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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)

ANNOUNCEMENT
CONNECTED TRANSACTION
FORMATION OF THE FUND

FORMATION OF THE FUND

The Board is pleased to announce that on October 29, 2026, the Board considered and approved the Resolution in relation to the Joint Investment by a Wholly-owned Subsidiary with Related Parties and Related Transaction, pursuant to which CMS Zhiyuan Capital (a wholly-owned subsidiary of the Company, as a general partner and the fund manager) proposed to enter into the Partnership Agreement with CM Expressway (as a limited partner), CM Advanced (as a limited partner) and Guangming SCDI (as a limited partner) to establish the Fund. The Fund has a total size of RMB5 billion, of which CMS Zhiyuan Capital intends to contribute RMB1 billion, CM Expressway intends to contribute RMB1.25 billion, CM Advanced intends to contribute RMB250 million and Guangming SCDI intends to contribute RMB2.5 billion. The above parties will formally enter into the Partnership Agreement upon completion of their respective internal approval procedures. If there is any material change to the terms of the Partnership Agreement, the Company will make further announcement(s) in due course in accordance with the requirements of the Listing Rules.

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, in aggregate, approximately 44.17% of the equity interest in the Company. Accordingly, China Merchants Group and its associates are connected persons of the Company under the Listing Rules. As at the date of this announcement, China Merchants Group holds approximately 62.42% of the equity interest in CM Expressway and indirectly holds 100% of the equity interest in CM Advanced. Accordingly, CM Expressway and CM Advanced are associates of China Merchants Group and also constitute connected persons of the Company. Therefore, the formation of the Fund will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the formation of the Fund exceeds 0.1% but is less than 5%, the formation of the Fund 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.

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Principal terms of the Partnership Agreement are set out below:

Parties:	(1) CMS Zhiyuan Capital (as a general partner and the fund manager) (2) CM Expressway (as a limited partner) (3) CM Advanced (as a limited partner) (4) Guangming SCDI (as a limited partner)
Name of the Fund:	China Merchants (Shenzhen) Artificial Intelligence Industry Private Equity Investment Fund Partnership (Limited Partnership)* (招商局(深圳)人工智能產業私募股權投資基金合夥企業(有限合夥)) (tentative name, subject to business registration)
Term:	The term of the Fund is 15 years, commencing from the date on which the filing of the Fund is completed
Key investment areas:	The Fund will focus on, among others, investing in the computing power and electric power industrial chains, the embodied intelligence industrial chains, on-device artificial intelligence ("**AI**") applications (AI + finance, AI + transportation and logistics, etc.), industry-specific vertical models, and AI Agents

Contribution amount:

The aggregate size of the Fund shall be RMB5 billion. The capital contribution by each of the partners is set out as follows:

Partner	**Type**	**Capital contribution** *(RMB100 million)*	**Proportions of the capital contribution**
CMS Zhiyuan Capital	General Partner	10	20%
CM Expressway	Limited Partner	12.5	25%
CM Advanced	Limited Partner	2.5	5%
Guangming SCDI	Limited Partner	25	50%
Total		**50**	**100%**

The respective capital contributions of the partners to the Fund have been determined after arm's length negotiations among the partners with reference to various factors, including the capital needs of the Fund, the proportion of the partners' respective interests therein and the investment strategy of the Fund.

All capital contributions shall be made in cash. Following the issue of a payment notice by the fund manager, each partner shall pay its capital contribution within the period specified in the notice. The capital contribution of CMS Zhiyuan Capital is intended to be funded by its internal funds.

Management fee:

During the investment period, the management fee is calculated at an annual rate of 2% of the paid-in capital contribution; during the exit period, it is calculated at an annual rate of 1.5% of the total principal amount of investments in projects that have not yet been exited. The management fee shall be paid annually to CMS Zhiyuan Capital.

Management and operation of the Fund:	The Fund shall establish an investment decision committee, which is responsible for considering and making decisions on the following matters: (1) investment in the proposed investment projects; (2) waiving or reducing the Fund's rights under the valuation adjustment mechanism and repurchase arrangements; (3) the exit of invested projects; and (4) other matters which the fund manager deems necessary to be considered by the investment decision committee. The fund manager is principally responsible for the investment, management and operation of investment projects; and for the day-to-day operational and administrative management of the Fund.
Distribution of income and sharing of losses:	For each partner who is entitled to receive distributions, the distribution amount to be received by such partner shall be accounted for in the following order: (1) the distribution amount shall first be deemed as the return of its paid-in capital contribution until the distribution amount received by such partner is equal to its total paid-in capital contribution. (2) If there are remaining funds after the distribution under item (1) above, performance fee benchmark returns shall be distributed to the partner until the distribution amount received by such partner is equivalent to the return generated on its paid-in capital contributions at an annualized rate of 6% (simple interest). (3) If there are remaining funds after the payment under item (2) above, 20% thereof shall be attributable to the general partner, CMS Zhiyuan Capital, and 80% thereof shall be attributable to all partners and shared among all partners in proportion to their respective paid-in capital contributions. If the Fund incurs losses, such losses shall be shared by all partners in proportion to their respective subscribed capital contributions, provided that the losses borne by a limited partner shall be limited to its paid-in capital contribution.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE FUND

