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招商证券股份有限公司

China Merchants Securities Co., Ltd.

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

(Stock Code: 6099)

REVISION OF THE ANNUAL CAPS FOR THE CONTINUING CONNECTED TRANSACTIONS UNDER THE 2024 ADMINISTRATIVE PROCUREMENT FRAMEWORK AGREEMENT

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Reference is made to the announcement of the Company dated December 18, 2024, in relation to, among other things, the continuing connected transactions under the 2024 Administrative Procurement Framework Agreement entered into between the Company and China Merchants Group. Pursuant to the 2024 Administrative Procurement Framework Agreement, the Group procures various types of administrative and office supplies, promotional products and comprehensive administrative services related to its daily operating activities from China Merchants Group and/or its associates for a period from January 1, 2025 to December 31, 2027.

As the transaction amounts of the continuing connected transactions under the 2024 Administrative Procurement Framework Agreement for the years ending December 31, 2026 and 2027 are expected to exceed the respective annual caps, the Board resolved on August 25, 2026 to (i) increase the annual cap for the year ending December 31, 2026 from RMB132 million to RMB254 million; and (ii) increase the annual cap for the year ending December 31, 2027 from RMB132 million to RMB300 million.

IMPLICATIONS UNDER THE LISTING RULES

China Merchants Group is a controlling shareholder of the Company. As at the date of this announcement, China Merchants Group indirectly holds approximately 44.17% in aggregate of the equity interest of the Company. Accordingly, China Merchants Group and its associates are connected persons of the Company under the Listing Rules, and the transactions under the 2024 Administrative Procurement Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Revised Annual Caps under the 2024 Administrative Procurement Framework Agreement exceeds 0.1% but is less than 5%, the revision of the annual caps for the years ending December 31, 2026 and 2027 under the 2024 Administrative Procurement Framework Agreement is subject to the reporting, announcement and annual review requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated December 18, 2024, in relation to, among other things, the continuing connected transactions under the 2024 Administrative Procurement Framework Agreement entered into between the Company and China Merchants Group. Pursuant to the 2024 Administrative Procurement Framework Agreement, the Group procures various types of administrative and office supplies, promotional products and comprehensive administrative services related to its daily operating activities from China Merchants Group and/or its associates for a period from January 1, 2025 to December 31, 2027.

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THE 2024 ADMINISTRATIVE PROCUREMENT FRAMEWORK AGREEMENT

Save for the revision of the annual caps for the years ending December 31, 2026 and 2027, all other terms of the 2024 Administrative Procurement Framework Agreement remain unchanged. The principal terms of the 2024 Administrative Procurement Framework Agreement are set forth below:

Date

December 18, 2024

Parties

1. The Company; and
2. China Merchants Group

Term

From January 1, 2025 to December 31, 2027

Scope

Pursuant to the 2024 Administrative Procurement Framework Agreement, the Group procures various types of administrative and office supplies, promotional products and comprehensive administrative services related to its daily operating activities from China Merchants Group and/or its associates, including (but not limited to):

1. the Group procures various types of administrative and office supplies and promotional products from China Merchants Group and/or its associates;
2. the Group commissions China Merchants Group and/or its associates to provide comprehensive property management services for the Company's self-owned properties;
3. the Group commissions China Merchants Group and/or its associates to provide operation service for employee canteen; and
4. the Group commissions China Merchants Group and/or its associates to provide construction management and renovation services for the Company.

Pricing Basis

1. Procurement of administrative and office supplies and promotional products

The procurement prices shall be determined primarily based on the prevailing market prices, or with reference to the (i) general market prices normally adopted for the transactions with independent third parties in respect of similar products for the time being, (ii) quantity of procurement, (iii) specifications of the administrative and office supplies and promotional products, and (iv) fees paid for historical transactions of similar nature.

2. Comprehensive property management services, canteen operation service, construction management and renovation services

The commission fees for comprehensive property management services for the Company's self-owned properties, canteen operation service, construction management and renovation services shall be determined primarily based on the prevailing market prices and relevant laws and regulations, if any, or with reference to the (i) number, nature, category and location of the properties and canteen; (ii) gross floor areas of the properties and canteen; (iii) anticipated staff costs of China Merchants Group and/or its associates in relation to providing such services; and (iv) fee rate generally offered by China Merchants Group and/or its associates in respect of comparable services.

