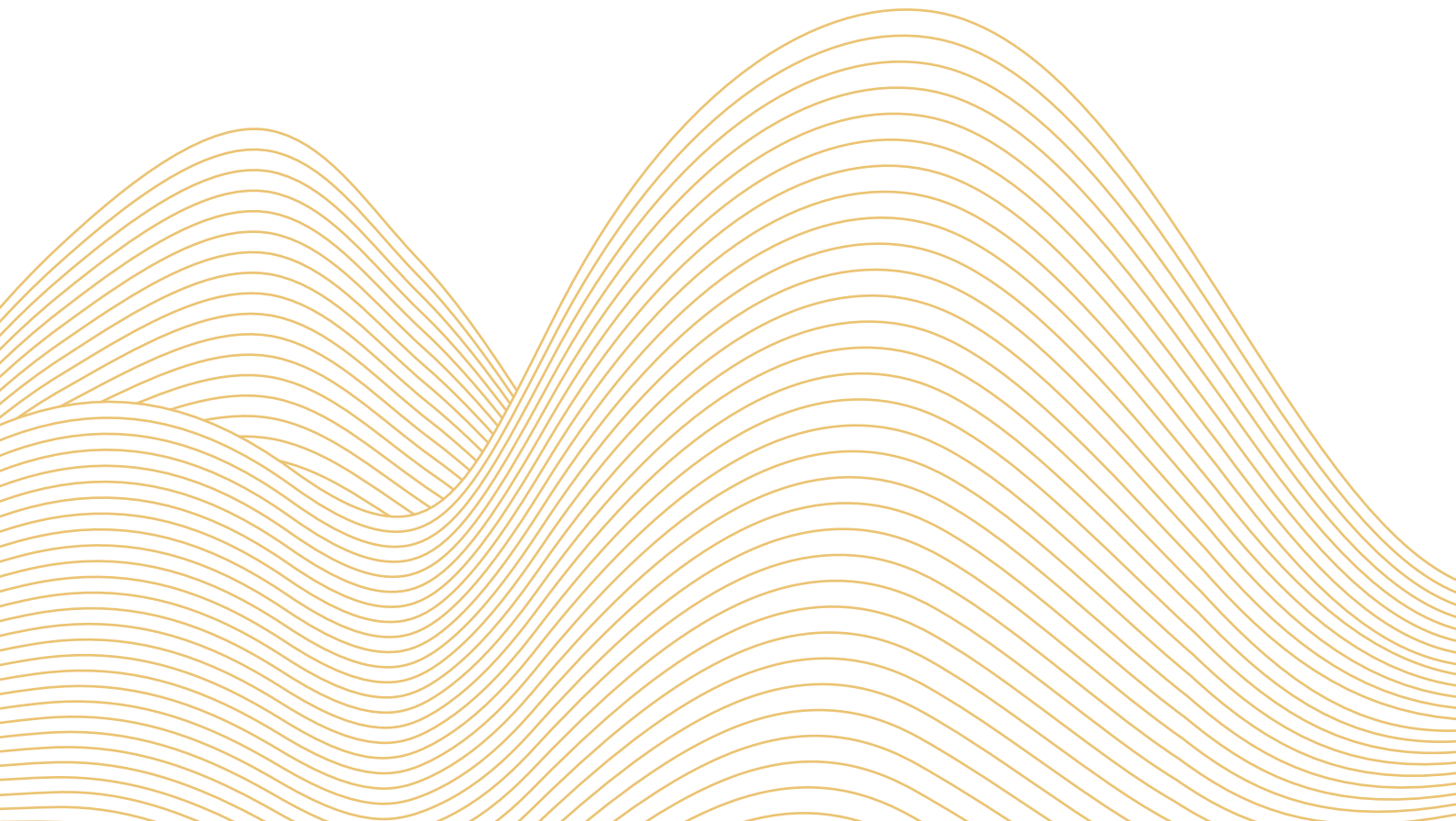


2024

China Merchants Securities Co.,Ltd
Annual Report 2024



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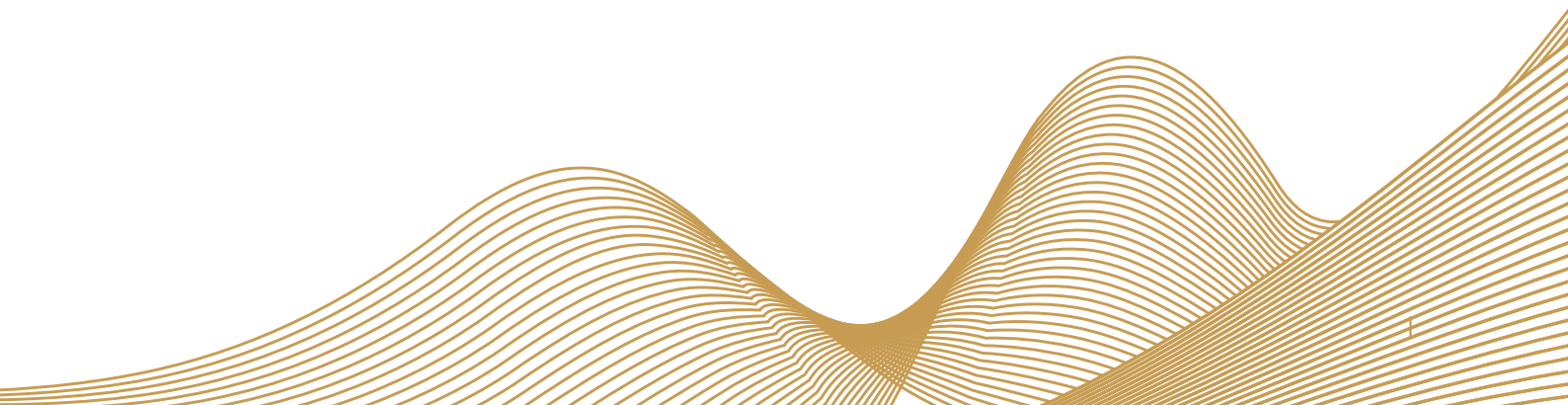
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Important Notice

