a securities borrowing and lending agreement, or if it holds, sells or issues financial instruments (including derivatives) under which such shareholder has the following rights and liabilities: (i) it has a right to require another person to buy the underlying shares; (ii) it is under an obligation to deliver the underlying shares; (iii) it has a right to receive money if the price of the underlying shares decreases; or (iv) it has a right to avoid or reduce a loss if the price of the underlying shares decreases.

Save as disclosed above, as at December 31, 2025, the Company was not aware of any other person (other than the Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

IV. Details of Controlling Shareholder and De Facto Controller

(I) Details of controlling shareholder

1. Legal person

Name	China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司)
Person in charge or legal representative	MIAO Jianmin (繆建民)
Date of incorporation	May 28, 1997
Principal business	General business: nil. Licensed business: business as a financial holding company. (Projects which need approvals according to the laws shall be subject to the approvals of relevant authorities before operation activities can be carried out. The specific business projects shall be subject to the approval documents or licenses of relevant authorities)
Shareholdings in other domestic or overseas listed companies controlled by or associated with it during the Reporting Period	It directly holds 4.55% of the shares of China Merchants Bank; indirectly holds 8.73% of the shares of China Merchants Bank through its controlled subsidiaries, namely Shenzhen Yan Qing Investment and Development Co., Ltd. (深圳市晏清投資發展有限公司) and Shenzhen Chu Yuan Investment and Development Co., Ltd. (深圳市楚源投資發展有限公司); indirectly holds 1.53% of the shares of China Merchants Bank through Best Winner Investment Limited, and holds 27.59% of the shares of China Merchants China Direct Investments Limited through Good Image Limited.
Other assets and restrictions	Mainly equity investment, and there are no major restrictions on the equity and other assets held in China Merchants Securities
Credit status	Good credit standing.
Other descriptions	Nil.

2. Diagram of the ownership and controlling relationship between the Company and its controlling shareholder



The controlling shareholder of the Company is CM Financial Holdings. CM Financial Holdings directly and through its subsidiaries, namely Shenzhen Jisheng Investment Development Co., Ltd. and Best Winner Investment Limited, indirectly holds a total of 44.17% shares of the Company.

(II) Details of de facto controller

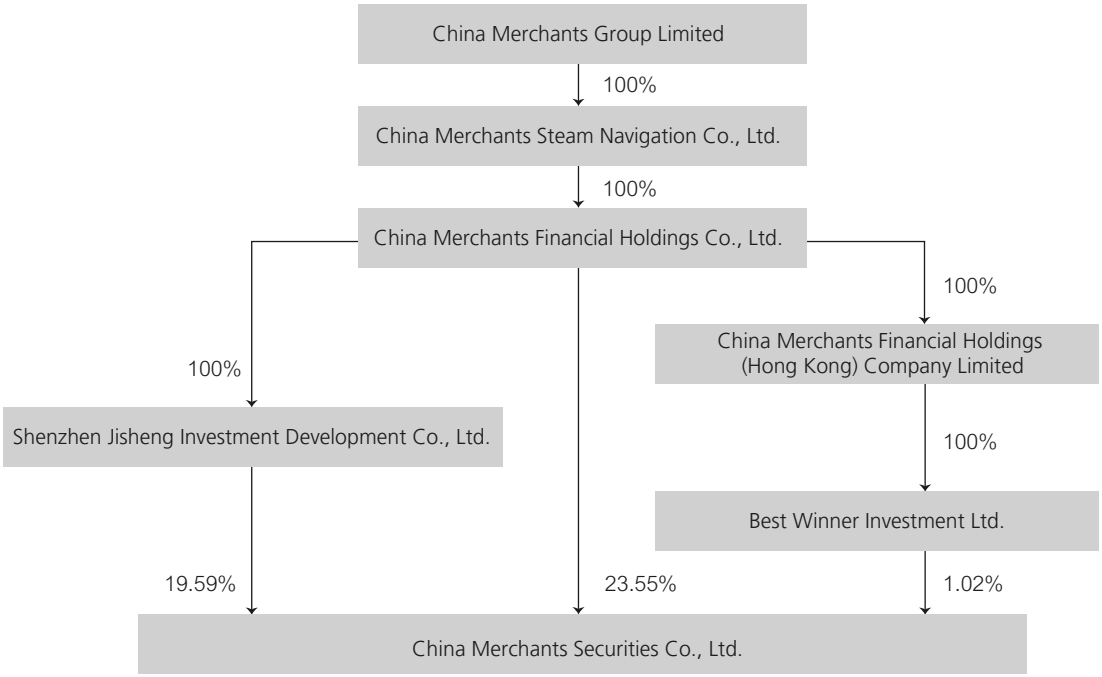
1. Legal person

Name	China Merchants Group Limited
Person in charge or legal representative	MIAO Jianmin (繆建民)
Date of incorporation	October 14, 1986
Principal business	Sea and land passenger and cargo transportation and agency, leasing and agency of sea and land transportation tools and equipment, investment in and management of port and warehouse businesses; sea rescue, salvage and towing; manufacturing; building, repair, inspection and sale of vessels and offshore oil drilling equipment; repair and inspection of oil rigs and containers; contracting and construction of and back office services for sea and land construction projects and offshore oil exploitation projects; procurement, supply and sale of sea and land transportation equipment and relevant supplies; import and export transportation businesses; investment in and management of businesses in the financial, insurance, trust, securities and futures industries; investment in and management of businesses in the tourism, hotel, catering and relevant services industries; real estate development and property management and consultancy business; investment in and management of petrochemical business; investment in and operation of transportation infrastructure; operation of offshore assets; development, operation and management of Shekou Industrial Zone in Shenzhen and Zhangzhou Development Zone in Fujian (market entities may independently select business projects and carry out operating activities in accordance with the laws; operations that require prior approvals according to the laws may only be conducted after obtaining approvals from the relevant authorities; operating activities prohibited and restricted by the industrial policies of the state and the municipality shall not be engaged in.)

Shareholdings in other domestic or overseas listed companies controlled by or associated with it during the Reporting Period	As of the end of the Reporting Period, the major listed companies in which China Merchants Group directly or indirectly held shares were as follows: held 74.35% interests in China Merchants Land Limited; held 72.15% interests in China Merchants Port Holdings Company Limited; held 71.00% interests in Liaoning Port Co., Ltd.; held 62.42% interests in China Merchants Expressway Network & Technology Holdings Co., Ltd.; held 63.45% interests in China Merchants Port Group Co., Ltd.; held 60.20% interests in Sinotrans Limited; held 58.76% interests in China Merchants Shekou Industrial Zone Holdings Co., Ltd.; held 54.48% interests in China Merchants Energy Shipping Co., Ltd.; held 51.48% interests in China Merchants Property Operation & Service Co., Ltd.; held 51.00% interests in PT NUSANTARA PELABUHAN HANDAL, TBK; held 49.00% interests in Best Mart 360 Holdings Limited; held 47.18% interests in CM Energy Tech Co.,Ltd.; held 30.77% interests in Nanjing Tanker Corporation; held 28.57% interests in Anhui Expressway Company Limited; held 28.30% interests in Humanwell Healthcare (Group) Co., Ltd. (人福醫藥集團股份有限公司); held 28.05% interests in Shanghai International Port (Group) Co., Ltd.; held 29.97% interests in China Merchants Bank Co., Ltd.; held 27.59% interests in China Merchants China Direct Investments Limited;

	held 24.88% interests in Sichuan Expressway Company Limited; held 24.49% interests in China International Marine Containers (Group) Co., Ltd.; held 23.08% interests in Ningbo Zhoushan Port Co., Ltd.; held 20.00% interests in Antong Holdings Co., Ltd.; held 17.75% interests in Fujian Expressway Development Co., Ltd.; held 16.65% interests in Heilongjiang Transport Development Co., Ltd.; held 16.32% interests in Hubei Chutian Smart Communication Co., Ltd.; held 16.21% interests in Shandong Hi-Speed Company Limited; held 15.43% interests in Henan Zhongyuan Expressway Co., Ltd.; held 14.04% interests in Jilin Expressway Co., Ltd.; held 13.86% interests in Guangxi Wuzhou Communications Co., Ltd.; held 12.36% interests in China Great Wall Securities Co., Ltd.; held 11.79% interests in Jiangsu Expressway Company Limited; held 9.60% interests in Shenzhen Expressway Corporation Limited; held 9.59% interests in Shanxi Hi-speed Group Co., Ltd. (山西高速集團股份有限公司); held 8.70% interests in Qilu Expressway Company Limited; held 8.04% interests in Xiandai Investment Co., Ltd.; held 7.76% interests in Jiangsu Deyuan Pharmaceutical Co., Ltd. (江蘇德源藥業股份有限公司); held 6.28% interests in Xiamen Xiangyu Co. Ltd. (廈門象嶼股份有限公司); held 6.03% interests in Zhejiang Expressway Co., Ltd.; held 5.54% interests in Pangang Group Vanadium & Titanium Resources Co., Ltd.; held 2.10% interests in International Business Settlement Holdings Limited.
Other assets and restrictions	Major assets are cash and bank balances, inventory and long-term equity investment, and there are no major restrictions on the equity and other assets held in China Merchants Securities.
Credit status	Granted AAA credit rating with good credit standing.
Other descriptions	Nil.

2. *Diagram of the ownership and controlling relationship between the Company and its de facto controller*



The de facto controller of the Company is China Merchants Group. China Merchants Group indirectly holds a total of 44.17% shares of the Company through its subsidiaries, namely China Merchants Financial Holdings Co., Ltd., Shenzhen Jisheng Investment Development Co., Ltd. and Best Winner Investment Limited.

V. Other Corporate Shareholders Interested in 10% or more of the Shares of the Company

Unit: Yuan Currency: RMB

Name of corporate shareholder	Person in charge or legal representative	General manager	Date of incorporation	Organization code	Registered capital	Principal business or operation
Shenzhen Jisheng Investment Development Co., Ltd. (深圳市集盛投資發展有限公司)	SUN Xian (孫獻)	RONG Jie (戎捷)	December 11, 2001	91440300734146375H	60,000	Investment in the establishment of businesses (projects are separately reported); domestic business, commodity supply and sales (excluding licensed, exclusive or franchised commodities); and economic information consultancy (excluding restricted items).
Description	Jisheng Investment is a subsidiary of China Merchants Group, the de facto controller of the Company.					

Chapter 7

Relevant Information of Bonds

I. Corporate Bonds (Including Enterprise Bonds) and Non-financial Enterprise Debt Financing Instruments

(I) Corporate bonds

General information of corporate bonds

As of the date of this report, the details of the outstanding corporate bonds are as follows:

Unit: 100 Million Yuan Currency: RMB

Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2026	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors	Trading mechanism	Whether there is any risk of termination of listing
The 2021 Type Three Corporate Bonds (fifth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司面向專業投資者公開發行2021年公司債券(第五期)(品種三))	21 China Merchants Securities 10 (21招證10)	188568.SH	August 11, 2021	August 12, 2021	-	August 12, 2026	20.00	3.41	Payment of interest annually, and payment of principal and interest upon expiry	SSE	CITIC Securities, Galaxy Securities, Everbright Securities and Ping An Securities	CITIC Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No

Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2026	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors	Trading mechanism	Whether there is any risk of termination of listing
The 2021 Type Two Subordinated Bonds (sixth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2021年面向專業投資者公開發行次級債券(第六期)(品種二))	21 China Merchants Securities C8 (21招證C8)	188998.SH	November 10, 2021	November 11, 2021	-	November 11, 2026	10.00	3.70	Payment of interest annually, and payment of principal and interest upon expiry	SSE	Ping An Securities	Ping An Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2022 Perpetual Subordinated Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2022年面向專業投資者公開發行永續次級債券(第一期)) Note 1	22 China Merchants Securities Y1 (22招證Y1)	185584.SH	March 23, 2022	March 24, 2022	-	-	43.00	3.95	Payment of interest annually if the option of deferring payment of interest is not exercised	SSE	GF Securities	GF Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2022 Perpetual Subordinated Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2022年面向專業投資者公開發行永續次級債券(第二期)) Note 1	22 China Merchants Securities Y2 (22招證Y2)	185697.SH	April 18, 2022	April 19, 2022	-	-	47.00	3.77	Payment of interest annually if the option of deferring payment of interest is not exercised	SSE	GF Securities	GF Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2022 Perpetual Subordinated Bonds (third tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2022年面向專業投資者公開發行永續次級債券(第三期)) Note 1	22 China Merchants Securities Y3 (22招證Y3)	185739.SH	April 25, 2022	April 26, 2022	-	-	40.00	3.77	Payment of interest annually if the option of deferring payment of interest is not exercised	SSE	GF Securities	GF Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2022 Perpetual Subordinated Bonds (fourth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2022年面向專業投資者公開發行永續次級債券(第四期)) Note 1	22 China Merchants Securities Y4 (22招證Y4)	185831.SH	June 7, 2022	June 8, 2022	-	-	20.00	3.72	Payment of interest annually if the option of deferring payment of interest is not exercised	SSE	GF Securities	GF Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No

Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2026	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors	Trading mechanism	Whether there is any risk of termination of listing
The 2023 Type Two Corporate Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司面向專業投資者公開發行2023年公司債券(第一期)(品種二))	23 China Merchants Securities G2 (23招證G2)	115252.SH	April 14, 2023	April 17, 2023	-	April 17, 2026	40.00	3.03	Payment of interest annually, and payment of principal and interest upon expiry	SSE	CITIC Securities, Galaxy Securities, Everbright Securities and Ping An Securities	CITIC Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2023 Type Two Subordinated Bonds (third tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行次級債券(第三期)(品種二))	23 China Merchants Securities C6 (23招證C6)	115286.SH	April 18, 2023	April 19, 2023	-	April 19, 2026	33.00	3.30	Payment of interest annually, and payment of principal and interest upon expiry	SSE	Ping An Securities	Ping An Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2023 Type One Corporate Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司面向專業投資者公開發行2023年公司債券(第二期)(品種一))	23 China Merchants Securities G3 (23招證G3)	115314.SH	April 24, 2023	April 25, 2023	-	May 14, 2026	28.00	3.03	Payment of interest annually in the first two interest-bearing years, and payment of interest for the remaining term together with the payment of principal upon expiry	SSE	CITIC Securities, Galaxy Securities, Everbright Securities and Ping An Securities	CITIC Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2023 Type Two Corporate Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司面向專業投資者公開發行2023年公司債券(第二期)(品種二))	23 China Merchants Securities G4 (23招證G4)	115315.SH	April 24, 2023	April 25, 2023	-	April 25, 2028	22.00	3.17	Payment of interest annually, and payment of principal and interest upon expiry	SSE	CITIC Securities, Galaxy Securities, Everbright Securities and Ping An Securities	CITIC Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No

Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2026	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors	Trading mechanism	Whether there is any risk of termination of listing
The 2023 Type One Subordinated Bonds (fourth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行次級債券(第四期)(品種一))	23 China Merchants Securities C7 (23招證C7)	115379.SH	May 19, 2023	May 22, 2023	-	May 22, 2026	10.00	3.13	Payment of interest annually, and payment of principal and interest upon expiry	SSE	Ping An Securities	Ping An Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2023 Type Two Subordinated Bonds (fourth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行次級債券(第四期) (品種二))	23 China Merchants Securities C8 (23招證C8)	115380.SH	May 19, 2023	May 22, 2023	-	May 22, 2028	10.00	3.39	Payment of interest annually, and payment of principal and interest upon expiry	SSE	Ping An Securities	Ping An Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2023 Type Two Corporate Bonds (third tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行公司債券(第三期)(品種二))	23 China Merchants Securities G6 (23招證G6)	115648.SH	July 12, 2023	July 13, 2023	-	July 13, 2026	34.00	2.72	Payment of interest annually, and payment of principal and interest upon expiry	SSE	GF Securities, CITIC Securities, Galaxy Securities, Everbright Securities and Ping An Securities	GF Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2023 Type Two Corporate Bonds (fourth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行公司債券 (第四期)(品種二))	23 China Merchants Securities G8 (23招證G8)	115703.SH	July 21, 2023	July 24, 2023	-	June 18, 2026	35.00	2.70	Payment of interest annually, and payment of principal and interest upon expiry	SSE	GF Securities, CITIC Securities, Galaxy Securities, Everbright Securities and Ping An Securities	GF Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2023 Type Two Corporate Bonds (fifth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行公司債券(第五期)(品種二))	23 China Merchants Securities 10 (23招證10)	115790.SH	August 10, 2023	August 11, 2023	-	August 11, 2026	40.00	2.74	Payment of interest annually, and payment of principal and interest upon expiry	SSE	GF Securities, CITIC Securities, Galaxy Securities, Everbright Securities and Ping An Securities	GF Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No

Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2026	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors	Trading mechanism	Whether there is any risk of termination of listing
The 2023 Type One Subordinated Bonds (fifth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行次級債券(第五期)(品種一))	23 China Merchants Securities C9 (23招證C9)	240165.SH	October 27, 2023	October 30, 2023	-	October 30, 2026	20.00	3.20	Payment of interest annually, and payment of principal and interest upon expiry	SSE	Huatai United Securities, CITIC Securities and Zhongtai Securities	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2023 Type Two Subordinated Bonds (fifth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行次級債券(第五期)(品種二))[Note 3]	23 China Merchants Securities C10 (23招C10)	240166.SH	October 27, 2023 (Follow-on Offering: September 10, 2025)	October 30, 2023	-	October 30, 2028	25.00	3.45	Payment of interest annually, and payment of principal and interest upon expiry	SSE	Huatai United Securities, CITIC Securities and Zhongtai Securities (Follow-on Offering: Huatai United Securities and CITIC Securities)	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2023 Corporate Bonds (sixth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行公司債券(第六期))	23 China Merchants Securities 11 (23招證11)	240335.SH	November 23, 2023	November 24, 2023	-	November 24, 2026	30.00	2.88	Payment of interest annually, and payment of principal and interest upon expiry	SSE	GF Securities, CITIC Securities, Galaxy Securities, Everbright Securities and Ping An Securities	GF Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2024 Corporate Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行公司債券(第一期))	24 China Merchants Securities G1 (24招證G1)	240506.SH	January 17, 2024	January 18, 2024	-	January 18, 2027	30.00	2.74	Payment of interest annually, and payment of principal and interest upon expiry	SSE	GF Securities, CITIC Securities, Galaxy Securities, Everbright Securities and Ping An Securities	GF Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2024 Type One Subordinated Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行次級債券(第一期)(品種一))	24 China Merchants Securities C1 (24招證C1)	240739.SH	March 19, 2024	March 20, 2024	-	March 20, 2027	9.00	2.64	Payment of interest annually, and payment of principal and interest upon expiry	SSE	Huatai United Securities, CITIC Securities and Zhongtai Securities	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No

Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2026	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors	Trading mechanism	Whether there is any risk of termination of listing
The 2024 Type Two Subordinated Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行次級債券(第一期) (品種二))	24 China Merchants Securities C2 (24招證C2)	240740.SH	March 19, 2024	March 20, 2024	-	March 20, 2029	17.00	2.77	Payment of interest annually, and payment of principal and interest upon expiry	SSE	Huatai United Securities, CITIC Securities and Zhongtai Securities	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2024 Type Two Subordinated Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行次級債券(第二期) (品種二))	24 China Merchants Securities C4 (24招證C4)	240922.SH	April 18, 2024	April 19, 2024	-	April 19, 2029	20.00	2.55	Payment of interest annually, and payment of principal and interest upon expiry	SSE	Huatai United Securities, CITIC Securities and Zhongtai Securities	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2024 Type Two Subordinated Bonds (third tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行次級債券(第三期)(品種二))	24 China Merchants Securities C6 (24招證C6)	241180.SH	June 26, 2024	June 27, 2024	-	June 27, 2029	20.00	2.32	Payment of interest annually, and payment of principal and interest upon expiry	SSE	Huatai United Securities, CITIC Securities and Zhongtai Securities	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2024 Type One Corporate Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行公司債券(第二期)(品種一))	24 China Merchants Securities G2 (24招證G2)	241189.SH	June 27, 2024	July 1, 2024	-	July 1, 2027	10.00	2.15	Payment of interest annually, and payment of principal and interest upon expiry	SSE	GF Securities, CITIC Securities, Galaxy Securities, Everbright Securities and Ping An Securities	GF Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2024 Type Two Corporate Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行公司債券(第二期)(品種二))	24 China Merchants Securities G3 (24招證G3)	241190.SH	June 27, 2024	July 1, 2024	-	July 1, 2028	60.00	2.25	Payment of interest annually, and payment of principal and interest upon expiry	SSE	GF Securities, CITIC Securities, Galaxy Securities, Everbright Securities and Ping An Securities	GF Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No

Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2026	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors	Trading mechanism	Whether there is any risk of termination of listing
The 2024 Type Two Subordinated Bonds (fourth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行次級債券(第四期)(品種二))	24 China Merchants Securities C8 (24招證C8)	241412.SH	August 7, 2024	August 8, 2024	-	August 8, 2029	30.00	2.12	Payment of interest annually, and payment of principal and interest upon expiry	SSE	Huatai United Securities, CITIC Securities and Zhongtai Securities	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2024 Type One Corporate Bonds (third tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行公司債券(第三期)(品種一))	24 China Merchants Securities G4 (24招證G4)	241759.SH	October 17, 2024	October 18, 2024	-	October 18, 2027	20.00	2.15	Payment of interest annually, and payment of principal and interest upon expiry	SSE	Huatai United Securities, Galaxy Securities, Everbright Securities and Ping An Securities	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2024 Type One Corporate Bonds (first tranche) non-publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者非公開發行公司債券(第一期)(品種一))	24 China Merchants Securities F1 (24招證F1)	256614.SH	November 22, 2024	November 25, 2024	-	June 25, 2026	10.00	2.12	Payment of interest annually in the first interest-bearing year, and payment of interest for the remaining term together with the payment of principal upon expiry	SSE	Huatai United Securities, CITIC Securities, GF Securities and Everbright Securities	Huatai United Securities	Offering to professional institutional investors	Click-to-trade, quote request, auction and negotiation	No
The 2024 Type Two Corporate Bonds (first tranche) non-publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向 專業投資者非公開發行公司債券(第一期)(品種二))	24 China Merchants Securities F2 (24招證F2)	256615.SH	November 22, 2024	November 25, 2024	-	December 10, 2026	25.00	2.15	Payment of interest annually, and payment of principal and interest upon expiry	SSE	Huatai United Securities, CITIC Securities, GF Securities and Everbright Securities	Huatai United Securities	Offering to professional institutional investors	Click-to-trade, quote request, auction and negotiation	No

Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2026	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors	Trading mechanism	Whether there is any risk of termination of listing
The 2024 Type Three Corporate Bonds (first tranche) non-publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者非公開發行公司債券(第一期)(品種三))	24 China Merchants Securities F3 (24招證F3)	256616.SH	November 22, 2024	November 25, 2024	-	March 11, 2027	25.00	2.14	Payment of interest annually, and payment of principal and interest upon expiry	SSE	Huatai United Securities, CITIC Securities, GF Securities and Everbright Securities	Huatai United Securities	Offering to professional institutional investors	Click-to-trade, quote request, auction and negotiation	No
The 2025 Perpetual Subordinated Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行永續次級債券(第一期)) Note 2	25 China Merchants Securities Y1 (25招證Y1)	242920.SH	April 24, 2025	April 25, 2025	-	-	9.00	2.21	Payment of interest annually if the option of deferring payment of interest is not exercised	SSE	GF Securities and CITIC Securities	GF Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2025 Type One Sci-Tech Innovation Corporate Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行科技創新公司債券(第一期)(品種一)) Note 3	25 China Merchants Securities K1 (25招證K1)	242603.SH	May 12, 2025 (Follow-on Offering: September 18, 2025)	May 13, 2025	-	May 13, 2027	43.00	1.75	Payment of interest annually, and payment of principal and interest upon expiry	SSE	Huatai United Securities, Galaxy Securities, Everbright Securities and Ping An Securities	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2025 Type Two Sci-Tech Innovation Corporate Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行科技創新公司債券(第一期)(品種二)) Note 3	25 China Merchants Securities K2 (25招證K2)	242604.SH	May 12, 2025 (Follow-on Offering: September 18, 2025)	May 13, 2025	-	May 13, 2028	37.00	1.75	Payment of interest annually, and payment of principal and interest upon expiry	SSE	Huatai United Securities, Galaxy Securities, Everbright Securities and Ping An Securities	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No

Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2026	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors	Trading mechanism	Whether there is any risk of termination of listing
The 2025 Sci-Tech Innovation Short-term Corporate Bonds (first tranche) non-publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者非公開發行科技創新短期公司債券(第一期))	25 China Merchants Securities KD1 (25招證KD1)	134266.SZ	May 15, 2025	May 16, 2025	-	May 15, 2026	20.00	1.69	Payment of principal and interest upon expiry	SZSE	GF Securities	GF Securities	Offering to professional institutional investors	Click-to-trade, quote request, auction and negotiation	No
The 2025 Perpetual Subordinated Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行永續次級債券(第二期)) Note 2	25 China Merchants Securities Y2 (25招證Y2)	243324.SH	July 11, 2025	July 14, 2025	-	-	11.00	2.05	Payment of interest annually if the option of deferring payment of interest is not exercised	SSE	GF Securities and CITIC Securities	GF Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2025 Type Two Short-term Corporate Bonds (fourth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行短期公司債券(第四期)(品種二)) Note 3	25 China Merchants Securities S10 (25招S10)	243421.SH	July 23, 2025 (Follow-on Offering: August 14, 2025)	July 24, 2025	-	July 16, 2026	70.50	1.62	Payment of principal and interest upon expiry	SSE	Huatai United Securities, Guotai Haitong Securities and Ping An Securities	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2025 Type Two Short-term Corporate Bonds (fifth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行短期公司債券(第五期)(品種二))	25 China Merchants Securities S12 (25招S12)	243643.SH	August 20, 2025	August 21, 2025	-	August 6, 2026	34.00	1.75	Payment of principal and interest upon expiry	SSE	Huatai United Securities, Guotai Haitong Securities and Ping An Securities	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2025 Type One Corporate Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行公司債券(第一期)(品種一))	25 China Merchants Securities G1 (25招證G1)	243692.SH	August 28, 2025	August 29, 2025	-	September 11, 2026	72.00	1.75	Payment of principal and interest upon expiry	SSE	Huatai United Securities, Galaxy Securities and Everbright Securities	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No

Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2026	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors	Trading mechanism	Whether there is any risk of termination of listing
The 2025 Type Two Corporate Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行公司債券(第一期)(品種二))	25 China Merchants Securities G2 (25招證G2)	243693.SH	August 28, 2025	August 29, 2025	-	August 29, 2028	28.00	1.92	Payment of interest annually, and payment of principal and interest upon expiry	SSE	Huatai United Securities, Galaxy Securities and Everbright Securities	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2025 Type One Short-term Corporate Bonds (sixth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行短期公司債券(第六期)(品種一))	25 China Merchants Securities S13 (25招S13)	243858.SH	September 19, 2025	September 22, 2025	-	April 22, 2026	38.00	1.72	Payment of principal and interest upon expiry	SSE	Huatai United Securities, Guotai Haitong Securities, Shenwan Hongyuan Securities, Ping An Securities and Wanlian Securities	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2025 Type Two Short-term Corporate Bonds (sixth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行短期公司債券(第六期)(品種二))	25 China Merchants Securities S14 (25招S14)	243859.SH	September 19, 2025	September 22, 2025	-	September 16, 2026	22.00	1.75	Payment of principal and interest upon expiry	SSE	Huatai United Securities, Guotai Haitong Securities, Shenwan Hongyuan Securities, Ping An Securities and Wanlian Securities	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2025 Type One Corporate Bonds (first tranche) non-publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者非公開發行公司債券(第一期)(品種一))	25 China Merchants Securities F4 (25招證F4)	280328.SH	October 14, 2025	October 15, 2025	-	October 22, 2026	41.00	1.78	Payment of principal and interest upon expiry	SSE	Huatai United Securities, Guotai Haitong Securities and Everbright Securities	Huatai United Securities	Offering to professional institutional investors	Click-to-trade, quote request, auction and negotiation	No

Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2026	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors	Trading mechanism	Whether there is any risk of termination of listing
The 2025 Type Two Corporate Bonds (first tranche) non-publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者非公開發行公司債券(第一期)(品種二))	25 China Merchants Securities F5 (25招證F5)	280329.SH	October 14, 2025	October 15, 2025	-	June 17, 2027	15.00	1.98	Payment of interest annually, and payment of principal and interest upon expiry	SSE	Huatai United Securities, Guotai Haitong Securities and Everbright Securities	Huatai United Securities	Offering to professional institutional investors	Click-to-trade, quote request, auction and negotiation	No
The 2025 Type Three Corporate Bonds (first tranche) non-publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者非公開發行公司債券(第一期)(品種三))	25 China Merchants Securities F6 (25招證F6)	280330.SH	October 14, 2025	October 15, 2025	-	October 15, 2027	37.00	2.03	Payment of interest annually, and payment of principal and interest upon expiry	SSE	Huatai United Securities, Guotai Haitong Securities and Everbright Securities	Huatai United Securities	Offering to professional institutional investors	Click-to-trade, quote request, auction and negotiation	No
The 2025 Type One Subordinated Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行次級債券(第一期)(品種一))	25 China Merchants Securities C1 (25招證C1)	244114.SH	October 29, 2025	October 30, 2025	-	October 30, 2028	27.00	2.07	Payment of interest annually, and payment of principal and interest upon expiry	SSE	CITIC Securities, Guotai Haitong Securities, GF Securities and Everbright Securities	CITIC Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2025 Type Two Subordinated Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行次級債券(第一期)(品種二))	25 China Merchants Securities C2 (25招證C2)	244115.SH	October 29, 2025	October 30, 2025	-	October 30, 2030	13.00	2.28	Payment of interest annually, and payment of principal and interest upon expiry	SSE	CITIC Securities, Guotai Haitong Securities, GF Securities and Everbright Securities	CITIC Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2025 Type Two Short-term Corporate Bonds (seventh tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行短期公司債券(第七期)(品種二))	25 China Merchants Securities S16 (25招S16)	244243.SH	November 14, 2025	November 17, 2025	-	November 12, 2026	30.00	1.71	Payment of principal and interest upon expiry	SSE	Huatai United Securities, Guotai Haitong Securities, Shenwan Hongyuan Securities and Ping An Securities	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No

Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2026	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors	Trading mechanism	Whether there is any risk of termination of listing
The 2025 Type One Corporate Bonds (second tranche) non-publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者非公開發行公司債券(第二期)(品種一))	25 China Merchants Securities F7 (25招證F7)	280873.SH	November 27, 2025	November 28, 2025	-	November 26, 2026	24.00	1.75	Payment of principal and interest upon expiry	SSE	Huatai United Securities, CITIC Securities, Guotai Haitong Securities and Everbright Securities	Huatai United Securities	Offering to professional institutional investors	Click-to-trade, quote request, auction and negotiation	No
The 2025 Type Two Corporate Bonds (second tranche) non-publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者非公開發行公司債券(第二期)(品種二))	25 China Merchants Securities F8 (25招證F8)	280874.SH	November 27, 2025	November 28, 2025	-	November 28, 2027	16.00	1.94	Payment of interest annually, and payment of principal and interest upon expiry	SSE	Huatai United Securities, CITIC Securities, Guotai Haitong Securities and Everbright Securities	Huatai United Securities	Offering to professional institutional investors	Click-to-trade, quote request, auction and negotiation	No
The 2025 Type One Subordinated Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行次級債券(第二期)(品種一))	25 China Merchants Securities C3 (25招證C3)	244407.SH	December 10, 2025	December 11, 2025	-	December 11, 2028	30.00	2.13	Payment of interest annually, and payment of principal and interest upon expiry	SSE	CITIC Securities, Guotai Haitong Securities, GF Securities and Everbright Securities	CITIC Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2025 Type Two Subordinated Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行次級債券(第二期) (品種二))	25 China Merchants Securities C4 (25招證C4)	244408.SH	December 10, 2025	December 11, 2025	-	December 11, 2030	15.00	2.28	Payment of interest annually, and payment of principal and interest upon expiry	SSE	CITIC Securities, Guotai Haitong Securities, GF Securities and Everbright Securities	CITIC Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2025 Type One Corporate Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行公司債券(第二期)(品種一))	25 China Merchants Securities G3 (25招證G3)	244460.SH	December 22, 2025	December 24, 2025	-	December 24, 2027	38.00	1.82	Payment of interest annually, and payment of principal and interest upon expiry	SSE	CITIC Securities, Guotai Haitong Securities and Huatai United Securities	CITIC Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No

Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2026	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors	Trading mechanism	Whether there is any risk of termination of listing
The 2025 Type Two Corporate Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行公司債券(第二期)(品種二))	25 China Merchants Securities G4 (25招證G4)	244461.SH	December 22, 2025	December 24, 2025	-	December 24, 2028	48.00	1.88	Payment of interest annually, and payment of principal and interest upon expiry	SSE	CITIC Securities, Guotai Haitong Securities and Huatai United Securities	CITIC Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2026 Type One Short-term Corporate Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2026年面向專業投資者公開發行短期公司 債券(第一期)(品種一))	26 China Merchants Securities S1 (26招證S1)	244565.SH	January 16, 2026	January 19, 2026	-	May 20, 2026	24.00	1.68	Payment of principal and interest upon expiry	SSE	Huatai United Securities, Guotai Haitong Securities, Shenwan Hongyuan Securities and Ping An Securities	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2026 Type Two Short-term Corporate Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2026年面向專業投資者公開發行短期公司債券(第一期)(品種二))	26 China Merchants Securities S2 (26招證S2)	244566.SH	January 16, 2026	January 19, 2026	-	January 14, 2027	36.00	1.71	Payment of principal and interest upon expiry	SSE	Huatai United Securities, Guotai Haitong Securities, Shenwan Hongyuan Securities and Ping An Securities	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2026 Type One Corporate Bonds (first tranche) non-publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2026年面向 專業投資者非公開發行公司債券(第一期)(品種一))	26 China Merchants Securities F1 (26招證F1)	281472.SH	January 23, 2026	January 26, 2026	-	June 11, 2026	25.00	1.69	Payment of principal and interest upon expiry	SSE	Huatai United Securities, CITIC Securities, Guotai Haitong Securities and Everbright Securities	Huatai United Securities	Offering to professional institutional investors	Click-to-trade, quote request, auction and negotiation	No
The 2026 Type Two Corporate Bonds (first tranche) non-publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2026年面向專業投資者非公開發行公司債券(第一期)(品種二))	26 China Merchants Securities F2 (26招證F2)	281473.SH	January 23, 2026	January 26, 2026	-	February 19, 2027	42.00	1.74	Payment of principal and interest upon expiry	SSE	Huatai United Securities, CITIC Securities, Guotai Haitong Securities and Everbright Securities	Huatai United Securities	Offering to professional institutional investors	Click-to-trade, quote request, auction and negotiation	No

Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2026	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors	Trading mechanism	Whether there is any risk of termination of listing
The 2026 Type One Corporate Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2026年面向專業投資者公開發行公司債券(第一期)(品種一))	26 China Merchants Securities G1 (26招證G1)	244657.SH	February 3, 2026	February 4, 2026	-	February 10, 2028	60.00	1.80	Payment of interest annually in the first interest-bearing year, and payment of interest for the remaining term together with the payment of principal upon expiry	SSE	CITIC Securities, Guotai Haitong Securities, Huatai United Securities and Everbright Securities	CITIC Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2026 Type Two Corporate Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2026年面向專業投資者公開發行公司債券(第一期)(品種二))	26 China Merchants Securities G2 (26招證G2)	244658.SH	February 3, 2026	February 4, 2026	-	February 4, 2029	60.00	1.85	Payment of interest annually, and payment of principal and interest upon expiry	SSE	CITIC Securities, Guotai Haitong Securities, Huatai United Securities and Everbright Securities	CITIC Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2026 Type One Corporate Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2026年面向專業投資者公開發行公司債券(第二期)(品種一))	26 China Merchants Securities G3 (26招證G3)	244786.SH	March 11, 2026	March 12, 2026	-	March 12, 2028	48.00	1.75	Payment of interest annually, and payment of principal and interest upon expiry	SSE	CITIC Securities, Guotai Haitong Securities, Huatai United Securities and Everbright Securities	CITIC Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
The 2026 Type Two Corporate Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2026年面向專業投資者公開發行公司債券(第二期)(品種二))	26 China Merchants Securities G4 (26招證G4)	244787.SH	March 11, 2026	March 12, 2026	-	March 12, 2029	52.00	1.81	Payment of interest annually, and payment of principal and interest upon expiry	SSE	CITIC Securities, Guotai Haitong Securities, Huatai United Securities and Everbright Securities	CITIC Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No

Notes:

1. Issuer's right of redemption, (when specific conditions are met) issuer's option of redemption and option of deferring payment of interest are available for 22 China Merchants Securities Y1, 22 China Merchants Securities Y2, 22 China Merchants Securities Y3 and 22 China Merchants Securities Y4. On the fifth and every subsequent interest payment date, the issuer shall have the right to redeem the perpetual subordinated bonds at the face value plus the interest payable (including all deferred interest and its yield); the coupon rate for the first five interest-bearing years (the first pricing period) of the above perpetual subordinated bonds shall remain unchanged. Since the sixth interest-bearing year, the coupon rate shall be re-determined every five years. As of the disclosure date of this report, the aforementioned bonds are in their first pricing period.

2. Issuer's option of renewal, (when specific conditions are met) issuer's option of redemption and option of deferring payment of interest are available for 25 China Merchants Securities Y1 and 25 China Merchants Securities Y2. The above-mentioned perpetual subordinated bonds have a pricing period of every five interest-bearing years. At the end of each pricing period, the issuer has the right to choose to extend the term of the bonds by one pricing period or redeem the perpetual subordinated bonds in full; the coupon rate for the first five interest-bearing years (the first pricing period) of the above perpetual subordinated bonds shall remain unchanged. The coupon rate shall be re-determined at the end of each pricing period. As of the disclosure date of this report, the aforementioned bonds are in their first pricing period.

3. The 25 China Merchants Securities K1 were issued on May 13, 2025, and a follow-up tap issuance was completed on September 19, 2025, with the aggregate principal amount of RMB2 billion and RMB2.3 billion, respectively; the 25 China Merchants Securities K2 were issued on May 13, 2025, and a follow-up tap issuance was completed on September 19, 2025, with the aggregate principal amount of RMB1 billion and RMB2.7 billion, respectively; the 25 China Merchants Securities S10 were issued on July 24, 2025, and a follow-up tap issuance was completed on August 15, 2025, with the aggregate principal amount of RMB1.05 billion and RMB6 billion, respectively; the 23 China Merchants Securities C10 were issued on October 27, 2023, and a follow-up tap issuance was completed on September 11, 2025, with the aggregate principal amount of RMB1.5 billion and RMB1 billion, respectively. The aforesaid tap-issued and existing bonds will be merged for joint listing, trading, and custody.