Historical Transaction Amounts and Existing Annual Caps

The historical transaction amounts and existing annual caps for the continuing connected transactions under the 2024 Administrative Procurement Framework Agreement are set out as follows:

	Historical Transaction Amounts <i>(RMB million)</i>		Annual Caps <i>(RMB million)</i>		
	For the year ended December 31, 2025	For the six months ended June 30, 2026	For the year ended December 31, 2025	For the year ending December 31, 2026	For the year ending December 31, 2027
Administrative procurement fees	127.58	71.76	132.00	132.00	132.00

The Directors have been monitoring the transaction amounts of the continuing connected transactions under the 2024 Administrative Procurement Framework Agreement. For the year ended December 31, 2025, for the six months ended June 30, 2026 and as at the date of this announcement, the existing annual caps for the continuing connected transactions under the 2024 Administrative Procurement Framework Agreement for the year ended December 31, 2025 and the year ending December 31, 2026 have not been exceeded.

Revised Annual Caps

The Board resolved on August 25, 2026 to revise the annual caps for the years ending December 31, 2026 and 2027 for the continuing connected transactions under the 2024 Administrative Procurement Framework Agreement as follows:

	Revised Annual Caps <i>(RMB million)</i>	
	For the year ending December 31, 2026	For the year ending December 31, 2027
Administrative procurement fees	254.00	300.00

THE BASIS FOR DETERMINING THE REVISED ANNUAL CAPS

In determining the aforesaid Revised Annual Caps for the years ending December 31, 2026 and 2027, the Directors have mainly considered the following factors:

- the historical transaction amounts of administrative procurement fees paid by the Group to China Merchants Group and/or its associates for the year ended December 31, 2025 and for the six months ended June 30, 2026;
- the Company expects that additional expenses in respect of operation service for employee canteen provided by China Merchants Group and/or its associates in 2026 and 2027 will be approximately RMB25 million and RMB41 million, respectively; and
- due to the renovation and upgrading needs of certain office premises, the Company expects that additional expenses for construction management and renovation services provided by China Merchants Group and/or its associates in 2026 and 2027 will be approximately RMB97 million and RMB127 million, respectively.

REASONS FOR AND BENEFITS OF THE REVISION OF THE ANNUAL CAPS

Having considered the basis for determining the Revised Annual Caps as stated in the section headed “The Basis for Determining the Revised Annual Caps”, the Board considers that the revision of the annual caps for the years ending December 31, 2026 and 2027 for the continuing connected transactions under the 2024 Administrative Procurement Framework Agreement will enable the Group to strengthen its centralized management of procurement for comprehensive property management services, canteen operation service, construction management and renovation services to meet the Group’s needs of management optimization. In addition, due to the historical and long-term cooperation relationship between the Group and China Merchants Group and its associates, China Merchants Group and its associates have developed a better understanding of the Group’s operations, thus China Merchants Group and its associates can provide more expedient and efficient services to the Group as compared to the independent third parties. Accordingly, the Board considers that the revision of the annual caps for the years ending December 31, 2026 and 2027 for the continuing connected transactions under the 2024 Administrative Procurement Framework Agreement is in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES OF CONTINUING CONNECTED TRANSACTIONS

To safeguard the interests of the Shareholders (including minority Shareholders) as a whole, the Group has implemented internal approval and monitoring procedures for its connected transactions, which include but not limited to the following:

- in order to ensure that the prices for the goods and services to be procured under the 2024 Administrative Procurement Framework Agreement are more favourable to the Group than those quoted by independent suppliers, such procurement prices will be determined pursuant to the requirements set out in the management measures for procurement of the Group.
- before considering placing a purchase order, suppliers and the relevant terms of the procurement will be selected and determined through inquiry, tender and bidding and other procedures based on the categories of the services or products to be procured, the monetary amount involved and the specific nature of the procurement. The procurement management department and procurement evaluation team of the Group will review and assess the price and other terms offered by the candidates with a view to ensuring the quality, reliability, and service standards of the relevant administrative and office supplies, promotional products, comprehensive administrative services, canteen operation service, construction management and renovation services and that the fees in connection with the administrative and office supplies, promotional products, comprehensive administrative services, canteen operation service, construction management and renovation services payable by the Group to China Merchants Group and/or its associates are fair and reasonable and comparable to those offered by independent third party suppliers. In any event, China Merchants Group and/or its associates could be selected and accepted as the Group's supplier(s) subject to any offer from them passing such selection process.
- the Group has formulated internal guidelines requiring additional approval procedures, including prior assessment and approval by the independent non-executive Directors before the matter is submitted for consideration by the Board for transactions that exceed certain monetary amounts.