I. The Board, the Supervisory Committee, Director(s), Supervisor(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 2024. Based on the total share capital registered on the equity registration date for equity distribution, a cash dividend of RMB3.77 (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, 2024, the total distributed profit is RMB3,278,590,605.86. 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

Seeking steady progress to pursue development

Advancing reform and innovation to embrace the future

The year 2024 marked the 75th anniversary of the founding of the People's Republic of China, and was a crucial year for achieving the goals and tasks of the "14th Five-Year Plan". A raft of incremental policies from the CPC Central Committee has boosted confidence and morale, while the "1+N" policy series designed for the capital market has catalyzed recovery and sustained growth momentum. CMS stabilized operations, enhanced quality and efficiency, advanced reforms, and developed new growth drivers. CMS achieved steady progress in performance, deepened reforms, and smoothly embarked on the new five-year strategic period.

This year, we drove high-quality development through high-quality Party building, cementing the consensus on development. We have thoroughly implemented the guiding principles from the Third Plenary Session of the 20th CPC Central Committee and the plans of the Central Economic Work Conference and Central Financial Work Conference. We have steadfastly upheld the political and people-centered nature of financial work by making all efforts in the "five key areas", and rigorously implementing rectifications proposed by the central leading group on disciplinary inspection. We deepened our understanding of Party disciplines and strengthened Party building through reforms and development initiatives. The Company has actively cultivated and practiced a financial culture with Chinese characteristics, and revised our corporate culture to keep pace with the times, making the "five dos and five don'ts" become behavioral norms and guidelines for all employees.

This year, we advanced steady operations through growth exceeding expectations, with sustained improvements in quality and efficiency. Proactively responding to market fluctuations and timely capitalizing on development opportunities, we recorded annual operating income of RMB20.891 billion, while net profit attributable to shareholders of the parent company once again surpassed RMB10 billion, reaching RMB10.386 billion. In the first three quarters of 2024, the Company maintained leading positions among major comprehensive securities

firms in terms of net profit margin and the ratio of business and management expenses. Financial market investments served as a robust engine for stable income growth, key indicators of wealth management remained firmly within the industry's top five rankings, the comprehensive service capability building in institutional business delivered tangible results, and the investment banking business achieved comprehensive advancement in the rankings of key indicators, with sustained improvement in practice quality.

This year, we aligned our new strategies with national priorities and established clearer objectives and pathways. Centering on the "five key areas" and prioritizing services for new quality productive forces, the Company has established a new mission to "serve self-reliance and strength in the nation's science and technology, and help to preserve and increase the value of social wealth". Anchored by the new vision to "build a leading Chinese investment bank", we have clearly defined a new pathway to intensive operations, digital intelligent transformation, and technology-driven development with global presence during the new five-year strategic period. Focusing on three core sectors, namely digital intelligent technology, green technology, and life sciences, we have pioneered two models: mapping operations and strengthening the industrial chain. Leveraging our tripartite broker competencies in identifying strategic directions, sourcing projects, and securing capital, we have fostered a virtuous cycle integrating technology, industry, and finance.



This year, we embraced the changes of the times through reform and innovation, fully unleashing vitality and momentum. The Company accelerated transformation in core businesses by proactively engaging in modern investment banking development, wealth management and institutional business transformation, international business expansion and other key sectors, retaining the title of “benchmarking” (標桿) enterprise in the “Double-hundred Enterprises” (雙百企業) assessment. Intelligent digital transformation was further advanced as the Company initiated full-scale construction of an “AI-driven Securities Company” and continuously strengthened infrastructure and computing power reserves, while new scenarios and micro-innovations kept emerging, ultimately forming a “5A” methodology with distinctive CMS characteristics.

Looking ahead to 2025, the concluding year of the “14th Five-Year Plan”, China’s economy is expected to maintain an upward trajectory while confronting severe and complex challenges such as increasing uncertainties in the external environment and insufficient domestic demand. The new round of scientific and technological revolution and industrial transformation is advancing rapidly, and comprehensive reforms of investment and financing in the capital market continue to deepen. These new circumstances and journey are catalyzing a capability leap for securities companies. CMS will be assertive to confront difficulties head-on, further deepen transformation through innovation-driven development, pursue progress while maintaining stability, and promote stability through progress. The Company will continue to advance the wealth

management transformation, navigate market cycles, build a modern investment bank, and launch the next-generation trading system. It will spare no effort to develop a technology-powered financial services brand, proceed key projects for establishing an “AI-driven Securities Company”, expand international business, and strengthen compliance and risk management. These concerted efforts aim to deliver outstanding performance outcomes for the “14th Five-Year Plan”.