Payment of bond interest and principal during the Reporting Period

Name	Payment of interest and principal
The 2022 Corporate Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司面向專業投資者公開發行2022年公司債券(第一期))	Full payment of principal in a timely manner
The 2024 Corporate Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行公司債券(第一期))	Full payment of interest in a timely manner
The 2024 Type One Short-term Corporate Bonds (thirteenth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行短期公司債券(第十三期)(品種一))	Full payment of principal in a timely manner
The 2022 Type One Corporate Bonds (third tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司面向專業投資者公開發行2022年公司債券(第三期)(品種一))	Full payment of principal in a timely manner
The 2024 Type One Short-term Corporate Bonds (twelfth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行短期公司債券(第十二期)(品種一))	Full payment of principal in a timely manner
The 2024 Type One Short-term Corporate Bonds (eighth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行短期公司債券 (第八期) (品種一))	Full payment of principal in a timely manner
The 2024 Type One Short-term Corporate Bonds (tenth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行短期公司債券 (第十期) (品種一))	Full payment of principal in a timely manner
The 2023 Type Two Subordinated Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行次級債券(第一期)(品種二))	Full payment of interest in a timely manner
The 2024 Type One Short-term Corporate Bonds (eleventh tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行短期公司債券(第十一期)(品種一))	Full payment of principal in a timely manner
The 2024 Type Two Short-term Corporate Bonds (tenth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行短期公司債券 (第十期) (品種二))	Full payment of principal in a timely manner

Name	Payment of interest and principal
The 2023 Type One Subordinated Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招證券股份有限公司2023年面向專業投資者公開發行次級債券(第二期)(品種一))	Full payment of principal in a timely manner
The 2023 Type Two Subordinated Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行次級債券(第二期)(品種二))	Full payment of interest in a timely manner
The 2024 Type Two Short-term Corporate Bonds (ninth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行短期公司債券 (第九期) (品種二))	Full payment of principal in a timely manner
The 2024 Type One Subordinated Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行次級債券(第一期)(品種一))	Full payment of interest in a timely manner
The 2024 Type Two Subordinated Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行次級債券(第一期)(品種二))	Full payment of interest in a timely manner
The 2024 Type Two Short-term Corporate Bonds (eighth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行短期公司債券 (第八期) (品種二))	Full payment of principal in a timely manner
The 2022 Perpetual Subordinated Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有 限公司2022年面向專業投資者公開發行永續次級債券(第一期))	Full payment of interest in a timely manner
The 2024 Type Two Short-term Corporate Bonds (seventh tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行短期公司債券 (第七期) (品種二))	Full payment of principal in a timely manner
The 2023 Type One Corporate Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司面向專業投資者公開發行2023年公司債券(第一期)(品種一))	Full payment of principal in a timely manner
The 2023 Type Two Corporate Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司面向專業投資者公開發行2023年公司債券(第一期)(品種二))	Full payment of interest in a timely manner
The 2022 Perpetual Subordinated Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2022年面向專業投資者公開發行永續次級債券(第二期))	Full payment of interest in a timely manner
The 2023 Type Two Subordinated Bonds (third tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行次級債券(第三期)(品種二))	Full payment of interest in a timely manner

Name	Payment of interest and principal
The 2024 Type Two Subordinated Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行次級債券(第二期)(品種二))	Full payment of interest in a timely manner
The 2023 Type One Corporate Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司面向專業投資者公開發行2023年公司債券(第二期)(品種一))	Full payment of interest in a timely manner
The 2023 Type Two Corporate Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司面向專業投資者公開發行2023年公司債券(第二期)(品種二))	Full payment of interest in a timely manner
The 2022 Perpetual Subordinated Bonds (third tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2022年面向專業投資者公開發行永續次級債券(第三期))	Full payment of interest in a timely manner
The 2024 Type Two Short-term Corporate Bonds (thirteenth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行短期公司債券(第十三期)(品種二))	Full payment of principal in a timely manner
The 2023 Type One Subordinated Bonds (fourth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行次級債券(第四期)(品種一))	Full payment of interest in a timely manner
The 2023 Type Two Subordinated Bonds (fourth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行次級債券(第四期)(品種二))	Full payment of interest in a timely manner
The 2014 Corporate Bonds publicly issued by China Merchants Securities Co., Ltd. (招商證券股份有限公司公開發行2014年公司債券)	Full payment of principal in a timely manner
The 2024 Type Two Short-term Corporate Bonds (eleventh tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行短期公司債券(第十一期)(品種二))	Full payment of principal in a timely manner
The 2022 Perpetual Subordinated Bonds (fourth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2022年面向專業投資者公開發行永續次級債券(第四期))	Full payment of interest in a timely manner
The 2023 Type One Corporate Bonds (seventh tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行公司債券(第七期)(品種一))	Full payment of principal in a timely manner
The 2024 Type Two Short-term Corporate Bonds (twelfth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行短期公司債券(第十二期)(品種二))	Full payment of principal in a timely manner

Name	Payment of interest and principal
The 2024 Type Two Subordinated Bonds (third tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行次級債券(第三期)(品種二))	Full payment of interest in a timely manner
The 2024 Type One Corporate Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行公司債券(第二期)(品種一))	Full payment of interest in a timely manner
The 2024 Type Two Corporate Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行公司債券(第二期)(品種二))	Full payment of interest in a timely manner
The 2023 Type One Corporate Bonds (third tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行公司債券(第三期)(品種一))	Full payment of principal in a timely manner
The 2023 Type Two Corporate Bonds (third tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行公司債券(第三期)(品種二))	Full payment of interest in a timely manner
The 2023 Type Two Corporate Bonds (fourth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行公司債券(第四期)(品種二))	Full payment of interest in a timely manner
The 2022 Corporate Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司面向專業投資者公開發行2022年公司債券(第二期))	Full payment of principal in a timely manner
The 2024 Type Two Subordinated Bonds (fourth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行次級債券(第四期)(品種二))	Full payment of interest in a timely manner
The 2023 Type Two Corporate Bonds (fifth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行公司債券(第五期)(品種二))	Full payment of interest in a timely manner
The 2022 Type Two Corporate Bonds (third tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司面向專業投資者公開發行2022年公司債券(第三期)(品種二))	Full payment of principal in a timely manner
The 2021 Type Three Corporate Bonds (fifth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司面向專業投資者公開發行2021年公司債券(第五期)(品種三))	Full payment of interest in a timely manner
The 2025 Type One Short-term Corporate Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行短期公司債券(第一期)(品種一))	Full payment of principal in a timely manner

Name	Payment of interest and principal
The 2024 Type Three Short-term Corporate Bonds (eleventh tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行短期公司債券(第十一期)(品種三))	Full payment of principal in a timely manner
The 2023 Type One Subordinated Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行次級債券(第一期)(品種一))	Full payment of interest and and principal in a timely manner
The 2024 Type Three Short-term Corporate Bonds (thirteenth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行短期公司債券(第十三期)(品種三))	Full payment of principal in a timely manner
The 2024 Type Three Short-term Corporate Bonds (twelfth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行短期公司債券(第十二期)(品種三))	Full payment of principal in a timely manner
The 2025 Type One Short-term Corporate Bonds (third tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行短期公司債券 (第三期) (品種一))	Full payment of principal in a timely manner
The 2024 Type One Corporate Bonds (third tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行公司債券(第三期)(品種一))	Full payment of interest in a timely manner
The 2023 Type One Subordinated Bonds (fifth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行次級債券(第五期)(品種一))	Full payment of interest in a timely manner
The 2023 Type Two Subordinated Bonds (fifth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行次級債券(第五期)(品種二))	Full payment of interest in a timely manner
The 2025 Type Two Short-term Corporate Bonds (first tranche) non-publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者非公開發行短期公司債券(第一期)(品種二))	Full payment of principal in a timely manner
The 2021 Type Two Subordinated Bonds (sixth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2021年面向專業投資者公開發行次級債券(第六期)(品種二))	Full payment of interest in a timely manner
The 2025 Type Two Short-term Corporate Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行短期公司債券(第一期)(品種二))	Full payment of principal in a timely manner

Name	Payment of interest and principal
The 2025 Type Two Short-term Corporate Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行短期公司債券(第二期) (品種二))	Full payment of principal in a timely manner
The 2023 Corporate Bonds (sixth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行公司債券(第六期))	Full payment of interest in a timely manner
The 2024 Type One Corporate Bonds (first tranche) non-publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者非公開發行公司債券(第一期)(品種一))	Full payment of interest in a timely manner
The 2024 Type Two Corporate Bonds (first tranche) non-publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者非公開發行公司債券(第一期)(品種二))	Full payment of interest in a timely manner
The 2024 Type Three Corporate Bonds (first tranche) non-publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者非公開發行公司債券(第一期)(品種三))	Full payment of interest in a timely manner
The 2024 Type One Corporate Bonds (second tranche) non-publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者非公開發行公司債券(第二期)(品種一))	Full payment of principal in a timely manner
The 2023 Type Two Corporate Bonds (seventh tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行公司債券(第七期)(品種二))	Full payment of principal in a timely manner

1. Triggering and execution of issuer's or investor's option clause or investor protection clause

Issuer's right of redemption (i.e. on the fifth and every subsequent interest payment date of the bonds, the issuer shall have the right to redeem the bonds at the face value plus the interest payable), (when specific conditions are met) issuer's option of redemption and option of deferring payment of interest are available for "22 China Merchants Securities Y1", "22 China Merchants Securities Y2", "22 China Merchants Securities Y3" and "22 China Merchants Securities Y4" of the Company. The above bonds have not reached the exercise date of right of redemption, and have not triggered the exercise of (when specific conditions are met) issuer's option of redemption.

Issuer's option of renewal, (when specific conditions are met) issuer's option of redemption and option of deferring payment of interest are available for "25 China Merchants Securities Y1" and "25 China Merchants Securities Y2" of the Company. The above bonds have not reached the exercise date of option of renewal, and have not triggered the exercise of (when specific conditions are met) issuer's option of redemption.

The Company held the 2023 annual general meeting on June 28, 2024, and considered and approved the Resolution on the Profit Distribution Plan of the Company for 2023 at the meeting; the Company held the eighth meeting of the eighth session of the Board on August 30, 2024, at which the Resolution on the Interim Profit Distribution of the Company for 2024 was considered and approved pursuant to the authorization of the 2023 annual general meeting; the Company held the 2024 annual general meeting on June 26, 2025, and considered and approved the Resolution on the Profit Distribution Plan of the Company for 2024 at the meeting; and the Company held the twenty-second meeting of the eighth session of the Board on August 28, 2025, at which the Resolution on the Interim Profit Distribution of the Company for 2025 was considered and approved pursuant to the authorization of the 2024 annual general meeting, which is a mandatory interest payment. The option of deferring payment of interest was not exercised. As of the date of this report, the Company has fully paid the interest of "22 China Merchants Securities Y1", "22 China Merchants Securities Y2", "22 China Merchants Securities Y3" and "22 China Merchants Securities Y4" for the relevant period. There was no interest payment date due for "25 China Merchants Securities Y1" and "25 China Merchants Securities Y2".

Some of bonds issued by the Company contain investor protection clauses. During the Reporting Period, such investor protection clauses have not been triggered. The Company has undertaken that, according to the consolidated financial statements, the unrestricted cash and bank balances at the end of each semi-annual period during the duration of the above bonds shall not be less than RMB5 billion. As of the end of 2025, the Company's own cash and bank balances amounted to RMB16.374 billion, and the unrestricted cash and bank balances amounted to RMB15.768 billion, which met the undertaken amount.

2. Intermediaries providing services for bond issuance and business in period of duration

Name of intermediary	Office address	Name of signing accountant (if applicable)	Contact person	Contact number
CITIC Securities Company Limited	North Tower, Excellence Times Plaza II, 8 Zhongxin San Road, Futian District, Shenzhen, Guangdong Province	–	QI Jihua (祁繼華), WU Mengzhou (吳夢舟)	010-60838888
Everbright Securities Co., Ltd.	16/F, Block A, Jing'an International Center, No. 28 Puji Road, Jing'an District, Shanghai	–	WANG Yicong (王一聰), GU Yijun (顧藝珺)	021-52523039; 021-52523176;
Ping An Securities Company Limited	22/F-25/F, Block B, Ping An Financial Center, 5023 Yitian Road, Futian Street, Futian District, Shenzhen	–	ZHOU Shunqiang (周順強), GUO Jinzhi (郭錦智)	0755-22625403
GF Securities Co., Ltd.	43/F, GF Securities Building, No.26 Machang Road, Tianhe District, Guangzhou City, Guangdong Province	–	WANG Lixin (王麗欣), WU Xueting (伍雪婷), YE Runxuan (葉潤軒)	020-66338971
Huatai United Securities Co., Ltd.	6/F, Block A, Fengming International Building, No.22 Fengsheng Hutong, Xicheng District, Beijing	–	WU Zhen (吳震), CHENG Lujie (程路捷)	010-56839300
China Galaxy Securities Co., Ltd.	11/F, Qinghai Finance Building, 8 Xiying Street, Fengtai District, Beijing	–	CHEN Qu (陳曲), DENG Xiaoxia (鄧小霞)	010-80927231
Zhongtai Securities Co., Ltd.	17/F, Hongsheng International Center, Chaoyangmen North Street, Dongcheng District, Beijing	–	LI Yue (李越)	010-59013951
Guotai Haitong Securities Co., Ltd.	33/F, Bohua Plaza, No.669 Xinzha Road, Jing'an District, Shanghai	–	JIN Yue (金岳), ZHANG Miaojun (張淼鈞)	021-38676666
Shenwan Hongyuan Securities Co., Ltd.	Tower B, Hengao Center, No.19 Taipingqiao Street, Xicheng District, Beijing	–	PENG Dai (彭戴), RONG Heng (榮恆)	010-88085367

Name of intermediary	Office address	Name of signing accountant (if applicable)	Contact person	Contact number
Wanlian Securities Co., Ltd.	18 & 19 Floors, No. 11 Zhujiang East Road, Tianhe District, Guangzhou	–	ZENG Weihai (曾維海), ZENG Sina (曾思娜)	020-85806042
Jun He Law Offices	20/F, Huarun Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing	–	YU Yongqiang (余永強), Dong Shijia (董士嘉)	010-85191300
KPMG Huazhen LLP	8th Floor, Office Tower E2, Oriental Plaza, No. 1 East Chang An Avenue, Dongcheng District, Beijing	WU Zhongming (吳鐘鳴), LIU Xiqian (劉西茜)	WU Zhongming (吳鐘鳴)	0755-25473378
Deloitte Touche Tohmatsu Certified Public Accountants LLP	30/F, Bund Center, 222 Yan An Road East, Huangpu District, Shanghai	HONG Ruiming (洪銳明), CHEN Xiaoying (陳曉瑩)	HONG Ruiming (洪銳明)	020-28311202
China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing	–	ZHAO Tingting (趙婷婷)	010-66428877

3. *Changes in and execution of guarantees, debt repayment plans and other repayment guarantee measures during the Reporting Period and their impacts*

Bond code	Bond abbreviation	Current status	Execution	Change	Whether there is any change	Status before change	Reason for the change	Whether the change has obtained approval from the competent authority	Status as at the end of the Reporting Period	Impact of the change on the rights and interests of bond investors
188568.SH	21 China Merchants Securities 10 (21招證10)	None of the surviving corporate bonds of the Company have credit enhancement measures, and the debt repayment plans are implemented in accordance with the commitments in the prospectus. The repayment guarantee measures include engaging a trustee-manager, formulating the Bondholders' Meeting Rules, setting up a special repayment working group, improving profitability, optimizing asset and liability structure, strictly fulfilling information disclosure obligations and maintaining strong shareholder support.	The Company has strictly executed the commitments on debt repayment plans and repayment guarantee measures in the prospectus, paid the interest and principal of corporate bonds in a timely manner, disclosed relevant information in a timely manner, and safeguarded the legitimate rights and interests of investors. The relevant plans and measures are consistent with the relevant commitments in the prospectus.	N/A	No	N/A	N/A	N/A	N/A	N/A
188998.SH	21 China Merchants Securities C8 (21招證C8)									
185584.SH	22 China Merchants Securities Y1 (22招證Y1)									

Bond code	Bond abbreviation	Current status	Execution	Change	Whether there is any change	Status before change	Reason for the change	Whether the change has obtained approval from the competent authority	Status as at the end of the Reporting Period	Impact of the change on the rights and interests of bond investors
185697.SH	22 China Merchants Securities Y2 (22招證Y2)									
185739.SH	22 China Merchants Securities Y3 (22招證Y3)									
185831.SH	22 China Merchants Securities Y4 (22招證Y4)									
115252.SH	23 China Merchants Securities G2 (23招證G2)									
115314.SH	23 China Merchants Securities G3 (23招證G3)									
115315.SH	23 China Merchants Securities G4 (23招證G4)									
115648.SH	23 China Merchants Securities G6 (23招證G6)									
115703.SH	23 China Merchants Securities G8 (23招證G8)									

Bond code	Bond abbreviation	Current status	Execution	Change	Whether there is any change	Status before change	Reason for the change	Whether the change has obtained approval from the competent authority	Status as at the end of the Reporting Period	Impact of the change on the rights and interests of bond investors
115790.SH	23 China Merchants Securities 10 (23招證10)									
240335.SH	23 China Merchants Securities 11 (23招證11)									
138980.SH	23 China Merchants Securities C2 (23招證C2)									
115087.SH	23 China Merchants Securities C4 (23招證C4)									
115286.SH	23 China Merchants Securities C6 (23招證C6)									
115379.SH	23 China Merchants Securities C7 (23招證C7)									
115380.SH	23 China Merchants Securities C8 (23招證C8)									
240165.SH	23 China Merchants Securities C9 (23招證C9)									

Bond code	Bond abbreviation	Current status	Execution	Change	Whether there is any change	Status before change	Reason for the change	Whether the change has obtained approval from the competent authority	Status as at the end of the Reporting Period	Impact of the change on the rights and interests of bond investors
240166.SH	23 China Merchants Securities C10 (23招C10)									
240506.SH	24 China Merchants Securities G1 (24招證G1)									
241189.SH	24 China Merchants Securities G2 (24招證G2)									
241190.SH	24 China Merchants Securities G3 (24招證G3)									
241759.SH	24 China Merchants Securities G4 (24招證G4)									
240739.SH	24 China Merchants Securities C1 (24招證C1)									
240740.SH	24 China Merchants Securities C2 (24招證C2)									
240922.SH	24 China Merchants Securities C4(24招證C4)									

Bond code	Bond abbreviation	Current status	Execution	Change	Whether there is any change	Status before change	Reason for the change	Whether the change has obtained approval from the competent authority	Status as at the end of the Reporting Period	Impact of the change on the rights and interests of bond investors
241180.SH	24 China Merchants Securities C6 (24招證C6)									
241412.SH	24 China Merchants Securities C8 (24招證C8)									
256614.SH	24 China Merchants Securities F1 (24招證F1)									
256615.SH	24 China Merchants Securities F2 (24招證F2)									
256616.SH	24 China Merchants Securities F3 (24招證F3)									
256934.SH	24 China Merchants Securities F5 (24招證F5)									
242603.SH	25 China Merchants Securities K1 (25招證K1)									
242604.SH	25 China Merchants Securities K2 (25招證K2)									

Bond code	Bond abbreviation	Current status	Execution	Change	Whether there is any change	Status before change	Reason for the change	Whether the change has obtained approval from the competent authority	Status as at the end of the Reporting Period	Impact of the change on the rights and interests of bond investors
243692.SH	25 China Merchants Securities G1 (25招證G1)									
243693.SH	25 China Merchants Securities G2 (25招證G2)									
244460.SH	25 China Merchants Securities G3 (25招證G3)									
244461.SH	25 China Merchants Securities G4 (25招證G4)									
242574.SH	25 China Merchants Securities S1 (25招證S1)									
242575.SH	25 China Merchants Securities S2 (25招證S2)									
242579.SH	25 China Merchants Securities S3 (25招證S3)									
242681.SH	25 China Merchants Securities S5 (25招證S5)									

Bond code	Bond abbreviation	Current status	Execution	Change	Whether there is any change	Status before change	Reason for the change	Whether the change has obtained approval from the competent authority	Status as at the end of the Reporting Period	Impact of the change on the rights and interests of bond investors
242682.SH	25 China Merchants Securities S6 (25招證S6)									
243206.SH	25 China Merchants Securities S7 (25招證S7)									
243420.SH	25 China Merchants Securities S9 (25招證S9)									
243421.SH	25 China Merchants Securities S10 (25招S10)									
243642.SH	25 China Merchants Securities S11 (25招S11)									
243643.SH	25 China Merchants Securities S12 (25招S12)									
243858.SH	25 China Merchants Securities S13 (25招S13)									
243859.SH	25 China Merchants Securities S14 (25招S14)									

Bond code	Bond abbreviation	Current status	Execution	Change	Whether there is any change	Status before change	Reason for the change	Whether the change has obtained approval from the competent authority	Status as at the end of the Reporting Period	Impact of the change on the rights and interests of bond investors
244242.SH	25 China Merchants Securities S15 (25招S15)									
244243.SH	25 China Merchants Securities S16 (25招S16)									
257433.SH	25 China Merchants Securities F2 (25招證F2)									
257434.SH	25 China Merchants Securities F3 (25招證F3)									
134266.SZ	25 China Merchants Securities KD1 (25招證KD1)									
280328.SH	25 China Merchants Securities F4 (25招證F4)									
280329.SH	25 China Merchants Securities F5 (25招證F5)									
280330.SH	25 China Merchants Securities F6 (25招證F6)									

Bond code	Bond abbreviation	Current status	Execution	Change	Whether there is any change	Status before change	Reason for the change	Whether the change has obtained approval from the competent authority	Status as at the end of the Reporting Period	Impact of the change on the rights and interests of bond investors
280873.SH	25 China Merchants Securities F7 (25招證F7)									
280874.SH	25 China Merchants Securities F8 (25招證F8)									
244114.SH	25 China Merchants Securities C1 (25招證C1)									
244115.SH	25 China Merchants Securities C2 (25招證C2)									
244407.SH	25 China Merchants Securities C3 (25招證C3)									
244408.SH	25 China Merchants Securities C4 (25招證C4)									
242920.SH	25 China Merchants Securities Y1 (25招證Y1)									
243324.SH	25 China Merchants Securities Y2 (25招證Y2)									

Bond code	Bond abbreviation	Current status	Execution	Change	Whether there is any change	Status before change	Reason for the change	Whether the change has obtained approval from the competent authority	Status as at the end of the Reporting Period	Impact of the change on the rights and interests of bond investors
244657.SH	26 China Merchants Securities G1 (26招證G1)									
244658.SH	26 China Merchants Securities G2 (26招證G2)									
244786.SH	26 China Merchants Securities G3 (26招證G3)									
244787.SH	26 China Merchants Securities G4 (26招證G4)									
244565.SH	26 China Merchants Securities S1 (26招證S1)									
244566.SH	26 China Merchants Securities S2 (26招證S2)									
281472.SH	26 China Merchants Securities F1 (26招證F1)									
281473.SH	26 China Merchants Securities F2 (26招證F2)									

(II) Proceeds from Corporate Bonds

1. Basic Information

Unit: 100 Million Yuan Currency: RMB

Bond code	Bond abbreviation	Whether it is a specialized bond	Specific types of specialized bonds	Total proceeds	Balance of the proceeds as at the end of the Reporting Period	Balance of special account of proceeds as at the end of the Reporting Period
188568.SH	21 China Merchants Securities 10 (21招證10)	No	–	20.00	–	–
188998.SH	21 China Merchants Securities C8 (21招證C8)	No	–	10.00	–	–
185584.SH	22 China Merchants Securities Y1 (22招證Y1)	Yes	Renewable corporate bonds	43.00	–	–
185697.SH	22 China Merchants Securities Y2 (22招證Y2)	Yes	Renewable Corporate bonds	47.00	–	–
185739.SH	22 China Merchants Securities Y3 (22招證Y3)	Yes	Renewable Corporate bonds	40.00	–	–
185831.SH	22 China Merchants Securities Y4 (22招證Y4)	Yes	Renewable Corporate bonds	20.00	–	–
115252.SH	23 China Merchants Securities G2 (23招證G2)	No	–	40.00	–	–

Bond code	Bond abbreviation	Whether it is a specialized bond	Specific types of specialized bonds	Total proceeds	Balance of the proceeds as at the end of the Reporting Period	Balance of special account of proceeds as at the end of the Reporting Period
115314.SH	23 China Merchants Securities G3 (23招證G3)	No	–	28.00	–	–
115315.SH	23 China Merchants Securities G4 (23招證G4)	No	–	22.00	–	–
115648.SH	23 China Merchants Securities G6 (23招證G6)	No	–	34.00	–	–
115703.SH	23 China Merchants Securities G8 (23招證G8)	No	–	35.00	–	–
115790.SH	23 China Merchants Securities 10 (23招證10)	No	–	40.00	–	–
240335.SH	23 China Merchants Securities 11 (23招證11)	No	–	30.00	–	–
138980.SH	23 China Merchants Securities C2 (23招證C2)	No	–	8.00	–	–
115087.SH	23 China Merchants Securities C4 (23招證C4)	No	–	17.00	–	–

Bond code	Bond abbreviation	Whether it is a specialized bond	Specific types of specialized bonds	Total proceeds	Balance of the proceeds as at the end of the Reporting Period	Balance of special account of proceeds as at the end of the Reporting Period
115286.SH	23 China Merchants Securities C6 (23招證C6)	No	–	33.00	–	–
115379.SH	23 China Merchants Securities C7 (23招證C7)	No	–	10.00	–	–
115380.SH	23 China Merchants Securities C8 (23招證C8)	No	–	10.00	–	–
240165.SH	23 China Merchants Securities C9 (23招證C9)	No	–	20.00	–	–
240166.SH	23 China Merchants Securities C10 (23招C10)	No	–	25.00	–	–
240506.SH	24 China Merchants Securities G1 (24招證G1)	No	–	30.00	–	–
241189.SH	24 China Merchants Securities G2 (24招證G2)	No	–	10.00	–	–
241190.SH	24 China Merchants Securities G3 (24招證G3)	No	–	60.00	–	–

Bond code	Bond abbreviation	Whether it is a specialized bond	Specific types of specialized bonds	Total proceeds	Balance of the proceeds as at the end of the Reporting Period	Balance of special account of proceeds as at the end of the Reporting Period
241759.SH	24 China Merchants Securities G4 (24招證G4)	No	–	20.00	–	–
240739.SH	24 China Merchants Securities C1 (24招證C1)	No	–	9.00	–	–
240740.SH	24 China Merchants Securities C2 (24招證C2)	No	–	17.00	–	–
240922.SH	24 China Merchants Securities C4 (24招證C4)	No	–	20.00	–	–
241180.SH	24 China Merchants Securities C6 (24招證C6)	No	–	20.00	–	–
241412.SH	24 China Merchants Securities C8 (24招證C8)	No	–	30.00	–	–
256614.SH	24 China Merchants Securities F1 (24招證F1)	No	–	10.00	–	–
256615.SH	24 China Merchants Securities F2 (24招證F2)	No	–	25.00	–	–

Bond code	Bond abbreviation	Whether it is a specialized bond	Specific types of specialized bonds	Total proceeds	Balance of the proceeds as at the end of the Reporting Period	Balance of special account of proceeds as at the end of the Reporting Period
256616.SH	24 China Merchants Securities F3 (24招證F3)	No	–	25.00	–	–
256934.SH	24 China Merchants Securities F5 (24招證F5)	No	–	30.00	–	–
242603.SH	25 China Merchants Securities K1 (25招證K1)	Yes	Sci-tech innovation corporate bonds	43.00	–	–
242604.SH	25 China Merchants Securities K2 (25招證K2)	Yes	Sci-tech innovation corporate bonds	37.00	6.25	–
243692.SH	25 China Merchants Securities G1 (25招證G1)	No	–	72.00	–	–
243693.SH	25 China Merchants Securities G2 (25招證G2)	No	–	28.00	–	–
244460.SH	25 China Merchants Securities G3 (25招證G3)	No	–	38.00	–	–
244461.SH	25 China Merchants Securities G4 (25招證G4)	No	–	48.00	–	–

Bond code	Bond abbreviation	Whether it is a specialized bond	Specific types of specialized bonds	Total proceeds	Balance of the proceeds as at the end of the Reporting Period	Balance of special account of proceeds as at the end of the Reporting Period
242574.SH	25 China Merchants Securities S1 (25招證S1)	Yes	Short-term corporate bonds	14.00	–	–
242575.SH	25 China Merchants Securities S2 (25招證S2)	Yes	Short-term corporate bonds	34.00	–	–
242579.SH	25 China Merchants Securities S3 (25招證S3)	Yes	Short-term corporate bonds	32.00	–	–
242681.SH	25 China Merchants Securities S5 (25招證S5)	Yes	Short-term corporate bonds	42.00	–	–
242682.SH	25 China Merchants Securities S6 (25招證S6)	Yes	Short-term corporate bonds	18.00	–	–
243206.SH	25 China Merchants Securities S7 (25招證S7)	Yes	Short-term corporate bonds	25.00	–	–
243420.SH	25 China Merchants Securities S9 (25招證S9)	Yes	Short-term corporate bonds	64.50	–	–
243421.SH	25 China Merchants Securities S10 (25招S10)	Yes	Short-term corporate bonds	70.50	–	–

Bond code	Bond abbreviation	Whether it is a specialized bond	Specific types of specialized bonds	Total proceeds	Balance of the proceeds as at the end of the Reporting Period	Balance of special account of proceeds as at the end of the Reporting Period
243642.SH	25 China Merchants Securities S11 (25招S11)	Yes	Short-term corporate bonds	16.00	–	–
243643.SH	25 China Merchants Securities S12 (25招S12)	Yes	Short-term corporate bonds	34.00	–	–
243858.SH	25 China Merchants Securities S13 (25招S13)	Yes	Short-term corporate bonds	38.00	–	–
243859.SH	25 China Merchants Securities S14 (25招S14)	Yes	Short-term corporate bonds	22.00	–	–
244242.SH	25 China Merchants Securities S15 (25招S15)	Yes	Short-term corporate bonds	30.00	–	–
244243.SH	25 China Merchants Securities S16 (25招S16)	Yes	Short-term corporate bonds	30.00	–	–
257433.SH	25 China Merchants Securities F2 (25招證F2)	Yes	Short-term corporate bonds	14.00	–	–

Bond code	Bond abbreviation	Whether it is a specialized bond	Specific types of specialized bonds	Total proceeds	Balance of the proceeds as at the end of the Reporting Period	Balance of special account of proceeds as at the end of the Reporting Period
257434.SH	25 China Merchants Securities F3 (25招證F3)	Yes	Short-term corporate bonds	43.00	–	–
134266.SZ	25 China Merchants Securities KD1 (25招證KD1)	Yes	Sci-tech innovation corporate bonds, short-term corporate bonds	20.00	–	–
280328.SH	25 China Merchants Securities F4 (25招證F4)	No	–	41.00	–	–
280329.SH	25 China Merchants Securities F5 (25招證F5)	No	–	15.00	–	–
280330.SH	25 China Merchants Securities F6 (25招證F6)	No	–	37.00	–	–
280873.SH	25 China Merchants Securities F7 (25招證F7)	Yes	Short-term corporate bonds	24.00	–	–
280874.SH	25 China Merchants Securities F8 (25招證F8)	No	–	16.00	–	–
244114.SH	25 China Merchants Securities C1 (25招證C1)	No	–	27.00	–	–

Bond code	Bond abbreviation	Whether it is a specialized bond	Specific types of specialized bonds	Total proceeds	Balance of the proceeds as at the end of the Reporting Period	Balance of special account of proceeds as at the end of the Reporting Period
244115.SH	25 China Merchants Securities C2 (25招證C2)	No	–	13.00	–	–
244407.SH	25 China Merchants Securities C3 (25招證C3)	No	–	30.00	–	–
244408.SH	25 China Merchants Securities C4 (25招證C4)	No	–	15.00	–	–
242920.SH	25 China Merchants Securities Y1 (25招證Y1)	Yes	Renewable corporate bonds	9.00	–	–
243324.SH	25 China Merchants Securities Y2 (25招證Y2)	Yes	Renewable corporate bonds	11.00	–	–
244657.SH	26 China Merchants Securities G1 (26招證G1)	No	–	60.00	–	–
244658.SH	26 China Merchants Securities G2 (26招證G2)	No	–	60.00	–	–
244786.SH	26 China Merchants Securities G3 (26招證G3)	No	–	48.00	–	–

Bond code	Bond abbreviation	Whether it is a specialized bond	Specific types of specialized bonds	Total proceeds	Balance of the proceeds as at the end of the Reporting Period	Balance of special account of proceeds as at the end of the Reporting Period
244787.SH	26 China Merchants Securities G4 (26招證G4)	No	–	52.00	–	–
244565.SH	26 China Merchants Securities S1 (26招證S1)	Yes	Short-term corporate bonds	24.00	–	–
244566.SH	26 China Merchants Securities S2 (26招證S2)	Yes	Short-term corporate bonds	36.00	–	–
281472.SH	26 China Merchants Securities F1 (26招證F1)	Yes	Short-term corporate bonds	25.00	–	–
281473.SH	26 China Merchants Securities F2 (26招證F2)	No	–	42.00	–	–

2. The use of proceeds

(1). Actual use (excluding temporary replenishment)

Unit: 100 Million Yuan Currency: RMB

Bond code	Bond abbreviation	Actual amount of proceeds used during the Reporting Period	Repayment of interest-bearing liabilities (excluding corporate bonds) and the amount involved	Repayment of corporate bonds and the amount involved	Replenishment of the working capital and the amount involved	Investment in fixed assets and the amount involved	Equity investment, debt investment and asset acquisition and the amount involved	Other purposes and the amount involved
188568.SH	21 China Merchants Securities 10 (21招證10)	20.00	–	–	20.00	–	–	–
188998.SH	21 China Merchants Securities C8 (21招證C8)	10.00	–	10.00	–	–	–	–
185584.SH	22 China Merchants Securities Y1 (22招證Y1)	43.00	–	43.00	–	–	–	–
185697.SH	22 China Merchants Securities Y2 (22招證Y2)	47.00	–	47.00	–	–	–	–
185739.SH	22 China Merchants Securities Y3 (22招證Y3)	40.00	–	40.00	–	–	–	–
185831.SH	22 China Merchants Securities Y4 (22招證Y4)	20.00	–	20.00	–	–	–	–
115252.SH	23 China Merchants Securities G2 (23招證G2)	40.00	–	–	40.00	–	–	–

Bond code	Bond abbreviation	Actual amount of proceeds used during the Reporting Period	Repayment of interest-bearing liabilities (excluding corporate bonds) and the amount involved	Repayment of corporate bonds and the amount involved	Replenishment of the working capital and the amount involved	Investment in fixed assets and the amount involved	Equity investment, debt investment and asset acquisition and the amount involved	Other purposes and the amount involved
115314.SH	23 China Merchants Securities G3 (23招證G3)	28.00	–	–	28.00	–	–	–
115315.SH	23 China Merchants Securities G4 (23招證G4)	22.00	–	–	22.00	–	–	–
115648.SH	23 China Merchants Securities G6 (23招證G6)	34.00	–	34.00	–	–	–	–
115703.SH	23 China Merchants Securities G8 (23招證G8)	35.00	–	35.00	–	–	–	–
115790.SH	23 China Merchants Securities 10 (23招證10)	40.00	–	40.00	–	–	–	–
240335.SH	23 China Merchants Securities 11 (23招證11)	30.00	–	30.00	–	–	–	–
138980.SH	23 China Merchants Securities C2 (23招證C2)	8.00	–	8.00	–	–	–	–
115087.SH	23 China Merchants Securities C4 (23招證C4)	17.00	–	17.00	–	–	–	–

Bond code	Bond abbreviation	Actual amount of proceeds used during the Reporting Period	Repayment of interest-bearing liabilities (excluding corporate bonds) and the amount involved	Repayment of corporate bonds and the amount involved	Replenishment of the working capital and the amount involved	Investment in fixed assets and the amount involved	Equity investment, debt investment and asset acquisition and the amount involved	Other purposes and the amount involved
115286.SH	23 China Merchants Securities C6 (23招證C6)	33.00	–	33.00	–	–	–	–
115379.SH	23 China Merchants Securities C7 (23招證C7)	10.00	–	10.00	–	–	–	–
115380.SH	23 China Merchants Securities C8 (23招證C8)	10.00	–	10.00	–	–	–	–
240165.SH	23 China Merchants Securities C9 (23招證C9)	20.00	–	20.00	–	–	–	–
240166.SH	23 China Merchants Securities C10 (23招C10)	25.00	–	15.00	10.00	–	–	–
240506.SH	24 China Merchants Securities G1 (24招證G1)	30.00	–	30.00	–	–	–	–
241189.SH	24 China Merchants Securities G2 (24招證G2)	10.00	–	10.00	–	–	–	–
241190.SH	24 China Merchants Securities G3 (24招證G3)	60.00	–	5.00	55.00	–	–	–

Bond code	Bond abbreviation	Actual amount of proceeds used during the Reporting Period	Repayment of interest-bearing liabilities (excluding corporate bonds) and the amount involved	Repayment of corporate bonds and the amount involved	Replenishment of the working capital and the amount involved	Investment in fixed assets and the amount involved	Equity investment, debt investment and asset acquisition and the amount involved	Other purposes and the amount involved
241759.SH	24 China Merchants Securities G4 (24招證G4)	20.00	–	20.00	–	–	–	–
240739.SH	24 China Merchants Securities C1 (24招證C1)	9.00	–	9.00	–	–	–	–
240740.SH	24 China Merchants Securities C2 (24招證C2)	17.00	–	17.00	–	–	–	–
240922.SH	24 China Merchants Securities C4 (24招證C4)	20.00	–	–	20.00	–	–	–
241180.SH	24 China Merchants Securities C6 (24招證C6)	20.00	–	20.00	–	–	–	–
241412.SH	24 China Merchants Securities C8 (24招證C8)	30.00	–	19.00	11.00	–	–	–
256614.SH	24 China Merchants Securities F1 (24招證F1)	10.00	–	–	10.00	–	–	–
256615.SH	24 China Merchants Securities F2 (24招證F2)	25.00	–	20.00	5.00	–	–	–

Bond code	Bond abbreviation	Actual amount of proceeds used during the Reporting Period	Repayment of interest-bearing liabilities (excluding corporate bonds) and the amount involved	Repayment of corporate bonds and the amount involved	Replenishment of the working capital and the amount involved	Investment in fixed assets and the amount involved	Equity investment, debt investment and asset acquisition and the amount involved	Other purposes and the amount involved
256616.SH	24 China Merchants Securities F3 (24招證F3)	25.00	–	–	25.00	–	–	–
256934.SH	24 China Merchants Securities F5 (24招證F5)	30.00	–	–	30.00	–	–	–
242603.SH	25 China Merchants Securities K1 (25招證K1)	43.00	–	–	12.90	–	27.10	3.00
242604.SH	25 China Merchants Securities K2 (25招證K2)	30.75	–	–	11.10	–	19.25	0.40
243692.SH	25 China Merchants Securities G1 (25招證G1)	72.00	–	72.00	–	–	–	–
243693.SH	25 China Merchants Securities G2 (25招證G2)	28.00	–	28.00	–	–	–	–
244460.SH	25 China Merchants Securities G3 (25招證G3)	38.00	–	–	38.00	–	–	–
244461.SH	25 China Merchants Securities G4 (25招證G4)	48.00	–	–	48.00	–	–	–

Bond code	Bond abbreviation	Actual amount of proceeds used during the Reporting Period	Repayment of interest-bearing liabilities (excluding corporate bonds) and the amount involved	Repayment of corporate bonds and the amount involved	Replenishment of the working capital and the amount involved	Investment in fixed assets and the amount involved	Equity investment, debt investment and asset acquisition and the amount involved	Other purposes and the amount involved
242574.SH	25 China Merchants Securities S1 (25招證S1)	14.00	–	4.00	10.00	–	–	–
242575.SH	25 China Merchants Securities S2 (25招證S2)	34.00	10.00	24.00	–	–	–	–
242579.SH	25 China Merchants Securities S3 (25招證S3)	32.00	–	32.00	–	–	–	–
242681.SH	25 China Merchants Securities S5 (25招證S5)	42.00	–	38.00	4.00	–	–	–
242682.SH	25 China Merchants Securities S6 (25招證S6)	18.00	–	18.00	–	–	–	–
243206.SH	25 China Merchants Securities S7 (25招證S7)	25.00	–	25.00	–	–	–	–
243420.SH	25 China Merchants Securities S9 (25招證S9)	64.50	–	64.50	–	–	–	–
243421.SH	25 China Merchants Securities S10 (25招S10)	70.50	–	70.50	–	–	–	–

Bond code	Bond abbreviation	Actual amount of proceeds used during the Reporting Period	Repayment of interest-bearing liabilities (excluding corporate bonds) and the amount involved	Repayment of corporate bonds and the amount involved	Replenishment of the working capital and the amount involved	Investment in fixed assets and the amount involved	Equity investment, debt investment and asset acquisition and the amount involved	Other purposes and the amount involved
243642.SH	25 China Merchants Securities S11 (25招S11)	16.00	–	16.00	–	–	–	–
243643.SH	25 China Merchants Securities S12 (25招S12)	34.00	–	34.00	–	–	–	–
243858.SH	25 China Merchants Securities S13 (25招S13)	38.00	15.00	23.00	–	–	–	–
243859.SH	25 China Merchants Securities S14 (25招S14)	22.00	–	11.00	11.00	–	–	–
244242.SH	25 China Merchants Securities S15 (25招S15)	30.00	10.00	20.00	–	–	–	–
244243.SH	25 China Merchants Securities S16 (25招S16)	30.00	–	30.00	–	–	–	–
257433.SH	25 China Merchants Securities F2 (25招證F2)	14.00	–	12.00	2.00	–	–	–
257434.SH	25 China Merchants Securities F3 (25招證F3)	43.00	–	–	43.00	–	–	–

Bond code	Bond abbreviation	Actual amount of proceeds used during the Reporting Period	Repayment of interest-bearing liabilities (excluding corporate bonds) and the amount involved	Repayment of corporate bonds and the amount involved	Replenishment of the working capital and the amount involved	Investment in fixed assets and the amount involved	Equity investment, debt investment and asset acquisition and the amount involved	Other purposes and the amount involved
134266.SZ	25 China Merchants Securities KD1 (25招證KD1)	20.00	–	–	6.00	–	14.00	–
280328.SH	25 China Merchants Securities F4 (25招證F4)	41.00	–	41.00	–	–	–	–
280329.SH	25 China Merchants Securities F5 (25招證F5)	15.00	–	15.00	–	–	–	–
280330.SH	25 China Merchants Securities F6 (25招證F6)	37.00	–	37.00	–	–	–	–
280873.SH	25 China Merchants Securities F7 (25招證F7)	24.00	–	24.00	–	–	–	–
280874.SH	25 China Merchants Securities F8 (25招證F8)	16.00	–	16.00	–	–	–	–
244114.SH	25 China Merchants Securities C1 (25招證C1)	27.00	–	–	27.00	–	–	–
244115.SH	25 China Merchants Securities C2 (25招證C2)	13.00	–	–	13.00	–	–	–

Bond code	Bond abbreviation	Actual amount of proceeds used during the Reporting Period	Repayment of interest-bearing liabilities (excluding corporate bonds) and the amount involved	Repayment of corporate bonds and the amount involved	Replenishment of the working capital and the amount involved	Investment in fixed assets and the amount involved	Equity investment, debt investment and asset acquisition and the amount involved	Other purposes and the amount involved
244407.SH	25 China Merchants Securities C3 (25招證C3)	30.00	–	–	30.00	–	–	–
244408.SH	25 China Merchants Securities C4 (25招證C4)	15.00	–	–	15.00	–	–	–
242920.SH	25 China Merchants Securities Y1 (25招證Y1)	9.00	–	9.00	–	–	–	–
243324.SH	25 China Merchants Securities Y2 (25招證Y2)	11.00	–	11.00	–	–	–	–
244657.SH	26 China Merchants Securities G1 (26招證G1)	60.00	–	–	60.00	–	–	–
244658.SH	26 China Merchants Securities G2 (26招證G2)	60.00	–	–	60.00	–	–	–
244786.SH	26 China Merchants Securities G3 (26招證G3)	48.00	–	48.00	–	–	–	–
244787.SH	26 China Merchants Securities G4 (26招證G4)	52.00	–	12.00	40.00	–	–	–