The independent non-executive Directors and auditors of the Company will conduct annual review on the continuing connected transactions of the Group (including the prices offered by China Merchants Group and/or its associates) and provide annual confirmations in accordance with the Listing Rules, that the relevant transactions are conducted in the ordinary and usual course of business of the Group and on normal commercial terms or better, the terms of which are fair and reasonable and in the interests of the Group and the Shareholders as a whole, and in accordance with the pricing policy of the Group.

BOARD CONFIRMATION

The Board (including independent non-executive Directors but excluding Mr. ZHU Jiangtao, Ms. LUO Li, Mr. TAO Wu and Mr. GAO Hong) is of the view that the terms and the Revised Annual Caps for the continuing connected transactions under the 2024 Administrative Procurement

Framework Agreement are conducted in the ordinary and usual course of business of the Group and on normal commercial terms or better, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Pursuant to Rule 14A.68(8) of the Listing Rules, as Mr. ZHU Jiangtao, Ms. LUO Li, Mr. TAO Wu and Mr. GAO Hong are Directors connected to China Merchants Group, they have abstained from voting on the relevant board resolution in relation to the revision of the existing annual caps for the continuing connected transactions under the 2024 Administrative Procurement Framework Agreement. Save as mentioned above, none of the other Directors has any material interest in the transactions under the 2024 Administrative Procurement Framework Agreement and thus be required to abstain from voting on the relevant board resolution.

GENERAL INFORMATION OF THE COMPANY AND CHINA MERCHANTS GROUP

The Company is a joint stock company incorporated in the PRC with limited liability, the A Shares of which are listed on the SSE and the H Shares of which are listed on the Main Board of the Stock Exchange. The Group mainly engages in brokerage and wealth management and institutional business, investment banking business, investment management business, and investment and trading business.

China Merchants Group is a large-scale conglomerate with diversified businesses incorporated in the PRC and directly administered by the Stated-owned Assets Supervision and Administration Commission of the State Council. At present, China Merchants Group mainly focuses on four major business segments: transportation and logistics, integrated finance, holistic development and operation of residential communities and industrial parks, strategic emerging industries, with a view to promoting the transformation and upgrading of traditional industries as well as the cultivation and development of strategic emerging industries.

IMPLICATIONS UNDER THE LISTING RULES

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“2024 Administrative Procurement Framework Agreement”	the administrative procurement framework agreement entered into between the Company and China Merchants Group on December 18, 2024
“A Share(s)”	PRC domestic listed share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the SSE and traded in RMB
“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of directors of the Company
“China Merchants Group”	China Merchants Group Limited (招商局集團有限公司), a state-owned enterprise established in the PRC in October 1986, which is directly administered by the State-owned Assets Supervision and Administration Commission of the State Council and is a controlling shareholder of the Company
“Company”	China Merchants Securities Co., Ltd., a joint stock company incorporated in the PRC under the laws of the PRC with limited liability in August 1993, the H Shares and A Shares of which are listed on the Main Board of the Stock Exchange (stock code: 6099) and on the SSE (stock code: 600999), respectively
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to this term under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas-listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“percentage ratio(s)”	has the meaning ascribed to this term under the Listing Rules
“Revised Annual Caps”	the revised annual caps in respect of the transactions under the 2024 Administrative Procurement Framework Agreement for the years ending December 31, 2026 and 2027
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“SSE”	the Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to this term under the Listing Rules
“%”	per cent.

By Order of the Board
China Merchants Securities Co., Ltd.
ZHU Jiangtao
Chairman

Shenzhen, the PRC
August 25, 2026

As at the date of this announcement, the executive director of the Company is Mr. ZHU Jiangtao; the non-executive directors of the Company are Ms. LUO Li, Mr. TAO Wu, Mr. GAO Hong, Mr. HUANG Jian, Mr. ZHANG Mingwen and Ms. DING Lusha; and the independent non-executive directors of the Company are Mr. YIP, Ying Chi Benjamin, Ms. ZHANG Ruijun, Ms. CHEN Xin, Mr. CAO Xiao and Mr. FENG Jinhua.