As the tides of time surge forward, the determined will advance, innovators will take the lead, and collaborators will prevail. CMS will leverage its capabilities to serve national strategies and the needs of the real economy. Through the provision of financial services to the nation, robust performance, and pioneering initiatives, we shall repay the trust and support from all sectors of society. CMS will continue to work alongside our shareholders, clients, and employees with a united purpose and forge ahead in the new era for shared success and a prosperous future!

HUO Da
Chairman of the Board

Statement of the President

Comprehensively implementing the new five-year strategic plan Building a leading Chinese investment bank with high quality

The year 2024 marked the 75th anniversary of the founding of the People's Republic of China, and was a crucial year for achieving the goals and tasks of the "14th Five-Year Plan". A raft of incremental policies from the CPC Central Committee has boosted confidence and morale, while the "1+N" policy series designed for the capital market has catalyzed recovery and sustained growth momentum. CMS stabilized operations, enhanced quality and efficiency, advanced reforms, and developed new growth drivers. CMS achieved steady progress in performance, deepened reforms, and smoothly embarked on the new five-year strategic period.

The year 2024 marked the inaugural year of the new five-year strategic plan of CMS and was also a year characterized by market fluctuations and a complex and volatile external environment. Looking back at the past year, with the care and support from all sectors of society, the Company completely, accurately and comprehensively implemented the new development philosophy, actively served national strategies and the real economy, and diligently advanced the "five key areas", namely technology finance, green finance, inclusive finance, pension finance, and digital finance. By increasing income while controlling costs, promoting transformation and reforms, adjusting business structure to prevent risks, the Company successfully withstood the test of a complex operating environment, achieved good development results, and ensured a successful start of the new five-year strategic plan.

Firstly, the operating results advanced steadily.

Both annual operating income and profit of the Company grew, marking the best results in the past three years, with net profit exceeding RMB10 billion again. The Company maintained its advantage in cost control, with the business and management fee rate remaining at a relatively low level among major comprehensive securities firms. The market competitiveness of core businesses continued to improve, delivering a good performance in current operating period. According to the market data disclosed so far, the key indicators of the Company all ranked within the industry's top five, including net income from agency trading of wealth management

and institutional business, the AUM of non-monetary funds, net income from agency sale of financial products, and the scale and interest income of stock pledge business. Its custody business ranked No.1 in the market for 11 consecutive years in terms of the number and scale of private funds under custody, maintaining the leading position in the industry. Rankings of equity underwriting amount, bond underwriting amount and other core indicators of investment banking business raised, the same as the rankings of both the transaction amounts and number of deals in IPOs and M&A.

Secondly, the Company vigorously deepened the implementation of transformation and reforms.

The Company finalized the new five-year strategic plan, anchored by the goal of "building a leading Chinese investment bank", and clarifying the blueprint and implementation pathways for the new round of transformation and reforms. Guided by the new strategic plan, the Company comprehensively advanced multidimensional transformation and reforms in business, management, technology, and culture to actively cultivate core advantages in the new developmental phase. The Company revised the corporate cultural consensus, rallying strong spiritual support for transformation and reforms. The transformation and upgrading of wealth management, institutional business, investment banking and other core businesses was advanced. Digital development, especially the building an "AI-driven Securities Company", delivered remarkable results, and the level of synergy steadily improved. After 2022, the Company



was again honored as a “benchmarking” enterprise in the “Double-hundred Enterprises” special assessment by the SASAC in 2023.

Third, the Company maintained the bottom line of stable operation. The Company continuously strengthened internal control capabilities, timely identified and mitigated potential risks, and effectively managed risks arising from market fluctuations. As a result, it maintained zero new default losses throughout the year and excellent asset quality. The Company continuously refined compliance management mechanisms, enhancing the quality and efficiency of compliance management. With equal emphasis on development and safety, throughout the year, there were no major risk compliance incidents or workplace safety issues, with various risk-related losses maintained at a low level. Overall, the risks were controllable, measurable, and tolerable, ensuring all businesses operations run normally and stably.

The year 2025 marks the concluding year 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 the coming year, although China’s economy still faces numerous difficulties and challenges in its operation, it maintains stable foundation, abundant advantages, strong resilience, and vast potential. The fundamental conditions and basic trend of long-term positive trajectory remain unchanged. A guideline on strengthening regulation, forestalling risks and promoting the high-quality development of the

capital market (hereinafter referred to as the New “Nine Opinions”) (新「國九條」) and the “1+N” policy framework will continuously be implemented and produce the desired results, empowering the capital market to play an increasingly vital role in serving the high-quality development of the real economy. This will usher in fresh historical opportunities for the strategic development of the Company.

In 2025, the Company will continue to focus on the “five key areas”, namely technology finance, green finance, inclusive finance, pension finance, and digital finance, comprehensively implement the new five-year strategic plan, and ensure the successful conclusion of the “14th Five-Year Plan”. We believe that with the strong support of our shareholders, under the sound leadership of the Board, and through the collective efforts of all employees, CMS will undoubtedly maintain its positive growth momentum, deliver outstanding operational performance to repay all sectors of society, and take solid strides forward on the new journey to build a leading Chinese investment bank with high quality!