Bond code	Bond abbreviation	Actual amount of proceeds used during the Reporting Period	Repayment of interest-bearing liabilities (excluding corporate bonds) and the amount involved	Repayment of corporate bonds and the amount involved	Replenishment of the working capital and the amount involved	Investment in fixed assets and the amount involved	Equity investment, debt investment and asset acquisition and the amount involved	Other purposes and the amount involved
244565.SH	26 China Merchants Securities S1 (26招證S1)	24.00	–	20.00	4.00	–	–	–
244566.SH	26 China Merchants Securities S2 (26招證S2)	36.00	–	36.00	–	–	–	–
281472.SH	26 China Merchants Securities F1 (26招證F1)	25.00	–	25.00	–	–	–	–
281473.SH	26 China Merchants Securities F2 (26招證F2)	42.00	–	42.00	–	–	–	–

(2). Proceeds used to repay corporate bonds and other interest-bearing liabilities

Bond code	Bond abbreviation	Details of the repayment of corporate bonds	Details of the repayment of other interest-bearing liabilities (excluding corporate bonds)
188998.SH	21 China Merchants Securities C8 (21招證C8)	Replacement of 18 China Merchants G8 with a principal amount of RMB1 billion	–
185584.SH	22 China Merchants Securities Y1 (22招證Y1)	Replacement of 17 China Merchants Y1 with a principal amount of RMB4 billion, and replacement of 17 China Merchants Y2 with a principal amount of RMB0.3 billion	–
185697.SH	22 China Merchants Securities Y2 (22招證Y2)	Replacement of 17 China Merchants Y2 with a principal amount of RMB4.7 billion	–
185739.SH	22 China Merchants Securities Y3 (22招證Y3)	Repayment 17 China Merchants Y3 with a principal amount of RMB3.7 billion, and repayment of 17 China Merchants Y4 with a principal amount of RMB0.3 billion	–
185831.SH	22 China Merchants Securities Y4 (22招證Y4)	Repayment of 17 China Merchants Y4 with a principal amount of RMB2 billion	–
115648.SH	23 China Merchants Securities G6 (23招證G6)	Replacement of 20 China Merchants Securities C1 with a principal amount of RMB1.3 billion, and replacement of 21 China Merchants Securities C5 with a principal amount of RMB2.1 billion	–
115703.SH	23 China Merchants Securities G8 (23招證G8)	Replacement of 20 China Merchants G1 with a principal amount of RMB0.9 billion, replacement of 21 China Merchants Securities C5 with a principal amount of RMB0.6 billion, and replacement of 21 China Merchants Securities G4 with a principal amount of RMB2.0 billion	–
115790.SH	23 China Merchants Securities 10 (23招證10)	Replacement of 20 China Merchants G1 with a principal amount of RMB2.1 billion, and replacement of 20 China Merchants Securities G3 with a principal amount of RMB1.9 billion	–

Bond code	Bond abbreviation	Details of the repayment of corporate bonds	Details of the repayment of other interest-bearing liabilities (excluding corporate bonds)
240335.SH	23 China Merchants Securities 11 (23招證11)	Replacement of 20 China Merchants Securities G7 with a principal amount of RMB1 billion, replacement of 21 China Merchants Securities C4 with a principal amount of RMB1.5 billion, replacement of 23 China Merchants Securities S7 with a principal amount of RMB0.5 billion	–
138980.SH	23 China Merchants Securities C2 (23招證C2)	Replacement of 22 China Merchants Securities S4 with a principal amount of RMB0.8 billion	–
115087.SH	23 China Merchants Securities C4 (23招證C4)	Replacement of 12 China Merchants 03 with a principal amount of RMB1.7 billion	–
115286.SH	23 China Merchants Securities C6 (23招證C6)	Replacement of 12 China Merchants 03 with a principal amount of RMB3.3 billion	–
115379.SH	23 China Merchants Securities C7 (23招證C7)	Replacement of 12 China Merchants 03 with a principal amount of RMB0.5 billion, and repayment of 20 China Merchants Securities C1 with a principal amount of RMB0.5 billion	–
115380.SH	23 China Merchants Securities C8 (23招證C8)	Repayment of 20 China Merchants Securities C1 with a principal amount of RMB1 billion	–
240165.SH	23 China Merchants Securities C9 (23招證C9)	Replacement of 21 China Merchants Securities G6 with a principal amount of RMB2 billion	–
240166.SH	23 China Merchants Securities C10 (23招C10)	Replacement of 23 China Merchants Securities S7 with a principal amount of RMB1.5 billion	–

Bond code	Bond abbreviation	Details of the repayment of corporate bonds	Details of the repayment of other interest-bearing liabilities (excluding corporate bonds)
240506.SH	24 China Merchants Securities G1 (24招證G1)	Replacement of 21 China Merchants Securities G2 with a principal amount of RMB1 billion, and replacement of 21 China Merchants Securities C6 with a principal amount of RMB2 billion	–
241189.SH	24 China Merchants Securities G2 (24招證G2)	Replacement of 23 China Merchants Securities S14 with a principal amount of RMB1 billion	–
241190.SH	24 China Merchants Securities G3 (24招證G3)	Replacement of 23 China Merchants Securities S14 with a principal amount of RMB0.5 billion	–
241759.SH	24 China Merchants Securities G4 (24招證G4)	Replacement of 21 China Merchants Securities G9 with a principal amount of RMB2 billion	–
240739.SH	24 China Merchants Securities C1 (24招證C1)	Replacement of 23 China Merchants Securities S9 with a principal amount of RMB0.9 billion	–
240740.SH	24 China Merchants Securities C2 (24招證C2)	Replacement of 23 China Merchants Securities S9 with a principal amount of RMB1.7 billion	–
241180.SH	24 China Merchants Securities C6 (24招證C6)	Replacement of 23 China Merchants Securities S13 Securities with a principal amount of RMB0.9 billion, and replacement of 23 China Merchants Securities S18 with a principal amount of RMB1.1 billion	–
241412.SH	24 China Merchants Securities C8 (24招證C8)	Replacement of 24 China Merchants Securities S3 with a principal amount of RMB1.9 billion	–
256615.SH	24 China Merchants Securities F2 (24招證F2)	Replacement of 24 China Merchants Securities S6 with a principal amount of RMB2 billion	–

Bond code	Bond abbreviation	Details of the repayment of corporate bonds	Details of the repayment of other interest-bearing liabilities (excluding corporate bonds)
243692.SH	25 China Merchants Securities G1 (25招證G1)	Replacement of 22 China Merchants Securities G2 with a principal amount of RMB0.8 billion, replacement of 22 China Merchants Securities G4 with a principal amount of RMB5 billion, and replacement of 25 China Merchants Securities S1 with a principal amount of RMB1.4 billion	–
243693.SH	25 China Merchants Securities G2 (25招證G2)	Repayment of 24 China Merchants Securities S24 with a principal amount of RMB1 billion, and replacement of 22 China Merchants Securities G2 with a principal amount of RMB1.8 billion	–
242574.SH	25 China Merchants Securities S1 (25招證S1)	Replacement of 22 China Merchants Securities G1 with a principal amount of RMB0.4 billion	–
242575.SH	25 China Merchants Securities S2 (25招證S2)	Replacement of 22 China Merchants Securities G1 with a principal amount of RMB2.4 billion	Repayment of "Panshi" (磐石) Series 1214 with a principal amount of RMB1 billion
242579.SH	25 China Merchants Securities S3 (25招證S3)	Replacement of 22 China Merchants Securities G1 with a principal amount of RMB2 billion, and replacement of 24 China Merchants Securities S28 with a principal amount of RMB1.2 billion	–
242681.SH	25 China Merchants Securities S5 (25招證S5)	Replacement of 22 China Merchants Securities G3 with a principal amount of RMB1.7 billion, replacement of 24 China Merchants Securities S28 with a principal amount of RMB1 billion, and replacement of 24 China Merchants Securities S22 with a principal amount of RMB1.1 billion	–
242682.SH	25 China Merchants Securities S6 (25招證S6)	Replacement of 24 China Merchants Securities S28 with a principal amount of RMB1.8 billion	–
243206.SH	25 China Merchants Securities S7 (25招證S7)	Replacement of 24 China Merchants Securities S16 with a principal amount of RMB1 billion, and replacement of 24 China Merchants Securities S18 with a principal amount of RMB1.5 billion	–

Bond code	Bond abbreviation	Details of the repayment of corporate bonds	Details of the repayment of other interest-bearing liabilities (excluding corporate bonds)
243420.SH	25 China Merchants Securities S9 (25招證S9)	Replacement of 14 China Merchants Bonds with a principal amount of RMB5.5 billion, and replacement of 24 China Merchants Securities S29 with a principal amount of RMB0.95 billion	–
243421.SH	25 China Merchants Securities S10 (25招S10)	Replacement of 24 China Merchants Securities S29 with a principal amount of RMB1.05 billion, replacement of 24 China Merchants Securities S23 with a principal amount of RMB3 billion, replacement of 24 China Merchants Securities S26 with a principal amount of RMB0.5 billion, and replacement of 23 China Merchants Securities 12 with a principal amount of RMB2.5 billion	–
243642.SH	25 China Merchants Securities S11 (25招S11)	Replacement of 23 China Merchants Securities G5 with a principal amount of RMB1.6 billion	–
243643.SH	25 China Merchants Securities S12 (25招S12)	Replacement of 24 China Merchants Securities S26 with a principal amount of RMB2 billion, and replacement of 22 China Merchants Securities G2 with a principal amount of RMB1.4 billion	–
243858.SH	25 China Merchants Securities S13 (25招S13)	Replacement of 23 China Merchants Securities C1 with a principal amount of RMB0.3 billion, replacement of 24 China Merchants Securities S24 with a principal amount of RMB0.7 billion, and replacement of 24 China Merchants Securities S30 with a principal amount of RMB1.3 billion	Repayment of positive repurchase of bonds with a principal amount of RMB1.5 billion
243859.SH	25 China Merchants Securities S14 (25招S14)	Replacement of 23 China Merchants Securities C1 with a principal amount of RMB1.1 billion	–
244242.SH	25 China Merchants Securities S15 (25招S15)	Repayment of 25 China Merchants Securities S5 with a principal amount of RMB2 billion	Repayment of positive repurchase of bonds with a principal amount of RMB1 billion

Bond code	Bond abbreviation	Details of the repayment of corporate bonds	Details of the repayment of other interest-bearing liabilities (excluding corporate bonds)
244243.SH	25 China Merchants Securities S16 (25招S16)	Repayment of 25 China Merchants Securities S5 with a principal amount of RMB1.8 billion, and replacement of 25 China Merchants Securities S2 with a principal amount of RMB1.2 billion	–
257433.SH	25 China Merchants Securities F2 (25招證F2)	Replacement of 22 China Merchants Securities G1 with a principal amount of RMB0.2 billion, and replacement of 24 China Merchants Securities S17 with a principal amount of RMB1 billion	–
280328.SH	25 China Merchants Securities F4 (25招證F4)	Replacement of 24 China Merchants Securities S27 with a principal amount of RMB2.5 billion, replacement of 24 China Merchants Securities S30 with a principal amount of RMB0.7 billion, and replacement of 25 China Merchants Securities S7 with a principal amount of RMB0.9 billion	–
280329.SH	25 China Merchants Securities F5 (25招證F5)	Replacement of 25 China Merchants Securities S7 with a principal amount of RMB1.5 billion	–
280330.SH	25 China Merchants Securities F6 (25招證F6)	Repayment of 25 China Merchants Securities F2 with a principal amount of RMB1.4 billion, repayment of 25 China Merchants Securities S2 with a principal amount of RMB2.2 billion, and replacement of 25 China Merchants Securities S7 with a principal amount of RMB0.1 billion	–
280873.SH	25 China Merchants Securities F7 (25招證F7)	Repayment of 24 China Merchants Securities F4 with a principal amount of RMB2 billion, and replacement of 25 China Merchants Securities S5 with a principal amount of RMB0.4 billion	–
280874.SH	25 China Merchants Securities F8 (25招證F8)	Repayment of 24 China Merchants Securities F4 with a principal amount of RMB1.6 billion	–
242920.SH	25 China Merchants Securities Y1 (25招證Y1)	Replacement of 23 China Merchants Securities C3 with a principal amount of RMB0.9 billion	–

Bond code	Bond abbreviation	Details of the repayment of corporate bonds	Details of the repayment of other interest-bearing liabilities (excluding corporate bonds)
243324.SH	25 China Merchants Securities Y2 (25招證Y2)	Replacement of 23 China Merchants Securities G1 with a principal amount of RMB1.1 billion	–
244786.SH	26 China Merchants Securities G3 (26招證G3)	Replacement of 25 China Merchants Securities S9 with a principal amount of RMB4.8 billion	–
244787.SH	26 China Merchants Securities G4 (26招證G4)	Replacement of 25 China Merchants Securities S9 with a principal amount of RMB1.2 billion	–
244565.SH	26 China Merchants Securities S1 (26招證S1)	Replacement of 23 China Merchants Securities 13 with a principal amount of RMB2 billion	–
244566.SH	26 China Merchants Securities S2 (26招證S2)	Replacement of 24 China Merchants Securities F4 with a principal amount of RMB1.4 billion, and replacement of 24 China Merchants Securities F5 with a principal amount of RMB2.2 billion	–
281472.SH	26 China Merchants Securities F1 (26招證F1)	Replacement of 24 China Merchants Securities F5 with a principal amount of RMB0.8 billion, and repayment of 25 China Merchants Securities F3 with a principal amount of RMB1.7 billion	–
281473.SH	26 China Merchants Securities F2 (26招證F2)	Repayment of 25 China Merchants Securities F3 with a principal amount of RMB2.6 billion, and replacement of 25 China Merchants Securities S11 with a principal amount of RMB1.6 billion	–

(3). Proceeds used to supplement the working capital (excluding temporary replenishment)

Bond code	Bond abbreviation	Details of replenishment of the working capital
188568.SH	21 China Merchants Securities 10 (21招證10)	Supplementing the working capital of the Company of RMB2 billion
115252.SH	23 China Merchants Securities G2 (23招證G2)	Supplementing the working capital of the Company of RMB4 billion
115314.SH	23 China Merchants Securities G3 (23招證G3)	Supplementing the working capital of the Company of RMB2.8 billion
115315.SH	23 China Merchants Securities G4 (23招證G4)	Supplementing the working capital of the Company of RMB2.2 billion
240166.SH	23 China Merchants Securities C10 (23招C10)	Supplementing the working capital of the Company of RMB1 billion
241190.SH	24 China Merchants Securities G3 (24招證G3)	Supplementing the working capital of the Company of RMB5.5 billion
240922.SH	24 China Merchants Securities C4 (24招證C4)	Supplementing the working capital of the Company of RMB2 billion
241412.SH	24 China Merchants Securities C8 (24招證C8)	Supplementing the working capital of the Company of RMB1.1 billion
256614.SH	24 China Merchants Securities F1 (24招證F1)	Supplementing the working capital of the Company of RMB1 billion
256615.SH	24 China Merchants Securities F2 (24招證F2)	Supplementing the working capital of the Company of RMB0.5 billion
256616.SH	24 China Merchants Securities F3 (24招證F3)	Supplementing the working capital of the Company of RMB2.5 billion
256934.SH	24 China Merchants Securities F5 (24招證F5)	Supplementing the working capital of the Company of RMB3 billion
242603.SH	25 China Merchants Securities K1 (25招證K1)	Supplementing the working capital of the Company of RMB1.29 billion
242604.SH	25 China Merchants Securities K2 (25招證K2)	Supplementing the working capital of the Company of RMB1.11 billion
244460.SH	25 China Merchants Securities G3 (25招證G3)	Supplementing the working capital of the Company of RMB3.8 billion
244461.SH	25 China Merchants Securities G4 (25招證G4)	Supplementing the working capital of the Company of RMB4.8 billion
242574.SH	25 China Merchants Securities S1 (25招證S1)	Supplementing the working capital of the Company of RMB1 billion

Bond code	Bond abbreviation	Details of replenishment of the working capital
242681.SH	25 China Merchants Securities S5 (25招證S5)	Supplementing the working capital of the Company of RMB0.4 billion
243859.SH	25 China Merchants Securities S14 (25招S14)	Supplementing the working capital of the Company of RMB1.1 billion
257433.SH	25 China Merchants Securities F2 (25招證F2)	Supplementing the working capital of the Company of RMB0.2 billion
257434.SH	25 China Merchants Securities F3 (25招證F3)	Supplementing the working capital of the Company of RMB4.3 billion
134266.SZ	25 China Merchants Securities KD1 (25招證KD1)	Supplementing the working capital of the Company of RMB0.6 billion
244114.SH	25 China Merchants Securities C1 (25招證C1)	Supplementing the working capital of the Company of RMB2.7 billion
244115.SH	25 China Merchants Securities C2 (25招證C2)	Supplementing the working capital of the Company of RMB1.3 billion
244407.SH	25 China Merchants Securities C3 (25招證C3)	Supplementing the working capital of the Company of RMB3 billion
244408.SH	25 China Merchants Securities C4 (25招證C4)	Supplementing the working capital of the Company of RMB1.5 billion
244657.SH	26 China Merchants Securities G1 (26招證G1)	Supplementing the working capital of the Company of RMB6 billion
244658.SH	26 China Merchants Securities G2 (26招證G2)	Supplementing the working capital of the Company of RMB6 billion
244787.SH	26 China Merchants Securities G4 (26招證G4)	Supplementing the working capital of the Company of RMB4 billion

3. *Compliance in the use of proceeds*

Bond code	Bond abbreviation	Use of proceeds according to the commitments in the prospectus	Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment)	Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change)	Whether the use of proceeds and management of the special account for proceeds were in compliance with the law during the Reporting Period	Whether the use of proceeds was in line with the debt administrative provisions of the local government
188568.SH	21 China Merchants Securities 10 (21招證10)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	Supplementing the working capital of the Company	Yes	Yes	N/A
188998.SH	21 China Merchants Securities C8 (21招證C8)	Repaying due corporate bonds	Repaying due corporate bonds	Yes	Yes	N/A
185584.SH	22 China Merchants Securities Y1 (22招證Y1)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
185697.SH	22 China Merchants Securities Y2 (22招證Y2)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
185739.SH	22 China Merchants Securities Y3 (22招證Y3)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
185831.SH	22 China Merchants Securities Y4 (22招證Y4)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A

Bond code	Bond abbreviation	Use of proceeds according to the commitments in the prospectus	Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment)	Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change)	Whether the use of proceeds and management of the special account for proceeds were in compliance with the law during the Reporting Period	Whether the use of proceeds was in line with the debt administrative provisions of the local government
115252.SH	23 China Merchants Securities G2 (23招證G2)	Supplementing the working capital of the Company	Supplementing the working capital of the Company	Yes	Yes	N/A
115314.SH	23 China Merchants Securities G3 (23招證G3)	Supplementing the working capital of the Company	Supplementing the working capital of the Company	Yes	Yes	N/A
115315.SH	23 China Merchants Securities G4 (23招證G4)	Supplementing the working capital of the Company	Supplementing the working capital of the Company	Yes	Yes	N/A
115648.SH	23 China Merchants Securities G6 (23招證G6)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
115703.SH	23 China Merchants Securities G8 (23招證G8)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	Repaying the principal of due corporate bonds	Yes	Yes	N/A
115790.SH	23 China Merchants Securities 10 (23招證10)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A

Bond code	Bond abbreviation	Use of proceeds according to the commitments in the prospectus	Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment)	Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change)	Whether the use of proceeds and management of the special account for proceeds were in compliance with the law during the Reporting Period	Whether the use of proceeds was in line with the debt administrative provisions of the local government
240335.SH	23 China Merchants Securities 11 (23招證11)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
138980.SH	23 China Merchants Securities C2 (23招證C2)	Repaying due corporate bonds	Repaying due corporate bonds	Yes	Yes	N/A
115087.SH	23 China Merchants Securities C4 (23招證C4)	Repaying due corporate bonds	Repaying due corporate bonds	Yes	Yes	N/A
115286.SH	23 China Merchants Securities C6 (23招證C6)	Repaying due corporate bonds	Repaying due corporate bonds	Yes	Yes	N/A
115379.SH	23 China Merchants Securities C7 (23招證C7)	Repaying due corporate bonds	Repaying due corporate bonds	Yes	Yes	N/A
115380.SH	23 China Merchants Securities C8 (23招證C8)	Repaying due corporate bonds	Repaying due corporate bonds	Yes	Yes	N/A
240165.SH	23 China Merchants Securities C9 (23招證C9)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A

Bond code	Bond abbreviation	Use of proceeds according to the commitments in the prospectus	Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment)	Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change)	Whether the use of proceeds and management of the special account for proceeds were in compliance with the law during the Reporting Period	Whether the use of proceeds was in line with the debt administrative provisions of the local government
240166.SH	23 China Merchants Securities C10 (23招C10)	Repaying the principal of due corporate bonds (Follow-on Offering: supplementing the working capital of the Company)	RMB1.5 billion for repaying the principal of due corporate bonds, and RMB1.0 billion for supplementing the working capital of the Company	Yes	Yes	N/A
240506.SH	24 China Merchants Securities G1 (24招證G1)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
241189.SH	24 China Merchants Securities G2 (24招證G2)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	Repaying the principal of due corporate bonds	Yes	Yes	N/A
241190.SH	24 China Merchants Securities G3 (24招證G3)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	RMB0.5 billion for repaying the principal of due corporate bonds, and RMB5.5 billion for supplementing the working capital of the Company	Yes	Yes	N/A

Bond code	Bond abbreviation	Use of proceeds according to the commitments in the prospectus	Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment)	Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change)	Whether the use of proceeds and management of the special account for proceeds were in compliance with the law during the Reporting Period	Whether the use of proceeds was in line with the debt administrative provisions of the local government
241759.SH	24 China Merchants Securities G4 (24招證G4)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
240739.SH	24 China Merchants Securities C1 (24招證C1)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
240740.SH	24 China Merchants Securities C2 (24招證C2)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
240922.SH	24 China Merchants Securities C4 (24招證C4)	Supplementing the working capital of the Company	Supplementing the working capital of the Company	Yes	Yes	N/A
241180.SH	24 China Merchants Securities C6 (24招證C6)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
241412.SH	24 China Merchants Securities C8 (24招證C8)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	RMB1.9 billion for repaying the principal of due corporate bonds, and RMB1.1 billion for supplementing the working capital of the Company	Yes	Yes	N/A

Bond code	Bond abbreviation	Use of proceeds according to the commitments in the prospectus	Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment)	Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change)	Whether the use of proceeds and management of the special account for proceeds were in compliance with the law during the Reporting Period	Whether the use of proceeds was in line with the debt administrative provisions of the local government
256614.SH	24 China Merchants Securities F1 (24招證F1)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	Supplementing the working capital of the Company	Yes	Yes	N/A
256615.SH	24 China Merchants Securities F2 (24招證F2)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	RMB2 billion for repaying the principal of due corporate bonds, and RMB0.5 billion for supplementing the working capital of the Company	Yes	Yes	N/A
256616.SH	24 China Merchants Securities F3 (24招證F3)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	Supplementing the working capital of the Company	Yes	Yes	N/A

Bond code	Bond abbreviation	Use of proceeds according to the commitments in the prospectus	Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment)	Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change)	Whether the use of proceeds and management of the special account for proceeds were in compliance with the law during the Reporting Period	Whether the use of proceeds was in line with the debt administrative provisions of the local government
256934.SH	24 China Merchants Securities F5 (24招證F5)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	Supplementing the working capital of the Company	Yes	Yes	N/A
242603.SH	25 China Merchants Securities K1 (25招證K1)	Investments that comply with the requirements of the capital market, including but not limited to fund investments in sci-tech innovation sector	RMB3.01 billion for specifically supporting businesses in sci-tech innovation sector through bonds, fund investments and other forms, and RMB1.29 billion for supplementing the working capital of the Company	Yes	Yes	N/A

Bond code	Bond abbreviation	Use of proceeds according to the commitments in the prospectus	Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment)	Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change)	Whether the use of proceeds and management of the special account for proceeds were in compliance with the law during the Reporting Period	Whether the use of proceeds was in line with the debt administrative provisions of the local government
242604.SH	25 China Merchants Securities K2 (25招證K2)	Investments that comply with the requirements of the capital market, including but not limited to fund investments in sci-tech innovation sector	RMB1.965 billion for specifically supporting businesses in sci-tech innovation sector through equity, bonds, fund investments and other forms, and RMB1.11 billion for supplementing the working capital of the Company	Yes	Yes	N/A
243692.SH	25 China Merchants Securities G1 (25招證G1)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
243693.SH	25 China Merchants Securities G2 (25招證G2)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
244460.SH	25 China Merchants Securities G3 (25招證G3)	Supplementing the working capital of the Company	Supplementing the working capital of the Company	Yes	Yes	N/A
244461.SH	25 China Merchants Securities G4 (25招證G4)	Supplementing the working capital of the Company	Supplementing the working capital of the Company	Yes	Yes	N/A

Bond code	Bond abbreviation	Use of proceeds according to the commitments in the prospectus	Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment)	Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change)	Whether the use of proceeds and management of the special account for proceeds were in compliance with the law during the Reporting Period	Whether the use of proceeds was in line with the debt administrative provisions of the local government
242574.SH	25 China Merchants Securities S1 (25招證S1)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	RMB0.4 billion for repaying the principal of due corporate bonds, and RMB1.0 billion for supplementing the working capital of the Company	Yes	Yes	N/A
242575.SH	25 China Merchants Securities S2 (25招證S2)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	RMB2.4 billion for repaying the principal of due corporate bonds, and RMB1.0 billion for repaying due debts	Yes	Yes	N/A
242579.SH	25 China Merchants Securities S3 (25招證S3)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	Repaying the principal of due corporate bonds	Yes	Yes	N/A

Bond code	Bond abbreviation	Use of proceeds according to the commitments in the prospectus	Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment)	Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change)	Whether the use of proceeds and management of the special account for proceeds were in compliance with the law during the Reporting Period	Whether the use of proceeds was in line with the debt administrative provisions of the local government
242681.SH	25 China Merchants Securities S5 (25招證S5)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	RMB3.8 billion for repaying the principal of due corporate bonds, and RMB0.4 billion for supplementing the working capital of the Company	Yes	Yes	N/A
242682.SH	25 China Merchants Securities S6 (25招證S6)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	Repaying the principal of due corporate bonds	Yes	Yes	N/A
243206.SH	25 China Merchants Securities S7 (25招證S7)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
243420.SH	25 China Merchants Securities S9 (25招證S9)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
243421.SH	25 China Merchants Securities S10 (25招S10)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A

Bond code	Bond abbreviation	Use of proceeds according to the commitments in the prospectus	Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment)	Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change)	Whether the use of proceeds and management of the special account for proceeds were in compliance with the law during the Reporting Period	Whether the use of proceeds was in line with the debt administrative provisions of the local government
243642.SH	25 China Merchants Securities S11 (25招S11)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
243643.SH	25 China Merchants Securities S12 (25招S12)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
243858.SH	25 China Merchants Securities S13 (25招S13)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	RMB2.3 billion for repaying the principal of due corporate bonds, and RMB1.5 billion for repaying due debts	Yes	Yes	N/A
243859.SH	25 China Merchants Securities S14 (25招S14)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	RMB1.1 billion for repaying the principal of due corporate bonds, and RMB1.1 billion for supplementing the working capital of the Company	Yes	Yes	N/A

Bond code	Bond abbreviation	Use of proceeds according to the commitments in the prospectus	Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment)	Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change)	Whether the use of proceeds and management of the special account for proceeds were in compliance with the law during the Reporting Period	Whether the use of proceeds was in line with the debt administrative provisions of the local government
244242.SH	25 China Merchants Securities S15 (25招S15)	Repaying due debts	RMB2.0 billion for repaying the principal of due corporate bonds, and RMB1.0 billion for repaying due debts	Yes	Yes	N/A
244243.SH	25 China Merchants Securities S16 (25招S16)	Repaying due debts	Repaying the principal of due corporate bonds	Yes	Yes	N/A
257433.SH	25 China Merchants Securities F2 (25招證F2)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	RMB1.2 billion for repaying the principal of due corporate bonds, and RMB0.2 billion for supplementing the working capital of the Company	Yes	Yes	N/A
257434.SH	25 China Merchants Securities F3 (25招證F3)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	Supplementing the working capital of the Company	Yes	Yes	N/A

Bond code	Bond abbreviation	Use of proceeds according to the commitments in the prospectus	Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment)	Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change)	Whether the use of proceeds and management of the special account for proceeds were in compliance with the law during the Reporting Period	Whether the use of proceeds was in line with the debt administrative provisions of the local government
134266.SZ	25 China Merchants Securities KD1 (25招證KD1)	Investments that comply with the requirements of the capital market, including but not limited to investments in sci-tech innovation sector	RMB1.4 billion for specifically supporting businesses in sci-tech innovation sector through bond investments and other forms, and RMB0.6 billion for supplementing the working capital of the Company	Yes	Yes	N/A
280328.SH	25 China Merchants Securities F4 (25招證F4)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
280329.SH	25 China Merchants Securities F5 (25招證F5)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
280330.SH	25 China Merchants Securities F6 (25招證F6)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
280873.SH	25 China Merchants Securities F7 (25招證F7)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A

Bond code	Bond abbreviation	Use of proceeds according to the commitments in the prospectus	Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment)	Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change)	Whether the use of proceeds and management of the special account for proceeds were in compliance with the law during the Reporting Period	Whether the use of proceeds was in line with the debt administrative provisions of the local government
280874.SH	25 China Merchants Securities F8 (25招證F8)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
244114.SH	25 China Merchants Securities C1 (25招證C1)	Supplementing the working capital of the Company	Supplementing the working capital of the Company	Yes	Yes	N/A
244115.SH	25 China Merchants Securities C2 (25招證C2)	Supplementing the working capital of the Company	Supplementing the working capital of the Company	Yes	Yes	N/A
244407.SH	25 China Merchants Securities C3 (25招證C3)	Supplementing the working capital of the Company	Supplementing the working capital of the Company	Yes	Yes	N/A
244408.SH	25 China Merchants Securities C4 (25招證C4)	Supplementing the working capital of the Company	Supplementing the working capital of the Company	Yes	Yes	N/A
242920.SH	25 China Merchants Securities Y1 (25招證Y1)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
243324.SH	25 China Merchants Securities Y2 (25招證Y2)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A

Bond code	Bond abbreviation	Use of proceeds according to the commitments in the prospectus	Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment)	Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change)	Whether the use of proceeds and management of the special account for proceeds were in compliance with the law during the Reporting Period	Whether the use of proceeds was in line with the debt administrative provisions of the local government
244657.SH	26 China Merchants Securities G1 (26招證G1)	Supplementing the working capital of the Company	Supplementing the working capital of the Company	Yes	Yes	N/A
244658.SH	26 China Merchants Securities G2 (26招證G2)	Supplementing the working capital of the Company	Supplementing the working capital of the Company	Yes	Yes	N/A
244786.SH	26 China Merchants Securities G3 (26招證G3)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	Repaying the principal of due corporate bonds	Yes	Yes	N/A
244787.SH	26 China Merchants Securities G4 (26招證G4)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	RMB1.2 billion for repaying the principal of due corporate bonds, and RMB4 billion for supplementing the working capital of the Company	Yes	Yes	N/A

Bond code	Bond abbreviation	Use of proceeds according to the commitments in the prospectus	Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment)	Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change)	Whether the use of proceeds and management of the special account for proceeds were in compliance with the law during the Reporting Period	Whether the use of proceeds was in line with the debt administrative provisions of the local government
244565.SH	26 China Merchants Securities S1 (26招證S1)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	RMB2.0 billion for repaying the principal of due corporate bonds, and RMB0.4 billion for supplementing the working capital of the Company	Yes	Yes	N/A
244566.SH	26 China Merchants Securities S2 (26招證S2)	Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company	Repaying the principal of due corporate bonds	Yes	Yes	N/A
281472.SH	26 China Merchants Securities F1 (26招證F1)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A
281473.SH	26 China Merchants Securities F2 (26招證F2)	Repaying the principal of due corporate bonds	Repaying the principal of due corporate bonds	Yes	Yes	N/A

(III) Other matters to be disclosed in respect of certain types of bonds

1. The Company is the issuer of renewable corporate bonds

Unit: 100 Million Yuan Currency: RMB

Bond code	185584.SH	185697.SH	185739.SH	185831.SH	242920.SH	243324.SH
Bond abbreviation	22 China Merchants Securities Y1	22 China Merchants Securities Y2	22 China Merchants Securities Y3	22 China Merchants Securities Y4	25 China Merchants Securities Y1	25 China Merchants Securities Y2
Remaining balance	43	47	40	20	9	11
Renewal	Nil	Nil	Nil	Nil	Nil	Nil
Interest step-up	Nil	Nil	Nil	Nil	Nil	Nil
Interest deferral	The Company has fully paid the interest of the above bonds.				No interest payment date due	
Mandatory interest payment	The issuer distributes dividends within 12 months prior to the interest payment date, which is a mandatory interest payment.					
Whether they are still included in equity and corresponding accounting treatment or not	Yes	Yes	Yes	Yes	Yes	Yes
Other matters	Nil	Nil	Nil	Nil	Nil	Nil

2. The Company is the issuer of Sci-Tech innovation corporate bonds or innovation and entrepreneurship corporate bonds

Unit: 100 Million Yuan Currency: RMB

Applicable entity category for the issuer of this bond	☐Sci-tech innovation enterprises ☐Sci-tech innovation upgrading enterprises ☐Sci-tech innovation investment enterprises ☐Sci-tech innovation incumbent enterprises √ Financial institutions	
Bond code	242603.SH	242604.SH
Bond abbreviation	25 China Merchants Securities K1	25 China Merchants Securities K2
Remaining balance	43	37
Progress of proceeds from sci-tech innovation projects or financial institutions for investment in sci-tech innovation sectors	The proceeds from this bond will primarily be used for sci-tech innovation equities, bonds, and fund investments, as well as market-making business for sci-tech innovation bonds and STAR Market ETF funds.	
Effectiveness in promoting development of sci-tech innovation	Through investments in equities, bonds, funds, and market-making business, we provide specialized support for businesses in sci-tech innovation sector. This initiative aims to provide financing for sci-tech enterprises, enhance the liquidity of sci-tech financial products, stimulate market allocation vitality in sci-tech innovation sector, effectively channel social capital toward national strategies, and contribute to scientific and technological self-reliance and industrial upgrading.	
Operation of fund products (if any)	N/A	The fund operates normally, with invested projects covering sectors such as new energy, new materials, next-generation information technology, integrated circuits, high-end equipment and advanced manufacturing
Other matters	Nil	Nil

Unit: 100 Million Yuan Currency: RMB

Applicable entity category for the issuer of this bond	☐Sci-tech innovation enterprises ☐Sci-tech innovation upgrading enterprises ☐Sci-tech innovation investment enterprises ☐Sci-tech innovation incumbent enterprises √ Financial institutions
Bond code	134266.SZ
Bond abbreviation	25 China Merchants Securities KD1
Remaining balance	20
Progress of proceeds from sci-tech innovation projects or financial institutions for investment in sci-tech innovation sectors	The proceeds from this bond will primarily be used for the investment in sci-tech innovation bonds and market-making business
Effectiveness in promoting development of sci-tech innovation	Through bond investments and market-making business, we provide specialized support for businesses in sci-tech innovation sector, helping to channel funds into this field. This enhances the liquidity and stability of the market for sci-tech innovation bonds, thereby creating a more favorable market environment for scientific and technological development.
Operation of fund products (if any)	N/A
Other matters	Nil

(IV) Significant events in relation to corporate bonds during the Reporting Period

1. Non-operating intercourse funds and fund lending

(1). The balance of non-operating intercourse funds and fund lending

As at the beginning of the Reporting Period, the balance of the Company's consolidated intercourse funds receivable from and fund lending to other parties that are not directly attributable to production operations (hereinafter referred to as non-operating intercourse funds and fund lending): RMB0 billion;

During the Reporting Period, the newly added non-operating intercourse funds and fund lending: RMB0 billion, and the amount recovered: RMB0 billion;

During the Reporting Period, there was no non-compliance with the relevant covenants or undertakings set out in the prospectus in respect of non-operating intercourse funds or fund lending

As at the end of the Reporting Period, the total amount of uncollected non-operating intercourse funds and fund lending: RMB0 billion. Of which, total amount of funds and fund lending of the controlling shareholder, the de facto controller and other related parties amounted to RMB0 billion.

(2). The details of non-operating intercourse funds and fund lending

As at the end of the Reporting Period, the proportion of uncollected non-operating intercourse funds and fund lending on a consolidated basis to the consolidated net assets of the Company was 0%

Not exceeding 10% of the consolidated net assets

2. Liabilities

(1). Interest-bearing liabilities and changes therein

1.1 Debt structure of the Company

As of the beginning and the end of the Reporting Period, the balance of the Company's interest-bearing liabilities (on a non-consolidated basis) amounted to RMB325.208 billion and RMB353.989 billion, respectively, and the balance of the interest-bearing liabilities recorded a year-on-year increase of 8.85% during the Reporting Period.

Unit: 100 Million Yuan Currency: RMB

Type of interest-bearing liabilities	Maturity time			Total	Percentage to the interest-bearing liabilities (%)
	Overdue	Within one year (inclusive)	Above one year (exclusive)		
Corporate credit bonds	–	959.82	644.58	1,604.39	45.32
Bank loans	–	–	–	–	–
Non-standard financing	–	249.81	169.50	419.31	11.85
Other interest-bearing liabilities	–	1,516.20	–	1,516.20	42.83
Of which: Placements from banks and other financial institutions	–	59.00	–	59.00	1.67
Financial assets sold under repurchase agreements	–	1,457.19	–	1,457.19	41.16
Total	–	2,725.82	814.07	3,539.89	100.00

Note: As of the beginning and the end of the Reporting Period, the perpetual subordinated bonds of issuer's parent company amounted to RMB15 billion and RMB17 billion, respectively, which are classified as equity instruments and are not included in interest-bearing liabilities. For details, please see "Other equity instruments" in "Chapter 9: Financial Report" of this report.

As at the end of the Reporting Period, among the corporate credit bonds of the Company, the outstanding balance of corporate bonds was RMB160.439 billion, the outstanding balance of enterprise bonds was RMB0 billion, and the outstanding balance of offshore bonds was RMB0 billion.

1.2 Interest-bearing liabilities structure of the Company's consolidated accounts

As of the beginning and the end of the Reporting Period, the balance of the Company's interest-bearing liabilities within the scope of the Company's consolidated statements amounted to RMB346.566 billion and RMB373.418 billion, respectively, and the balance of the interest-bearing liabilities recorded a year-on-year increase of 7.75% during the Reporting Period.

Unit: 100 Million Yuan Currency: RMB

Type of interest-bearing liabilities	Maturity time			Total	Percentage to the interest-bearing liabilities (%)
	Overdue	Within one year (inclusive)	Above one year (exclusive)		
Corporate credit bonds	–	969.92	657.56	1,627.48	43.58
Bank loans	–	79.58	25.02	104.61	2.80
Non-standard financing	–	249.81	169.50	419.31	11.23
Other interest-bearing liabilities	–	1,582.78	–	1,582.78	42.39
Of which: Placements from banks and other financial institutions	–	59.00	–	59.00	1.58
Financial assets sold under repurchase agreements	–	1,523.78	–	1,523.78	40.81
Total	–	2,882.09	852.08	3,734.18	100.00

Note: As of the beginning and the end of the Reporting Period, the perpetual subordinated bonds in the issuer's consolidated statements amounted to RMB15 billion and RMB17 billion, respectively, which are classified as equity instruments and are not included in interest-bearing liabilities. For details, please see "Other equity instruments" in "Chapter 9: Financial Report" of this report.

As at the end of the Reporting Period, among the corporate credit bonds of the Company's consolidated accounts, the outstanding balance of corporate bonds was RMB160.439 billion, the outstanding balance of enterprise bonds was RMB0 billion, and the outstanding balance of offshore bonds was RMB2.309 billion.

1.3 Offshore bonds

As of the end of the Reporting Period, the balance of offshore bonds issued within the scope of consolidated statements of the Company amounted to RMB2.309 billion.

3. Changes in the information disclosure management system during the Reporting Period

Changes on the information disclosure management system	Amendments to the relevant provisions regarding deferring complying with or waiver of the disclosure requirements; deletion of content relating to Supervisory Committee and Supervisor(s); specifying the Audit Committee's duty to assume the functions and powers of the former Supervisory Committee; change of "General Manager" to "President"; and, to a lesser extent, modification of some expressions.
The main content of revised information disclosure management system	Please refer to the Information Disclosure Management System of China Merchants Securities Co., Ltd. disclosed on the SSE website by the Company on November 25, 2025 for details.
Impact on the interests of investors	Nil.