The Group has been committed to exploring potential investment opportunities with a view to generating revenue and achieving better returns for its Shareholders. The formation of the Fund facilitates the implementation of the strategy of comprehensively promoting the development of the AI industry, and, by leveraging the policy and industrial advantages of Guangming District, Shenzhen, the Fund will create an “industry + capital + region” synergy to promote the development of the AI industry. Focusing on the AI industry, the Fund offers opportunities for synergy with the Group’s businesses including investment banking, research and wealth management, and is conducive to enhancing the Company’s comprehensive financial service capabilities and is expected to have a positive impact on the Company’s long-term investment returns.

The Directors (including the independent non-executive Directors, but excluding Mr. ZHU Jiangtao, Ms. LUO Li, Mr. TAO Wu, Mr. GAO Hong and Mr. XIONG Zhigang) consider that the terms of the Partnership Agreement are entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As Mr. ZHU Jiangtao, Ms. LUO Li, Mr. TAO Wu, Mr. GAO Hong and Mr. XIONG Zhigang are Directors connected with China Merchants Group, they have abstained from voting on the Resolution in relation to the Joint Investment by a Wholly-owned Subsidiary with Related Parties and Related Transaction. Save as mentioned above, none of the other Directors has a material interest in such transaction and is required to abstain from voting on the relevant resolution at the Board meeting.

GENERAL INFORMATION ON THE COMPANY AND THE PARTNERS

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 is principally engaged in brokerage, wealth management and institutional business, investment banking business, investment management business, and investment and trading business.

CMS Zhiyuan Capital is a company incorporated in the PRC with limited liability, principally engaged in private equity investment fund business. CMS Zhiyuan Capital is a company approved by the China Securities Regulatory Commission to carry out private equity investment fund business, and it obtained the qualification for the private investment fund subsidiary of a securities firm with the approval of the Securities Association of China in April 2017. As at the date of this announcement, CMS Zhiyuan Capital is a wholly-owned subsidiary of the Company.

CM Expressway is a joint stock company incorporated in the PRC with limited liability, whose A Shares are listed on the Shenzhen Stock Exchange (stock code: 001965) and which is principally engaged in highway investment and operation, with a business scope covering highway transportation infrastructure investment and operation, transportation technology, intelligent transportation and transportation ecosystem, etc., spanning key segments across the entire highway industry chain. As at the date of this announcement, CM Expressway is a non-wholly owned subsidiary of China Merchants Group.

CM Advanced is a company incorporated in the PRC with limited liability, principally engaged in investment in the establishment of industrial operations, economic information consultancy, and import and export of goods and technologies. As at the date of this announcement, CM Advanced is an indirectly wholly-owned subsidiary of China Merchants Group.

Guangming SCDI is a company incorporated in the PRC with limited liability, principally engaged in the development and construction of the supporting facilities for the large-scale scientific facilities cluster in Guangming Science City. As at the date of this announcement, Guangming SCDI is an indirectly wholly-owned subsidiary of the Guangming District Bureau of State-owned Assets

Supervision and Administration of Shenzhen Municipality* (深圳市光明區國有資產監督管理局). As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Guangming SCDI and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

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DEFINITIONS

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

"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
"CMS Zhiyuan Capital"	China Merchants Zhiyuan Capital Investment Co., Ltd.* (招商致遠資本投資有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement

"CM Expressway"	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 joint stock company incorporated in the PRC with limited liability, the A shares of which are listed on the Shenzhen Stock Exchange (stock code: 001965), and a non-wholly owned subsidiary of China Merchants Group as at the date of this announcement
"CM Advanced"	China Merchants Advanced Technology Development (Shenzhen) Co., Ltd.* (招商局先進技術開發(深圳)有限公司), a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of China Merchants Group as at the date of this announcement
"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. (招商證券股份有限公司), 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
"Director(s)"	the director(s) of the Company
"Fund"	China Merchants (Shenzhen) Artificial Intelligence Industry Private Equity Investment Fund Partnership (Limited Partnership)* (招商局(深圳)人工智能產業私募股權投資基金合夥企業(有限合夥)) (tentative name, subject to business registration)
"Group"	the Company and its subsidiaries
"Guangming SCDI"	Shenzhen Guangming Science City Development Investment Co., Ltd.* (深圳市光明科學城開發投資有限責任公司), a company incorporated in the PRC with limited liability

"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
"Partnership Agreement"	a partnership agreement to be entered into by CMS Zhiyuan Capital, CM Expressway, CM Advanced and Guangming SCDI, pursuant to which the parties agree to jointly establish the Fund
"PRC"	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
"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
October 29, 2026

As at the date of this announcement, the executive directors of the Company are Mr. ZHU Jiangtao and Mr. LIU Bo; 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; and the employee representative director of the Company is Mr. XIONG Zhigang.

* *For identification purpose only*