WU Zongmin

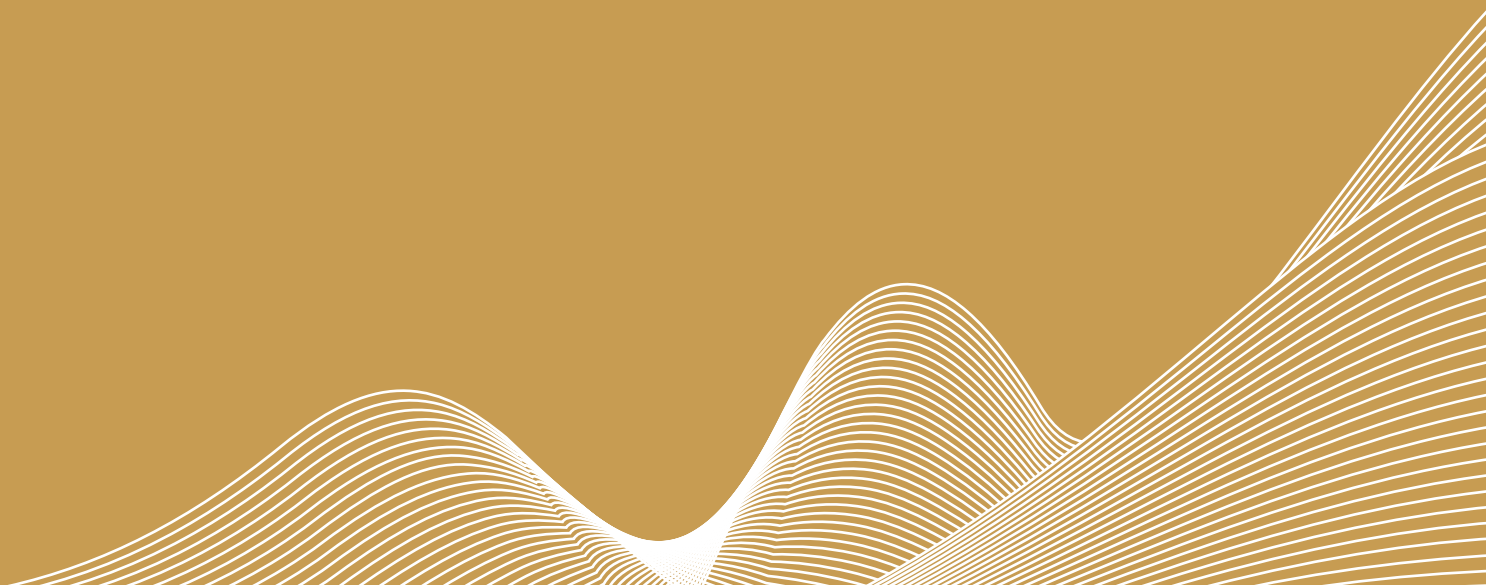
Executive Director, President

01

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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)

Common terms and expressions	
"BSE"	the Beijing Stock Exchange (北京證券交易所)
"SSE website"	http://www.sse.com.cn , the website of the Shanghai Stock Exchange
"CSDC"	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Authorized Representative of the Hong Kong Stock Exchange"	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
"Company's website"	https://www.cmschina.com , the website of China Merchants Securities Co., Ltd.
"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), formerly known as "China Merchants Finance Investment Holdings Co., Ltd." (深圳市招融投資控股有限公司)
"CM Finance Investment"	China Merchants Finance Investment Holdings Co., Ltd. (深圳市招融投資控股有限公司), currently known as "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)
"Yan Qing Investment"	Shenzhen Yan Qing Investment and Development Co., Ltd. (深圳市晏清投資發展有限公司)
"Chu Yuan Investment"	Shenzhen Chu Yuan Investment and Development Co., Ltd. (深圳市楚源投資發展有限公司)
"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)

Chapter 1: Definitions

Common terms and expressions	
"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.
"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 Junan Securities"	Guotai Junan 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 Hong Kong Listing Rules
"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)

Common terms and expressions	
"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
"NEEQ"	the National Equities Exchange and Quotations for medium and small-sized enterprises
"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, 2024 to December 31, 2024
"end of the Reporting Period"	December 31, 2024
"Previous Period"	from January 1, 2023 to December 31, 2023
"date of this report", "Latest Practicable Date"	March 27, 2025
"Director(s)"	the director(s) of the Company
"Board"	the board of directors of the Company
"Supervisor(s)"	the supervisor(s) of the Company
"Supervisory Committee"	the supervisory committee of the Company

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
General manager of the Company	WU Zongmin
Authorized representatives of the Company	WU Zongmin, LIU Jie, WONG Wai Yee Ella (as the alternate authorized representative to WU Zongmin and LIU Jie)

Note: Ms. WONG Wai Yee Ella has served as the joint company secretary of the Company in place of Ms. KWONG Yin Ping, and the alternate authorized representative to Mr. WU Zongmin and Mr. LIU Jie, with effect from January 1, 2025.