(V) Accounting data and financial indicators for the last two years as at the end of the Reporting Period

Unit: 100 Million Yuan Currency: RMB

Key indicators	2025	2024	Year-on-year change (%)	Reason for changes
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	122.99	103.77	18.52	–
Current ratio	1.43	1.38	3.63	–
Quick ratio	1.43	1.38	3.63	–
Gearing ratio (%)	76.93	77.13	Decreased by 0.20 percentage point	–
EBITDA/debt ratio	5.23	5.04	3.92	–
Interest coverage ratio	2.96	2.34	26.44	–
Cash interest coverage ratio	-3.52	3.28	N/A	Attributable to decrease in net cash flows generated from operating activities
EBITDA/interest coverage ratio	3.08	2.44	26.26	–
Loan repayment ratio (%)	100.00	100.00	–	–
Interest payment ratio (%)	100.00	100.00	–	–

Note: Gearing ratio = (Total liabilities – Accounts payable to brokerage clients – Amounts payable to underwriting clients)/(Total assets – Accounts payable to brokerage clients – Amounts payable to underwriting clients).

Chapter 8

Information Disclosure of a Securities Company

I. Relevant Information on the Major Administrative Approvals of the Company

No.	Issuing authority	Title	Document No.	Date of announcement
1	CSRC	Approval for the Registration of Perpetual Subordinated Corporate Bonds Publicly Issued by China Merchants Securities Co., Ltd. to Professional Investors (關於同意招商證券股份有限公司向專業投資者公開發行永續次級公司債券註冊的批覆)	Zheng Jian Xu Ke [2025] No. 529 (證監許可[2025]529號)	March 19, 2025
2	CSRC	Approval for the Registration of Subordinated Corporate Bonds Publicly Issued by China Merchants Securities Co., Ltd. to Professional Investors (關於同意招商證券股份有限公司向專業投資者公開發行次級公司債券註冊的批覆)	Zheng Jian Xu Ke [2025] No. 2289 (證監許可[2025]2289號)	October 16, 2025
3	CSRC	Approval for the Registration of Corporate Bonds Publicly Issued by China Merchants Securities Co., Ltd. to Professional Investors (關於同意招商證券股份有限公司向專業投資者公開發行公司債券註冊的批覆)	Zheng Jian Xu Ke [2025] No. 2679 (證監許可[2025]2679號)	December 5, 2025



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Independent auditor's report to the shareholders of
China Merchants Securities Co., Ltd.
(incorporated in the People's Republic of China with limited liability)

Opinion

We have audited the consolidated financial statements of China Merchants Securities Co., Ltd. ("**the Company**") and its subsidiaries (collectively referred to as "**the Group**") set out on pages 328 to 480, which comprise the consolidated statement of financial position as at December 31,2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31,2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("**IESBA Code**"), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (continued)

The key audit matter	How the matter was addressed in our audit
Consolidation of structured entities	
Refer to Notes 21 and 23 to the consolidated financial statements	*Our audit procedures to assess consolidation of structured entities included the following:*
Structured entities are generally created to achieve a narrow and well-defined objective with restrictions around their ongoing activities. The Group may acquire or retain an ownership interest in, or act as a sponsor of, a structured entity through issuing or acquiring a wealth management product, an investment fund, an asset management plan, an investment trust plan or an asset-backed security. In determining whether the Group retains any partial interests in a structured entity or should consolidate a structured entity, management is required to consider the power it possesses, its exposure to variable returns, and its ability to use its power to affect returns. These factors are not purely quantitative and need to be considered collectively in the overall substance of the transactions.	• assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over measurement of interests in and consolidation of structured entities; • selecting a sample of structured entities for each key product type and performing the following procedures: – inspecting the related contracts, and internal establishment documents to understand the purpose of the establishment of the structured entity and the involvement the Group has with the structured entity and to assess management's judgement over whether the Group has the ability to exercise power over the structured entity;

Key Audit Matters (continued)

The key audit matter	How the matter was addressed in our audit
Consolidation of structured entities (continued)	
Refer to Notes 21 and 23 to the consolidated financial statements	*Our audit procedures to assess consolidation of structured entities included the following:*
We identified the consolidation of structured entities as a key audit matter because it involves significant management judgement in determining whether a structured entity is required to be consolidated by the Group or not and because the impact of consolidating a structured entity on the consolidated statement of financial position could be significant.	– evaluating the risk and reward structure of the structured entity, including any capital or return guarantee, commission paid and distribution of the returns, to assess management's judgement as to exposure, or rights, to variable returns from the Group's involvement in such an entity; – evaluating management's analysis of the structured entity, including qualitative analysis and the calculations of the magnitude and variability associated with its economic interests in the structured entity, to assess management's judgement over the Group's ability to affect its own returns from the structured entity; - assessing management's judgement over whether the structured entity should be consolidated or not; • assessing the reasonableness of the disclosures in the financial statements in relation to consolidation of structured entities against prevailing accounting standards.

Key Audit Matters (continued)

The key audit matter	How the matter was addressed in our audit
Measurement of loss allowances for advances to customers and stock-pledged repurchase agreements under financial assets held under resale agreements	
Refer to Notes 16,26,29,62(2) to the consolidated financial statements	*Our audit procedures to assess measurement of loss allowances for Financing Assets included the following:*
The Group applies an expected credit loss ("**ECL**") model to measure the loss allowance for advances to customers and stock-pledged repurchase agreements under financial assets held under resale agreements ("**Financing Assets**"). The determination of loss allowances for Financing Assets is subject to a number of key parameters, including identification of credit risk stages, loss ratio, exposure at default, forward-looking adjustments for economic factors and other adjustment factors. Management judgment is involved in the selection of those parameters and the application of the assumptions. Management exercises significant judgement in determining the quantum of loss allowance, including: • The selection of models, key parameters and assumptions; • Determination of the criteria for significant increase in credit risk and credit impairment; • Determination of the number and relative weightings of forward-looking scenarios.	• understanding and assessing the design, implementation and operating effectiveness of key internal controls over the approval, recording and monitoring of the Financial Assets, the credit risk staging process and the measurement of loss allowances for Financing Assets; • involving KPMG financial risk management specialists to evaluate the appropriateness of the ECL model for determining loss allowances, and the key parameters and assumptions in the model including the loss ratio, adjustments for forward-looking scenarios and related key management judgement;

Key Audit Matters (continued)

The key audit matter	How the matter was addressed in our audit
Measurement of loss allowances for advances to customers and stock-pledged repurchase agreements under financial assets held under resale agreements (continued)	
Refer to Notes 16,26,29,62(2) to the consolidated financial statements	*Our audit procedures to assess measurement of loss allowances for Financing Assets included the following:*
Loss ratio represents management's estimate of the amount of loss on exposure. Management determines the loss ratio based on factors including the coverage ratio of the related Financing Assets to underlying collateral value and the volatility of such collateral's value, the realised value of collateral upon forced liquidation taking into account of the estimated volatility over the realisation period. We identified the measurement of loss allowances for Financing Assets as a key audit matter because of the inherent uncertainty and management judgement involved and its significance to the financial results and capital of the Group.	• understanding and assessing the completeness and accuracy of data used in the ECL model. For key parameters derived from internal inputs, comparing the total balance of Financing Assets from general ledger and data used in the ECL model; on a sample basis, comparing the information of individual Financial Asset with the underlying agreements and other documents to evaluate the accuracy of data compilation. For key parameters derived from external inputs, we assessed the accuracy of such data by checking them against public sources on a sample basis; • evaluating the reasonableness of management's assessment on whether the credit risk of Financing Assets has, or has not, increased significantly since initial recognition and whether those Financing Assets are credit-impaired. On a sample basis, assessing the reasonableness of the credit risk stages based on the credit status of relevant assets, the coverage ratio and overdue days;

Key Audit Matters (continued)

The key audit matter	How the matter was addressed in our audit
Measurement of loss allowances for advances to customers and stock-pledged repurchase agreements under financial assets held under resale agreements (continued)	
Refer to Notes 16,26,29,62(2) to the consolidated financial statements	*Our audit procedures to assess measurement of loss allowances for Financing Assets included the following:*
	• evaluating the reasonableness of loss ratios for credit-impaired Financing Assets on a sample basis and assessing the cash flows expected to be recovered including values of collaterals and other credit enhancements; • for forward-looking scenarios, involving KPMG financial risk management specialists to evaluate the basis of determining the economic variables, number of scenarios and relative weightings; assessing the reasonableness of the economic variables forecasted under the different scenarios and performing sensitivity analysis on economic variables and relative weightings of forward-looking scenarios; • based on the above, using ECL model for selected samples to review the accuracy of the expected credit impairment allowance for Financing Assets; and • assessing the reasonableness of the disclosures in the financial statements in relation to ECLs for Financing Assets with reference to the requirements of the applicable accounting standards.

Key Audit Matters (continued)

The key audit matter	How the matter was addressed in our audit
Assessment of fair value of financial instruments held at fair value classified under Level 3 in the fair value hierarchy	
Refer to Notes 63(2) to the consolidated financial statements.	*Our audit procedures to assess the fair value of Level 3 Financial Instruments included the following:*
The Group's financial instruments included those of which the fair value is classified under Level 3 in the fair value hierarchy ("**Level 3 Financial Instruments**"). The measurement of Level 3 Financial Instruments used valuation techniques that involve significant inputs that were not based on observable market data ("**unobservable inputs**") which can involve significant management judgement. We identified the assessment of fair value of Level 3 Financial Instruments as a key audit matter because of the significance of their amounts, the degree of complexity involved and the significant degree of management judgement in valuing Level 3 Financial Instruments.	• assessing the design, implementation and operating effectiveness of key internal controls over the valuation process, including independent price verification, valuation model approval, ongoing monitoring and optimisation for the valuation models; • on a sample basis, reviewing investment agreements to understand the terms and identify factors that were relevant to the valuation of financial instruments; • on a sample basis, involving KPMG valuation specialists to evaluate the appropriateness of the fair value of Level 3 Financial Instruments by assessing the appropriateness of valuation models and inputs used by management, performing independent valuations of selected samples and compare these valuations with the Group's valuations.; and • evaluating the reasonableness of the disclosures on the fair values of Level 3 Financial Instruments with reference to the requirements of applicable accounting standards.

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Choi Ching Hin.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

27 March,2026

The independent auditor's report and the accompanying consolidated financial statements and related notes have been issued in English. The Chinese version is used as a translated version for reference only. In the event of any discrepancy in the interpretation between the English version and Chinese version, the English version shall prevail.

Consolidated statement of profit or loss

For The Year Ended December 31, 2025
(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	Year ended December 31 2025	2024
Fee and commission income	7	14,948,444	10,691,787
Interest income	8	9,447,673	10,019,521
Investment gains or losses, net	9	9,785,158	9,527,453
Other income and gains or losses, net	10	435,100	383,521
Total revenue, other income and gains		**34,616,375**	**30,622,282**
Depreciation and amortization	11	(906,916)	(864,978)
Staff costs	12	(7,118,259)	(6,358,749)
Fee and commission expenses	13	(3,470,084)	(2,313,992)
Interest expenses	14	(7,507,863)	(8,885,650)
Tax and surcharges		(148,364)	(118,726)
Other operating expenses	15	(2,516,606)	(2,457,013)
Impairment losses under expected credit loss model, net of reversal	16	(259,688)	113,300
Total expenses		**(21,927,780)**	**(20,885,808)**
Share of results of associates and joint ventures		1,387,678	1,483,018
Profit before income tax		**14,076,273**	**11,219,492**
Income tax expenses	17	(1,758,181)	(829,521)
Profit for the year		**12,318,092**	**10,389,971**
Attributable to:			
Shareholders of the Company		12,349,523	10,385,872
Non-controlling interests		(31,431)	4,099
		12,318,092	10,389,971
Earnings per share attributable to shareholders of the Company (Expressed in RMB per share)	18		
– Basic and diluted		1.35	1.13

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

For The Year Ended December 31, 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Year ended December 31	
	2025	**2024**
Profit for the year	**12,318,092**	**10,389,971**
Other comprehensive income (expense):		
Items that will not be reclassified subsequently to profit or loss:		
Equity instruments designated as at fair value through other comprehensive income:		
Net fair value changes during the year	(513,228)	472,908
Income tax impact	60,134	(89,056)
Sub-total	(453,094)	383,852
Share of other comprehensive income of associates, net of related income tax	884	253
Items that may be reclassified subsequently to profit or loss:		
Debt instruments at fair value through other comprehensive income:		
Net fair value changes during the year	(378,350)	1,916,506
Reclassification adjustment to profit or loss	(781,772)	(704,149)
Impairment losses under expected credit loss model, net of reversal	(2,659)	4,144
Income tax impact	288,312	(300,921)
Sub-total	(874,469)	915,580
Share of other comprehensive income of associates, net of related income tax	(33,216)	48,130
Exchange differences arising from translation of foreign operations	(233,434)	125,628
Other comprehensive income for the year (net of tax)	**(1,593,329)**	**1,473,443**
Total comprehensive income for the year (net of tax)	**10,724,763**	**11,863,414**
Attributable to:		
Shareholders of the Company	10,756,194	11,859,315
Non-controlling interests	(31,431)	4,099
	10,724,763	11,863,414

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at December 31, 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	As at December 31 2025	2024
Non-current assets			
Property and equipment	19	1,631,381	1,664,813
Right-of-use assets	20	1,173,534	1,198,810
Goodwill		9,671	9,671
Other intangible assets		920,670	656,493
Interests in associates and joint ventures	22	13,339,482	12,706,426
Equity instruments at fair value through other comprehensive income	24	35,425,795	38,980,021
Financial assets held under resale agreements	26	1,216,578	608,187
Financial assets at fair value through profit or loss	32	9,126,881	8,038,679
Deferred tax assets	27	483,690	575,628
Other non-current assets	28	253,442	350,243
Total non-current assets		**63,581,124**	**64,788,971**
Current assets			
Advances to customers	29	133,353,124	95,572,702
Current tax assets		80,710	290,360
Accounts and other receivables	30	4,334,949	6,431,873
Debt instruments at fair value through other comprehensive income	31	69,933,548	68,351,202
Debt instruments at amortized cost	25	180,317	1,380,138
Financial assets held under resale agreements	26	25,818,856	31,236,933
Financial assets at fair value through profit or loss	32	261,539,131	257,425,043
Derivative financial assets	33	2,947,104	4,647,396
Other current assets		376,443	367,434
Deposits with exchanges and non-bank financial institutions	34	18,516,421	13,113,733
Clearing settlement funds	35	40,025,951	33,232,276
Cash and bank balances	36	132,789,412	144,322,270
Total current assets		**689,895,966**	**656,371,360**
Total assets		**753,477,090**	**721,160,331**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of financial position (Continued)

As at December 31, 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	As at December 31 2025	2024
Current liabilities			
Short-term borrowings	38	7,501,973	9,711,063
Short-term debt instruments	39	64,381,201	57,384,139
Placements from banks and other financial institutions	40	5,900,444	9,979,675
Accounts payables to brokerage clients	41	155,015,825	151,610,717
Accrued staff costs	42	5,722,694	5,413,225
Other payables and accrued charges	43	29,767,157	26,822,690
Current tax liabilities		519,887	147,701
Financial liabilities at fair value through profit or loss	44	41,077,341	52,344,882
Derivative financial liabilities	33	7,229,012	5,219,511
Financial assets sold under repurchase agreements	45	152,377,884	150,931,020
Lease liabilities due within one year	46	258,264	273,090
Contract liabilities		42,999	33,158
Provisions		1,175	–
Long-term borrowings due within one year	51	456,485	564,863
Bonds payables due within one year	53	57,591,249	45,781,740
Securities underwriting brokerage deposits		8,100	–
Total current liabilities		**527,851,690**	**516,217,474**
Net current assets		**162,044,276**	**140,153,886**
Total assets less current liabilities		**225,625,400**	**204,942,857**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of financial position (Continued)

As at December 31, 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	As at December 31 2025	2024
Equity			
Share capital	47	8,696,526	8,696,526
Other equity instruments	48	17,000,000	15,000,000
Capital reserves		40,360,966	40,362,974
Investment revaluation reserve of financial assets at fair value through other comprehensive income	49	379,905	1,445,336
Translation reserve		213,335	446,769
General reserves	50	28,392,750	25,881,942
Retained profits		42,961,176	38,345,082
Equity attributable to shareholders of the Company		138,004,658	130,178,629
Non-controlling interests		42,173	73,604
Total equity		**138,046,831**	**130,252,233**
Non-current liabilities			
Deferred tax liabilities	27	570,386	438,307
Financial liabilities at fair value through profit or loss	44	1,101,837	1,303,238
Deferred income		98,585	101,610
Lease liabilities	46	599,347	633,482
Long-term borrowings	52	2,502,273	3,024,422
Bonds payables	54	82,706,141	69,189,565
Total non-current liabilities		**87,578,569**	**74,690,624**
Total equity and non-current liabilities		**225,625,400**	**204,942,857**

The accompanying notes form an integral part of these consolidated financial statements.

The consolidated financial statements on pages 328 to 480 were approved and authorized for issue by the board of directors on 27 March,2026 and are signed on its behalf by:

HUO Da
Executive Director, Chairman

ZHU Jiangtao
Executive Director, President

Consolidated statement of changes in equity

For The Year Ended December 31, 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Equity attributable to shareholders of the Company									
	Share capital (Note 47)	Other equity instruments (Note 48)	Capital reserves	Investment revaluation reserve of financial assets at fair value through other comprehensive income (Note 49)	Translation reserve	General reserves (Note 50)	Retained profits	Sub-total	Non-controlling interests	Total
At January 1,2024	**8,696,526**	**15,000,000**	**40,362,974**	**183,476**	**321,141**	**23,903,793**	**33,493,518**	**121,961,428**	**75,505**	**122,036,933**
Profit for the year	-	-	-	-	-	-	10,385,872	10,385,872	4,099	10,389,971
Other comprehensive income for the year	-	-	-	1,347,815	125,628	-	-	1,473,443	-	1,473,443
Total comprehensive income for the year	**-**	**-**	**-**	**1,347,815**	**125,628**	**-**	**10,385,872**	**11,859,315**	**4,099**	**11,863,414**
Appropriation to general reserves	-	-	-	-	-	1,978,149	(1,978,149)	-	-	-
Distribution to holders of other equity instruments (note 55)	-	-	-	-	-	-	(572,240)	(572,240)	-	(572,240)
Dividends recognized as distribution (note 55)	-	-	-	-	-	-	(3,069,874)	(3,069,874)	(6,000)	(3,075,874)
Transfer to retained profits for cumulative fair value change of FVTOCI upon disposal (note 49)	-	-	-	(85,955)	-	-	85,955	-	-	-
At December 31,2024	**8,696,526**	**15,000,000**	**40,362,974**	**1,445,336**	**446,769**	**25,881,942**	**38,345,082**	**130,178,629**	**73,604**	**130,252,233**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity (Continued)

For The Year Ended December 31, 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Equity attributable to shareholders of the Company									
	Share capital (Note 47)	Other equity instruments (Note 48)	Capital reserves	Investment revaluation reserve of financial assets at fair value through other comprehensive income (Note 49)	Translation reserve	General reserves (Note 50)	Retained profits	Sub-total	Non-controlling interests	Total
At January 1,2025	**8,696,526**	**15,000,000**	**40,362,974**	**1,445,336**	**446,769**	**25,881,942**	**38,345,082**	**130,178,629**	**73,604**	**130,252,233**
Profit for the year	-	-	-	-	-	-	12,349,523	12,349,523	(31,431)	12,318,092
Other comprehensive income for the year	-	-	-	(1,359,895)	(233,434)	-	-	(1,593,329)	-	(1,593,329)
Total comprehensive income for the year	**-**	**-**	**-**	**(1,359,895)**	**(233,434)**	**-**	**12,349,523**	**10,756,194**	**(31,431)**	**10,724,763**
Capital invested/(reduced) by shareholders	-	2,000,000	(2,008)	-	-	-	-	1,997,992	-	1,997,992
Appropriation to general reserves	-	-	-	-	-	2,510,808	(2,510,808)	-	-	-
Distribution to holders of other equity instruments (note 55)	-	-	-	-	-	-	(614,680)	(614,680)	-	(614,680)
Dividends recognized as distribution (note 55)	-	-	-	-	-	-	(4,313,477)	(4,313,477)	-	(4,313,477)
Transfer to retained profits for cumulative fair value change of FVTOCI upon disposal (note 49)	-	-	-	294,464	-	-	(294,464)	-	-	-
At December 31,2025	**8,696,526**	**17,000,000**	**40,360,966**	**379,905**	**213,335**	**28,392,750**	**42,961,176**	**138,004,658**	**42,173**	**138,046,831**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For The Year Ended December 31, 2025
(Expressed in thousands of Renminbi, unless otherwise stated)

	Year ended December 31	
	2025	2024
Operating activities		
Profit before income tax	14,076,273	11,219,492
Adjustments for:		
Interest expenses	7,507,863	8,885,650
Share of results of associates and joint ventures	(1,387,678)	(1,483,018)
Depreciation and amortization	906,916	864,978
Impairment losses under expected credit loss model, net of reversal and other impairment losses, net	259,688	(113,300)
Gains on disposal of property and equipment, other intangible assets and other non-current assets, net	(9,211)	(2,345)
Foreign exchange (gains) losses, net	24,184	(113,701)
Net realized gains from disposal of financial assets at fair value through other comprehensive income	(781,772)	(704,149)
Dividend income and interest income from financial assets at fair value through other comprehensive income and debt instruments at amortized cost	(2,858,588)	(2,970,461)
Unrealized fair value changes in financial instruments at fair value through profit or loss	(1,407,301)	(1,692,653)
Unrealized fair value changes in derivative financial instruments	3,414,279	486,824
Operating cash flows before movements in working capital	**19,744,653**	**14,377,317**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows (Continued)

For The Year Ended December 31, 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Year ended December 31	
	2025	2024
Operating activities (continued)		
Increase in advances to customers	(37,834,373)	(12,211,961)
Decrease in other current assets	1,934,276	3,414,297
Decrease in financial assets held under resale agreements	4,638,560	17,791,812
(Increase) Decrease in financial instruments/liabilities at fair value through profit or loss, net	(15,363,711)	24,127,540
Increase in deposits with exchanges and non-bank financial institutions	(4,499,585)	(162,839)
Decrease in pledged and restricted bank deposits	143,242	453,024
Increase in clearing settlement funds	(10,541,940)	(3,487,342)
Decrease (Increase) in cash held on behalf of customers	8,526,426	(28,977,875)
Increase in accounts payables to brokerage clients	2,679,678	33,728,815
Increase (Decrease) in accrued staff costs	317,863	(117,220)
Increase (Decrease) in other current liabilities	3,094,391	(13,428,587)
Increase in financial assets sold under repurchase agreements	1,580,272	8,197,127
Decrease in placements from banks and other financial institutions	(4,064,522)	(17,069,867)
Net cash from operations	**(29,644,770)**	**26,634,241**
Income taxes paid	(504,558)	(16,317)
Interest paid	(3,234,693)	(4,356,892)
Net cash (use in) from operating activities	**(33,384,021)**	**22,261,032**
Investing activities		
Dividends and interest received from investments	3,579,467	3,544,409
Purchases of property and equipment, other intangible assets and other non-current assets	(722,522)	(763,707)
Proceeds from disposals of property and equipment, other intangible assets and other non-current assets	3,153	6,493
Proceeds on disposal of interest in an associate	(21,381)	–
Net purchase or proceeds from purchases of financial instruments at fair value through other comprehensive income	836,864	(17,047,846)
Net purchase or proceeds from purchases or disposals of debt instruments at amortized cost	1,182,867	–
Net cash from (used in) investing activities	**4,858,448**	**(14,260,651)**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows (Continued)

For The Year Ended December 31, 2025
(Expressed in thousands of Renminbi, unless otherwise stated)

	Year ended December 31	
	2025	**2024**
Financing activities		
Dividends paid to shareholders and other equity instruments holders	(4,885,717)	(3,648,114)
Interest payment of bonds and short-term debt instruments	(3,984,311)	(4,818,832)
Interest payment of borrowings	(376,906)	(445,433)
Interest payment of lease liabilities	(21,496)	(33,648)
Repayment of bonds and short-term debt instruments	(131,636,055)	(154,517,825)
Repayment of lease liabilities	(322,605)	(334,297)
Net proceeds from issuance of perpetual bonds	1,997,992	–
Proceeds from bonds and short-term debt instruments	164,128,295	148,406,325
Proceeds from (repayment of) short-term borrowings	(2,152,739)	3,329,387
Proceeds from long-term borrowings	(549,702)	1,704,256
Net cash generated from (used in) financing activities	**22,196,756**	**(10,358,181)**
Net decrease in cash and cash equivalents	**(6,328,817)**	**(2,357,800)**
Cash and cash equivalents at the beginning of the year	**27,559,062**	**29,781,625**
Effect of foreign exchange rate changes	(64,349)	135,237
Cash and cash equivalents at the end of the year	**21,165,896**	**27,559,062**
Interest received included in net cash from operating activities	**7,975,486**	**8,903,224**

The accompanying notes form an integral part of these consolidated financial statements.

1 Corporate information

China Merchants Securities Co., Ltd. (the "**Company**") was formerly established as a securities department of China Merchants Bank Co., Ltd.. On August 1,1993, with the approval of People's Bank of China (Shenzhen branch) and Shenzhen Administration for Industry and Commerce, the Company was duly established as the Securities Department of China Merchants Bank Co., Ltd. (招商銀行證券業務部). On August 26,1994, the Securities Department of China Merchants Bank Co., Ltd. was renamed as Shenzhen CMB Securities Company (深圳招銀證券公司). On September 28,1994, Shenzhen CMB Securities Company (深圳招銀證券公司) further changed its name to CMB Securities Company (招銀證券公司). On November 6,1998, with the approval of People's Bank of China and China Securities Regulatory Commission, CMB Securities Company (招銀證券公司) increased its paid-in capital and changed its name to Guotong Securities Limited Liability Company (國通證券有限責任公司).

After the completion of registration with Shenzhen Administration for Industry and Commerce, Guotong Securities Limited Liability Company (國通證券有限責任公司) restructured and changed its name to Guotong Securities Co., Ltd. (國通證券股份有限公司) on December 26,2001 in accordance with The Approval to The Resolution about Managing The State-owned Shares of Guotong Securities Co., Ltd. (國通證券股份有限公司) (Cai Qi [2001] No. 723) issued by the Ministry of Finance of the People's Republic of China ("**PRC**"), The Approval for Changing the Name of Guotong Securities Co., Ltd. (國通證券股份有限公司) (Zheng Jian Ji Gou Zi [2001] No. 285) issued by the China Securities Regulatory Commission, and The Approval for Equity Restructuring of Guotong Securities Co., Ltd. (國通證券股份有限公司) (Shen Fu Gu [2001] No. 49) issued by the Municipal Government of Shenzhen. On June 28,2002, Guotong Securities Co., Ltd. (國通證券股份有限公司) was renamed as China Merchants Securities Co., Ltd. (招商證券股份有限公司).

On November 2,2009, with the approval by China Securities Regulatory Commission ([2009] No. 1132), the Company launched its initial public offering of 358,546,141 A shares. On November 17,2009, the Company started to be listed on the Shanghai Stock Exchange. The Company's ultimate holding company is China Merchants Group Limited ("**CMG**"). CMG is a PRC enterprise regulated and directly managed by the State-Owned Assets Supervision and Administration Commission of the State Council. CMG is owned and controlled by the PRC Government.

On October 7,2016, with the approval by China Securities Regulatory Commission ([2016] No. 1735), the Company issued 891,273,800 H Shares, which were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**").

On July 20, 2020 and August 20, 2020, with the approval by China Securities Regulatory Commission ([2019] No. 1946 and [2020] No. 723), the Company completed the rights issue of A Share and H Share by issuing 1,702,997,123 A Shares and294,120,354 H Shares, which were listed on the Shanghai Stock Exchange and the Main Board of The Hong Kong Stock Exchanges, respectively.

As at December 31, 2025, the Company's registered capital was RMB8,696,526,806 and the Company has a total of 8,696,526,806 issued shares of RMB1 each.

1 Corporate information (continued)

The address of the registered office and principal place of business of the Company is No.111,1st Fuhua Road, Futian District, Shenzhen, Guangdong, the PRC. The Company and its subsidiaries (collectively the "**Group**") are principally engaged in securities brokerage, securities financial advisory, financial advisory services relating to securities trading and investment activities, securities underwriting and sponsorship, proprietary trading, asset management, margin financing and securities lending, securities investment fund distribution, agency sales of financial products, securities investment management, stock options market-making business, listed securities market-making business, commodity futures brokerage, financial futures brokerage, futures investment consulting and other business approved by China Securities Regulatory Commission ("**CSRC**").

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is the same as functional currency of the Company. All consolidated financial statements and notes to the consolidated financial statements are presented in RMB and has been rounded to the nearest thousands, except when otherwise indicates.

2 Application of new and amendments to IFRS Accounting Standards

2.1 New and amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRS Accounting Standards for the first time, which are mandatory effective for the annual period beginning on or after January 1, 2025 for the preparation of the consolidated financial statements.

Amendments to IAS 21	The effects of changes in foreign exchange rates–Lack of exchangeability

The amendments specify when a currency is exchangeable into another currency and when it is not, and how an entity determines a spot rate when a currency lacks exchangeability.

The amendments do not have a material impact on these financial statements as the Group had not entered any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

2 Application of new and amendments to IFRS Accounting Standards (continued)

2.2 New and amendments IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective.

Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments[1]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[1]
Annual amendments to IFRS (Volume 11)	
Amendments to IFRS 18	Presentation and disclosure in financial statements[2]
Amendments to IFRS 19	Disclosure by Non-Public Sector Subsidiaries[2]
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[2]
Amendments to IFRS 10 and IAS 28	Sales or Contributions of Assets between an Investor and Its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after January 1, 2026

2 Effective for annual periods beginning on or after January 1, 2027

3 Effective date to be determine

The directors of the Company is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

IFRS 18, Presentation and disclosure in financial statements

IFRS 18 will replace IFRS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and is still in the process of assessing the impact of the adoption.

3 Basis of preparation of consolidated financial statements and material accounting policy information

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies as follows.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are accounted for in accordance with IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36 Impairment of Assets.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price or cost of investment.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: Inputs are quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3: Inputs are unobservable inputs for the asset or liability.

The principal accounting policies are as follows.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved where the Company: (a) has power over the investee; (b) is exposed, or has rights, to variable returns from its involvement with the investee; and (c) has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Investments in subsidiaries are stated at cost less accumulated impairment loss, if any, in the Company's statement of financial position. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or losses from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Basis of consolidation (continued)

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserve between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments ("**IFRS 9**") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Structured entities

The Group serves as the manager of collective asset management schemes, funds and partnerships. These collective asset management schemes, funds and partnerships invest mainly in equities, debt securities, cash and cash equivalents and securities-backed lending under resales agreements. The Group's proportion of ownership in these structured entities can fluctuate from day to day according to the Group's and third-party participation in them. Where the Group is deemed to control such collective asset management schemes, funds and partnerships, with control determined based on an analysis of the guidance in IFRS 10 Consolidated Financial Statements, they are consolidated, with the interests of parties other than the Group being classified as liabilities because there is a contractual obligation for the relevant group entity as an issuer to repurchase or redeem units in such collective asset management schemes, funds and partnerships for cash. These are presented as "financial liabilities at fair value through profit or loss" ("**FVTPL**") in the consolidated statement of financial position.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-Based Payment at the acquisition date;

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and

- lease liabilities are recognized and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognized and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognized in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

Foreign currencies

When the Company receives capital in foreign currencies from investors, the capital is translated to functional currency at the spot exchange rate on the date of receipt. Other foreign currency transactions are, on initial recognition, translated to functional currency at the spot exchange rates or the rates that approximate the spot exchange rates on the dates of the transactions.

A spot exchange rate is an exchange rate quoted by the "People's Bank of China" and"State Administration of Foreign Exchange", the State Administrative of Foreign Exchange or a cross rate determined based on quoted exchange rates. A rate that approximates the spot exchange rate is a rate determined under a systematic and rational method, normally the average exchange rate of the current year.

Monetary items denominated in foreign currencies are translated to functional currency at the spot exchange rate at the end of the year. The resulting exchange differences are recognized in profit or loss. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated to functional currency using the foreign exchange rate at the transaction date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rate on the date the fair value is determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Foreign currencies (continued)

The assets and liabilities of foreign operation are translated to presentation currency at the spot exchange rate at the end of the reporting period. The equity items, excluding "retained profits", are translated to presentation currency at the spot exchange rates at the transaction dates. The income and expenses of foreign operation are translated to presentation currency at the rates that approximate the spot exchange rates. The resulting translation differences are recognized in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Company's interests in subsidiaries and associates and joint ventures.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments, which are readily convertible into known amounts of cash and are subject to insignificant risk of change in value.

Goodwill

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognized immediately in profit or loss as a gain on a bargain purchase.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Goodwill (continued)

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of associates and joint ventures is described below.

Interests in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, unless it is classified as held for sale. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances.

Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Interests in associates and joint ventures (continued)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exist, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal or partial disposal of the Group's interest in an associate or a joint venture in which the Group lost significant influence and discontinued the use of equity method, any retained interest that is within the scope of IFRS 9 is measured at fair value on that date, the difference between the carrying amount of the associate or joint venture at the date, and the proceeds from disposing of such interest (or partial interest) in the associate or joint venture and the fair value of the retained interest is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognized in their comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related asset or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Interests in associates and joint ventures (continued)

When an investment in an associate or a joint venture is held by, or is held indirectly through, a group entity that is a venture capital organization and similar entities, the Group may elect to measure investments in those associates or joint ventures at fair value through profit or loss in accordance with IFRS 9.

Property and equipment and other non-current assets

Property and equipment including buildings, motor vehicles, electronic and communication equipment and others, and other non-current assets including deferred expenses for use in the supply of services, or for administrative purposes (other than construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation/amortization and subsequent accumulated impairment losses, if any.

Depreciation/amortization is recognized so as to write-off their costs, other than construction in progress, less their residual values over their estimated useful lives, using straight-line method. The estimated useful lives, residual values and depreciation/amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Construction in progress is carried at cost, less any recognized impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories when completed and ready for intended use. Depreciation/amortization of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property and equipment and other non-current assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

If an item of property and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, the cost and accumulated depreciation of that item at the date of transfer are transferred to investment property for subsequent measurement and disclosure purposes.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Property and equipment and other non-current assets (continued)

The estimated residual value rates and useful lives of each class of property and equipment and other non-current assets are as follows:

Classes	Estimated residual value rates	Useful lives
Leasehold land and buildings	5%	30 – 50 years
Motor vehicles	5%	5 years
Electronic and communication equipment	5%	5 years
Office equipment	5%	5 years

Intangible assets

(i) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed by the Group at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment on non-financial assets other than goodwill below).

The estimated useful lives of each class of intangible assets with finite useful life are as follows:

Classes	Useful lives
Trading rights	10 years
Others	5 years

(ii) Intangible assets acquired in a business combination

The intangible assets acquired in the business combination shall be separately recognized from the goodwill, and shall be initially recognized based on the fair value at the acquisition date (as the cost of the intangible assets).

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Intangible assets (continued)

(ii) Intangible assets acquired in a business combination (continued)

After the initial recognition, the intangible assets with limited useful lives obtained in the business combination shall be presented on the same basis as the intangible assets obtained separately, and shall be presented according to the cost minus accumulated amortization and any accumulated impairment losses. Intangible assets with indefinite useful lives obtained in a business combination are stated at cost less any subsequent accumulated impairment losses. (Please refer to the accounting policy related to the impairment on non-financial assets other than goodwill below).

An intangible asset is derecognized when it is disposed of or it is expected that its use or disposal will no longer generate future economic benefits. The gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss on derecognition of the asset.

Impairment on non-financial assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets, investment property, intangible assets with finite useful lives, and other non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

(ii) The Group as lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component on the basis of their relative stand-alone prices.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of buildings that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets.

Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Leases (continued)

(ii) The Group as lessee (continued)

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Leases (continued)

(ii) The Group as lessee (continued)

Lease liabilities (continued)

- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the lessee; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review or expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Leases (continued)

(iii) The Group as lessors

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognized as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognized as an expense on a straight-line basis over the lease term.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies IFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

If the construction of qualifying assets have been suspended under abnormal circumstances, the corresponding capitalization of the borrowing cost should be suspended accordingly.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Such grants are presented under "other income and gains or losses".

Employee benefits

(i) Salaries and allowances

Salaries and allowances are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Contributions to retirement benefits scheme

The Group participates in Central Provident Fund Scheme for its employees in the PRC organized by the municipal governments of the relevant provinces. The Group also participates in the Mandatory Provident Fund Scheme (the "**MPF Scheme**") for its employees in Hong Kong under the Mandatory Provident Fund Scheme Ordinance. The Group also sets up annuity scheme for qualified employees. Annuity contributions are accrued and recognized in profit or loss based on a certain percentage of the participants' total salary when employees have rendered service entitling them to the contributions.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Employee benefits (continued)

(iii) Other social welfare

Social welfare expenditure refers to payments for employees' social welfare system established by the government of the PRC, including social pension insurance, health care insurance, housing funds and other social welfare contributions. The Group contributes on a regular basis to these funds based on certain percentage of the employees' salaries and the contributions are recognized in profit or loss for the period when employees have rendered service entitling them to the contribution. The Group's liabilities in respect of these funds are limited to the contribution payables in the reporting period.

(iv) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in respect of their services in the current and prior periods.

Taxation

Income tax expense represents the sum of current and deferred income tax expense. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payables or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payables in respect of previous years. Current tax payable includes any tax liabilities arising from the declaration of dividends.

(ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and at the time of the transaction does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Taxation (continued)

(ii) Deferred tax (continued)

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and when they relate to taxes levied by the same tax authority and the Group intend to settle current tax liabilities and assets on a net basis.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(iii) Income tax offsetting

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Recognition and derecognition of financial instruments

A financial asset or financial liability is recognized in the statements of financial position when the Group becomes a party to the contractual provisions of a financial instrument.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Financial instruments (continued)

(i) Recognition and derecognition of financial instruments (continued)

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payables is recognized in profit or loss.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortized over the remaining term. Any adjustment to the carrying amount of the financial liability is recognized in profit or loss at the date of modification.

(ii) Classification of financial assets

The Group classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Financial instruments (continued)

(ii) Classification of financial assets (continued)

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income as stated above. However, the Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

At initial recognition, the Group may irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

(iii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

The Group classifies all financial liabilities as subsequently measured at amortized cost, except for:

- financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.
- Financial guarantee contracts and loan commitments which bear interest lower than the prevailing market rates that are not within the scope of the above.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Financial instruments (continued)

(iii) Financial liabilities and equity instruments (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

(iv) Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host. An embedded derivative and its host contract form a hybrid contract.

If a hybrid contract contains a host that is a financial asset within the scope of IFRS 9, the Group shall not separate an embedded derivative from the host, but shall apply the requirements of IFRS 9 to the entire hybrid contract.

(v) Reclassification of financial instruments

When, and only when, the Group changes its business model for managing financial assets it shall reclassify all affected financial assets. The Group shall not reclassify any financial liability.

If the Group reclassifies financial assets, it shall apply the reclassification prospectively from the reclassification date. The Group shall not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

- If the Group reclassifies a financial asset out of the amortized cost measurement category and into the fair value through profit or loss measurement category, its fair value is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

- If the Group reclassifies a financial asset out of the amortized cost measurement category and into the fair value through other comprehensive income measurement category, its fair value is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Financial instruments (continued)

(v) Reclassification of financial instruments (continued)

- If the Group reclassifies a financial asset out of the fair value through other comprehensive income measurement category and into the amortized cost measurement category, the financial asset is reclassified at its fair value at the reclassification date. However, the cumulative gain or loss previously recognized in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset at the reclassification date. As a result, the financial asset is measured at the reclassification date as if it had always been measured at amortized cost. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification.

- If the Group reclassifies a financial asset out of the fair value through other comprehensive income measurement category and into the fair value through profit or loss measurement category, the financial asset continues to be measured at fair value. The cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss at the reclassification date.

- If the Group reclassifies a financial asset out of the fair value through profit or loss measurement category and into the amortized cost measurement category, its fair value at the reclassification date becomes its new gross carrying amount.

- If the Group reclassifies a financial asset out of the fair value through profit or loss measurement category and into the fair value through other comprehensive income measurement category, the financial asset continues to be measured at fair value.

When reclassifying the financial assets, the Group determines effective interest rate based on the fair value of the financial assets at the reclassification date.

(vi) Measurement of financial instruments

The Group initially recognizes a financial asset or financial liability at its fair value. Fair value is the transaction price of a financial asset or financial liability. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

After initial recognition, the Group subsequently measure a financial asset at amortized cost, fair value through other comprehensive income or fair value through profit or loss.