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	87,411,626,102.24	79,370,429,988.47

Chapter 2: Corporate Profile and Key Financial Indicators

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	December 2024
2	Qualification for participating in swap facilitation business	The Securities and Fund Institution Supervision Department of the CSRC	October 2024
3	Standardized bond forward quotation agencies (標準債券遠期報價機構)	Shanghai Clearing House	November 2023
4	Standard interest rate swap business	Shanghai Clearing House	November 2023
5	Qualification of listed securities market making trading	The Securities and Fund Institution Supervision Department of the CSRC	October 2022
6	Qualification of issuing credit-protected warrants for providing pledge repo to protected bonds	China Securities Depository and Clearing Corporation Limited	June 2021
7	Pilot optimization for account management function	Securities Association of China	June 2021
8	Fund investment advisory business	The Securities and Fund Institution Supervision Department of the CSRC	June 2021
9	Issuer of credit protection warrants launched in SZSE	SZSE	November 2020
10	Standard forward contract on bond of Agricultural Development Bank of China	Shanghai Clearing House	October 2020
11	Interest option business	China Foreign Exchange Trade System	March 2020
12	Market maker of stock index options	The Securities and Fund Institution Supervision Department of the CSRC	December 2019
13	Lead market maker of the CSI 300 ETF options	SZSE	December 2019

Chapter 2: Corporate Profile and Key Financial Indicators

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

Chapter 2: Corporate Profile and Key Financial Indicators

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

Chapter 2: Corporate Profile and Key Financial Indicators

No.	Qualification	Approval authority	Date of approval
48	Licence for securities investment fund custody business	CSRC	January 2014
49	Qualification for agency business of securities pledge registration	The Registration and Custody Department of China Securities Depository and Clearing Corporation Limited	July 2013
50	Authority for stock-pledged repo business	SSE	June 2013
51	Authority for stock-pledged repo	SZSE	June 2013
52	Participation in interest rate swap transactions	CSRC Shenzhen Office	May 2013
53	Permit for conducting insurance agency businesses	CIRC	April 2013 (latest certificate obtained in April 2020)
54	Qualification of lead manager business (recommendation and brokerage businesses)	NEEQ Co., Ltd.	March 2013
55	Licence for OTC trading business	Securities Association of China	February 2013
56	Licence for equity total return swap business	The Institution Supervision Department (currently known as the Securities and Fund Institution Supervision Department) of the CSRC	January 2013
57	Licence for special institutional client business of insurance companies	CIRC	January 2013
58	Qualification for sale of financial products	CSRC Shenzhen Office	December 2012
59	Qualification of lead underwriting debt financing instruments of non-financial enterprises	National Association of Financial Market Institutional Investors	November 2012
60	Qualification to provide comprehensive custodian services for private investment funds	The Institution Supervision Department (currently known as the Securities and Fund Institution Supervision Department) of the CSRC	October 2012
61	Licence for margin financing loan	China Securities Finance Co., Ltd.	August 2012

Chapter 2: Corporate Profile and Key Financial Indicators

No.	Qualification	Approval authority	Date of approval
62	Qualification of underwriting private placement bonds of small and medium enterprises	Securities Association of China	June 2012
63	Licence for stock repurchase business	CSRC	May 2012
64	Qualification for dealer-quoted bond pledged repo transactions	The Institution Supervision Department (currently known as the Securities and Fund Institution Supervision Department) of the CSRC	January 2012
65	Qualification for third-party custodian services for one customer – multiple bank services	CSRC Shenzhen Office	June 2011
66	Ordinary member for settlement	Shanghai Clearing House	November 2010
67	Qualification for margin financing and securities lending business	CSRC	June 2010
68	Licence for direct investment business	CSRC	August 2009
69	Qualification for intermediary introduction business for China Merchants Futures	CSRC	February 2008
70	Category A clearing participant of China Securities Depository and Clearing Corporation Limited	China Securities Depository and Clearing Corporation Limited	February 2008
71	Licence for overseas securities investment management business	CSRC	August 2007
72	Primary dealer on the integrated e-platform for fixed-income securities of the SSE	SSE	July 2007
73	Permit for foreign exchange operation in the securities business	State Administration of Foreign Exchange	December 2006 (latest certificate obtained in November 2012)
74	Clearing participant of China Securities Depository and Clearing Corporation Limited	China Securities Depository and Clearing Corporation Limited	March 2006

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No.	Qualification	Approval authority	Date of approval
75	Primary dealer of SSE 180 Index Exchange Traded Fund	SSE	March 2006
76	Qualification for quote transfer business	Securities Association of China	January 2006
77	Licence for underwriting business of commercial paper	The People's Bank of China	July 2005
78	Qualification for operation of foreign shares business	CSRC	September 2002
79	Qualification for open-end securities investment fund consignment business	CSRC	August 2002
80	Qualification for trusted investment management business	CSRC	May 2002
81	Qualification for online securities agency business	CSRC	February 2001
82	Qualified member of interbank market	General Administration Department of the People's Bank of China	September 1999
83	Qualification for RMB special stocks business (unrestricted) in Shanghai	Shanghai Securities Management Office	November 1996
84	Licence for starting foreign exchange business	Shenzhen Office of the State Administration of Foreign Exchange	October 1996
85	Pilot unit of equity trading agency system for non-listed companies	Property Right Transfer Leading Group Office of the Shenzhen Municipal Government	January 1996
86	Licence for starting proprietary business	Shenzhen Securities Management Office	August 1993

Chapter 2: Corporate Profile and Key Financial Indicators

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

No.	Qualification	Approval authority	Date of approval
1	Licence for dealing in futures contracts	SFC	June 2014
2	Licence for advising on futures contracts	SFC	June 2014
3	Licence for asset management	SFC	March 2010
4	Licence for dealing in securities	SFC	February 2009
5	Licence for advising on securities	SFC	February 2009
6	Licence for advising on corporate finance	SFC	February 2009

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)

Chapter 2: Corporate Profile and Key Financial Indicators

No.	Qualification	Approval authority	Date of approval
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	

Note: Ms. ZHANG Huanhuan has served as the representative of securities affairs of the Company in place of Ms. LUO Li since February 21, 2025.

	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	48/F, One Exchange Square, 8 Connaught Place, Central, Hong Kong
E-mail address	IR@cmschina.com.cn

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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

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.

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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.

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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 CSRC 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.

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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.

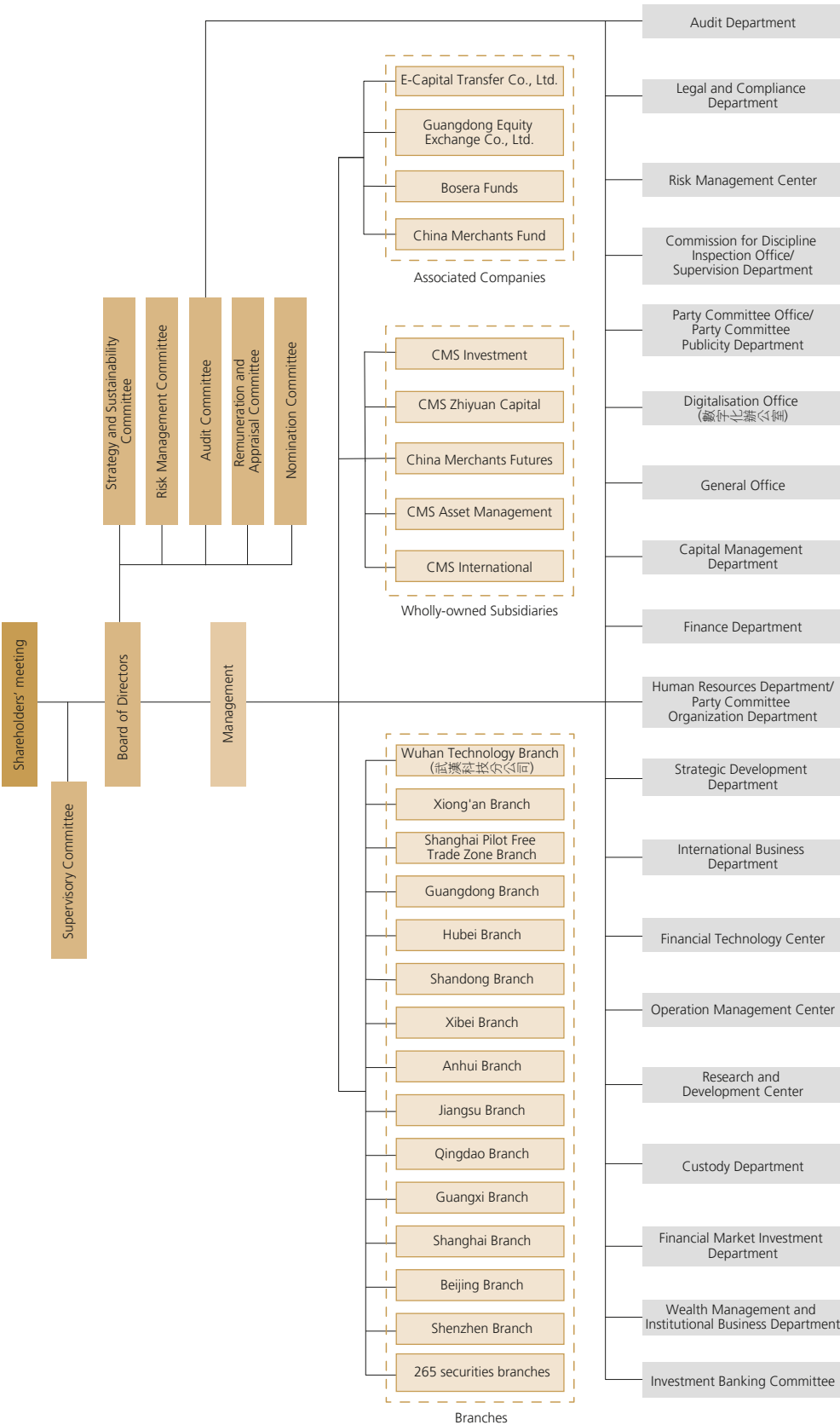
On March 27, 2017, the deregistration for 12,982 A Shares held by Liaoneng Holdings, an original state-owned shareholder of the Company, was completed. The total share capital of the Company was changed to 6,699,409,329 shares. For details, please see the Announcement on the Replenishment of State-owned 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 24, 2017 published on the Hong Kong Stock Exchange 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 (深圳市福田区福田街道福華一路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:



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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	48/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)	0755-83082211
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)	0755-82943666

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(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				

Chapter 2: Corporate Profile and Key Financial Indicators

(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, Building 3, Courtyard No. 1, Yuetan South Street, Xicheng 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	HU Yi (胡毅)	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	Level 2, 100 Duplex, No. 17-21 Xian Xia Ling Road, Laoshan District, Qingdao, Shandong	PENG Xiuling (彭秀玲)	0532-66889555
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	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	2001-1, 17/F, Zhongrun Century Plaza, No. 13777 Jingshi Road, Lixia District, Jinan	LI Hongying (李紅英)	0531-67885777