After initial recognition, the Group subsequently measure a financial liability at amortized cost or fair value through profit or loss.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Financial instruments (continued)

(vi) Measurement of financial instruments (continued)

Interest income is calculated by using the effective interest method. Interest income is recognized by applying the effective interest rate to the gross carrying amount of financial assets, except the follows:

For purchased or originated credit-impaired financial assets, the interest income is recognized by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

For financial assets that are not purchased or originated credit-impaired but become credit-impaired financial assets subsequently, the interest income is recognized by applying the effective interest rate to the amortized cost of financial assets. If the credit risk on the credit-impaired financial instrument improves so that it is no longer credit-impaired and the improvement in the credit quality is related objectively to a certain event occurring after the application of rules mentioned above, such as the credit rating of the borrower is increased, then the interest income will be recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

(vii) Impairment of financial instruments

The Group recognize a loss allowance for expected credit losses ("**ECL**") for the following items:

- financial assets and non-equity instruments that are measured at amortized cost or debt instruments measured at fair value through other comprehensive;
- lease receivables;
- contract assets;
- loan commitments other than financial liabilities that are not measured at fair value through profit or loss.

ECL is a probability-weighted estimate of credit losses (ie the present value of all cash shortfalls) over the expected life of the financial instrument.

The Group always recognizes lifetime ECL (i. e. the simplified model) for accounts receivable without a significant financing component recognized under IFRS 15. The ECL is assessed individually for debtors with significant balances and/or collectively using an impairment matrix.

Except for accounts receivable recognized under IFRS 15, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition at the reporting date and recognizes the loss allowance for expected credit loss and its movement.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Financial instruments (continued)

(vii) Impairment of financial instruments (continued)

- The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. An impairment loss (gain) is recognized in profit or loss for the amount of ECL (or reversal) needed to adjust the loss allowance at the reporting date to the required amount.

- The Group measure the loss allowance for a financial instrument at an amount equal to the 12-month ECL if the credit risk on that financial instrument has not increased significantly since initial recognition. An impairment loss (gain) is recognized in profit or loss for the amount of ECL (or reversal) needed to adjust the loss allowance at the reporting date to the required amount.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or borrower;

- a breach of contract by the borrower(s), such as a default or past due event;

- the lender (s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession (s) that the lender (s) would not otherwise consider;

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;

- the disappearance of an active market for that financial asset because of financial difficulties of the issuer or the borrower;

- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

(viii) Profit or loss

A gain or loss on a financial asset or financial liability that is measured at fair value shall be recognized in profit or loss unless:

- it is a non-held for trading investment in an equity instrument that is designated as at fair value through other comprehensive income based on "3. Financial Instruments: (ii) Classification of financial assets". When the financial asset is derecognized, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to retained earnings as a reclassification adjustment;

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Financial instruments (continued)

(viii) Profit or loss (continued)

- it is a financial liability designated as at fair value through profit or loss and the entity is required to present the changes of fair value driven by the effects of changes in the liability's credit risk in other comprehensive income and other changes in the fair value of the financial liabilities are included in the profit and loss. When the financial liability is derecognized, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to retained earnings as a reclassification adjustment;

- it is a financial asset measured at fair value through other comprehensive income based on "3. Financial Instruments: (ii) Classification of financial assets" and the entity is required to recognize fair value changes in other comprehensive income except for impairment gains or losses and foreign exchange gains and losses. Interest calculated using the effective interest method is recognised in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

A gain or loss on a financial asset that is measured at amortized cost and is not part of a hedging is recognized in profit or loss when the financial asset is derecognized, reclassified, during the amortization process or in order to recognize impairment or losses. A gain or loss on a financial liability that is measured at amortized cost and is not part of a hedging is recognized in profit or loss when the financial liability is derecognized and through the amortization process.

(ix) Estimation of fair value

If there is an activemarket for the asset or liability, the fair value measurement represents the price in that market.

If no active market exists for a financial instrument, a valuation technique is used to establish the fair value. Valuation techniques include market approach, income approach and cost approach. The Group prioritizes relevant observable inputs Unobservable inputs are acceptable in valuation technique only when observable inputs are not available.

The fair value of a liability reflects the effect of non-performance risk. Non-performance risk includes, but may not be limited to, an entity's own credit risk. Non-performance risk is assumed to be the same before and after the transfer of the liability.

(x) Transfer and derecognize of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Financial instruments (continued)

(x) Transfer and derecognize of financial assets (continued)

On derecognition of a financial asset in its entirety, the difference between:

- the carrying amount (measured at the date of derecognition); and
- the consideration received and the related fair value change previously recognized in other comprehensive income are recognized in profit or loss.

If a part of a financial asset is transferred and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognized and the part that is derecognized, on the basis of the relative fair values of those parts on the date of the transfer. The difference between:

- the carrying amount (measured at the date of derecognition) allocated to the part derecognized; and
- the consideration received for the part derecognized and the related fair value change previously recognized in other comprehensive income are recognized in profit or loss.

If a transfer does not result in derecognition because the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the entity shall continue to recognize the transferred asset in its entirety and shall recognize a financial liability for the consideration received.

For continuing involvement in transfer of financial assets, the Group continues to recognise the transferred asset to the extent of its continuing involvement and an associated liability.

(xi) Derivative financial instruments

Derivative financial instruments are initially measured at fair value at the date a derivative contract is entered into and are subsequently measured at fair value. Changes in fair value of these derivative financial instruments other than those designed as hedging instrument are recognized in profit or loss.

All derivatives are recognized as assets when the fair value is positive and as liabilities when the fair value is negative.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Financial instruments (continued)

(xi) Derivative financial instruments (continued)

Fair values are obtained from quoted market prices in an active market or are determined using valuation techniques, including discounted cash flow model and options pricing model as appropriate.

(xii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when the Group has a legally enforceable right to set off the recognized amounts and the transactions are intended to be settled on a net basis, or by realizing the asset and settling the liability simultaneously.

Revenue from contracts with customers

The Group recognizes revenue when (or as) a performance obligation is satisfied, i. e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

An entity shall account for a contract with a customer that is within the scope of this Standard only when all of the following criteria are met:

- the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- the entity can identify each party's rights regarding the goods or services to be transferred;
- the entity can identify the payment terms for the goods or services to be transferred;
- the contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

When a contract with a customer does not meet the criteria stated above and an entity receives consideration from the customer, the entity shall recognize the consideration received as revenue only when either of the following events has occurred: (1) the entity has no remaining obligations to transfer goods or services to the customer; and (2) all, or substantially all, of the consideration promised by the customer has been received by the entity and is non-refundable, otherwise the consideration received from a customer should be considered as a contract liability.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Revenue from contracts with customers (continued)

Revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct good or service. The Group shall consider indicators of the transfer of control, which include, but are not limited to, the following:

- The Group has a present right to payment for the asset and a customer is presently obliged to pay for an asset.
- The Group has transferred the significant risks and rewards of ownership of the asset and the customer has the significant risks and rewards of ownership of the asset.
- The Group has transferred the legal title of the asset and the customer has legal title of the asset.
- The Group has transferred physical possession of the asset and the customer has obtained physical possession of an asset.
- The Group has provided all or part of the services in accordance with the terms of the contract and the customer has accepted the good for service.
- Other indicators of the transfer of control of the good or service to the customer.

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Revenue from contracts with customers (continued)

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i. e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i. e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognizes revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Details of the recognition criteria of major types of revenue of the Group are as follows:

(i) Fee and commission income

- Brokerage commission income is recognized at a point in time on a trade date basis at a certain percentage of the transaction value of the trades executed.
- Handling and settlement fee income arising from brokerage business is recognized at a point in time when the related services are rendered.
- Commission income of the agency custody of securities business is recognized over time as the customers simultaneously receive benefits provided by the Group.
- Underwriting and sponsoring fees are recognised when the Group has fulfilled its obligations under the underwriting and sponsoring contract.
- Asset and fund management fee income is recognized as a performance obligation satisfied over time as the customers simultaneously receive benefits provided by the Group.
- Depending on the nature of the services and the contract terms, financial advisory services are recognised in profit or loss over time using a method that depicts the Group's performance, or at a point in time when the service is completed.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Revenue from contracts with customers (continued)

(ii) Interest income

Interest income from a financial asset is recognised on a accrual basis using the effective interest method.

(iii) Other income

Other income is recognized when contracts are due for settlement or services are provided. It mainly comes from the bulk commodities trading of the Group's commodities trading subsidiaries. The revenue is recognized at a point in time when the Group fulfills its performance obligations in the contract and the customer obtains the control of relevant bulk commodity goods.

Provision

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and the amount of the obligation can be reliably measured.

The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organization, management requirements and internal reporting system. Each of the Group's operating segments represents a strategic business unit that offers services which are subject to risks and returns that are different from the other operating segments.

Two or more operating segments may be aggregated into a single operating segment if the segments have same or similar economic characteristics and are similar in respect of the nature of each products and service, the nature of production processes, the type or class of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Financial performance is regularly reviewed by the Group's management to make decisions about resource to be allocated to the segment and assess its performance, and for which consolidated financial statements regarding financial position, financial performance and cash flows is available.

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Segment reporting (continued)

Inter segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting, and segment accounting policies are consistent with those for the consolidated financial statements.

Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where the Group and one or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Entities are not related parties simply because they are subject to common control from the state.

4 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The followings are the critical judgments, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized and disclosures made in the consolidated financial statements.

Determination of consolidation scope

All facts and circumstances must be taken into consideration in the assessment of whether the Group, as an investor and/or as an investment manager, controls the investee. The principle of control sets out the following three elements of control: (a) power over the investee; (b) exposure, or rights, to variable returns from involvement with the investee; and (c) the ability to use power over the investee to affect the amount of the investor's returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

4 Critical accounting judgments and key sources of estimation uncertainty (continued)

Critical judgments in applying accounting policies (continued)

Determination of consolidation scope (continued)

For collective asset management schemes, investment funds and limited partnerships where the Group involves as manager and also as investor, the Group assesses whether the combination of investments it holds together with its remuneration and credit enhancement creates exposure to variability of returns from the activities of the collective asset management schemes, investment funds and limited partnerships that is of such significance that it indicates that the Group is a principal. The collective asset management schemes, investment funds and limited partnerships are consolidated if the Group has control.

Classification of financial assets

The classification and measurement of financial assets depend on contractual cash flow test and business model test. The Group will consider all the relevant evidences in the business model test, including the way the performance of financial assets are evaluated and reported to the key management, the risk affected the performance of financial asset and how the risk are managed, as well as how the management are paid. The Group also needs to judge whether the contractual cash flow generated by financial assets is only the payment of the principal and interest based on the principal outstanding.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Measurement of ECL

Significant increase in credit risk and impairment

In assessing the measurement of expected credit losses ("ECLs") of financial assets, the Group judges whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition and whether a credit impairment occurs. During the judgement process, both quantitative and qualitative information is also taken into consideration, including forward-looking information.

Establishment of assets group with similar risk characteristics

When the expected credit loss is measured on a group basis, the financial instruments are grouped by similar characteristics of risk. The Group continuously assesses whether these financial instruments continue to maintain similar credit risk characteristics, so as to ensure that once the characteristics of credit risk change, the financial instruments will be appropriately reclassified. This may result in new assets group or reclassification of assets to certain existing assets group, so as to better reflect the similar credit risk characteristics of which category of assets.

4 Critical accounting judgments and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Measurement of ECL (continued)

Use of model and assumption

The Group adopts different models and assumptions to assess the fair value and expected credit loss of financial assets. The Group determines the applicable model for each category of financial assets using judgment so as to determine the assumptions used by such models, including assumptions relating to the key drivers of credit risk.

Forward-looking information

In assessing the expected credit loss, the Group used reasonable forward-looking information. Such information is based on the assumption of future trend of different economic driving factors, and the assumption of how these economic driving factors affect each other.

Probability of default

The probability is key input of expected credit risk. The probability of default is the estimates of possibility of default in certain period of time. The calculation involves historical information, assumption and expectation of future conditions.

Loss given default

Loss given default is the estimate of loss arising from default. It is based on the difference between contractual cash flows and the cash flows expected to be received by the borrower, and also considered the cash flows from pledge assets and overall credit enhancement.

Details of above significant judgment and estimation on ECL are set out in note 62(2).

Fair value of financial instruments

The Group uses valuation techniques to estimate the fair value of financial instruments which are not quoted in an active market. These valuation techniques use observable inputs and data of the market. When the market observable inputs are not available, the Group make estimate on the significant unobservable inputs and data. Details of fair value measurement are set out in note 63.

4 Critical accounting judgments and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Income taxes and deferred tax assets

There are certain transactions and activities for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially estimated, such differences will impact the current income tax and deferred income tax in the period during which such a determination is made.

The realization of a deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future.

In cases where it becomes probable that sufficient profits or taxable temporary differences are expected to be generated, deferred tax assets would be recognized in profit or loss in that period. On the contrary, if sufficient profits or taxable temporary differences are not expected to be generated, deferred tax assets would be reversed in profit or loss in that period. Details of the tax losses and deductible temporary differences are disclosed in note 27 to consolidated financial statements. As those deferred tax assets can only be recognized to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilized, management's judgment is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognized if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered.

5 Taxation

The Group's main applicable taxes and tax rates are as follows:

Tax type	Tax basis	Tax rates
Enterprise income tax ("EIT") [(i)]	Based on taxable profits	25%, 20% [(ii)], 16.5% [(iii)], 15% [(iv)]
Value added tax ("VAT")	The output VAT is calculated on the basis of taxable income. After deducting the input VAT allowed to be deducted in the current period, the difference is the VAT payable.	6%, 3% [(v)]
City maintenance and construction tax	Based on value added tax accrued	7%
Education surcharge	Based on value added tax accrued	3%
Local education surcharge	Based on value added tax accrued	2%

5 Taxation (continued)

(i) In accordance with the announcement of the State Administration of Taxation concerning the collection of EIT for cross regional operation (No. 57 of the State Administration of Taxation in 2012). The Company adopts the regulations of "integrated calculation, hierarchical management, advance payments in regions where the entities operate, centralization of final settlements and transfers between central and local authorities" for payments of EIT.

(ii) In accordance with the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Supporting the Development of Small and Micro Enterprises and Individual Proprietorships with Relevant Tax and Fee Policies (Cai Shui [2023] No. 12) and other relevant provisions, for small and micro enterprises, the taxable income is reduced to 25% of the taxable amount, and the applicable enterprise income tax rate is 20%. This policy will continue to be implemented until December 31, 2027. Six subsidiaries of China Merchants Zhiyuan Capital Investment Co., Ltd., which is a subsidiary of the Company, benefit from the aforementioned preferential tax policies.

(iii) The Company's subsidiary China Merchants Securities International Company Limited and its subsidiaries which are registered in Hong Kong shall pay Hong Kong Profits Tax. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime and will continue to be taxed at a flat rate of 16.5%.

(iv) According to the announcement of the Ministry of Finance, the State Administration of Taxation and National Development and Reform Commission on continuing the EIT Preferential Policies for the Development of Western China, from January 1, 2021 to December 31, 2030, qualified companies are subject to a tax rate of 15%. The subsidiary of the Group incorporated in Ganzhou namely, Ganzhou China Merchants Zhiyuan No. 1 Fund Management Co., Ltd. is subject to the above-mentioned preferential tax policies.

(v) According to the Notice on finance, real estate development, education industry, etc. (Cai Shui [2016] No. 140), the supplementary notice on issues related to VAT of asset management products (Cai Shui [2017] No. 2) and the notice on issues related to VAT of asset management products (Cai Shui [2017] No. 56) issued by the Ministry of Finance and the State Administration of Taxation, the VAT taxable income accrued from the asset management product manager in the process of managing their products can temporarily apply a simple tax calculation method and pay the VAT at the rate of 3% commencing from January 1, 2018.

6 Segment information

(1) Operating segments

For management purposes, the Group's operating businesses are structured and managed separately according to the nature of their operations and the services they provide. Each of the Group's operating segments represents a strategic business unit that offers services which are subject to risks and returns that are different from the other operating segments. Segment information is measured in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to the board of directors, being the chief operating decision maker, which are consistent with the accounting and measurement criteria in the preparation of the consolidated financial statements. The Group's operating segments are as follows:

(i) Wealth management and institutional business segment engages in the trading of stocks and futures contracts on behalf of clients. Moreover, the activities of providing margin financing, securities lending and selling financial products and other wealth management products are included in this segment;

(ii) Investment banking segment provides investment banking services to the Group's institutional clients, including financial advisory, equity underwriting, debt underwriting and sponsorship;

(iii) Investment management segment primarily engages in assets management, primary asset arranger and maintainer, investing advisory and deal execution services. Moreover, the investment income from private equity investment management are included in this segment;

(iv) Investment and trading segment engages in trading equity securities, fixed-income securities, derivatives, other financial products, market maker service and alternative investment; and

(v) Others segment primarily includes head office operations, investment holding as well as interest income and interest expenses incurred for generating working capital for general operation.

Management monitors the operating results of the Group's business units separately for the purpose of resource allocation and other operating decisions. Segment performance is measured consistently with operating profit or loss in the consolidated financial statements except that income taxes are not allocated to operating segments.

6 Segment information (continued)

(1) Operating segments (continued)

The operating and reportable segment information provided to the chief operating decision maker (hereinafter refer as "**CODM**") for the year ended December 31, 2025 and December 31, 2024 are as follows:

	Wealth management and institutional business	Investment banking	Investment management	Investment and trading	Others	Elimination	Total
For the year ended December 31, 2025							
Segment revenue and results							
– Segment revenue	20,464,420	1,081,450	1,041,157	11,144,162	463,817	(13,731)	34,181,275
– Segment other income and gains or losses	2,697	1,435	54,628	284	376,056	–	435,100
Segment revenue and other income	20,467,117	1,082,885	1,095,785	11,144,446	839,873	(13,731)	34,616,375
Segment expenses	(13,435,192)	(816,587)	(445,153)	(5,851,916)	(1,392,663)	13,731	(21,927,780)
Segment result	7,031,925	266,298	650,632	5,292,530	(552,790)	–	12,688,595
Share of results of associates and joint ventures	–	–	(2,256)	–	1,389,934	–	1,387,678
Profit before income tax	7,031,925	266,298	648,376	5,292,530	837,144	–	14,076,273
As at December 31, 2025							
Segment assets and liabilities							
Segment assets	321,373,651	715,354	9,770,057	405,220,067	23,849,818	(7,451,857)	753,477,090
Segment liabilities	(261,980,709)	(424,841)	(3,430,688)	(344,196,004)	(12,849,874)	7,451,857	(615,430,259)
For the year ended December 31, 2025							
Other segment information							
Amounts included in the measurement of segment profit or loss or segment assets							
Interest income	7,485,195	10,803	46,655	1,477,240	441,511	(13,731)	9,447,673
Interest expenses	(3,243,216)	(7,199)	(58,238)	(4,204,824)	(8,117)	13,731	(7,507,863)
Capital expenditure	(556,717)	(18,712)	(16,271)	(16,420)	(114,402)	–	(722,522)
Depreciation and amortization	(458,727)	(59,188)	(14,890)	(38,525)	(335,586)	–	(906,916)
Impairment losses, net of reversal	(265,991)	–	3,410	2,893	–	–	(259,688)

6 Segment information (continued)

(1) Operating segments (continued)

	Wealth management and institutional business	Investment banking	Investment management	Investment and trading	Others	Elimination	Total
For the year ended December 31, 2024							
Segment revenue and results							
– Segment revenue	16,347,243	914,249	1,008,309	11,364,171	704,266	(99,477)	30,238,761
– Segment other income and gains or losses	2,247	1,673	8,526	2,356	368,719	–	383,521
Segment revenue and other income	16,349,490	915,922	1,016,835	11,366,527	1,072,985	(99,477)	30,622,282
Segment expenses	(11,461,924)	(717,736)	(387,691)	(7,062,444)	(1,355,490)	99,477	(20,885,808)
Segment result	4,887,566	198,186	629,144	4,304,083	(282,505)	–	9,736,474
Share of results of associates and joint ventures	–	–	(2,520)	–	1,485,538	–	1,483,018
Profit before income tax	4,887,566	198,186	626,624	4,304,083	1,203,033	–	11,219,492
As at December 31, 2024							
Segment assets and liabilities							
Segment assets	276,076,232	732,259	10,261,210	409,129,728	31,546,450	(6,585,548)	721,160,331
Segment liabilities	(233,628,664)	(410,952)	(3,637,612)	(347,262,480)	(12,553,938)	6,585,548	(590,908,098)
For the year ended December 31, 2024							
Other segment information							
Amounts included in the measurement of segment profit or loss or segment assets							
Interest income	7,289,061	12,509	63,858	2,043,375	710,195	(99,477)	10,019,521
Interest expenses	(3,867,367)	(11,341)	(63,659)	(5,030,250)	(12,510)	99,477	(8,885,650)
Capital expenditure	(542,842)	(23,277)	(14,365)	(17,979)	(165,244)	–	(763,707)
Depreciation and amortization	(461,175)	(60,631)	(14,501)	(36,059)	(292,612)	–	(864,978)
Impairment losses, net of reversal	119,674	–	(2,260)	(4,114)	–	–	113,300

6 Segment information (continued)

(2) Geographical segments

The Group has two major geographical operation in the PRC, namely the Chinese Mainland and Outside the Chinese Mainland, where the Group's revenue are derived from and the Group's assets are located. The following table sets out information about the geographical location of (i) the Group's revenue from external customers; (ii) the Group's property and equipment, right-of-use assets, goodwill, other intangible assets, interests in associates and joint ventures and other non-current assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided.

The geographical location of the specified non-current assets is based on i) the physical location of the asset or ii) the place of incorporation of the business units under which the goodwill is recorded.

	Chinese Mainland	Outside Chinese Mainland	Total
For the year ended December 31, 2025			
Segment Revenue			
Revenue	31,899,119	2,282,156	34,181,275
Other income and gains or losses, net	537,392	(102,292)	435,100
	32,436,511	2,179,864	34,616,375
For the year ended December 31, 2024			
Segment Revenue			
Revenue	27,996,412	2,242,349	30,238,761
Other income and gains or losses, net	372,296	11,225	383,521
	28,368,708	2,253,574	30,622,282

Specified non-current assets

	Chinese Mainland	Outside Chinese Mainland	Total
As at December 31, 2025			
Specified non-current assets	17,066,163	262,017	17,328,180
As at December 31, 2024			
Specified non-current assets	16,426,292	160,164	16,586,456

6 Segment information (continued)

(3) Information about major customers

No customer for the years ended December 31, 2025 and December 31, 2024 contributed over 10% to the total revenue of the Group.

7 Fee and commission income

	Year ended December 31	
	2025	2024
Securities and futures brokerage business	12,291,156	8,428,832
Underwriting and sponsorship business	965,323	769,930
Asset management and fund management business	894,222	726,715
Financial advisory business	105,324	131,810
Investment advisory business	50,317	44,283
Other business	642,102	590,217
	14,948,444	10,691,787

8 Interest income

	Year ended December 31	
	2025	2024
Advances to customers and securities lending	5,087,868	4,505,746
Exchanges and financial institutions balances, deposits and clearing settlement funds	2,395,850	2,885,530
Debt instruments at fair value through other comprehensive income ("**FVTOCI**")	1,357,975	1,721,912
Financial assets held under securities back-lending resale agreements	500,716	660,233
Other financial assets held under resale agreements	94,475	204,563
Debt instruments at amortized cost	10,018	40,688
Others	771	849
	9,447,673	10,019,521

9 Investment gains or losses, net

	Year ended December 31	
	2025	2024
Dividend and interest income from financial assets at FVTPL	4,814,969	5,791,734
Dividend from financial assets at FVTOCI	1,468,292	1,207,861
Net gains from disposals of debt instruments measured at FVTOCI	781,772	704,149
Net gains from financial assets at FVTPL	10,602,213	5,566,615
Net (losses) from financial liabilities at FVTPL	(563,991)	(3,950,386)
Net (losses) gains from derivative financial instruments	(7,340,400)	207,480
Other	22,303	–
	9,785,158	9,527,453

10 Other income and gains or losses, net

	Year ended December 31	
	2025	2024
Market making service revenue	262,519	147,117
Foreign exchange gains, net	32,353	121,606
Refund from tax withholding and remittance	24,933	45,375
Rental income	17,905	18,479
Government grants [(i)]	17,555	14,823
Others	79,835	36,121
	435,100	383,521

(i) Government grants represent the unconditional grants received by the Group from local government and are used for supporting the business at specific locations.

11 Depreciation and amortization

	Year ended December 31	
	2025	2024
Depreciation of right-of-use assets	315,649	346,994
Depreciation of property and equipment	293,198	280,822
Amortization of other non-current assets	111,088	125,515
Amortization of other intangible assets	186,981	111,647
	906,916	864,978

12 Staff costs

	Year ended December 31	
	2025	2024
Salaries, bonus and allowances	5,567,570	4,957,240
Contributions to retirement benefits [(i)]	677,889	670,393
Other social welfare [(ii)]	561,050	471,116
Others	311,750	260,000
	7,118,259	6,358,749

(i) The domestic employees of the Group in the PRC participate in state-managed retirement benefits plans, which are operated by the relevant municipal and provincial governments. According to the relevant regulations, retirement benefit contributions borne by the Group are calculated and paid to the relevant labour and social welfare authorities on a regular basis. These retirement benefits plans are defined contribution plans and contributions to the plans are expensed as incurred. In addition to the above retirement benefits plans, the Group also provides annuity schemes for certain qualified employees in the PRC. The employees' and the Group's contributions for the annuity schemes are calculated based on certain percentage of employees' salaries and recognized in profit or loss as expense. These annuity schemes are defined contribution plans.

The Group also operates MPF schemes for all qualified employees in Hong Kong. The Group contributes certain percentage of relevant payroll costs to the schemes, and contributions of the same amounts are made by employees but are subject to maximum for individual employees. The assets of the scheme are held separately from those of the Group, and in funds under the control of trustees.

(ii) The domestic employees of the Group in the PRC participate in state-managed social welfare plans, including social pension insurance, health care insurance, housing funds and other social welfare contributions, which are operated by the relevant municipal and provincial governments. These social welfare plans are defined contribution plans and are recognized as expense as incurred.

13 Fee and commission expenses

	Year ended December 31	
	2025	2024
Securities and futures brokerage business	3,398,539	2,245,803
Underwriting and sponsorship business	38,858	41,999
Asset management and fund management business	21,158	9,446
Investment advisory business	7,629	13,472
Financial advisory business	3,900	3,272
	3,470,084	2,313,992

14 Interest expenses

	Year ended December 31	
	2025	2024
Bonds payables	2,791,865	3,216,015
Financial assets sold under repurchase agreements	2,574,200	2,920,919
Short-term debt instruments	1,035,059	1,034,966
Placements from banks and other financial institutions	398,095	717,310
Accounts payables to brokerage clients	313,510	502,752
Borrowings	372,938	457,479
Lease liabilities	21,496	33,648
Others	700	2,561
	7,507,863	8,885,650

15 Other operating expenses

	Year ended December 31	
	2025	2024
Electronic equipment operation expenses	676,440	625,545
Business and promotion expenses	453,332	360,846
Member fees of stock exchange	303,270	293,058
Postal and communications expenses	230,866	205,051
Business travel expenses	116,106	117,295
Securities and futures investor protection funds	110,163	90,369
Rental and property management expenses [(i)]	90,886	85,395
General and administrative expenses	61,957	67,544
Auditors' remuneration	4,431	4,321
Others	469,155	607,589
	2,516,606	2,457,013

(i) Expense relating to short-term leases is RMB7,454 thousand (Year ended December 31, 2024: RMB5,869 thousand).

16 Impairment losses under expected credit loss model, net of reversal

	Year ended December 31	
	2025	2024
Impairment loss (Reversal of) on financial assets held under resale agreements (note 26)	165,195	(10,236)
Impairment loss (Reversal of) on advances to customers (note 29)	113,434	(108,350)
(Reversal of) Impairment loss on accounts and other receivables	(15,966)	1,091
(Reversal of) Impairment loss on debt instruments at amortized cost (note 25)	(342)	51
(Reversal of) Impairment loss on debt instruments at FVTOCI (note 31)	(2,633)	4,144
	259,688	(113,300)

17 Income tax expenses

	Year ended December 31	
	2025	2024
Current tax:		
– PRC Enterprise Income Tax	1,141,339	302,027
– Hong Kong Profits Tax	28,488	11,057
	1,169,827	313,084
Under (over) provision in respect of prior years:		
– PRC Enterprise Income Tax	15,837	19,454
– Hong Kong Profits Tax	6	(718)
	15,843	18,736
Deferred taxation		
– Origination and reversal of temporary differences (note 27)	572,511	497,701
	1,758,181	829,521

The Group operates in multiple jurisdictions, and some jurisdictions have implemented the Pillar Two Model Rules (also referred to as the Global Anti-Base Erosion), as published by the Organization for Economic Co-operation and Development.

The Group has assessed the current implication arising from Pillar Two income taxes and the exposure to future Pillar Two income taxes, and determined it is not material.

17 Income tax expenses (continued)

The reconciliation between the income tax expense at the statutory tax rate of 25% and the effective tax rate is as follows:

	Year ended December 31	
	2025	**2024**
Profit before income tax	14,076,273	11,219,492
Tax at the income tax rate of 25%	3,519,068	2,804,873
Tax effect of share of result of associates and joint ventures	(347,111)	(370,969)
Tax effect of expenses not deductible for tax purpose	154,690	86,376
Tax effect of income that are not taxable	(1,390,565)	(1,559,189)
Effect of different tax rates of subsidiaries	(31,240)	(36,526)
Tax effect of tax losses and deductible temporary differences not recognized	535	4,451
Utilization of deferred tax assets previously not recognized	(41,632)	(7,288)
Under provision in respect of prior years	15,843	18,736
Others	(121,407)	(110,943)
Income tax expense for the year	1,758,181	829,521

Majority of the tax losses not recognized comes from the subsidiaries in Hong Kong and these losses can be carried forward indefinitely for offsetting against future taxable profits of the respective companies in which the losses arose. These estimated tax losses have no expiry dates but are subject to the approval of the Hong Kong Inland Revenue Department.

18 Earnings per share attributable to shareholders of the company

The calculation of basic earnings per share attributable to shareholders of the Company is as follows:

	Year ended December 31	
	2025	2024
Earnings for the purpose of basic earnings per share:		
Profit attributable to shareholders of the Company	12,349,523	10,385,872
Less: Profit attributable to holders of perpetual subordinated bonds	(596,483)	(572,240)
	11,753,040	9,813,632
Number of shares:		
Weighted average number of ordinary shares (thousand shares)	8,696,526	8,696,526
Earnings per share:		
Earnings per share (in RMB yuan)	1.35	1.13

For the years ended December 31, 2025 and December 31, 2024, there were no dilutive shares. Therefore the diluted earnings per share is not presented.

19 Property and equipment

	Leasehold land and buildings	Motor vehicles	Electronic and communication equipment	Office equipment	Construction in progress	Total
Cost						
As at January 1, 2025	1,242,144	64,188	1,455,966	225,670	38,576	3,026,544
Additions	–	995	196,780	69,177	71,945	338,897
Disposals	–	(8,230)	(148,702)	(14,881)	–	(171,813)
Transfer to other non-current assets	–	–	–	–	(68,621)	(68,621)
Exchange differences	–	(32)	(1,317)	(792)	(901)	(3,042)
As at December 31, 2025	1,242,144	56,921	1,502,727	279,174	40,999	3,121,965
Accumulated depreciation and impairment						
As at January 1, 2025	401,724	45,176	808,791	106,040	–	1,361,731
Charge for the year	30,952	4,317	205,695	52,234	–	293,198
Disposals	–	(7,818)	(141,279)	(13,647)	–	(162,744)
Exchange differences	–	(32)	(788)	(781)	–	(1,601)
As at December 31, 2025	432,676	41,643	872,419	143,846	–	1,490,584
Carrying values						
As at December 31, 2025	809,468	15,278	630,308	135,328	40,999	1,631,381

19 Property and equipment (continued)

	Leasehold land and buildings	Motor vehicles	Electronic and communication equipment	Office equipment	Construction in progress	Total
Cost						
As at January 1, 2024	1,242,144	65,982	1,301,155	64,603	32,876	2,706,760
Additions	–	7,149	233,519	3,906	67,529	312,103
Other transfer	–	–	–	160,668	–	160,668
Disposals	–	(8,969)	(79,719)	(4,130)	–	(92,818)
Transfer to other non-current assets	–	–	–	–	(62,490)	(62,490)
Exchange differences	–	26	1,011	623	661	2,321
As at December 31, 2024	1,242,144	64,188	1,455,966	225,670	38,576	3,026,544
Accumulated depreciation and impairment						
As at January 1, 2024	370,569	50,030	690,373	56,197	–	1,167,169
Charge for the year	31,155	3,639	193,454	52,574	–	280,822
Disposals	–	(8,521)	(75,674)	(3,338)	–	(87,533)
Exchange differences	–	28	638	607	–	1,273
As at December 31, 2024	401,724	45,176	808,791	106,040	–	1,361,731
Carrying values						
As at December 31, 2024	840,420	19,012	647,175	119,630	38,576	1,664,813

As at December 31, 2025, included in leasehold land and buildings were carrying values of RMB4,531thousand (December 31, 2024: RMB4,964 thousand), for which the Group was in the progress to obtain the relevant land and building certificates. The directors of the Company consider that this matter will not have significant impact on the consolidated financial statements for the year ended December 31, 2025.

20 Right-of-use assets

	Land and buildings	Leasehold land	Total
Cost			
As at January 1, 2025	2,726,549	411,766	3,138,315
Additions	362,153	–	362,153
Disposals	(293,950)	–	(293,950)
Exchange differences	(6,786)	–	(6,786)
As at December 31, 2025	2,787,966	411,766	3,199,732
Accumulated depreciation			
As at January 1, 2025	1,875,956	63,549	1,939,505
Charge for the year	305,202	10,447	315,649
Disposals	(224,074)	–	(224,074)
Exchange differences	(4,882)	–	(4,882)
As at December 31, 2025	1,952,202	73,996	2,026,198
Carrying values			
As at December 31, 2025	835,764	337,770	1,173,534

	Land and buildings	Leasehold land	Total
Cost			
As at January 1, 2024	2,889,058	411,766	3,300,824
Additions	66,196	–	66,196
Disposals	(232,607)	–	(232,607)
Exchange differences	3,902	–	3,902
As at December 31, 2024	2,726,549	411,766	3,138,315
Accumulated depreciation			
As at January 1, 2024	1,701,983	53,103	1,755,086
Charge for the year	336,548	10,446	346,994
Disposals	(165,975)	–	(165,975)
Exchange differences	3,400	–	3,400
As at December 31, 2024	1,875,956	63,549	1,939,505
Carrying values			
As at December 31, 2024	850,593	348,217	1,198,810

20 Right-of-use assets (continued)

The Group leases offices for its operations. Lease contracts are entered into for a fixed term of 12 months to 15 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

For the year ended December 31, 2025, total cash outflow for leases amounted to RMB351,555 thousand (December 31, 2024: RMB373,814 thousand).

As at December 31, 2025 and December 31, 2024, the lease agreements did not impose any covenants other than the security interests in the leased assets that were held by the lessor. Leased assets may not be used as security for borrowing purposes.

21 Interests in consolidated structured entities

Structured entities consolidated by the Group include the asset management schemes, investment funds and limited partnerships where the Group involves as a manager or as an investor. The Group assesses whether the combination of investments it holds together with its remuneration creates exposure to variability of returns from the activities of the structured entities to a level of such significance that it indicates that the Group is a principal.

As at December 31, 2025, the Group consolidated 91 (December 31, 2024: 75) structured entities. The total assets of the consolidated structured entities amounted to RMB41,213,764 thousand (December 31, 2024: RMB39,373,414 thousand).

The financial impact of these structured entities on the Group's financial position as at December 31, 2025 and December 31, 2024, and the results and cash flows for the years ended December 31, 2025 and December 31, 2024, though consolidated, are not significant and therefore not disclosed separately.

22 Interests in associates and joint ventures

	As at December 31	
	2025	2024
Cost of unlisted investments in associates	4,576,535	4,576,535
Cost of unlisted investments in joint ventures	27,756	6,469
Share of post-acquisition profits and other comprehensive income, net of dividends received	9,404,341	8,792,572
Sub-total	14,008,632	13,375,576
Less: Impairment loss	(669,150)	(669,150)
	13,339,482	12,706,426

22 Interests in associates and joint ventures (continued)

The following list contains only the particulars of associates and joint ventures using the equity method in the consolidated financial statements:

Name of associates and joint ventures	Place of incorporation/ establishment	Equity interest held by the Group December 31, 2025	Equity interest held by the Group December 31, 2024	Principal activities
Bosera Asset Management Co., Ltd.	PRC	49.00%	49.00%	Fund management
China Merchants Fund Management Limited	PRC	45.00%	45.00%	Fund management
Guangdong Equity Exchange Center Co., Ltd. (i)	PRC	12.02%	12.02%	Transaction settlement services
Twenty-first Century Technology Investment Co., Ltd. * (ii)	PRC	23.88%	23.88%	Investment
Twin Bays Investments Limited	PRC	40.00%	40.00%	Investment management
Guolian Zhaozheng Science and Technology Innovation Fund Phase I Limited Partnership Fund	PRC	37.50%	37.50%	Investment management

* English name translated is for identification purpose only.

(i) The Group has the right to participate in the decision-making of the financial and operating policies of Guangdong Equity Exchange Center Co., Ltd., so it is accounted as a joint venture.

(ii) Twenty-first Century Technology Investment Co., Ltd. is in liquidation, and the Group has fully recognized the investment loss of the investment.

22 Interests in associates and joint ventures (continued)

Summarized financial information of the Group's material associates, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

Bosera Asset Management Co., Ltd.:

	As at December 31 and year ended December 31	
	2025	2024
Total assets	14,563,875	13,420,713
Total liabilities	(3,652,034)	(3,127,444)
Net assets	10,911,841	10,293,269
Revenue	4,992,051	4,588,963
Profit for the year	1,531,482	1,528,204
Other comprehensive income	(2,911)	3,991
Total comprehensive income	1,528,571	1,532,195
Dividends declared by the associate attributable to the Group	445,900	298,900
Net assets of the associate attributable to shareholders of the Company	10,820,747	10,216,610
The Group's share of net assets of the associate	5,302,167	5,006,139
– Goodwill	3,425,523	3,425,523
– Impairment loss recognized	(669,150)	(669,150)
Carrying amount in the consolidated financial statements	8,058,540	7,762,512

22 Interests in associates and joint ventures (continued)

China Merchants Fund Management Limited:

	As at December 31 and year ended December 31	
	2025	2024
Total assets	15,401,503	15,497,784
Total liabilities	(4,246,074)	(5,049,453)
Net assets	11,155,429	10,448,331
Revenue	5,470,446	5,307,528
Profit for the year	1,438,079	1,649,977
Other comprehensive income	(70,989)	104,874
Total comprehensive income	1,367,090	1,754,851
Dividends declared by the associate attributable to the Group	296,996	284,046
Net assets of the associate attributable to shareholders of the Company	11,155,429	10,448,331
The Group's share of net assets of the associate	5,019,943	4,701,749
– Goodwill	199,545	199,545
Carrying amount in the consolidated financial statements	5,219,488	4,901,294

Aggregate information of associates and joint ventures that are not individually material:

	As at December 31 and year ended December 31	
	2025	2024
The Group's share of loss for the year	(1,771)	(2,066)
The Group's share of other comprehensive income	–	–
The Group's share of total comprehensive income	(1,771)	(2,066)
Dividend declared by associates and joint ventures attributable to the Group	–	–
Aggregate carrying amount of the Group's interests in these associates and joint ventures	61,454	42,620

23 Interests in unconsolidated structured entities

The Group is principally involved with structured entities through holding financial investments. These structured entities generally purchase assets through raising funds from third party investors. The Group determines whether or not to consolidate these structured entities depending on whether the Group has control over them. The interests held by the Group in the unconsolidated structured entities are set out as follows:

(1) Structured entities sponsored by the Group

Unconsolidated structured entities sponsored by the Group mainly include asset management schemes, funds and limited partnerships. The nature and aim of these structured entities is to manage investors' assets and collect management fees. Financing is sustained through investment products issued to investors. The interests held by the Group in the unconsolidated structured entities mainly involve management fees and performance fees collected by the Group.

As at December 31, 2025, the total assets of these unconsolidated structured entities sponsored by the Group amounted to RMB310,107,523 thousand (2024: RMB323,334,960 thousand).

The amount of fee income derived from these unconsolidated structured entities managed by the Group are detailed in Note 7.

(2) Structured entities sponsored by third party institutions

The types of structured entities that the Group does not consolidate but in which it holds an interest include funds, asset management schemes, trust schemes, and wealth management products issued by banks or other financial institutions. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These vehicles are financed through the issue of units to investors.

The carrying amounts of the related accounts in the consolidated statement of financial position represents the maximum exposure of losses to the Group for its interests in these unconsolidated structured entities sponsored by third party institutions as at December 31, 2025 and December 31, 2024. They are accounted for as financial assets at fair value through profit or loss and listed as below:

	As at December 31, 2025	
	2025	2024
Funds	42,592,729	37,266,371
Trust schemes	93,871	681,104
Wealth management products	10,257,190	3,232,585
Others	11,880,950	17,181,680
	64,824,740	58,361,740

24 Equity instruments at fair value through other comprehensive income

	As at December 31	
	2025	2024
Equity investments [(i)]	9,639,612	4,510,717
Others [(ii)]	25,786,183	34,469,304
	35,425,795	38,980,021

(i) The equity investments mainly refers to stocks held by the Group for strategic investment. The Group does not hold such investments for trading purposes. In this case, they are classified as financial assets designated as at fair value through other comprehensive income. Due to the Company's changes in strategy, the Group disposed of these investments and a loss after tax arising from such disposals amounting to RMB52,865 thousand was reclassified from other comprehensive income to retained earnings.