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No.	Name of the branch	Date of incorporation	Place of business	Person-in-charge	Contact number
9	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)	029-38013258
10	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	YU Jinbiao (余錦標)	020-38394801
11	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	No. 236 Zhong Bei Road, Wuchang District, Wuhan, Hubei Province	DENG Jichang (鄧吉昌)	027-88856753
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	LI Pengcheng (李鵬程)	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)	18601066761
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 (吳鐘鳴), LIU Xiqian (劉西茜)
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 Mallesons
	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 Mallesons
	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	17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Chapter 2: Corporate Profile and Key Financial Indicators

VIII.Key Accounting Data and Financial Indicators in the Past Three Years

(I) Key accounting data

Unit: RMB'000

Key accounting data	2024	2023	Year-on-year increase/ decrease (%)	2022
Total revenue, other income and gains	30,622,282	30,020,438	2.00	29,335,800
Profit for the year attributable to shareholders of the Company	10,385,872	8,763,960	18.51	8,070,244
Profit for the year attributable to shareholders of the Company after deduction of non-recurring profit or loss	10,376,773	8,731,556	18.84	8,180,934
Net cash from operating activities	22,261,032	15,768,912	41.17	55,303,455
Total other comprehensive income for the year (net of tax)	1,473,443	187,867	684.30	76,138

Key accounting data	As at the end of 2024	As at the end of 2023	Year-on-year increase/ decrease (%)	As at the end of 2022
Total assets	721,160,331	695,852,992	3.64	611,677,015
Total liabilities	590,908,098	573,816,059	2.98	496,419,932
Equity attributable to shareholders of the parent company	130,178,629	121,961,428	6.74	115,174,595
Total owners' equity	130,252,233	122,036,933	6.73	115,257,083

(II) Key financial indicators

Key accounting data	2024	2023	Year-on-year increase/decrease (%)	2022
Basic earnings per share (RMB per share)	1.13	0.94	20.21	0.86
Diluted earnings per share (RMB per share)	1.13	0.94	20.21	0.86
Basic earnings per share after deduction of non-recurring profit or loss (RMB per share)	1.13	0.94	20.21	0.87
Weighted average return on net assets (%)	8.82	7.91	Increased by 0.91 percentage point	7.54
Weighted average return on net assets after deduction of non-recurring profit or loss (%)	8.82	7.88	Increased by 0.94 percentage point	7.65

Chapter 2: Corporate Profile and Key Financial Indicators

(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 2024, 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 2024	As at the end of 2023
Net capital	87,411,626,102.24	79,370,429,988.47
Net assets	116,877,233,288.67	109,986,186,077.19
Sum of risk capital provisions	40,331,911,744.38	44,770,327,767.08
Total assets on-and off-balance sheet	397,007,762,103.86	412,072,315,933.07
Risk coverage ratio (%)	216.73	177.28
Capital leverage ratio (%)	15.28	13.12
Liquidity coverage ratio (%)	184.75	169.06
Net stable funding ratio (%)	159.73	138.25
Net capital/net assets (%)	74.79	72.16
Net capital/liabilities (%)	21.42	18.61
Net assets/liabilities (%)	28.63	25.78
Value of proprietary equity securities and security derivatives/net capital (%)	28.08	32.78
Value of proprietary non-equity securities and its derivatives/net capital (%)	357.15	357.81

Chapter 2: Corporate Profile and Key Financial Indicators

(IV) Key financial data for the past five years

1. Earnings

Unit: Million Yuan Currency: RMB

Items	2024	2023	2022	2021	2020
Total revenue, other income and gains	30,622	30,020	29,336	40,342	32,469
Total expenses	20,886	22,259	22,466	28,239	22,203
Profit before income tax	11,219	9,296	8,532	13,704	11,309
Profit for the year attributable to shareholders of the Company	10,386	8,764	8,070	11,645	9,492

2. Assets

Unit: Million Yuan Currency: RMB

Items	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Total assets	721,160	695,853	611,677	597,221	499,727
Total liabilities	590,908	573,816	496,420	484,631	393,902
Accounts payable to brokerage clients	151,611	117,852	106,378	99,605	85,441
Equity attributable to shareholders of the Company	130,179	121,961	115,175	112,503	105,737
Share capital	8,697	8,697	8,697	8,697	8,697