(ii) Most of the investment represents perpetual bonds and the Group does not hold such perpetual bonds for the purpose of selling them in the near future. In this case, they are classified as financial assets designated as at fair value through other comprehensive income. A loss after tax arising from such termination amounting to RMB347,328 thousand was reclassified from other comprehensive income to retained earnings.

25 Debt instruments at amortized cost

(1) Analyzed by nature

	As at December 31	
	2025	2024
Current		
Bonds	180,347	1,380,514
Less: Expected credit losses	(30)	(376)
	180,317	1,380,138

25 Debt instruments at amortized cost (continued)

(2) Movements of expected credit losses are as follows

	As at December 31	
	2025	2024
At the beginning of the year	376	317
Expected credit (Reversal of) losses recognized	(342)	51
Exchange differences	(4)	8
At the end of the year	30	376

	As at December 31, 2025			
	12 months (stage 1)	Life time (stage 2)	Life time (stage 3)	Total
Principal and interest	180,347	–	–	180,347
Expected credit losses	30	–	–	30

	As at December 31, 2024			
	12 months (stage 1)	Life time (stage 2)	Life time (stage 3)	Total
Principal and interest	1,380,514	–	–	1,380,514
Expected credit losses	376	–	–	376

For the year ended December 31, 2025, there was no transfer between the stages of expected credit losses. (December 31, 2024: there was no transfer between the stages of expected credit losses)

26 Financial assets held under resale agreements

(1) Analyzed by collateral type and market of financial assets held under resale agreements

	As at December 31	
	2025	2024
Non-current		
Analyzed by collateral type:		
Listed equity investments [(i)]	1,232,000	609,000
Analyzed by market:		
Stock exchanges	1,232,000	609,000
Less: Expected credit losses	(15,422)	(813)
	1,216,578	608,187
Current		
Analyzed by collateral type:		
Listed equity investments [(i)]	16,275,472	14,063,665
Bonds	10,585,932	18,065,230
Sub-total	26,861,404	32,128,895
Analyzed by market:		
Stock exchanges	17,170,580	15,670,034
Interbank bond market	9,690,824	16,458,861
Sub-total	26,861,404	32,128,895
Less: Expected credit losses	(1,042,548)	(891,962)
	25,818,856	31,236,933

(i) Financial assets (pledged by stocks) held under resale agreements and securities back-lending are resale agreements entered into by the Group with qualified investors with a commitment to purchasing the specified securities at a future date with an agreed price.

As at December 31, 2025, the Group received collateral amounted to RMB65,665 million (December 31, 2024: RMB62,825 million) in connection with its reverse resale agreements and securities back-lending.

26 Financial assets held under resale agreements (continued)

(2) Movements of allowances for expected credit losses are as follows

	As at December 31	
	2025	2024
At the beginning of the year	892,775	1,003,011
Expected credit losses (Reversal of) recognized	165,195	(10,236)
Write-offs	–	(100,000)
At the end of the year	1,057,970	892,775

Details of expected credit losses and the fair value of the collateral of the repurchase agreements related to stocks are as follows:

	As at December 31, 2025			
	12 months (stage 1)	Life time (stage 2)	Life time (stage 3)	Total
Principal and interest	16,647,716	–	859,757	17,507,473
Expected credit losses	198,213	–	859,757	1,057,970
Collateral	59,331,236	–	–	59,331,236

	As at December 31, 2024			
	12 months (stage 1)	Life time (stage 2)	Life time (stage 3)	Total
Principal and interest	13,681,662	–	991,004	14,672,666
Expected credit losses	25,105	–	867,670	892,775
Collateral	46,039,063	–	289,434	46,328,497

26 Financial assets held under resale agreements (continued)

(3) The following tables show reconciliation of loss allowances that has been recognized for financial assets held under resale agreements.

	Stage 1 12 months ECL	Stage 2 Lifetime ECL (not credit-impaired)	Stage 3 Lifetime ECL (credit-impaired)	Total
At January 1, 2025	25,105	–	867,670	892,775
Changes in the expected credit losses:				
– Transfer to Stage 1	2,517	–	(2,517)	–
– Transfer to Stage 2	–	–	–	–
– Transfer to Stage 3	–	–	–	–
– Write-offs	–	–	–	–
– Charged to profit or loss	170,592	–	(5,397)	165,195
At December 31, 2025	198,214	–	859,756	1,057,970

	Stage 1 12 months ECL	Stage 2 Lifetime ECL (not credit-impaired)	Stage 3 Lifetime ECL (credit-impaired)	Total
At January 1, 2024	26,693	–	976,318	1,003,011
Changes in the expected credit losses:				
– Transfer to Stage 1	–	–	–	–
– Transfer to Stage 2	–	–	–	–
– Transfer to Stage 3	(2,517)	–	2,517	–
– Write-offs	–	–	(100,000)	(100,000)
– Charged to profit or loss	929	–	(11,165)	(10,236)
At December 31, 2024	25,105	–	867,670	892,775

27 Deferred tax assets (liabilities)

The following is an analysis of the deferred tax balances for financial reporting purposes:

	As at December 31	
	2025	2024
Deferred tax assets	483,690	575,628
Deferred tax liabilities	(570,386)	(438,307)
	(86,696)	137,321

The followings are the major deferred tax assets (liabilities) recognized and movements thereon during the year:

	Financial instruments at fair value through profit and loss/ derivatives	Accrued staff costs	Deferred income	Impairment allowances	Financial instruments at fair value through other comprehensive income	Property and equipment	Others	Total
At January 1, 2024	(797,272)	1,142,058	26,113	278,432	(48,008)	(3,639)	427,675	1,025,359
(Charge) Credit to profit or loss	(831,662)	(84,344)	(761)	(49,199)	–	(75)	468,340	(497,701)
Charge to other comprehensive income	–	–	–	–	(389,154)	–	–	(389,154)
Exchange differences	–	–	–	–	–	–	(1,183)	(1,183)
At December 31, 2024	(1,628,934)	1,057,714	25,352	229,233	(437,162)	(3,714)	894,832	137,321
At January 1, 2025	(1,628,934)	1,057,714	25,352	229,233	(437,162)	(3,714)	894,832	137,321
(Charge) Credit to profit or loss	(12,818)	169,540	(760)	62,671	–	(4,591)	(786,553)	(572,511)
Charge to other comprehensive income	–	–	–	–	347,302	–	–	347,302
Exchange differences	–	–	–	–	–	–	1,192	1,192
At December 31, 2025	(1,641,752)	1,227,254	24,592	291,904	(89,860)	(8,305)	109,471	(86,696)

As at December 31, 2025, the Group has unused tax losses that available for offset against future profits. No deferred tax asset has been recognised in respect of the above tax losses approximately RMB284,886 thousand (December 31, 2024: RMB500,801 thousand) due to the unpredictability of future profit streams. Other losses may be carried forward indefinitely.

28 Other non-current assets

(1) Analyzed by nature

	As at December 31	
	2025	2024
Deferred expenses	133,166	231,361
Others	121,302	119,909
Less: allowances for impairment	(1,026)	(1,027)
	253,442	350,243

(2) Movements of deferred expenses are as follows

	As at December 31	
	2025	2024
At the beginning of the year	231,361	455,418
Additions	9,535	12,631
Disposals	(141)	(117,114)
Transfer from construction in progress (note 19)	3,499	5,941
Amortization	(111,088)	(125,515)
At the end of the year	133,166	231,361

29 Advances to customers

(1) Analyzed by nature

	As at December 31	
	2025	2024
Advances to customers	133,647,792	95,755,050
Less: Expected credit losses	(294,668)	(182,348)
	133,353,124	95,572,702

29 Advances to customers (continued)

(1) Analyzed by nature (continued)

Credit facility limits granted to margin clients are determined by the discounted market value of collateral securities accepted by the Group.

The majority of the advances to customers which are secured by underlying pledged securities and cash collateral as disclosed in Note 41 are interest bearing. The Group maintains a list of approved stocks for margin lending with respective loan-to-collateral ratios. Any excess in the ratio will trigger a margin call upon which the customers have to make good the difference.

(2) Analyzed by fair value of collateral of margin financing and securities lending business

	As at December 31	
	2025	2024
Collateral measured at fair value		
Cash	8,528,835	5,954,832
Bonds	311,270	243,185
Equity securities	348,407,705	230,019,358
Funds	9,531,630	7,028,789
	366,779,440	243,246,164

(3) The movements of allowance of impairment losses are as follows

	As at December 31	
	2025	2024
At the beginning of the year	182,348	289,699
Expected credit losses (Reversal of) recognized	113,434	(108,350)
Exchange differences	(1,114)	999
At the end of the year	294,668	182,348

29 Advances to customers (continued)

(3) The movements of allowance of impairment losses are as follows (continued)

	As at December 31, 2025			
	12 months (stage 1)	Life time (stage 2)	Life time (stage 3)	Total
Principal and interest	133,032,979	26,908	587,905	133,647,792
Expected credit losses	137,797	178	156,693	294,668

	As at December 31, 2024			
	12 months (stage 1)	Life time (stage 2)	Life time (stage 3)	Total
Principal and interest	95,381,924	17,591	355,535	95,755,050
Expected credit losses	37,032	131	145,185	182,348

(4) The following tables show reconciliation of expected credit losses that has been recognized for advances to customers.

	Stage 1 12 months ECL	Stage 2 Lifetime ECL (not credit-impaired)	Stage 3 Lifetime ECL (credit-impaired)	Total
As at January 1, 2025	37,032	131	145,185	182,348
Changes in the expected credit losses:	–	–	–	
– Transfer to Stage 1	469	–	(469)	–
– Transfer to Stage 2	(2)	3	(1)	–
– Transfer to Stage 3	–	–	–	–
– (Credit) Charged to profit or loss	100,298	44	11,978	112,320
As at December 31, 2025	137,797	178	156,693	294,668

29 Advances to customers (continued)

(4) The following tables show reconciliation of expected credit losses that has been recognized for advances to customers. (continued)

	Stage 1 12 months ECL	Stage 2 Lifetime ECL (not credit-impaired)	Stage 3 Lifetime ECL (credit-impaired)	Total
As at January 1, 2024	113,663	1	176,035	289,699
Changes in the expected credit losses:				
– Transfer to Stage 1	–	–	–	–
– Transfer to Stage 2	1	(1)	–	–
– Transfer to Stage 3	(69)	–	69	–
– (Credit) Charged to profit or loss	(76,563)	131	(30,919)	(107,351)
As at December 31, 2024	37,032	131	145,185	182,348

30 Accounts and other receivables

(1) Analyzed by nature

	As at December 31	
	2025	2024
Accounts and other receivables from/related to:		
Clearing houses, brokers and dealers	2,874,163	2,927,398
Deposits of OTC derivative business	757,195	2,629,113
Fee and commission income	579,903	589,025
Other receivables	13,591	33,909
Dividends receivable	59,913	8,425
Others	115,052	325,197
Sub-total	4,399,817	6,513,067
Less: Expected credit losses of accounts and other receivables	(64,868)	(81,194)
	4,334,949	6,431,873

Fair value gain or losses arising from these business are recorded in derivative assets or liabilities.

30 Accounts and other receivables (continued)

(2) Analyzed by ageing

As at the end of the year, the ageing analysis based on transaction dates of accounts and other receivables is as follows:

	As at December 31, 2025		As at December 31, 2024	
	Amount	Expected credit losses	Amount	Expected credit losses
Within 1 year	4,287,356	(27)	2,682,358	(104)
Between 1 and 2 years	23,235	(164)	1,095,999	(10,302)
Between 2 and 3 years	18,183	(9,026)	2,633,480	(490)
Over 3 years	71,043	(55,651)	101,230	(70,298)
	4,399,817	(64,868)	6,513,067	(81,194)

31 Debt instruments at fair value through other comprehensive income

(1) Analyzed by type

	As at December 31	
	2025	2024
Current		
Government bonds	49,012,154	37,212,346
Bonds issued by policy banks	544,769	344,919
Bonds issued by commercial banks and other financial institutions	8,645,710	12,658,095
Others	11,730,915	18,135,842
	69,933,548	68,351,202

31 Debt instruments at fair value through other comprehensive income (continued)

(2) Movements of allowances for expected credit losses are as follows

	As at December 31	
	2025	2024
At the beginning of the year	13,147	8,967
Expected credit (Reversal of) losses recognized	(2,633)	4,144
Current year's resale	(26)	–
Exchange differences	(75)	36
At the end of the year	10,413	13,147

	As at December 31, 2025			
	12 months (stage 1)	Life time (stage 2)	Life time (stage 3)	Total
Principal and interest	69,933,548	–	–	69,933,548
Expected credit losses	10,413	–	–	10,413

	As at December 31, 2024			
	12 months (stage 1)	Life time (stage 2)	Life time (stage 3)	Total
Principal and interest	68,351,202	–	–	68,351,202
Expected credit losses	13,147	–	–	13,147

During the year ended December 31, 2025 and the year ended December 31, 2024, there was no material transfer between the stages of expected credit losses.

32 Financial assets at fair value through profit or loss

	As at December 31	
	2025	2024
Current		
Debt securities	166,089,274	185,330,835
Funds	45,358,767	37,244,712
Equity investments [(i)]	32,667,293	23,192,334
Others [(ii)]	17,423,797	11,657,162
Sub-total	261,539,131	257,425,043
Non-current		
Equity investments [(i)]	3,754,780	1,902,476
Others [(ii)]	5,372,101	6,136,203
Sub-total	9,126,881	8,038,679

(i) Equity investments comprise of unlisted equity investments.

(ii) Others mainly represent investments in collective asset management schemes, wealth management products, trusts and investments in limited partnerships.

Fair value of the Group's financial assets at fair value through profit or loss are determined as described in Note 63.

As at December 31, 2025, debt securities of RMB3,906,980 thousand (December 31, 2024: RMB2,110,400 thousand) and RMB30,359,904 thousand (December 31, 2024: RMB27,713,758 thousand) classified as FVTPL were pledged as collateral for certain derivative transactions and securities borrowing, respectively. Moreover, it also entered into certain repurchase and securities leading arrangements and the details are disclosed in Note 56 (2).

33 Derivative financial instruments

	As at December 31, 2025			As at December 31, 2024		
	Non-Hedging Instruments			Non-Hedging Instruments		
	Notional principal amounts	Fair Value		Notional principal amounts	Fair Value	
		Assets	Liabilities		Assets	Liabilities
Interest derivative instrument	408,360,328	58,214	47,514	719,007,781	40,477	9,457
Equity derivative instrument	110,198,210	1,484,973	5,847,526	109,167,286	4,243,783	4,766,108
Currency derivatives	67,213,897	56,507	22,487	115,663,626	25,554	36,940
Credit derivatives	794,606	–	17,173	313,768	333	1,261
Other derivative instrument	86,072,202	1,347,410	1,294,312	51,050,998	337,249	405,745
	672,639,243	2,947,104	7,229,012	995,203,459	4,647,396	5,219,511

Under a daily mark-to-market and settlement arrangement, any gains or losses of the Group's position in the PRC futures contracts, interest rate swap contracts and bond forward contracts traded in the National Interbank Funding Center and foreign exchange contracts traded in the China Foreign Exchange Trade System are settled daily and the corresponding receipts and payments are included in "clearing settlement funds". Accordingly, these contracts are presented after netting of their settlements at the end of the reporting period.

34 Deposits with exchanges and non-bank financial institutions

	As at December 31	
	2025	2024
Deposits with stock exchanges and clearing houses:		
Shanghai Clearing House	1,116,731	1,312,078
China Securities Depository and Clearing Corporation Limited	1,272,943	530,961
Hong Kong Exchanges and Clearing Limited	168,390	132,296
Deposits with futures and commodity exchanges and financial institutions:		
China Financial Futures Exchange	7,974,235	5,973,303
Shanghai Futures Exchange	3,536,468	1,672,776
Guangzhou Futures Exchange	818,196	106,764
Dalian Commodity Exchange	607,226	786,957
Zhengzhou Commodity Exchange	602,978	521,912
Others	2,419,254	2,076,686
	18,516,421	13,113,733

35 Clearing settlement funds

	As at December 31	
	2025	2024
Clearing settlement funds held with clearing houses for:		
House accounts	5,412,647	9,158,603
Clients	34,613,304	24,073,673
	40,025,951	33,232,276

These clearing settlement funds are held by the clearing houses for the Group and these balances carry interest at prevailing market interest rates.

36 Cash and bank balances

	As at December 31	
	2025	2024
Bank balances – house accounts	16,374,287	19,192,096
House accounts	15,767,940	18,442,508
Pledged and restricted bank deposits		
– Restricted bank deposit for purchase of bond, stock and as risk reserve and credit (note 37)	606,347	749,588
Cash held on behalf of customers	116,415,125	125,130,174
	132,789,412	144,322,270

37 Cash and cash equivalents

Cash and cash equivalents comprise the followings:

	As at December 31	
	2025	2024
Bank balances – house accounts	16,359,606	19,150,084
Clearing settlement funds – house accounts	5,412,637	9,158,566
Less: Pledged and restricted bank deposits (note 36)	(606,347)	(749,588)
	21,165,896	27,559,062

38 Short-term borrowings

	As at December 31	
	2025	2024
Current		
Unsecured bank borrowings [(i)]	7,484,880	9,693,769
Interests accrued	17,093	17,294
	7,501,973	9,711,063

(i) As at December 31, 2025, the floating interest rates of Group's short-term unsecured bank borrowings ranged from 3.41% to 3.99% (December 31, 2024: 0.9% to 6.16%) per annum while the fixed interest rates of Group's short-term unsecured bank borrowings ranged from 1.80% to 4.76% per annum (December 31, 2024: 3.1% to 4.84%).

39 Short-term debt instruments

	Coupon rate	As at January 1, 2025	Issuance/ Other Transfer	Redemption/ Exchange difference	As at December 31, 2025
Short-term bond payables	1.62%-2.19%	38,000,000	57,100,000	50,900,000	44,200,000
Principals of income certificates	1.56%-4.74%/ Floated rates	19,110,760	35,510,491	34,833,253	19,787,998
Interest accrued		273,379	980,431	860,607	393,203
		57,384,139	93,590,922	86,593,860	64,381,201

	Coupon rate	As at January 1, 2024	Issuance/ Other Transfer	Redemption/ Exchange difference	As at December 31, 2024
Short-term bond payables	1.65% – 2.95%	35,400,000	73,900,000	71,300,000	38,000,000
Principals of income certificates	0.50% – 6.30%/ Floated rates	21,389,959	33,550,890	35,830,089	19,110,760
Interest accrued		235,776	957,663	920,060	273,379
		57,025,735	108,408,553	108,050,149	57,384,139

40 Placements from banks and other financial institutions

	As at December 31	
	2025	2024
Placement from banks [(i)]	5,900,000	9,977,270
Interest accrued	444	2,405
	5,900,444	9,979,675

(i) As at December 31, 2025, the interest rates due to banks ranged from 1.30%-2.20% (December 31, 2024: 1.40% – 5.00%) per annum.

41 Accounts payables to brokerage clients

	As at December 31	
	2025	2024
Clients' deposits for margin financing and securities lending	15,389,276	12,177,116
Clients' deposits for other brokerage business	139,626,549	139,433,601
	155,015,825	151,610,717

Accounts payable to brokerage clients represent money received from and repayable to brokerage clients, which are mainly held at banks and at clearing houses by the Group. Accounts payable to brokerage clients are interest bearing at the prevailing interest rate.

The majority of the accounts payable balances are repayables on demand except for certain accounts payable to brokerage clients represent money received from clients for their margin financing activities under normal course of business, such as margin financing and securities lending. Only the excessive amounts over the required margin deposits and cash collateral stipulated are repayable on demand.

The directors of the Company are of the opinion that an ageing analysis does not give additional value in view of the nature of these businesses. As a result, no ageing analysis is disclosed.

42 Accrued staff costs

	As at December 31	
	2025	2024
Current		
Salaries, bonus and allowances	5,674,329	5,358,276
Short-term social welfare	27	46
Defined contribution plans (i)	1,241	1,039
Others	47,097	53,864
	5,722,694	5,413,225

(i) The defined contribution plans refer to social pension insurance plan and unemployment insurance plan required by the government, and annuity scheme launched by the Group. The Group participates in the social pension insurance plan and unemployment insurance plan pursuant to pertinent regulations and contributes to these funds set up by the governments on a monthly basis. Besides, the Group sets up annuity schemes and MPF schemes for qualified employees in the PRC and Hong Kong and contributes to these schemes, which are managed by third parties, on an annual basis or on a monthly basis.

The total expense recognized in profit or loss of RMB677,889 thousand (December 31, 2024: RMB670,393 thousand) represents contributions payables to these plans by the Group at rates specified in the rules of the plans. As at December 31, 2025, contributions of RMB1,241 thousand due in respect of the year ended December 31, 2025 had not been paid to these plans (December 31, 2024: RMB1,039 thousand). The amounts were paid subsequent to the end of reporting period.

43 Other payables and accrued charges

	As at December 31	
	2025	2024
Settlement payables to brokers and clearing houses	9,756,284	6,315,950
Dividends payables to holders of other equity instruments	614,680	572,240
Deposits of equity return swaps (i)	18,073,309	18,374,991
Other tax payables	550,807	671,372
Commission and handling fee payables	104,642	100,613
Futures risk reserve	209,117	184,671
Others (ii)	458,318	602,853
	29,767,157	26,822,690

43 Other payables and accrued charges (continued)

(i) As at December 31, 2025 and December 31, 2024, the balance mainly represents deposits received from investors on equity return swaps which is refundable according to the contract terms upon the expiry date. The deposit will be mature within one year from the end of the reporting period. These instruments contain non-closely related embedded derivatives as their returns are linked to the fluctuation of certain stock indexes or specific stock prices. For those embedded derivatives with significant fair values, they are accounted for in these consolidated financial statements under note 33 after having been bifurcated form their respective host contracts.

(ii) Others mainly represent payables of annual membership fees, investor protection fund, and other payables arising from normal course of business.

44 Financial liabilities at fair value through profit or loss

	As at December 31	
	2025	2024
Non-current		
Financial liabilities designated at fair value through profit or loss		
– Structured entities [(i)]	1,101,837	1,303,238
	1,101,837	1,303,238
Current		
Financial liabilities held for trading		
– Equity securities	425,470	711,389
– Debt securities	38,462,498	49,819,523
– Structured notes	1,282,603	1,113,786
– Others	640,234	458,770
Financial liabilities designated at fair value through profit or loss		
– Structured entities [(i)]	266,536	241,414
	41,077,341	52,344,882

(i) In the consolidated financial statements, financial liabilities arising from consolidated structured entities are designated at fair value through profit or loss by the Group, as the Group has the obligation to pay other investors based on net book values and related terms upon maturity dates of the structured entities.

45 Financial assets sold under repurchase agreements

	As at December 31	
	2025	2024
Current		
Analyzed by collateral type:		
Bonds	131,994,796	130,194,132
Others	20,383,088	20,736,888
Analyzed by market:		
Stock exchanges	54,564,518	34,514,477
Interbank bond market	91,682,376	109,833,148
Over-the-counter	6,130,990	6,583,395
	152,377,884	150,931,020

Sales and repurchase agreements are transactions in which the Group sells a security as well as rights and interests in margin loans and simultaneously agree to repurchase it (or an asset that is substantially the same) at the agreed dates and prices. Even if the repurchase price is fixed, the Group still faces significant credit risks and market risks associated with the sale of these securities and the transfer of the right to the proceeds from margin trading and securities lending. These securities are not derecognized from the financial statements but regarded as "collateral" for the liabilities because the Group retains substantially all the risk and rewards of these securities and margin loans.

As at December 31, 2025, the Group's pledged collateral in connection with its repurchase financing business amounted to RMB169,863 million (December 31, 2024: RMB171,802 million).

46 Lease liabilities

	As at December 31	
	2025	2024
Within 1 year	258,264	273,090
Within a period of more than 1 year but not more than 2 years	192,230	212,155
Within a period of more than 2 years but not more than 5 years	290,816	298,423
Within a period of more than 5 years	116,301	122,904
Sub-total	857,611	906,572
Less: Lease liabilities within 12 months shown under current liabilities	(258,264)	(273,090)
Amount due for settlement after 12 months shown under non-current liabilities	599,347	633,482

47 Share capital

All shares issued by the Company are fully paid common shares. The par value per share is RMB1. The Company's number of shares issued and their nominal value are as follows:

	As at December 31	
	2025	2024
Registered, issued and fully paid ordinary shares of RMB1 each:		
At the beginning and at the end of the year		
– Domestic shares	7,422,006	7,422,006
– Foreign invested shares	1,274,520	1,274,520
	8,696,526	8,696,526

48 Other equity instruments

	At the beginning of the year	Addition	Redemption	At the end of the year
Perpetual subordinated bonds	15,000,000	2,000,000	–	17,000,000

The 2019 Annual General Meeting of Shareholders convened by the Company on 19 May 2020 passed the Proposal on the General Authorization of the Company's Debt Financing Instruments, and approved the Bond Issuance Plan and related matters at the 35th General Meeting of Presidents' Office held on 25 October 2021 within the scope of the authorization of the General Meeting of Shareholders and the Board of Directors.

On 26 January 2022, the China Securities Regulatory Commission issued the Approval of China Merchants Securities Co., Ltd. to Publicly Issue Perpetual Subordinated Corporate Bonds Registration to Professional Investors (CSRC Permit [2022] No. 222), agreeing to the Company's application for publicly issuing perpetual subordinate corporate bonds with a total face value of not more than RMB15 billion to professional investors.

On 24 March 2022,19 April 2022,26 April 2022, and 8 June 2022, the Company completed the issuance of the first tranche of RMB4.3 billion, the second tranche of RMB4.7 billion, the third tranche of RMB4 billion, and the fourth tranche of RMB2 billion, respectively, with a cumulative issuance amount of RMB15 billion. The interest rates of the above perpetual subordinated bonds ranged from 3.72% to 3.95%.

48 Other equity instruments (continued)

The 28th meeting of the 7th Board of Directors convened by the Company on 24 March 2023 passed the Proposal on the General Authorization of the Company's Debt Financing Instruments, and approved the Proposal on the General Authorization of the Company's Debt Financing Instruments at the 2022 Annual General Meeting of Shareholders held on 30 June 2023.

On 19 March 2025, the China Securities Regulatory Commission issued the Approval of China Merchants Securities Co., Ltd. to Publicly Issue Perpetual Subordinated Corporate Bonds Registration to Professional Investors (CSRC Permit [2025] No. 529), agreeing to the Company's application for publicly issuing perpetual subordinate corporate bonds with a total face value of not more than RMB6 billion to professional investors.

On 25 April 2025 and 14 July 2025, the Company completed the issuance of the first tranche of 2025 perpetual subordinated bond RMB0.9 billion and the second tranche of RMB1.1 billion, respectively, with a cumulative issuance amount of RMB2 billion. The interest rates of the above perpetual subordinated bonds ranged from 2.05% to 2.21%.

The 2022 perpetual subordinated bonds are attached with the issuer's redemption right. On the 5th and subsequent coupon payment dates of the above bonds, the issuer has the right to redeem the bonds at par value plus accrued interest. Additionally, the issuer has the option to defer interest payments, except in the event of mandatory interest payments. At each interest payment date, the issuer may choose to defer the current interest payment and all previously deferred interest and accrued interest to the next payment date, without any limitation on the number of deferrals. Mandatory interest payment events are limited to dividend distributions to ordinary shareholders of the issuer and reductions of registered capital.

The perpetual subordinated bonds in 2025 will have a pricing cycle of every 5 interest bearing years, setting with an issuer renewal option. At the end of each pricing cycle, the Company has the right to choose to extend the bond term by 1 pricing cycle (i. e. extending for 5 years) or fully redeem the bond; the Company also has the option to defer interest payments, except in the event of mandatory interest payments, so that at each interest payment date, the Company may choose to defer the interest payment for the current year as well as all interest and accreted interest already deferred resulting from exercising the option to defer interest payments, to the next payment date, without being subject to any limitation with respect to the number of deferrals. Of which, mandatory interest payment events are limited to profit distributions to ordinary shareholders of the Company from the issuer and reductions of registered capital.

The perpetual subordinated bonds issued by the Company are classified and presented as equity instruments in the consolidated financial statements.

49 Investment revaluation reserve of financial assets at fair value through other comprehensive income

	As at December 31	
	2025	2024
At the beginning of the year	1,445,336	183,476
Debt instruments at FVTOCI		
Net changes in fair value for the year	(378,350)	1,916,505
Reclassification to profit or loss	(781,772)	(704,149)
Income tax impact	287,169	(300,098)
Expected credit losses of debt instruments at FVTOCI		
Net changes in profit or loss for ECL reclassification adjustment	(2,659)	4,144
Income tax impact	1,143	(823)
Equity instruments at FVTOCI		
Net changes in fair value for the year	(513,228)	472,908
Transfer to retained profits	294,464	(85,955)
Income tax impact	60,134	(89,056)
Share of other comprehensive income of associates		
Share of other comprehensive income that will be reclassified subsequently to profit or loss	(33,216)	48,130
Share of other comprehensive income that will not be reclassified subsequently to profit or loss	884	254
At the end of the year	379,905	1,445,336

50 General reserves

General reserve include statutory reserve, general risk reserve and transaction risk reserve.

In accordance with the Company Law of the PRC and the Articles of Association,10% of the net profit of the Company is required to be allocated to the statutory reserve until the statutory reserve has reached 50% of the share capital of the Company. As at December 31, 2025 and December 31, 2024, the accumulated surplus reserve has reached 50% of the Company's registered capital and therefore no further allocation is required for this year.

In accordance with the provisions of the Financial Rules for Financial Enterprises (Order No. 42 of the Ministry of Finance) and the Financial Rules for Financial Enterprises – Implementation Guidelines (Cai Jin [2007] No. 23) issued by the Ministry of Finance, the Company withdrew general risk reserves at 10% of net profits, and withdrew general risk reserves at 2.5% of custody fee income in accordance with the Interim Measures for the Supervision and Administration of Risk Reserves for Publicly Offered Securities Investment Funds (Order No. 94 of the CSRC).

The subsidiary China Merchants Securities Asset Management Co., Ltd., in accordance with the provisions of the Financial Rules for Financial Enterprises (Decree No. 42 of the Ministry of Finance) and the Financial Rules for Financial Enterprises – Implementation Guidelines (Caijin [2007] No. 23) issued by the Ministry of Finance, withdraws general risk reserves at 10% of net profits, and in accordance with the Interim Measures for the Supervision and Administration of Risk Reserves for Publicly Offered Securities Investment Funds (Decree No. 94 of the CSRC) According to the provisions of the Operation Guidelines on the Application of Securities Companies' Large Collection Asset Management Business to the Standardization of Financial Institutions' Asset Management Business (CSRC Announcement [2018] No. 39), general risk reserves are accrued at 10% of the management fee income of public offering products and large collection products. At the same time, when the balance of risk reserves reaches 1% of the net asset value of the asset management plan at the end of last quarter, it can no longer be withdrawn.

The subsidiary China Merchants Futures Co., Ltd., in accordance with the provisions of the Financial Rules for Financial Enterprises (Decree No. 42 of the Ministry of Finance) and the Financial Rules for Financial Enterprises – Implementation Guidelines (Cai Jin [2007] No. 23) issued by the Ministry of Finance, withdraws general risk reserves at 10% of the net profit.

The transaction risk reserve shall be 10% of the net profit of the Company and its subsidiary, China Merchants Securities Asset Management Co., Ltd.

50 General reserves (continued)

The movements of the general reserve are as follows:

As at December 31, 2025

	At the beginning of the year	Addition	At the end of the year
Statutory reserve	5,236,148	–	5,236,148
General risk reserve	10,764,106	1,301,406	12,065,512
Transaction risk reserve	9,881,688	1,209,402	11,091,090
	25,881,942	2,510,808	28,392,750

As at December 31, 2024

	At the beginning of the year	Addition	At the end of the year
Statutory reserve	5,236,148	–	5,236,148
General risk reserve	9,737,983	1,026,123	10,764,106
Transaction risk reserve	8,929,662	952,026	9,881,688
	23,903,793	1,978,149	25,881,942

51 Long-term borrowings due within one year

	As at December 31	
	2025	2024
Unsecured bank borrowings	451,610	555,624
Interest accrued	4,875	9,239
	456,485	564,863

As at December 31, 2025, the Group's unsecured long-term bank borrowings due within one year bore floating interest rate of 3.785% (December 31, 2024: 5.731% – 5.793%) per annum.

52 Long-term borrowings

	As at December 31	
	2025	2024
Unsecured bank borrowings	2,502,273	3,024,422
Analysed by maturity:		
1 to 2 years	2,502,273	463,020
2 to 5 years	–	2,561,402
	2,502,273	3,024,422

As at December 31, 2025, the Group's unsecured long-term bank borrowings bore floating interest rate of 3.752%-4.782% (December 31, 2024: 5.297% – 5.731%) per annum.

53 Bonds payables due within one year

	As at December 31	
	2025	2024
Non-convertible bonds [1]	41,475,119	37,580,948
Subordinated bonds [2]	9,798,690	2,899,629
Income certificates	5,085,412	3,779,463
Interest accrued	1,232,028	1,521,700
	57,591,249	45,781,740

53 Bonds payables due within one year (continued)

(1) The following table presents an analysis of non-convertible bonds:

Name	Currency	Issue amount	Value date	Maturity date	Coupon rate
21 CM10	CNY	2,000,000	2021/08/12	2026/08/12	3.41%
23 CMG2	CNY	4,000,000	2023/04/17	2026/04/17	3.03%
23 CMG3	CNY	2,800,000	2023/04/25	2026/05/14	3.03%
23 CMG6	CNY	3,400,000	2023/07/13	2026/07/13	2.72%
23 CMG8	CNY	3,500,000	2023/07/24	2026/06/18	2.70%
23 CM10	CNY	4,000,000	2023/08/11	2026/08/11	2.74%
23 CM11	CNY	3,000,000	2023/11/24	2026/11/24	2.88%
24 CMF1	CNY	1,000,000	2024/11/25	2026/06/25	2.12%
24 CMF2	CNY	2,500,000	2024/11/25	2026/12/10	2.15%
24 CMF5	CNY	3,000,000	2024/12/18	2026/01/08	1.73%
25 CMG1	CNY	7,200,000	2025/08/29	2026/09/11	1.75%
25 CMF4	CNY	4,100,000	2025/10/15	2026/10/22	1.78%
CMSINT 3.3% 09/18/26 EMTN	CNY	1,000,000	2023/09/18	2026/09/18	3.30%

(2) The details of subordinated bonds are as follows:

Name	Currency	Issue amount	Value date	Maturity date	Coupon rate
21 CMC8	CNY	1,000,000	2021/11/11	2026/11/11	3.70%
23 CMC2	CNY	800,000	2023/03/01	2026/03/01	3.55%
23 CMC4	CNY	1,700,000	2023/03/17	2026/03/17	3.40%
23 CMC6	CNY	3,300,000	2023/04/19	2026/04/19	3.30%
23 CMC7	CNY	1,000,000	2023/05/22	2026/05/22	3.13%
23 CMC9	CNY	2,000,000	2023/10/30	2026/10/30	3.20%

54 Bonds payables

	As at December 31	
	2025	2024
Non-convertible bonds [1]	44,142,548	46,834,710
Subordinated bonds [2]	21,613,650	21,883,352
Income certificates	16,949,943	471,503
	82,706,141	69,189,565

(1) The details of non-convertible bonds are as follows:

Name	Currency	Issue amount	Value date	Maturity date	Coupon rate
23 CMG4	CNY	2,200,000	2023/04/25	2028/04/25	3.17%
24 CMG1	CNY	3,000,000	2024/01/18	2027/01/18	2.74%
24 CMG2	CNY	1,000,000	2024/07/01	2027/07/01	2.15%
24 CMG3	CNY	6,000,000	2024/07/01	2028/07/01	2.25%
24 CMG4	CNY	2,000,000	2024/10/18	2027/10/18	2.15%
24 CMF3	CNY	2,500,000	2024/11/25	2027/03/11	2.14%
25 CMK1	CNY	2,000,000	2025/05/13	2027/05/13	1.75%
25 CMK1 (Subsequent Issuance)	CNY	2,300,000	2025/05/13	2027/05/13	1.75%
25 CMK2	CNY	1,000,000	2025/05/13	2028/05/13	1.75%
25 CMK2 (Subsequent Issuance)	CNY	2,700,000	2025/05/13	2028/05/13	1.75%
25 CMG2	CNY	2,800,000	2025/08/29	2028/08/29	1.92%
25 CMG3	CNY	3,800,000	2025/12/24	2027/12/24	1.82%
25 CMG4	CNY	4,800,000	2025/12/24	2028/12/24	1.88%
25 CMF5	CNY	1,500,000	2025/10/15	2027/06/17	1.98%
25 CMF6	CNY	3,700,000	2025/10/15	2027/10/15	2.03%
25 CMF8	CNY	1,600,000	2025/11/28	2027/11/28	1.94%
CMSINT 2.1% 12/01/28 EMTN	CNY	600,000	2025/12/01	2028/12/01	2.10%
CMSINT 2.1% 12/04/28 EMTN	CNY	700,000	2025/12/04	2028/12/04	2.10%

54 Bonds payables (continued)

(2) The details of subordinated bonds are as follows:

Name	Currency	Issue amount	Value date	Maturity date	Coupon rate
23 CMC8	CNY	1,000,000	2023/05/22	2028/05/22	3.39%
23 CMC10	CNY	1,500,000	2023/10/30	2028/10/30	3.45%
23 CMC10 (Subsequent Issuance)	CNY	1,000,000	2023/10/30	2028/10/30	3.45%
24 CMC1	CNY	900,000	2024/03/20	2027/03/20	2.64%
24 CMC2	CNY	1,700,000	2024/03/20	2029/03/20	2.77%
24 CMC4	CNY	2,000,000	2024/04/19	2029/04/19	2.55%
24 CMC6	CNY	2,000,000	2024/06/27	2029/06/27	2.32%
24 CMC8	CNY	3,000,000	2024/08/08	2029/08/08	2.12%
25 CMC1	CNY	2,700,000	2025/10/30	2028/10/30	2.07%
25 CMC2	CNY	1,300,000	2025/10/30	2030/10/30	2.28%
25 CMC3	CNY	3,000,000	2025/12/11	2028/12/11	2.13%
25 CMC4	CNY	1,500,000	2025/12/11	2030/12/11	2.28%

55 Dividends

	As at December 31	
	2025	2024
Dividends recognized as distribution	4,313,477	3,069,874
Distribution to holders of other equity instruments	614,680	572,240

Following the approval at the shareholders' meeting held on August 28, 2025, the Company proposed a cash dividend of RMB1.19 (tax included) per 10 shares to all shareholders based on a total capital of 8,696,526,806 shares as the interim profit distribution, amounting to a total profit distribution of RMB1,034,887 thousand.

Pursuant to a resolution of the shareholders' meeting held on June 26, 2025, the Company declared cash dividends of RMB3.77 for every 10 shares (tax included) based on 8,696,526,806 shares held, with the aggregate amount being RMB3,278,591 thousand for the year ended December 31, 2024.

56 Transfers of financial assets

(1) Repurchase agreements

The Group entered into repurchase agreements with certain counterparties to sell the Group's securities and interests in margin loans and the proceeds are presented as financial assets sold under repurchase agreements. Under these agreements, the Group is unable to dispose of these securities until they are repurchased.

The following tables provide a summary of carrying amounts and fair values in respect of these financial assets transferred but are continued to be recognized and their associated liabilities:

As at December 31, 2025

	Financial assets at fair value through profit or loss	Debt instruments at amortized cost	Debt instruments at fair value through other comprehensive income	Securities lending arrangements	Total
Fair value of transferred assets	98,399,689	39,126,787	21,031,963	6,549,292	165,107,731
Carrying amount of associated liabilities	90,813,049	36,110,102	19,410,393	6,044,340	152,377,884
Net position	7,586,640	3,016,685	1,621,570	504,952	12,729,847

As at December 31, 2024

	Financial assets at fair value through profit or loss	Debt instruments at amortized cost	Debt instruments at fair value through other comprehensive income	Securities lending arrangements	Total
Fair value of transferred assets	109,434,850	26,143,347	29,661,061	6,192,544	171,431,802
Carrying amount of associated liabilities	96,348,013	23,016,978	26,114,024	5,452,005	150,931,020
Net position	13,086,837	3,126,369	3,547,037	740,539	20,500,782

56 Transfers of financial assets (continued)

(2) Securities lending arrangements

As of December 31, 2025, the Group entered into securities lending agreements with its clients to lend its financial assets classified as financial assets at fair value through profit or loss of RMB432,704 thousand (December 31, 2024: RMB576,138 thousand) and equity instruments at fair value through other comprehensive income of RMB12 thousand (December 31, 2024: RMB12 thousand). These lending agreements are secured by client's securities and deposits held as collateral. Notwithstanding the securities lending agreement Legal ownership of these securities is transferred to the clients and the clients are allowed to sell these securities under these lending arrangements, but they have obligations to return these securities to the Group at specified future dates. The Group is of the opinion that it retains substantially all the risks and rewards of these securities and therefore are not derecognized these securities in the consolidated financial statements.

57 Capital commitments and contingencies

(1) Capital commitments

As of December 31, 2025, the Group did not have securities underwriting commitments that had been contracted but not disbursed, and has investments in associates of RMB183,452 thousand that had been contracted but not disbursed.

(2) Contingencies

Between 2013 and 2014, the Company provided independent financial advisory services related to major asset restructuring and continuous supervision services for the predecessor of China Security Co., Ltd. (中安科股份有限公司) (hereinafter referred to as "**China Security**"). Subsequently, China Security was investigated by the China Securities Regulatory Commission for suspected violations of securities laws and regulations and was subject to administrative penalties in 2019. Relevant investors filed lawsuits against China Security and the intermediary institutions involved in its major asset restructuring, claiming civil compensation. In accordance with the principle of "full compensation payment", the Company has legally discharged compensation obligations to investors.

In addition, in October, 2024, the Company was sued by China Security for a compensation totaling RMB1.5 billion in relation to the Company's provision of independent financial advisory services back in prior years. On September 19, 2025, the Company received the "Civil Ruling" from the Shanghai Financial Court. Subsequently, China Security withdrew this lawsuit against the Company in 2025.

As of December 31, 2025, the Group has no material contingencies that need to be disclosed.

58 Directors' and supervisors' emoluments

The emoluments of directors and supervisors of the Company paid and/or payables by the Group for the years ended December 31, 2025 and December 31, 2024 are as follows:

Year ended December 31, 2025

Name	Fees	Salaries, allowances and benefits in kind	Retirement benefits scheme contributions	Bonus charge during the year	Total emoluments
Executive directors:					
HUO Da	–	1,403	240	1,003	2,646
ZHU Jiangtao [(1)]	–	868	126	585	1,579
	–	2,271	366	1,588	4,225
Non-executive directors:					
HUANG Jian	–	–	–	–	–
LI Xiaofei	–	–	–	–	–
DING Lusha	–	–	–	–	–
ZHANG Mingwen	–	–	–	–	–
LIU Zhenhua	–	–	–	–	–
LI Delin	–	–	–	–	–
LUO Li [(2)]	–	–	–	–	–
	–	–	–	–	–
Independent non-executive directors:					
FENG Jinhua	200	–	–	–	200
YE Yingzhi	200	–	–	–	200
ZHANG Ruijun	200	–	–	–	200
CAO Xiao	200	–	–	–	200
CHEN Xin	200	–	–	–	200
	1,000	–	–	–	1,000

58 Directors' and supervisors' emoluments (continued)

Year ended December 31, 2025 (continued)

Name	Fees	Salaries, allowances and benefits in kind	Retirement benefits scheme contributions	Bonus charge during the year	Total emoluments
Employee Representative Director:					
MA Xiaoli [3]	–	74	15	–	89
	–	74	15	–	89
Retired director and supervisor:					
WU Zongmin [4]	–	594	92	1	687
LIU Weiwu [5]	–	–	–	–	–
LIU Hui [6]	–	–	–	–	–
MA Yunchun [7]	–	–	–	–	–
YIN Hongyan [8]	–	1,174	210	–	1,384
ZHU Liwei [9]	–	–	–	–	–
CHEN Jun [10]	–	702	157	85	944
PENG Luqiang [11]	–	–	–	–	–
SUN Xian [12]	–	–	–	–	–
HUANG Zheng [13]	–	–	–	–	–
	–	2,470	459	86	3,015
	1,000	4,815	840	1,674	8,329

58 Directors' and supervisors' emoluments (continued)

Year ended December 31, 2024

Name	Fees	Salaries, allowances and benefits in kind	Retirement benefits scheme contributions	Bonus charge during the year	Total emoluments
Executive directors:					
HUO Da	–	1,922	276	680	2,878
WU Zongmin	–	1,884	297	679	2,860
	–	3,806	573	1,359	5,738
Non-executive directors:					
LIU Weiwu	–	–	–	–	–
HUANG Jian	–	–	–	–	–
LI Xiaofei	–	–	–	–	–
DING Lusha	–	–	–	–	–
ZHANG Mingwen	–	–	–	–	–
LIU Zhenhua	–	–	–	–	–
LIU Hui (6)	–	–	–	–	–
LI Delin (7)	–	–	–	–	–
	–	–	–	–	–
Independent non-executive directors:					
FENG Jinhua	200	–	–	–	200
YE Yingzhi	174	–	–	–	174
ZHANG Ruijun	174	–	–	–	174
CAO Xiao	174	–	–	–	174
CHEN Xin	84	–	–	–	84
	806	–	–	–	806

58 Directors' and supervisors' emoluments (continued)

Year ended December 31, 2024 (continued)

Name	Fees	Salaries, allowances and benefits in kind	Retirement benefits scheme contributions	Bonus charge during the year	Total emoluments
Supervisors:					
MA Yunchun	–	–	–	–	–
YIN Hongyan	–	1,358	240	74	1,672
ZHU Liwei	–	–	–	–	–
CHEN Jun	–	793	177	164	1,134
PENG Luqiang	–	–	–	–	–
SUN Xian	–	–	–	–	–
	–	2,151	417	238	2,806
Retired director and supervisor:					
DENG Weidong	–	–	–	–	–
ZHANG Jian	–	–	–	–	–
MA Boyin	–	–	–	–	–
XIANG Hua	116	–	–	–	116
XIAO Houfa	26	–	–	–	26
XIONG Wei	26	–	–	–	26
HU Honggao	26	–	–	–	26
WANG Zhangwei	–	–	–	–	–
ZOU Qun	–	–	–	–	–
HE Min	–	71	15	–	86
WANG Jianping	–	423	77	48	548
	194	494	92	48	828
	1,000	6,451	1,082	1,645	10,178

58 Directors' and supervisors' emoluments (continued)

(1) Zhu Jiangtao was appointed as an executive director in June 2025.

(2) Luo Li was appointed as a non-executive director in April 2025.

(3) Ma Xiaoli was appointed as an employee representative director in December 2025.

(4) Wu Zongmin left his post as an executive director in June 2025.

(5) Liu Weiwu left his post as a non-executive director in April 2025.

(6) Liu Hui left his post as a non-executive director in November 2025.

(7) Ma Yunchun left his post as a supervisor in April 2025.

(8) Yin Hongyan left her post as a supervisor in December 2025.

(9) Zhu Liwei left his post as a supervisor in December 2025.

(10) Chen Jun left his post as a supervisor in December 2025.

(11) Peng Luqiang left his post as a supervisor in December 2025.

(12) Sun Xian left his post as a supervisor in December 2025.

(13) Huang Zheng was appointed as a supervisor in April 2025, and Huang Zheng left his post as a supervisor in December 2025.

58 Directors' and supervisors' emoluments (continued)

The above salary details are the salary details attributable to 2025 during the tenure of directors and supervisors. The remuneration of the above executive director is related to his management of the Company's affairs.

As of the date of the issuance of these consolidated financial statements, the above compensation packages including performance-based bonus for executive directors, supervisors for the year ended December 31, 2025 have not been finalized. Management of the Group believes that the difference between the final emoluments and that disclosed above will not have significant impact on the consolidated financial statements of the Group.

Except for non-executive directors who were not remunerated by the Company, no directors of the Company waived or agreed to waive any emolument paid by the Group during the year. No emoluments were paid by the Group to the directors of the Company as an incentive payment for joining the Group or as compensation for resignation during the year.

59 Individuals with highest emoluments

For the year ended December 31, 2025, one (December 31, 2024: two) of the five individuals with the highest emoluments were directors or supervisors of the Company. The emoluments of the remaining four individuals (December 31, 2024: three) with the highest emoluments are as below:

	As at December 31	
	2025	2024
Basic salaries and allowances	10,506	4,139
Bonuses	–	2,501
Contributions to retirement benefit scheme	–	710
	10,506	7,350

Bonuses disclosed above were determined with reference to the results of the Group and performance of these individuals. No emoluments were paid by the Group to these individuals as an incentive payment for joining the Group or as compensation for resignation during the year.

59 Individuals with highest emoluments (continued)

The emoluments of the individuals (non-director) with the highest emoluments are within the following bands:

	As at December 31	
	2025	2024
Emolument bands		
HKD2,500,001 to HKD3,000,000	3	3
HKD3,000,001 to HKD3,500,000	1	–

60 Significant related party transactions

(1) Relationship of related parties

a. Major shareholders

Major shareholders include shareholders of the Company with 5% or above direct ownership. Share percentage in the Company:

	As at December 31	
	2025	2024
China Merchants Finance Investment Holdings Co., Ltd.	23.55%	23.55%
Shenzhen Jisheng Investment Development Co., Ltd.	19.59%	19.59%
China Ocean Transportation Co., Ltd.	6.26%	6.26%

b. Associates and joint ventures of the Group

The details of the Group's associates and joint ventures is set out in note 22.

c. Other related parties

Other related parties can be individuals or enterprises, which include: members of the Board of Directors, the Board of Supervisors and senior management, and close family members of such individuals.

60 Significant related party transactions (continued)

(1) Relationship of related parties (continued)

c. Other related parties (continued)

The table below lists the Group's other significant related parties:

Significant related legal entities	The relationship with the Group
China Merchants Bank Co., Ltd.	Significant influence by the de facto controller
Shengao Lande Environmental Protection Technology Group Co., Ltd. *	Significant influence by the de facto controller
CMB Wealth Management Co., Ltd.	Significant influence by the de facto controller
Zhejiang Securities Co., Ltd.	Significant influence by the de facto controller
China Great Wall Securities Co., Ltd.	Enterprises in which directors and supervisors serve
Shenzhen Merchants Property Management Co., Ltd. *	Fellow subsidiary of the de facto controller
Shenzhen Merchants Daojiahui Technology Co., Ltd. *	Fellow subsidiary of the de facto controller
China Merchants Real Estate (Shenzhen) Co., Ltd.	Fellow subsidiary of the de facto controller
Shenzhen Huiqin Property Management Co., Ltd. *	Fellow subsidiary of the de facto controller
Dalian Jingang United Auto International Trade Co., Ltd. *	Fellow subsidiary of the de facto controller
China Merchants Renhe Life Insurance Co., Ltd.	Fellow subsidiary of the de facto controller
Shenzhen Zhaoping Investment Co., Ltd.	Fellow subsidiary of the de facto controller
China Merchants Expressway Network & Technology Holdings Co., Ltd. *	Fellow subsidiary of the de facto controller
China Merchants Daojiahui Technology (Zhejiang) Co., Ltd. *	Fellow subsidiary of the de facto controller
Shenzhen Investment Promotion Construction Management Co., Ltd.	Fellow subsidiary of the de facto controller
China Everbright Bank Co., Ltd.	Enterprises in which directors serve each other
China Merchants Charitable Foundation	Organizations in which the company's chairman serves as director

* English name translated is for identification purpose only.

60 Significant related party transactions (continued)

(2) Related parties transaction and balances

a. During the years ended December 31, 2025 and December 31, 2024, the Group's major transactions and balances with its associate are as follows

Transactions between the Group and associates:

	As at December 31	
	2025	2024
Fee and commission income		
– Funds managed by Bosera Asset Management Co., Ltd. and China Merchants Fund Management Limited	94,643	110,633

Balances between the Group and associates:

	As at December 31	
	2025	2024
Accounts and other receivables		
– Funds managed by Bosera Asset Management Co., Ltd. and China Merchants Fund Management Limited	26,755	32,481

60 Significant related party transactions (continued)

(2) Related parties transaction and balances (continued)

b. The Group's major transactions and balances with its other related parties are as follows:

Transactions between the Group and other related parties:

	Year ended December 31	
	2025	2024
Fee and commission income		
– China Merchants Expressway Network & Technology Holdings Co., Ltd. *	–	8,425
Interest income		
– China Merchants Bank Co., Ltd.	583,402	483,273
– China Everbright Bank Co., Ltd.	53,958	7,560
Investment gains or losses, net		
– China Merchants Bank Co., Ltd.	14,448	32,915
– China Everbright Bank Co., Ltd.	27,596	5,704
– Zhejiang Securities Co., Ltd.	(65,464)	30,108
– China Great Wall Securities Co., Ltd.	(41,886)	953
Other income and gains or losses, net		
– Shengao Lande Environmental Protection Technology Group Co., Ltd	5,483	5,835
Fee and commission expenses		
– China Merchants Bank Co., Ltd.	73,809	55,494
Interest expenses of placement and borrowings from banks		
– China Merchants Bank Co., Ltd.	5,403	10,952
– China Everbright Bank Co., Ltd.	12,182	9,947

60 Significant related party transactions (continued)

(2) Related parties transaction and balances (continued)

b. The Group's major transactions and balances with its other related parties are as follows: (continued)

	Year ended December 31	
	2025	2024
Other operating expenses		
– Shenzhen Merchants Property Management Co., Ltd. *	40,048	30,427
– Shenzhen Investment Promotion Construction Management Co., Ltd.	18,990	–
– China Merchants Real Estate (Shenzhen) Co., Ltd.	1,575	12,364
– Shenzhen Huiqin Property Management Co., Ltd. *	34,837	30,844
– China Merchants Bank Co., Ltd.	10,406	309
Purchase of software and office supplies		
– Shenzhen Merchants Daojiahui Technology Co., Ltd. *	9,864	44,743
– China Merchants Daojiahui Technology (Zhejiang) Co., Ltd. *	24,191	–
– Dalian Jingang United Auto International Trade Co., Ltd. *	530	7,211
Interest expenses of lease liabilities		
– China Merchants Bank Co., Ltd.	3,817	13,552
Interest expenses of repurchase agreements business		
– China Merchants Bank Co., Ltd.	8,221	11,274
– CMB Wealth Management Co., Ltd.	5,448	–
Donation expenses		
– China Merchants Charitable Foundation	9,162	–

60 Significant related party transactions (continued)

(2) Related parties transaction and balances (continued)

b. The Group's major transactions and balances with its other related parties are as follows: (continued)

The Group also has the following balances with its other related parties.

	As at December 31	
	2025	2024
Cash and bank balances		
– China Merchants Bank Co., Ltd.	33,867,539	30,824,922
– China Everbright Bank Co., Ltd.	3,821,957	966,092
Accounts and Other Receivables		
– China Great Wall Securities Co., Ltd.	–	32,410
Bonds, securitizations, structured deposits and certificates		
– China Merchants Bank Co., Ltd.	193,778	559,328
– China Everbright Bank Co., Ltd.	1,501,890	1,975,893
– China Merchants Renhe Life Insurance Co., Ltd.	29,745	–
Short-term borrowings		
– China Merchants Bank Co., Ltd.	200,336	371,395
– China Everbright Bank Co., Ltd.	150,165	461,597
Third-party custody fee		
– China Merchants Bank Co., Ltd.	37,170	16,475
Derivative Financial Liabilities		
– Zhejiang Securities Co., Ltd.	78,216	15,768
– China Great Wall Securities Co., Ltd.	33,290	4,166
Accounts Payable		
– Zhejiang Securities Co., Ltd.	83,386	–
Bonds Payable		
– Shenzhen Zhaoping Investment Co., Ltd.	110,000	–
– China Merchants Bank Co., Ltd.	5,027,950	–
Lease liabilities		
– China Merchants Bank Co., Ltd.	128,773	248,466

* English name translated is for identification purpose only.

60 Significant related party transactions (continued)

(3) Key management personnel

The remuneration of the key management personnel of the Group is as follows:

	As at December 31	
	2025	2024
Short-term benefits		
– Salaries, bonus and allowances	13,364	15,925
Post-employment benefits		
– Contribution to retirement schemes	1,582	1,969
	14,946	17,894

61 Financial instruments

Categories of financial instruments

	As at December 31	
	2025	2024
Financial assets		
Equity instruments at fair value through other comprehensive income	35,425,795	38,980,021
Debt instruments at fair value through other comprehensive income	69,933,548	68,351,202
Financial assets measured at amortized cost	180,317	325,997,136
Derivative financial assets	2,947,104	4,647,396
Financial assets at fair value through profit or loss	270,666,012	265,463,722
	379,152,776	703,439,477
Financial liabilities		
Derivative financial liabilities	7,229,012	5,219,511
Financial liabilities at fair value through profit or loss	42,179,178	53,648,120
Financial liabilities at amortized cost	558,322,528	524,942,350
	607,730,718	583,809,981

62 Financial risk management

(1) Risk management structure

Since its establishment, the Group has been developing comprehensive, forward-thinking, holistic, effective, and well-aligned risk management system, which can be aligned with its operational strategy and focuses on its frontier departments at business unit level. The structure of the risk management of the Group consists of five levels including the strategical arrangement by the Board of Directors, supervision and scrutiny by the Supervisory Committee, or decision-making by the senior management and the Risk Management Committee, check-and-balance and internal controls maintained by relevant risk management departments and direct management of other departments, branches and its wholly-owned subsidiaries.

The Group adopts a three-level risk management organization structure system: the first level refers to implementation of effective controls on risk management by all departments and branches themselves; the second level refers to risk management measures implemented by relevant risk management departments; the third level refers to post-event supervision and evaluation by the Internal Audit and Supervision Department.

The overall risk management duties of the five levels in the risk management organization structure are as follows:

(i) the Board of Directors and the Risk Management Committee are responsible for considering and approving the Company's management strategy, comprehensive risk management system, risk appetite, risk tolerance and various risk limit indicators. They are also responsible for convening quarterly meetings, reviewing quarterly risk reports and reviewing the Company's overall risk management;

(ii) the Board Audit Committee is responsible for supervising and examining the operations of the comprehensive risk management system of the Company;

62 Financial risk management (continued)

(1) Risk management structure (continued)

(iii) the senior management is responsible for the risk management of business operations, determining risk control measures and formulating risk limit indicators on a regular basis by reference to the risk evaluation reports. The Risk Management Committee set up by the senior management is the ultimate risk decision-making body at operation level. The Chief Risk Officer of the Company is responsible for establishing comprehensive risk management system, monitoring, evaluating and reporting the overall risk level of the Group and providing risk management suggestion on business decisions. The Risk Management Committee consists of the Securities Investment Decision Committee, the Credit Risk Committee, the Valuation Committee, the Capital Commitment Committee and the Investment Banking Business Risk Policy Committee. Within the scope of their authorization, experts shall review and collectively make decisions on the risks of securities investment, credit risk, securities valuation, capital commitment and investment banking business. The Company integrates the risk management of subsidiaries into an overall risk management system and carries out vertical management. The person in charge of the risk management of the subsidiary shall be nominated, appointed, removed and assessed by the chief risk officer of the Group.

(iv) the Risk Management Department is the leading department in respect of management of market, credit and operational risks of the Company. It is also responsible for managing market risk and credit risk, assisting and guiding all units in performing risk management. The Capital Management Department is the leading department in respect of management of liquidity risk. It is also responsible for managing liquidity risk and facilitating the establishment of the liquidity risk management systems. Legal and Compliance Department is responsible for leading the Group's legal and compliance risk management, money laundering risk management and assisting in the compliance director on reviewing, supervising and scrutinizing compliance issues of the Group, promoting the implementation of anti-money laundering work. The Risk Management Department together with the Party Committee Office promote the management of reputation risk of the Company. Internal Audit Department is responsible for monitoring the effectiveness and implementation of the Company's risk management process by audits, and responsible for initiating evaluation of entire internal control system at least once a year;

(v) All departments of the Company, branches and wholly-owned subsidiaries of the Company are responsible for directly managing and supervising risks of their own businesses and management scopes.

62 Financial risk management (continued)

(2) Credit risk

The Group's exposure to credit risk represents the economic loss that may arise from the failure of a debtor or counterparty to meet its obligation according to their contractual commitment. The Group is primarily exposed to four types of credit risk: (a) risk arising from default of customers to repay debts in businesses of margin financing and securities lending, securities-backed lending or stock repurchases; (b) risk of losses of principal and interest for investments in debt securities, trust products and other credit products due to default of the issuers or borrowers; (c) risk arising from default of a counterparty to meet its payment obligation arising from trading of over the counter ("OTC") derivatives such as equity swaps, interest rate swap, OTC futures, forward contracts; (d) risk arising from the default of customers in brokerage business in respect of trading of securities, futures and other financial products, when there was shortfall of funds after liquidation of client's accounts on settlement dates.

In respect of margin financing and securities lending, securities-backed lending, stock repurchase business and other financing businesses, the Group has established a multi-level authorization system for business management and a comprehensive risk management system covering the whole process through due diligence of customers, approval of credit grant, post-loan evaluation, dynamic adjustment to collaterals pledge ratio, mark to market system, mandatory liquidation and disposal on default.

For debt security investments, trust products and other credit products business, the Group implements entry management for investable bonds by establishing a bond pool. The entry of bonds into the pool needs to be evaluated by professional credit evaluators and meet the relevant internal and external credit rating entry standards, industrial entry standards, product entry standards, financial entry standards, etc, The concentration risk is controlled through hierarchical approvals and authorization of investments, and the latest risk information of the issuer is monitored in real time through a public opinion monitoring system.

For OTC derivatives trading business, the Group has formulated a set of management measures and rules in respect of eligibility of investors, due diligence of customers, credit approval, potential risk exposure measurement rules, margin collection and mark to market, liquidation disposal, management of the underlying securities and follow-up measures on default of customers, in order to strengthen the management before, during and after the transactions.

In terms of brokerage business, the Company may bear the responsibility of guaranteed settlements, the default risk of customers is controlled by monitoring indicators such as the lowest rating of the underlying securities, position concentration and leverage ratio. With regard to the trading of securities and other financial products for overseas customers, the Group has effectively controlled the credit risk by strengthening the management of customer credit grant and margin.

62 Financial risk management (continued)

(2) Credit risk (continued)

Expected credit loss (ECL) measurement

The Group applies ECL model for financial assets at amortized cost, mainly including Funds Lending, financial assets held under resale agreements, debt instruments at amortized cost and debt instruments at fair value through other comprehensive income.

The Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition at the reporting date and recognizes the impairment loss allowance for expected credit loss and its movements.

- If the credit risk of the financial instrument has not increased significantly since its initial recognition, it is classified as "Stage 1" and its impairment loss allowance is measured at an amount equivalent to the expected credit loss of the financial instrument in the next 12 months. The increase in or reversal of the impairment loss allowance is included in the profit and loss as impairment losses under expected credit loss model, net of reversal.

- If a significant increase in credit risk ("**SICR**") since initial recognition is identified, the financial instrument is moved to "Stage 2" and its impairment loss allowance is measured at an amount equivalent to the expected credit loss of the financial instrument over its lifetime. The increase in or reversal of the impairment loss allowance is included in the profit and loss as impairment losses under expected credit loss model, net of reversal.

- If the financial instrument is credit-impaired at the first, the financial instrument is moved to "Stage 3" and its impairment loss allowance is measured at an amount equivalent to the expected credit loss of the financial instrument over its lifetime. The increase in or reversal of the impairment loss allowance thus formed is included in the profit and loss as impairment losses under expected credit loss model, net of reversal.

The criteria for the three-stage classification of ECL of the principal financial assets are as follows:

- Funds Lending business: exposures with collateral coverage ratios less than 100% for more than 30 days, or when principles are more than 30 days past due, are considered to be credit impaired and classified as Stage 3; exposures with collateral coverage ratios less than 100% for less than 30 days, or when principles are less than or equal to 30 days past due, are considered to have experienced significant increase in risk and classified as Stage 2; for exposures that have not experienced the above situations are regarded as having no significant increase in credit risk and classified as Stage 1.

62 Financial risk management (continued)

(2) Credit risk (continued)

Expected credit loss (ECL) measurement (continued)

- Financial assets held under resale agreements: based on the obligors' credit quality, contract maturity dates, the information of collateral securities, which includes the sectors, liquidity discount factor, concentration, volatility and related information, the Group establishes different collateral coverage ratios (generally not less than 160%) as margin calls and force liquidation thresholds (collateral coverage ratios generally not less than 140%) against different exposures related to these transactions. Exposures with collateral coverage ratios below the pre-determined force liquidation thresholds for more than 30 days or those past due for more than 30 days are considered to be credit impaired and classified as Stage 3; exposures with collateral coverage ratios below the pre-determined force liquidation thresholds for less than 30 days or those past due for less than 30 days are considered to have experienced significant increase in credit risks and classified as Stage 2; for exposures that have not experienced the above situations are regarded as having no significant increase in credit risk and classified as Stage 1.

- For debt investment exposures, financial instruments with lower credit risk at the end of the reporting period, or financial instruments with no significant increase in credit risk after initial recognition will be classified in Stage 1; financial instruments whose credit risk has increased significantly since its initial recognition, even no credit loss has occurred, that is, there is no objective evidence of a credit loss event, will be classified in Stage 2; purchased or originated credit-impaired financial instruments, or those are not purchased or originated financial instruments but have been credit-impaired will be classified in Stage 3.

Measuring ECL – inputs, assumptions and estimation techniques

On the basis of credit rating of counterparties, credit assessment on borrowers and the quantitative management of collaterals, the Group fully considers the customer portfolio of each credit related transaction, the amount of a single debt, the term of borrowing, the margin maintenance ratio and the degree of collateral concentration, etc., and ensure the above factors are reflected in parameters such as the probability of default ("**PD**"), loss given default ("**LGD**") and maturity of borrowers. Then stress tests and sensitivity analyses are performed as supplementary measurement on monitoring credit risks.

The Group uses expected credit loss model to measure the expected credit losses for applicable financial assets. Factors considered in the assessment using the expected credit loss model mainly includes asset categories, PD, LGD, exposures, whether there are SICR and judgment on low risk assets, and the impairment loss allowance in respect of fixed-income financial assets is determined on the basis of the projected future cash inflows.

For credit business, based on the borrowers' credit quality, contract maturity date, the information of related collateral securities, which including the sectors, liquidity discount factor, restrictions, concentration, volatility, prices, operations of issuers etc., the Group considers margin maintenance ratios to individually assess the loss ratios in order to measure the impairment loss allowance of high risk credit business.

62 Financial risk management (continued)

(2) Credit risk (continued)

Measuring ECL – inputs, assumptions and estimation techniques (continued)

PD will be adjusted based on the specific situation of bonds, and determined after considering adjustment factors of specific bonds and the remaining maturity of the bonds; the adjustment factors in respect of bonds depend on different industries, specific bonds and risk mitigation measures, which will be adjusted based on different situations or changes. The remaining maturity should generally be appropriately determined in accordance with accounting standards. If the remaining maturity cannot be reliably estimated, it should be based on the remaining term of the contract

LGD is estimated based on historical data.

Corresponding loss rates for the Group's credit business under the 3 stages were as follows:

Stage 1: According to the margin maintenance ratio, concentration and conditions of restrictions on trading, the loss rates on advances to customers range from 0.0144% to 4.8836% (December 31, 2024: 0.0018% to 2.6514%), the loss rates on financial assets under resale agreements range from 0.4758% to 10.6570% (December 31, 2024: 0.1032% to 5.2298%).

Stage 2 and Stage 3: Loss rate is determined based on the estimated future cash flows associated with the financial assets.

SICR

The Group uses the following criteria to determine a significant increase in credit risks of debt securities investments.

According to the Guidance on Impairment of Financial Instruments of Securities Companies issued by CSRC, criteria of low credit risks are as follows:

- International external rating of foreign bond investment is rated at BBB- or above;
- Domestic external rating of domestic bond investment is rated at AA or above.

Regarding the criteria for a significant increase in credit risk, the Group's bond investment business is specified as follows:

The credit ratings of foreign bonds are lowered to a level below BBB- (not included), the credit rating of domestic bonds are lowered to a level below AA (not included), or the original debt ratings are below AA but have not yet been identified as there is a significant increase in credit risks, but there is an external rating downgrade.

62 Financial risk management (continued)

(2) Credit risk (continued)

SICR (continued)

Other events being identified as an indicator of a significant increase in credit risks include:

- The significant adverse changes in the industry or policies, geographical environment of issuers, or deterioration of the issuers' own business operations;
- The consolidated financial statements of the issuers exhibit significant adverse changes in principal operations or financial indicators;
- The significant adverse changes (if any) in the effectiveness of credit enhancement measures;
- The issuers and the entities that provide credit enhancement are discredited by environmental protection or safety production bureau, or other important scenarios, or occurrence of any event that may affect debt repayment abilities; the entities provide credit enhancement are delinquent or refused to bear the liability arising from credit enhancement in other debts;
- Overdue for more than 30 days, unless there is reasonable and documented evidence showing that the credit risk has not materially increased;
- Other significant important events identified by the Group.

In addition, in view of the financial assets under resale agreements, the Group considers that if collateral coverage ratio is lower than the forced liquidation thresholds or with overdue interest, it indicates that its credit risk has significantly increased. While the Group would fully consider the financing entity's credit status, contract period, the industry of the collateral, liquidity, restriction on sales, concentration, volatility, performance protection and issuer's operation performance factors, and then establishes different warning lines and forced liquidation thresholds for different financing entities.

Forward-looking information

The Group measures ECL using reasonable and supportable forward-looking information that can be obtained without unnecessary additional costs or efforts. The Group identifies key economic variables that affect the portfolios' credit risk and ECL through historical analysis, mainly including Gross Domestic Products ("**GDP**") and money supply ("**M2**"). The Group assesses the impacts of these economic variables on portfolios' LGD through regression models, and makes forward-looking adjustments to both credit business and debt securities investments by forecasting these economic variables.

As at December 31, 2025, the Group updated the above economic variables based on the assessments of current economic conditions, international situations and the latest economic forecasts. Similar to other economic forecasts, actual results may differ from forecasts as highly inherent uncertainty exists during our estimations in forecasted economic variables and possibility of occurrence. Nevertheless, the Group takes these forecasts as the best estimates of possible outcomes.

At the end of the reporting period, the Group's maximum credit risk exposure without considering any collateral and other credit enhancement measures is as follows:

62 Financial risk management (continued)

(2) Credit risk (continued)

a. Maximum credit risk exposure

	As at December 31	
	2025	2024
Financial assets at FVTPL [(i)]	166,615,905	186,588,076
Derivative financial assets	2,947,104	4,647,396
Advances to customers	133,353,124	95,572,702
Financial assets held under resale agreements	27,035,434	31,845,120
Accounts and other receivables	4,334,949	6,412,013
Deposits with exchanges and non-bank financial institutions	18,516,421	13,113,733
Clearing settlement funds	40,025,951	33,232,276
Cash and bank balances	132,789,412	144,322,270
Debt instruments at amortized cost	180,317	1,380,138
Debt instruments at FVTOCI	69,933,548	68,351,202
Equity instruments at FVTOCI [(ii)]	12	12
Other non-current assets	120,276	118,883
Other current assets	317,294	337,093
Maximum credit risk exposure	596,169,747	585,920,914

(i) Financial assets at fair value through profit or loss represent the investment in debt securities, trust products, equity securities lent to customers and asset-backed securities.

(ii) Equity instruments at fair value through other comprehensive income subjected to credit risk represent equity securities lent to customers.

62 Financial risk management (continued)

(2) Credit risk (continued)

b. Risk concentration

The Group's maximum credit risk exposure without taking account of any collaterals and other credit enhancements are categorized by geographical area as follows:

As at December 31, 2025

	Chinese Mainland	Outside Chinese Mainland	Total
Financial assets at FVTPL	162,252,984	4,362,921	166,615,905
Derivative financial assets	675,594	2,271,510	2,947,104
Advances to customers	130,345,101	3,008,023	133,353,124
Financial assets held under resale agreements	27,035,434	–	27,035,434
Accounts and other receivables	1,468,135	2,866,814	4,334,949
Deposits with exchanges and non-bank financial institutions	18,256,292	260,129	18,516,421
Clearing settlement funds	39,703,491	322,460	40,025,951
Cash and bank balances	122,718,311	10,071,101	132,789,412
Debt instruments at amortized cost	–	180,317	180,317
Debt instruments at FVTOCI	65,665,013	4,268,535	69,933,548
Equity instruments at FVTOCI	12	–	12
Other non-current assets	102,698	17,578	120,276
Other current assets	312,190	5,104	317,294
Maximum credit risk exposure	568,535,255	27,634,492	596,169,747

62 Financial risk management (continued)

(2) Credit risk (continued)

b. Risk concentration (continued)

As at December 31, 2024

	Chinese Mainland	Outside Chinese Mainland	Total
Financial assets at FVTPL	181,051,328	5,536,748	186,588,076
Derivative financial assets	2,380,081	2,267,315	4,647,396
Advances to customers	92,516,393	3,056,309	95,572,702
Financial assets held under resale agreements	31,845,120	–	31,845,120
Accounts and other receivables	3,764,241	2,647,772	6,412,013
Deposits with exchanges and non-bank financial institutions	12,943,642	170,091	13,113,733
Clearing settlement funds	32,943,815	288,461	33,232,276
Cash and bank balances	130,351,140	13,971,130	144,322,270
Debt instruments at amortized cost	–	1,380,138	1,380,138
Debt instruments at FVTOCI	64,961,116	3,390,086	68,351,202
Equity instruments at FVTOCI	12	–	12
Other non-current assets	109,806	9,077	118,883
Other current assets	327,626	9,467	337,093
Maximum credit risk exposure	553,194,320	32,726,594	585,920,914

62 Financial risk management (continued)

(2) Credit risk (continued)

c. Credit rating analysis of financial assets

The carrying amounts of debt securities at the end of the year are categorized by rating distribution as follows:

	As at December 31	
	2025	2024
Rating		
Issuers in Chinese Mainland		
– PRC sovereign bonds [(i)]	169,107,062	163,729,615
– AAA	75,120,169	109,600,570
– AA+	3,038,774	5,095,035
– AA	1,052,987	650,577
– AA–	78,041	2
– AA- below	17,351	1,533
– Non-rated	153,443	75,576
Sub-total	248,567,827	279,152,908
Issuers in Hong Kong and other regions [(ii)]		
– PRC sovereign bonds [(i)]	131,952	147,079
– A	6,751,862	6,819,123
– B	4,952,959	2,634,351
– Non-rated	–	145,591
Sub-total	11,836,773	9,746,144
	260,404,600	288,899,052

(i) PRC sovereign bonds represent treasury bonds issued by the PRC government. AAA to AA- and below AA- rating represents rating on bonds (If there is no rating on bonds, then the rating on issuers will be used), among which AAA rating represents the highest rating. Non-rated means that bonds or corporates are not rated by any independent rating agency.

(ii) Credit rating of bonds whose issuers are in Hong Kong and other regions were derived from the lowest of Moody, Stand & Poor's ("**S&P**") and Fitch, if any. Bonds which are not rated by the above agencies are classified as non-rated. Included in A rating are bonds rated Aaa~A3 by Moody, AAA~A- by S&P and AAA~A- by Fitch; B rating are the bonds rated Baa1~B3 by Moody, BBB+~B- by S&P and BBB+~B- by Fitch; C rating are the bonds rated Caa1~C by Moody, CCC+~C by S&P and CCC~C by Fitch; D rating are bonds rated D by S&P and D by Fitch.

62 Financial risk management (continued)

(3) Liquidity risk

a. Origin and management of liquidity risk

The primary liquidity risk faced by the Group is the inability to timely obtain sufficient funds at a reasonable cost to repay maturing debts, fulfill other payment obligations, and meet the funding requirements for normal business operations. Should the Group's operating environment experience significant adverse changes, debt levels fail to remain within a reasonable range, and operational performance exhibits abnormal fluctuations, the Group may be unable to timely and fully repay the principal or interest of relevant debts.

To mitigate liquidity risk, the Group has implemented measures such as maintaining high-quality liquid asset reserves and establishing a minimum liquidity buffer requirement. Additionally, the Group has developed an emergency liquidity management plan, reserved funds for unexpected expenses, and set aside highly liquid assets such as government bonds and policy bank financial bonds, which can still be liquidated at any time under extreme conditions. The Group actively manages funding gaps by utilizing tools such as cash flow gap analysis, sensitivity analysis, and stress testing to identify potential risks early, arrange financing in advance, and adjust the pace of business funding usage. This approach effectively manages payment risks while continuously expanding financing channels, balancing debt maturities, and avoiding repayment risks caused by overly concentrated debt or a single financing channel. Furthermore, the Group has established an internal risk reporting system to monitor liquidity risks across all businesses and branches in real time, taking measures to ensure the safe and stable ongoing operations of the Group and its subsidiaries.

62 Financial risk management (continued)

(3) Liquidity risk (continued)

b. Undiscounted cash flows by contractual maturities

	As at December 31, 2025							
	Carrying amount	On demand	Less than 1 month	More than 1 month but less than 3 months	More than 3 months but less than 1 year	More than 1 year but less than 5 years	More than 5 years	Total
Non-derivative financial liabilities								
Borrowings	10,460,731	–	3,657,746	1,581,287	2,865,825	2,576,010	–	10,680,868
Short-term debt instruments	64,381,201	–	4,787,183	23,155,451	36,826,920	–	–	64,769,554
Placements from banks and other financial institutions	5,900,444	–	5,901,596	–	–	–	–	5,901,596
Bonds payables	140,297,390	–	3,140,998	2,673,550	53,512,378	85,793,232	–	145,120,158
Financial assets sold under repurchase agreements	152,377,884	5,084,210	140,106,522	2,387,754	4,812,711	–	–	152,391,197
Financial liabilities at fair value through profit or loss	42,179,178	42,179,178	–	–	–	–	–	42,179,178
Accounts payables to brokerage clients	155,015,825	155,015,825	–	–	–	–	–	155,015,825
Other payables and accrued charges	29,030,431	29,030,431	–	–	–	–	–	29,030,431
Securities underwriting brokerage deposits	8,100	8,100	–	–	–	–	–	8,100
Lease liabilities	857,611	–	30,596	45,977	199,080	513,521	120,291	909,465
Sub-total	600,508,795	231,317,744	157,624,641	29,844,019	98,216,914	88,882,763	120,291	606,006,372
Derivative financial liabilities-net settlement	7,229,012	994,583	567,362	1,422,025	2,134,042	2,103,310	7,690	7,229,012
Total	607,737,807	232,312,327	158,192,003	31,266,044	100,350,956	90,986,073	127,981	613,235,384

62 Financial risk management (continued)

(3) Liquidity risk (continued)

b. Undiscounted cash flows by contractual maturities (continued)

	As at December 31, 2024							
	Carrying amount	On demand	Less than 1 month	More than 1 month but less than 3 months	More than 3 months but less than 1 year	More than 1 year but less than 5 years	More than 5 years	Total
Non-derivative financial liabilities								
Borrowings	13,300,348	–	8,704,473	337,836	1,417,991	3,253,839	–	13,714,139
Short-term debt instruments	57,384,139	–	7,557,079	19,123,331	31,093,573	–	–	57,773,983
Placements from banks and other financial institutions	9,979,675	10	9,404,398	–	604,225	–	–	10,008,633
Bonds payables	114,971,305	–	5,226,700	4,809,222	37,335,576	72,470,555	–	119,842,053
Financial assets sold under repurchase agreements	150,931,020	–	145,436,162	1,144,178	4,373,041	–	–	150,953,381
Financial liabilities at fair value through profit or loss	53,648,120	2,525,359	49,819,523	–	–	23,249	1,279,989	53,648,120
Accounts payables to brokerage clients	151,610,717	151,610,717	–	–	–	–	–	151,610,717
Other payables and accrued charges	25,858,574	25,858,574	–	–	–	–	–	25,858,574
Lease liabilities	906,572	–	34,079	54,405	203,944	539,172	126,613	958,213
Sub-total	578,590,470	179,994,660	226,182,414	25,468,972	75,028,350	76,286,815	1,406,602	584,367,813
Derivative financial liabilities-net settlement	5,219,511	2,049,844	479,331	739,779	1,244,776	705,759	22	5,219,511
Total	583,809,981	182,044,504	226,661,745	26,208,751	76,273,126	76,992,574	1,406,624	589,587,324

62 Financial risk management (continued)

(4) Market risk

a. Origin and management of market risk

Market risks of the Group refer to the risks of loss resulting from adverse changes in the market. Securities portfolio held by the Group are derived from the proprietary investments, market-making business and other investment activities. Movements in securities holding primarily arise from the relevant strategies of proprietary investments and needs of market-making. The securities of the Group are measured at fair values which fluctuates daily according to the market factors and change in the portfolios of the securities. Market risks of the Group primarily include: (i) equity price risk, which represents the exposures arise from fluctuation in the spot price, future price and volatility of indices such as stocks, equity portfolio, commodities and stock index futures; (ii) interest rate risk, which primarily represents the exposures arise from movements in the yield curve of fixed income investment, fluctuation in interest rates and credit spreads; and (iii) commodity risk, which represents exposures arise from changes in the spot price, future price and the relevant volatility; and (iv) exchange rate risk, which represents the exposures arise from changes in the spot rate, future rate and volatility of foreign currency exchange rates.

The Group collectively allocates economic capital in accordance with the risk preference and risk tolerance indicators set by the directors of the Group. By considering the risks associated with each type of investments and their interrelationship, the Group allocates the overall risk limits to different business departments/ business lines. The front-office business departments are responsible for market risk management at the frontiers. The person in charge and investment manager shall utilize their extensive experience and in-depth knowledge of the markets and products to conduct risk management in trading transactions within their authorities and dynamically manages risk exposures to the securities held in open position by taking initiative measures to mitigate or hedging these risks. Risk Management Department is independent from other business departments and reports to Chief Risk Officer. By applying professional risk management tools and methods, Risk Management Department aims to independently monitor, measure and manage market risk at different levels, including investment strategies, business units/lines and the entire Group. Reports of evaluation and risk analysis are generated and delivered to the responsible officers of the business departments/business lines and management of the Group on a daily, monthly or quarterly basis to facilitate decision making. When risk level is approaching or exceeds the threshold values, Risk Management Department will warn against relevant management officers promptly, and the respective business departments/business lines will implement measures according to the resolutions of the relevant committees. The Risk Management Department will also continuously communicate directly with the teams of the business departments/lines to discuss the latest market conditions, current risk exposures, and potential extreme stress scenarios.

62 Financial risk management (continued)

(4) Market risk (continued)

b. Price risk

Value at Risk ("VaR")

The Group adopts Value at Risk ("**VaR**") as the risk evaluation tool for measuring the market risk of the entire securities investment portfolio which comprises various financial instruments. VaR analysis is a statistical technique that estimates the potential maximum losses that could occur on risk positions due to movements in stock prices over a specified time period and at a given level of confidence.

The analysis of the Group's VaR (confidence level of 95% and a holding period of one trading day) by types of risks is as follows:

	At December 31, 2025			
	Final	Highest	Lowest	Average
Market risk of equity price	136,736	159,994	90,897	112,969
Market risk of interest rate	90,863	154,573	76,047	109,492
Market risk of commodity price	10,341	17,838	6,837	11,352
Market risk of foreign exchange	596	5,503	596	2,258
	170,087	180,438	134,573	155,556

	At December 31, 2024			
	Final	Highest	Lowest	Average
Market risk of equity price	96,371	171,198	85,763	117,048
Market risk of interest rate	100,898	117,740	87,139	98,321
Market risk of commodity price	11,013	20,541	6,410	11,449
Market risk of foreign exchange	213	1,312	188	547
	141,169	205,318	141,169	164,418

62 Financial risk management (continued)

(4) Market risk (continued)

c. Interest rate risk

Interest rate risk is the risk of loss of fair value of financial instruments due to adverse changes in market interest rates. The main source of the Group's interest rate risk is that the risk of changes in the fair value of various financial instruments with interest rate sensitivity held due to adverse changes in market interest rates.

The tables below summarize the Group's interest-bearing financial assets and liabilities as at year and by their remaining terms to repricing or contractual maturity date, whichever is earlier. Other financial assets and liabilities not included below are not exposed to significant interest rate risk.

	At December 31, 2025						
	Less than 1 month	More than 1 month but less than 3 months	More than 3 month but less than 1 year	More than 1 year but less than 5 years	More than 5 years	Non – interest bearing	Total
Financial assets							
Equity instruments at fair value through other comprehensive income	–	–	–	–	–	35,425,795	35,425,795
Debt instruments at fair value through other comprehensive income	128,700	381,259	3,454,726	57,731,829	8,237,034	–	69,933,548
Financial assets at fair value through profit or loss	524,406	3,575,216	23,682,590	91,886,592	46,240,165	104,757,043	270,666,012
Derivative financial assets	1	1,790	59	–	–	2,945,254	2,947,104
Advances to customers	7,691,566	25,062,236	100,599,322	–	–	–	133,353,124
Financial assets held under resale agreements	11,331,584	1,881,800	12,605,472	1,216,578	–	–	27,035,434
Debt instruments at amortized cost	180,317	–	–	–	–	–	180,317
Accounts and other receivables	–	–	4,266	–	–	4,330,683	4,334,949
Other non-current assets	–	–	–	17,936	14,481	87,859	120,276
Deposits with exchanges and non-bank financial institutions	4,986,379	–	–	–	–	13,530,042	18,516,421
Clearing settlement funds	40,025,951	–	–	–	–	–	40,025,951
Cash and bank balances	124,834,162	5,156,516	2,248,382	–	–	550,352	132,789,412
Sub-total	189,703,066	36,058,817	142,594,817	150,852,935	54,491,680	161,627,028	735,328,343

62 Financial risk management (continued)

(4) Market risk (continued)

c. Interest rate risk (continued)

	At December 31, 2025						
	Less than 1 month	More than 1 month but less than 3 months	More than 3 month but less than 1 year	More than 1 year but less than 5 years	More than 5 years	Non – interest bearing	Total
Financial liabilities							
Borrowings	3,644,724	1,555,491	2,754,696	2,505,820	–	–	10,460,731
Short-term debt instruments	4,762,000	22,910,000	36,316,000	–	–	393,201	64,381,201
Placements from banks and other financial institutions	5,900,444	–	–	–	–	–	5,900,444
Bonds payables	3,003,912	2,500,000	50,881,500	82,749,944	–	1,162,034	140,297,390
Financial assets sold under repurchase agreements	145,266,874	2,322,456	4,788,554	–	–	–	152,377,884
Derivative financial liabilities	390	30,554	16,322	–	–	7,181,746	7,229,012
Securities underwriting brokerage deposits	–	–	–	–	–	8,100	8,100
Financial liabilities at fair value through profit or loss	–	255,460	444,409	11,166,322	26,596,307	3,716,680	42,179,178
Accounts payables to brokerage clients	136,415,747	–	–	–	–	18,600,078	155,015,825
Other payables and accrued charges	–	–	–	–	–	29,030,431	29,030,431
Lease liabilities	28,879	42,823	186,563	483,045	116,301	–	857,611
Sub-total	299,022,970	29,616,784	95,388,044	96,905,131	26,712,608	60,092,270	607,737,807
Net position	(109,319,904)	6,442,033	47,206,773	53,947,804	27,779,072	101,534,758	127,590,536

62 Financial risk management (continued)

(4) Market risk (continued)

c. Interest rate risk (continued)

	At December 31, 2024						
	Less than 1 month	More than 1 month but less than 3 months	More than 3 month but less than 1 year	More than 1 year but less than 5 years	More than 5 years	Non – interest bearing	Total
Financial assets							
Equity instruments at fair value through other comprehensive income	–	–	–	–	–	38,980,021	38,980,021
Debt instruments at fair value through other comprehensive income	113,968	477,826	7,861,704	48,645,441	11,252,263	–	68,351,202
Financial assets at fair value through profit or loss	527,180	2,031,407	36,531,050	112,328,379	33,795,837	80,249,869	265,463,722
Derivative financial assets	–	8,014	13,507	–	–	4,625,875	4,647,396
Advances to customers	6,958,454	10,696,494	77,917,754	–	–	–	95,572,702
Financial assets held under resale agreements	19,075,700	1,274,448	10,886,786	608,186	–	–	31,845,120
Debt instruments at amortized cost	215,568	987,555	177,015	–	–	–	1,380,138
Accounts and other receivables	–	–	4,183	–	–	6,427,690	6,431,873
Other non-current assets	–	–	–	17,584	19,099	62,341	99,024
Deposits with exchanges and non-bank financial institutions	4,003,923	–	–	–	–	9,109,810	13,113,733
Clearing settlement funds	33,231,178	–	–	–	–	1,098	33,232,276
Cash and bank balances	140,263,951	4,013,460	44,859	–	–	–	144,322,270
Sub-total	204,389,922	19,489,204	133,436,858	161,599,590	45,067,199	139,456,704	703,439,477

62 Financial risk management (continued)

(4) Market risk (continued)

c. Interest rate risk (continued)

	At December 31, 2024						
	Less than 1 month	More than 1 month but less than 3 months	More than 3 month but less than 1 year	More than 1 year but less than 5 years	More than 5 years	Non – interest bearing	Total
Financial liabilities							
Borrowings	8,684,397	307,826	1,274,742	3,033,383	–	–	13,300,348
Short-term debt instruments	7,535,947	18,950,946	30,623,866	–	–	273,380	57,384,139
Placements from banks and other financial institutions	9,404,603	–	575,072	–	–	–	9,979,675
Bonds payables	5,000,000	4,500,000	34,540,000	68,800,000	–	2,131,305	114,971,305
Financial assets sold under repurchase agreements	145,431,151	1,139,654	4,360,215	–	–	–	150,931,020
Derivative financial liabilities	–	–	–	–	–	5,219,511	5,219,511
Financial liabilities at fair value through profit or loss	49,819,523	–	–	–	–	3,828,597	53,648,120
Accounts payables to brokerage clients	137,968,508	–	–	–	–	13,642,209	151,610,717
Other payables and accrued charges	–	–	–	–	–	25,858,574	25,858,574
Lease liabilities	32,165	50,881	190,045	510,577	122,904	–	906,572
Sub-total	363,876,294	24,949,307	71,563,940	72,343,960	122,904	50,953,576	583,809,981
Net position	(159,486,372)	(5,460,103)	61,872,918	89,255,630	44,944,295	88,503,128	119,629,496

62 Financial risk management (continued)

(4) Market risk (continued)

c. Interest rate risk (continued)

Sensitivity analysis

The Group conducts sensitivity analysis on interest rates to measure the impact of a reasonably possible change in interest rates on the Group's profit and equity, assuming all other variables were held constant. Assuming a parallel change in market interest rate and without taking into account of any possible risk management activities that may be taken by the management to reduce interest rate risks, the Group's interest rate sensitivity analysis is as follows:

Sensitivity of revenue

	As at December 31	
	2025	2024
Change in basis points		
Increase by 100bps	(4,387,079)	(2,795,865)
Decrease by 100bps	4,604,185	2,744,396

Sensitivity to equity

	As at December 31	
	2025	2024
Change in basis points		
Increase by 100bps	(6,647,060)	(5,052,542)
Decrease by 100bps	6,989,896	5,158,117

d. Foreign currency rate risk

Foreign exchange rate risk represents the adverse changes in the financial position and cash flows of the Group due to changes in foreign exchange rates. The Group conducts sensitivity analysis on foreign exchange rates to measure its foreign exchange rate risks. The table below indicates the sensitivity analysis on exchange rate changes in currencies that the Group has significant exposure, which calculates the impacts to equity arising from a reasonably possible change in the exchange rate of a foreign currency against Renminbi, assuming all other variables were held constant. A negative amount reflects a potential decrease in equity, and a positive amount reflects a potential increase in equity.

62 Financial risk management (continued)

(4) Market risk (continued)

d. Foreign currency rate risk (continued)

Sensitivity analysis of exchange rate

	As at December 31	
	2025	2024
Change in exchange rate		
Depreciation of USD by 3%	(128,935)	(68,640)
Depreciation of HKD by 3%	63,867	(43,700)

The table above indicates the impacts on the equity of a depreciation of 3% in USD and HKD against Renminbi. There will be an opposite impact with the same amount as shown in the above table if the above exchange rates appreciate by the same percentage.

(5) Operational risk

The Group's operational risks arise from imperfect or problematic internal processes, people and systems or external events. The operational risk factors of the Group are summarized into seven categories, including: internal fraud, external fraud, employee policies and workplace safety, clients, products and business activities, physical property damage, business interruption and IT system failures, execution, settlement and process management.

The Group emphasize balance of business scale, profitability and risk tolerance level, adhering to carrying out various operations with prudence, and will not sacrifice operational risk management and controls. During the current year, the Group continued to strengthen operational risk management, and had improved a sound operational risk management system gradually, which was commensurate with the business nature, scale and complexity of the Group. Three management tools, namely, (1) self-assessment of operational risk control, (2) operational risk key risk indicators and (3) operational risk event had been used to effectively enhance the depth and breadth of operational risk management through various special sorting and investigations for industry hotspot events and frequent risk-prone areas.

63 Fair value of financial instruments

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: Inputs are quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

(1) Fair value of the financial assets and financial liabilities that are not measured on a recurring basis

The fair value of financial assets and financial liabilities not measured at fair value on a recurring basis is estimated using discounted cash flow method.

The directors of the Company consider that the carrying amounts of the financial assets and financial liabilities not measured at fair value on a recurring basis (including financial liabilities included in the consolidated statement of financial position of the Group at amortized cost) approximate their fair values as at December 31, 2025 and December 31, 2024.

(2) Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis

The Group will use financial instruments, such as stocks, bonds and funds listed in the centralised trading system, whose unadjusted quoted prices in active markets are observable at the measurement date for identical assets or liabilities, as items for fair value measurement categorised within Level 1, and the fair value is determined by the closing price or settlement price published by related trading venue or clearing institution. Active markets are markets where the transaction volume and frequency of relevant assets or liabilities are sufficient to persistently provide pricing information.

For recurring fair value measurements categorised within Level 2, debt instruments whose value is available on quotation of related bond depository and clearing institution on the valuation date is measured using the latest valuation results published by related bond depository and clearing institution. For debt instruments, equity instruments and structured entities whose value is not available in public market, the fair value is determined by valuation technique. The inputs of those valuation techniques include but not limited to yield curve, investee's market price, and pre-suspension price, which are all observable. For derivative financial assets and liabilities, the fair value is determined by various valuation techniques. The fair value of interest rate swaps, foreign exchange contracts, and credit swaps is determined by discounting future cash flows using forward interest rates, exchange rates, or discounting rates. The fair value of equity swaps and commodity swaps is determined by using the publicly quoted prices in the relevant market. The fair value of options business is determined through the option pricing model, and the volatility of the underlying reflects the observable input value of the corresponding option.

63 Fair value of financial instruments (continued)

(2) Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

The fair value hierarchy, valuation techniques and input used in the fair value measurements of Level 3 financial instruments are as set out below:

Financial assets/financial liabilities	Fair value as at December 31 2025	Fair value hierarchy 2024	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable input to fair value	
1) Financial assets at fair value through profit or loss						
Debt securities						
– Bonds with no active market	430,639	127,038	Level 3	Discounted cash flow method. Estimated cash flows discounted at unobservable yield curve reflecting credit risk of counterparties.	Estimated future cash flows. Discount rates that reflect the risks of counterparties.	The higher the estimated future cash flows, the higher the fair value. The lower the discount rate, the higher the fair value.
Equity investments						
– Traded on stock exchanges (restricted)	361,987	293,186	Level 3	Market prices adjusted by option pricing model for liquidity.	Liquidity discount.	The higher the discount, the lower the fair value.
– Traded on stock exchanges (delisted and long-term suspended)	358	–	Level 3	Adjusted net asset value of the investee company.	The fair value of underlying assets/Liquidity discount.	The higher the underlying assets valuation, the higher the fair value.The higher the discount, the lower the fair value.
– Unlisted Equity	83,448	101,749	Level 3	Net asset value based on the fair value of the underlying investments.	The fair value of underlying assets.	The higher the underlying assets valuation, the higher the fair value.
– Unlisted Equity	1,181,901	422,170	Level 3	Comparable companies valuation, adjusted by liquidity discount.	Valuation multiples e.g. P/E or P/B./Liquidity discount.	The higher the valuation multiples, the higher the fair value.The higher the discount, the lower the fair value.

63 Fair value of financial instruments (continued)

(2) Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Financial assets/financial liabilities	Fair value as at December 31 2025	Fair value hierarchy 2024	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable input to fair value	
1) Financial assets at fair value through profit or loss (continued)						
– Unlisted Equity	57,241	336,945	Level 3	Discounted cash flow method. Estimated cash flows discounted at unobservable yield curve reflecting credit risk of counterparties.	Estimated future cash flows. Discount rates that reflect the risks of counterparties.	The higher the estimated future cash flows, the higher the fair value. The lower the discount rate, the higher the fair value.
– Unlisted Equity	2,361,515	2,369,683	Level 3	Latest transaction price adjusted by option pricing model for liquidity.	Latest transactions prices adjusted by differences in rights of equity interest holders using option pricing models. Historical volatilities.	The higher the historical volatilities, the higher the fair value
Funds						
– Traded on stock exchanges (restricted)	23,896	26,816	Level 3	Market prices adjusted by option pricing model for liquidity.	Liquidity discount.	The higher the discount, the lower the fair value.
Other investments						
– Partnership enterprise	5,775,134	6,577,653	Level 3	Comparable companies valuation, adjusted by liquidity discount.	Valuation multiples e.g. P/E or P/B./Liquidity discount.	The higher the valuation multiples, the higher the fair value.The higher the discount, the lower the fair value.

63 Fair value of financial instruments (continued)

(2) Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Financial assets/financial liabilities	Fair value as at December 31		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable input to fair value
	2025	2024				
2) Equity instruments at fair value through other comprehensive income						
Equity investments						
– Traded on stock exchanges (restricted)	306,390	88,345	Level 3	Market prices adjusted by option pricing model for liquidity.	Liquidity discount.	The higher the discount, the lower the fair value.
– Others	1,400	1,400	Level 3	Market approach	Liquidity discount.	The higher the discount, the lower the fair value.
3) Derivative financial instruments						
– Over-the-counter option – assets	139,452	757,111	Level 3	Option pricing model.	Historical volatility of the share prices of the securities.	The higher the historical volatility, the higher the fair value.
– Over-the-counter option – liabilities	1,456,906	717,851	Level 3	Option pricing model.	Historical volatility of the share prices of the securities.	The higher the historical volatility, the higher the fair value.
– Bond forward contracts – assets	3,495	–	Level 3	Discounted cash flows with future cash flows that are calculated based on the difference between quoted closing price and the reference price agreed by counterparties.	The settlement price agreed in the agreements.	The higher the settlement price, the higher the fair value.
– Bond forward contracts – liabilities	–	284	Level 3	Discounted cash flows with future cash flows that are calculated based on the difference between quoted closing price and the reference price agreed by counterparties.	The settlement price agreed in the agreements.	The higher the settlement price, the higher the fair value.

63 Fair value of financial instruments (continued)

(2) Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Financial assets/financial liabilities	Fair value as at December 31 2025	Fair value as at December 31 2024	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable input to fair value
3) Derivative financial instruments (continued)						
– Credit default swap – assets	–	333	Level 3	Discounted cash flows with future cash flows that are estimated based on the difference of agreed return and expected market return.	The agreed return rate.	The higher the agreed return rate, the higher the fair value.
– Credit default swap – liabilities	–	11	Level 3	Discounted cash flows with future cash flows that are estimated based on the difference of agreed return and expected market return.	The agreed return rate.	The higher the agreed return rate, the higher the fair value.
4) Financial liabilities at fair value through profit or loss						
– Income right	76,770	67,914	Level 3	Net asset value based on the fair value of the underlying investments.	The fair value of underlying assets.	The higher the underlying assets valuation, the higher the fair value.

The fair value of the financial instruments in Level 3 is not significantly sensitive to a reasonable change in these unobservable inputs.

63 Fair value of financial instruments (continued)

(2) Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Analysis of financial instruments, measured at fair value at the end of the year, by level in the fair value hierarchy into which the fair value measurement is categorized as follows:

	As at December 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss	58,849,661	201,540,232	10,276,119	270,666,012
– Debt securities	701,944	164,956,689	430,639	166,089,272
– Equity investments	32,215,985	159,640	4,046,450	36,422,075
– Funds	25,931,732	19,403,139	23,896	45,358,767
– Others	–	17,020,764	5,775,134	22,795,898
Derivative financial assets	1,714,493	1,089,664	142,947	2,947,104
Debt instruments at fair value through other comprehensive income	–	69,933,548	–	69,933,548
Equity instruments at fair value through other comprehensive income	10,719,031	24,398,974	307,790	35,425,795
	71,283,185	296,962,418	10,726,856	378,972,459
Financial liabilities				
Financial liabilities at fair value through profit or loss	425,566	41,676,842	76,770	42,179,178
Derivative financial liabilities	2,281,514	3,490,592	1,456,906	7,229,012
	2,707,080	45,167,434	1,533,676	49,408,190

63 Fair value of financial instruments (continued)

(2) Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

	As at December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss	29,556,293	225,652,189	10,255,240	265,463,722
– Debt securities	585,904	184,617,893	127,038	185,330,835
– Equity investments	21,331,222	239,855	3,523,733	25,094,810
– Funds	7,639,167	29,578,729	26,816	37,244,712
– Others	–	11,215,712	6,577,653	17,793,365
Derivative financial assets	788,339	3,101,613	757,444	4,647,396
Debt instruments at fair value through other comprehensive income	–	68,351,202	–	68,351,202
Equity instruments at fair value through other comprehensive income	5,052,688	33,837,588	89,745	38,980,021
	35,397,320	330,942,592	11,102,429	377,442,341
Financial liabilities				
Financial liabilities at fair value through profit or loss	715,214	52,864,992	67,914	53,648,120
Derivative financial liabilities	1,168,506	3,332,859	718,146	5,219,511
	1,883,720	56,197,851	786,060	58,867,631

63 Fair value of financial instruments (continued)

(2) Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Reconciliation of Level 3 fair value measurements

	Financial assets	Financial liabilities
As at January 1, 2025	11,102,429	786,060
Gains or losses for the year	(357,801)	391,292
Additions	1,871,887	837,436
Sales and settlements	(1,839,695)	(481,112)
Transfers out Level 3	(49,964)	–
As at December 31, 2025	10,726,856	1,533,676
Total gains or losses for the year included in profit or loss for assets/liabilities held at the end of the reporting period	(695,784)	367,404

	Financial assets	Financial liabilities
As at January 1, 2024	13,756,254	1,041,697
Gains or losses for the year	(1,655,647)	(174,783)
Additions	117,460	490,025
Sales and settlements	(1,218,808)	(570,879)
Transfers into Level 3	227,493	–
Transfers out Level 3	(124,323)	–
As at December 31, 2024	11,102,429	786,060
Total gains or losses for the year included in profit or loss for assets/liabilities held at the end of the reporting period	(769,663)	(170,672)

For the fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis, the Group reassesses the hierarchy category at the end of each reporting period, based on the lowest level input that has a significant impact on the overall fair value measurement, to determine whether there are any transfers between different levels. In both the year 2025 and 2024, the Group had equity investments that were transferred from Level 3 to Level 1, because the trading restrictions on these investments had been lifted and their fair values were determined based on quoted closing prices in an active market without any liquidity discounts. In addition, in 2024, there were also some investments that were transferred between Level 2 and Level 3. The reason for transfers from Level 2 to Level 3 was that the valuation technique based on the most recent market transaction prices had changed to valuation technique based on significant unobservable inputs used for these investments. The reason for transfers from Level 3 to Level 2 was that the valuation technique based on significant unobservable inputs had changed to observable inputs.

64 Offsetting financial assets and financial liabilities

The Group offsets the following financial assets and financial liabilities since the Group currently has a legally enforceable right to set off the balances, and intends either to settle on a net basis, or to realize the balances simultaneously.

	As at December 31, 2025					
				Related amounts not set off in the consolidated statement of financial position		
Type of financial asset	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities set off in the consolidated statement of financial position	Net amounts of financial assets presented in the consolidated statement of financial position	Financial instruments	Cash collateral	Net amount
Accounts and other receivables	2,124,273	(449,779)	1,674,494	(57,357)	305,098	1,922,235

	As at December 31, 2025					
				Related amounts not set off in the consolidated statement of financial position		
Type of financial liabilities	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets set off in the consolidated statement of financial position	Net amounts of financial liabilities presented in the consolidated statement of financial position	Financial instruments	Cash collateral	Net amount
Accounts payable to brokerage clients	(7,752,774)	291,790	(7,460,984)	682,424	–	(6,778,560)
Other payables and accrued charges	(6,106,356)	771,233	(5,335,123)	57,357	16,356	(5,261,410)
	(13,859,130)	1,063,023	(12,796,107)	739,781	16,356	(12,039,970)

64 Offsetting financial assets and financial liabilities (continued)

	As at December 31, 2024					
		Gross amounts of recognized financial liabilities set off in the consolidated statement of financial position	Net amounts of financial assets presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position		
Type of financial asset	Gross amounts of recognized financial assets			Financial instruments	Cash collateral	Net amount
Accounts and other receivables	1,737,256	(787,293)	949,963	(655)	(13,739)	935,569

	As at December 31, 2024					
		Gross amounts of recognized financial assets set off in the consolidated statement of financial position	Net amounts of financial liabilities presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position		
Type of financial liabilities	Gross amounts of recognized financial liabilities			Financial instruments	Cash collateral	Net amount
Accounts payable to brokerage clients	(6,555,694)	425,786	(6,129,908)	404,629	–	(5,725,279)
Other payables and accrued charges	(4,491,349)	901,761	(3,589,588)	655	128,207	(3,460,726)
	(11,047,043)	1,327,547	(9,719,496)	405,284	128,207	(9,186,005)

The Group has entered into master netting arrangements with counterparties for the derivative instruments, accounts and other receivables, accounts payable to brokerage clients and other payables and accrued charges for netting trades.

The Group has entered into master netting arrangements with Hong Kong Securities Clearing Company Limited for netting trades, net receivables and payables are settled on the same settlement date as the company.

Except for the enforceable master netting arrangements and the offsetting rights of the financial assets under the similar agreements as disclosed above, the collateral financial assets held under resale agreement, financial assets sold under repurchase agreement, secured loan receivables and margin accounts receivable are disclosed in the corresponding notes and are generally not presented on a net basis in the financial position. However, assuming the fair value of the collateral is presented on a net basis, the risk exposure of the corresponding accounts will be reduced accordingly. As at December 31, 2025 and December 31, 2024, due to the fair value of the collateral is higher than the book value of the financial instruments, collateral net exposure after offsetting and net amount is considered not significant.

65 Particulars of principal subsidiaries of the company

The following table only contains details of subsidiaries that have significant influence on the Group's performance, assets or liabilities. Unless otherwise stated, the type of shares held is ordinary share.

	As at December 31	
	2025	2024
Unlisted investments, at cost	18,869,797	18,869,797

Name of subsidiaries	Place of incorporation/ main operation	Proportion ownership interest held by the Company (As at December 31, 2025)		Proportion ownership interest held by the Company (As at December 31, 2024)		Issued and fully paid share capital	Principal activities
		Directly	Indirectly	Directly	Indirectly		
China Merchants Futures Co., Ltd.	PRC	100.00%	0.00%	100.00%	0.00%	RMB3,598,000,000	Futures brokerage
China Merchants Securities Capital Investment Co., Ltd. *	PRC	0.00%	100.00%	0.00%	100.00%	RMB500,000,000	Financial services
China Merchants Zhiyuan Capital Investment Co., Ltd.	PRC	100.00%	0.00%	100.00%	0.00%	RMB1,800,000,000	Investment holding
Shenzhen China Merchants Zhiyuan Equity Investment and Funds Management Co., Ltd.	PRC	0.00%	70.00%	0.00%	70.00%	RMB15,000,000	Investment management
Ganzhou China Merchants Zhiyuan No. 1 Fund Management Co., Ltd. *	PRC	0.00%	70.00%	0.00%	70.00%	RMB10,000,000	Investment management
Anhui Traffic Control Merchants Private Equity Fund Management Co., Ltd. *	PRC	0.00%	100.00%	0.00%	100.00%	RMB35,000,000	Investment management
Qingdao Guoxin Merchants Private Equity Fund Management Co., Ltd. *	PRC	0.00%	65.00%	0.00%	65.00%	RMB10,000,000	Investment management
Shenyang China Merchants Business and Development Investment Management Co., Ltd. *	PRC	0.00%	70.00%	0.00%	70.00%	RMB4,000,000	Investment management
Chizhou Zhongan China Merchants Equity Investment Management Co., Ltd. *	PRC	0.00%	72.00%	0.00%	72.00%	RMB10,000,000	Investment management

65 Particulars of principal subsidiaries of the company (continued)

Name of subsidiaries	Place of incorporation/ main operation	Proportion ownership interest held by the Company (As at December 31, 2025)		Proportion ownership interest held by the Company (As at December 31, 2024)		Issued and fully paid share capital	Principal activities
		Directly	Indirectly	Directly	Indirectly		
Anhui Zhiyuan Smart City Fund Management Co., Ltd. *	PRC	0.00%	100.00%	0.00%	100.00%	RMB4,500,000	Equity fund management, investment advisory service, investment management, financial consultancy service
Anhui Traffic Control China Merchants Fund Management Co., Ltd.*	PRC	0.00%	70.00%	0.00%	70.00%	RMB30,000,000	Investment management
China Merchants Securities Investment Co., Ltd.	PRC	100.00%	0.00%	100.00%	0.00%	RMB7,100,000,000	Investment holding
China Merchants Securities Asset Management Co., Ltd.	PRC	100.00%	0.00%	100.00%	0.00%	RMB1,000,000,000	Assets management
China Merchants Securities Global Information Technology (Shenzhen) Co., Ltd (used to be named "Shenzhen China Merchants Zhiyuan Consultancy Services Co., Ltd.")	PRC	0.00%	100.00%	0.00%	100.00%	RMB3,000,000	Technical services and software development
China Merchants Securities International Company Limited	PRC	100.00%	0.00%	100.00%	0.00%	HK$6,453,627,390	Investment holding
China Merchants Securities Investment Management (HK) Co., Limited	PRC	0.00%	100.00%	0.00%	100.00%	HK$400,000,000	Investment holding
CMS Capital (HK) Co., Limited	PRC	0.00%	100.00%	0.00%	100.00%	HK$5,000,000	Assets management
CMS Asset Management (HK) Co., Limited	PRC	0.00%	100.00%	0.00%	100.00%	HK$10,000,000	Assets management
China Merchants Securities (HK) Co., Limited	PRC	0.00%	100.00%	0.00%	100.00%	HK$9,500,000,000	Securities brokerage
China Merchants Futures (HK) Co., Limited	PRC	0.00%	100.00%	0.00%	100.00%	HK$200,000,000	Futures brokerage

65 Particulars of principal subsidiaries of the company (continued)

Name of subsidiaries	Place of incorporation/ main operation	Proportion ownership interest held by the Company (As at December 31, 2025)		Proportion ownership interest held by the Company (As at December 31, 2024)		Issued and fully paid share capital	Principal activities
		Directly	Indirectly	Directly	Indirectly		
CMS Fund Services (HK) Limited	PRC	0.00%	100.00%	0.00%	100.00%	HK$10,000	Agent service
China Merchants Securities (HK) Finance Co., Limited	PRC	0.00%	100.00%	0.00%	100.00%	HK$500,000	Investment and financing Management
CMS International Gemstone Limited	UK	0.00%	100.00%	0.00%	100.00%	US$1	Investment management
True Summit International Limited	UK	0.00%	100.00%	0.00%	100.00%	US$1	Investment management
Mega Vantage Development Limited	UK	0.00%	100.00%	0.00%	100.00%	US$912,810.17	Investment management
CMS Nominees (BVI) Limited	UK	0.00%	100.00%	0.00%	100.00%	US$1	Investment holding
Humble Easy Limited	UK	0.00%	100.00%	0.00%	100.00%	US$1	Investment holding
Bliss Moment Limited	UK	0.00%	100.00%	0.00%	100.00%	US$9,213,563.28	Investment holding
CMS Capital Fund Management Co. Ltd.	UK	0.00%	100.00%	0.00%	100.00%	US$0.01	Investment holding
China Merchants Securities (UK) Limited	UK	0.00%	100.00%	0.00%	100.00%	US$22,000,000	Futures brokerage
China Merchants Securities (Korea) Co., Ltd.	Korea	0.00%	100.00%	0.00%	100.00%	KRW8,523,900,000	Securities brokerage, futures brokerage
China Merchants Securities (Singapore) Pte. Ltd.	Singapore	0.00%	100.00%	0.00%	100.00%	US$1	Securities brokerage

* English name translated is for identification purpose only.

As at December 31, 2025, the bond securities issued by the subsidiaries of the company are "CMSI 3.3% N20260918", "CMSI 2.1% N20281201", "CMSI 2.1% N20281204", the issuer is CMS International Gemstone Limited, as detailed in notes 53 and 54.

The above subsidiaries are all limited liability company.

The directors of the Company considered that none of these subsidiaries has non-controlling interests material to the Group at the end of the year, and therefore there is no further information to be disclosed.

66 Liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowings	Short-term debt instruments	Bonds payables	Lease liabilities	Dividend payables	Total
At January 1, 2025	13,300,348	57,384,139	114,971,305	906,572	572,240	187,134,604
Cash changes						
– Cash flow from financing activities	(3,079,348)	5,962,395	22,545,535	(344,100)	(4,885,717)	20,198,765
– Cash flow from operating activities	–	–	–	–	–	–
Non-cash changes						
– Financing cost incurred	372,938	1,035,059	2,791,865	21,496	4,928,157	9,149,515
– Additions of leases	–	–	–	362,153	–	362,153
– Disposal of leases	–	–	–	(86,520)	–	(86,520)
– Others	–	–	–	–	–	–
– Exchange differences	(133,207)	(392)	(11,315)	(1,990)	–	(146,904)
At December 31, 2025	10,460,731	64,381,201	140,297,390	857,611	614,680	216,611,613

	Borrowings	Short-term debt instruments	Bonds payables	Lease liabilities	Dividend payables	Total
At January 1, 2024	8,090,451	57,025,735	121,992,465	1,255,518	572,240	188,936,409
Cash changes						
– Cash flow from financing activities	4,588,210	(677,327)	(10,253,005)	(367,945)	(3,648,114)	(10,358,181)
– Cash flow from operating activities	–	–	–	–	–	–
Non-cash changes						
– Financing cost incurred	457,479	1,034,966	3,216,015	33,648	3,648,114	8,390,222
– Additions of leases	–	–	–	33,914	–	33,914
– Disposal of leases	–	–	–	(49,128)	–	(49,128)
– Others	–	–	–	–	–	–
– Exchange differences	164,208	765	15,830	565	–	181,368
At December 31, 2024	13,300,348	57,384,139	114,971,305	906,572	572,240	187,134,604

67 Statement of financial position and reserve of the company

	As at December 31	
	2025	2024
Non-current assets		
Property and equipment	1,536,962	1,566,731
Right-of-use assets	1,066,335	1,134,095
Other intangible assets	810,044	579,636
Investments in subsidiaries	18,869,797	18,869,797
Interests in associates	13,316,812	12,702,514
Equity instruments at fair value through other comprehensive income	35,255,237	38,835,489
Financial assets held under resale agreements	1,216,578	608,187
Financial assets at fair value through profit or loss	61,824	548,179
Deferred tax assets	333,748	444,556
Other non-current assets	224,072	320,904
Total non-current assets	72,691,409	75,610,088
Current assets		
Advances to customers	130,345,102	92,516,394
Current tax assets	–	290,240
Accounts and other receivables	1,326,002	3,558,448
Amount due from a subsidiary	314,295	699,672
Debt instruments at fair value through other comprehensive income	65,454,917	64,295,829
Financial assets held under resale agreements	25,756,303	31,176,210
Financial assets at fair value through profit or loss	222,531,660	225,821,099
Derivative financial assets	6,559,716	4,050,505
Other current assets	299,238	319,958
Deposits with exchanges and non-bank financial institutions	11,269,749	7,885,165
Clearing settlement funds	40,778,039	34,942,639
Cash and bank balances	101,911,163	79,510,280
Total current assets	606,546,184	545,066,439
Total assets	679,237,593	620,676,527

67 Statement of financial position and reserve of the company (continued)

	As at December 31	
	2025	2024
Current liabilities		
Short-term debt instruments	64,381,201	57,336,472
Placements from banks and other financial institutions	5,900,444	9,979,665
Accounts payables to brokerage clients	127,295,094	95,621,082
Accrued staff costs	5,167,011	4,875,513
Other payables and accrued charges	20,887,816	24,179,676
Current tax liabilities	377,502	–
Financial liabilities at fair value through profit or loss	38,462,498	49,819,523
Derivative financial liabilities	7,814,086	3,136,750
Financial assets sold under repurchase agreements	145,719,068	143,926,614
Lease liabilities	235,711	244,205
Contract liabilities	19,450	21,640
Provisions	1,175	–
Securities underwriting brokerage deposits	8,100	–
Bonds payables due within one year	56,581,194	45,772,440
Total current liabilities	472,850,350	434,913,580
Net current assets	133,695,834	110,152,859
Total assets less current liabilities	206,387,243	185,762,947
Equity		
Share capital	8,696,526	8,696,526
Other equity instruments	17,000,000	15,000,000
Capital reserves	40,247,260	40,249,268
Investment revaluation reserve of financial assets at fair value through other comprehensive income	322,520	1,383,316
General reserves	26,381,483	24,023,636
Retained profits	31,720,897	27,524,487
Total equity	124,368,686	116,877,233
Non-current liabilities		
Deferred income	98,368	101,410
Lease liabilities	512,697	591,454
Bonds payables	81,407,492	68,192,850
Total non-current liabilities	82,018,557	68,885,714
Total equity and non-current liabilities	206,387,243	185,762,947

67 Statement of financial position and reserve of the company (continued)

The movements in the Company's reserves are set out as follows

Capital reserves

For the year ended December 31, 2025

	At the beginning of the year	Increase	Decrease	At the end of the year
Capital reserves	40,249,268	–	2,008	40,247,260

For the year ended December 31, 2024

	At the beginning of the year	Increase	Decrease	At the end of the year
Capital reserves	40,249,268	–	–	40,249,268

Investment revaluation reserve of financial assets at fair value through other comprehensive income

	As at December 31	
	2025	2024
At the beginning of the year	1,383,316	178,666
Debt instruments at FVTOCI		
Net changes in fair value for the year	(408,395)	1,882,772
Reclassification to profit or loss	(717,731)	(700,514)
Income tax impact	281,532	(295,564)
Expected credit losses of debt instruments at FVTOCI		
Net changes in profit or loss for ECL reclassification adjustment	(4,624)	3,209
Income tax impact	1,156	(802)
Equity instruments at FVTOCI		
Net changes in fair value for the year	(536,048)	443,839
Transfer to retained profits	295,512	(87,618)
Income tax impact	60,134	(89,056)
Share of other comprehensive income of associates		
Share of other comprehensive income that will be reclassified subsequently to profit or loss	(33,216)	48,130
Share of other comprehensive income that will not be reclassified subsequently to profit or loss	884	254
At the end of the year	322,520	1,383,316

67 Statement of financial position and reserve of the company (continued)

General reserves

For the year ended December 31, 2025

	At the beginning of the year	Addition	At the end of the year
Statutory reserve	5,236,148	–	5,236,148
General risk reserve	9,464,624	1,180,054	10,644,678
Transaction risk reserve	9,322,864	1,177,793	10,500,657
	24,023,636	2,357,847	26,381,483

For the year ended December 31, 2024

	At the beginning of the year	Addition	At the end of the year
Statutory reserve	5,236,148	–	5,236,148
General risk reserve	8,538,441	926,183	9,464,624
Transaction risk reserve	8,398,775	924,089	9,322,864
	22,173,364	1,850,272	24,023,636

Retained profits

The movements of retained profits of the Company are as follows:

	As at December 31	
	2025	2024
At the beginning of the year	27,524,487	23,688,363
Profit for the year	11,777,927	9,240,894
Transfer from other comprehensive income	(295,513)	87,617
Appropriation to general reserve	(2,357,847)	(1,850,273)
Distribution to holders of other equity instruments	(614,680)	(572,240)
Dividends recognized as distribution	(4,313,477)	(3,069,874)
At the end of the year	31,720,897	27,524,487

68 Events after the reporting period

(1) Bond issue

On January 19, 2026, the Company issued the first tranche of the publicy offered the short-term corporate bonds to professional investors. Type I is named as "26 China Merchants Securities S1", the aggregate principal amount of which is RMB2.4 billion, its duration is 121 days, and the interest rate is 1.68% per annum. Type II is named as "26 China Merchants Securities S2", the aggregate principal amount of which is RMB3.6 billion, its duration is 360 days, and the interest rate is 1.71% per annum.

On January 26, 2026, the Company issued the first tranche of the non-public offered the corporate bonds to professional investors. Type I is named as "26 China Merchants Securities F1", the aggregate principal amount of which is RMB2.5 billion, its duration is 136 days, and the interest rate is 1.69% per annum. Type II is named as "26 China Merchants Securities F2", the aggregate principal amount of which is RMB4.2 billion, its duration is 389 days, and the interest rate is1.74% per annum.

On February 4, 2026, the Company issued the first tranche of the publicy offered the corporate bonds to professional investors. Type I is named as "26 China Merchants Securities G1", the aggregate principal amount of which is RMB6.0 billion, its duration is 736 days, and the interest rate is 1.80% per annum. Type II is named as "26 China Merchants Securities G2", the aggregate principal amount of which is RMB6.0 billion, its duration is 3 years, and the interest rate is 1.85% per annum.

On March 12, 2026, the Company issued the second tranche of the publicy offered the corporate bonds to professional investors. Type I is named as "26 China Merchants Securities G3", the aggregate principal amount of which is RMB4.8 billion, its duration is 2 years, and the interest rate is 1.75% per annum; Type II is named as as "26 China Merchants Securities G4", the aggregate principal amount of which is RMB5.2 billion, its duration is 3 years, and the interest rate is 1.81% per annum.

(2) Profit distribution

As approved at the 28th meeting of the 8th Board of Directors on March 27, 2026, the Company's 2025 annual profit distribution plan is to distribute cash dividends of RMB4.49 (tax inclusive) per 10 shares to all shareholders based on the total capital stock of 8,696,526,806 shares. This proposal needs to be submitted to the General Meeting of Shareholders of the Company for consideration.

The resolution on the authorization for 2026 interim profit distribution of the Company was considered and approved at the 28th meeting of the 8th Board of Directors, which proposed to the shareholders' general meeting to authorize the Board to make decisions on the 2026 interim profit distribution plan of the Company according to the profitability and funding requirements of the Company and provided that the dividend amount will not be less than the interim dividend for 2025 and the dividend ratio will not exceed 40% of the net profit attributable to shareholders of the parent in the corresponding period.

CMS 招商证券

Address: 111 Fuhua 1st Road, Futian Street, Futian District, Shenzhen
Telephone: 0755-82943666
Postal code: 518046
www.cmschina.com
Customer Service Hotline: 95565