3. Key financial indicators

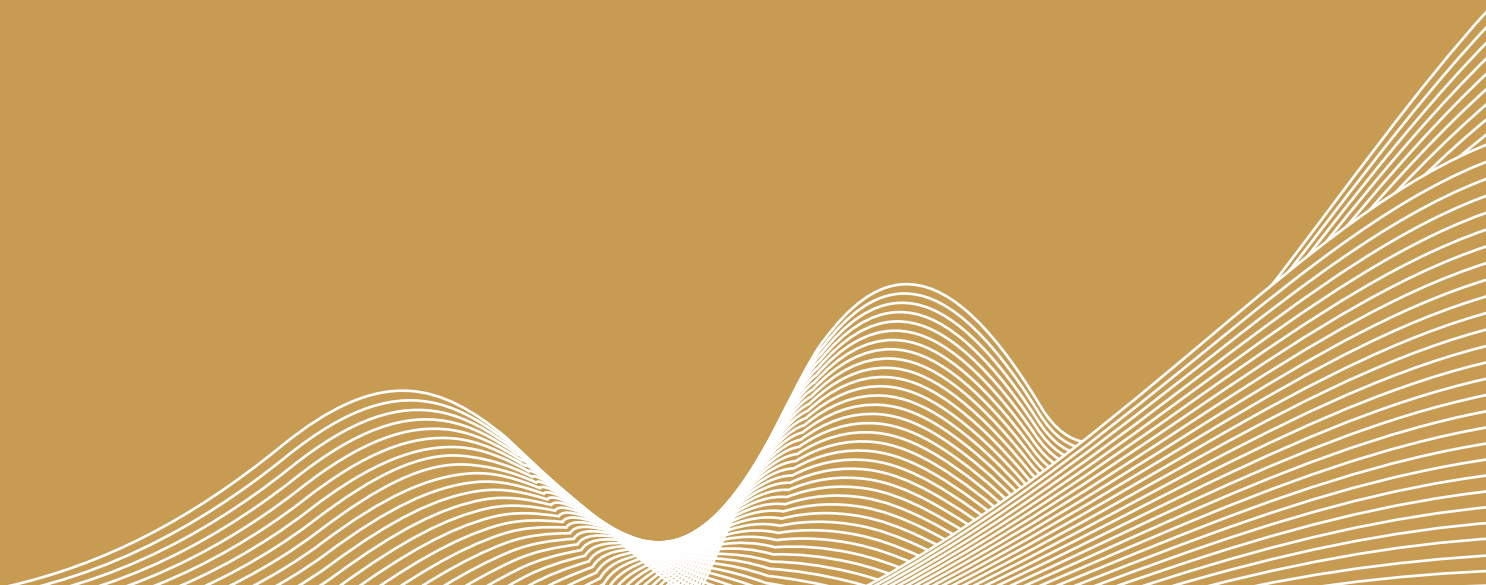
Items	2024	2023	2022	2021	2020
Basic earnings per share (RMB per share)	1.13	0.94	0.86	1.25	1.06
Diluted earnings per share (RMB per share)	1.13	0.94	0.86	1.25	1.06
Weighted average return on net assets (%)	8.82	7.91	7.54	11.52	10.85
Gearing ratio (%)	77.13	78.89	77.19	77.37	74.46

Note 1: Gearing ratio = (Total liabilities – Accounts payable to brokerage clients)/(Total assets – Accounts payable to brokerage clients)

02

Operating Analysis

Chapter 3 Report of the Board of Directors /40



Chapter 3

Report of the Board of Directors



I. Discussion and Analysis of Operations

(I) General operations

In 2024, in the face of a complex and severe situation marked by mounting external pressures and internal challenges, the CPC Central Committee with Comrade Xi Jinping as the core united and led the whole Party and the people of all ethnic groups in China, responded calmly and adopted comprehensive strategies by decisively implementing a raft of incremental policies as at the end of September. Such efforts effectively boosted market confidence, and spurred economic recovery. The economy achieved generally stable growth throughout the year, with GDP growing by 5% year-on-year. As the New “Nine Opinions” for the capital market was introduced, and the “1+N” policy framework was gradually implemented, coupled with the sustained positive effects of the incremental policies, the capital market was picking up and demonstrated strong resilience.

2024 marked the beginning of the Company's new five-year strategic plan and was also a year characterized by market volatility and a complex external environment. The Company actively tackled challenges such as the implementation of new regulatory rules and intensified industry competition, and maintained strategic focus. It increased revenues while controlling costs, promoted transformations and reforms, and adjusted the business structure to prevent risks, ensuring a successful start of the new five-year strategic plan. Firstly, the operating results advanced steadily. The Company recorded annual total revenue, other income and gains of RMB30.622 billion, representing a year-on-year increase of 2.00%, net profit attributable to shareholders of the Company of RMB10.386 billion, representing a year-on-year increase of 18.51%, exceeding RMB10 billion again, and ROE of 8.82%, representing an increase of 0.91 percentage point year-on-year. The Company maintained its advantage in cost control, with the business and management fee rate remaining at a relatively low level among major comprehensive securities firms. Secondly, the Company deepened the implementation of transformations and reforms. It formulated a new five-year strategic plan, clarifying the blueprint and path for the new round of transformations and reforms, and revised the corporate cultural consensus of CMS, rallying strong spiritual support for the transformations and reforms. The new five-year transformations and reforms were in full swing. Among them, the transformation and upgrading of wealth management, institutional business, investment banking and other core businesses was advanced. Digital development, especially the construction of an "AI-driven Securities Company", delivered remarkable results, and the level of synergy steadily improved. After 2022, the Company was again honored as a "benchmarking" (標桿) enterprise in the "Double-hundred Enterprises" (雙百企業) special assessment by the SASAC in 2023. Thirdly, the Company maintained the bottom line of stable operation. It strengthened internal control capabilities. Throughout the year, there were no major risk compliance incidents or workplace safety issues, with various risk-related losses maintained at a low level. Overall, the risks were controllable, measurable, and tolerable, ensuring all businesses operations run normally and stably.

(II) Analysis of principal businesses

Operating with a client-oriented approach, the Company offers diverse and comprehensive financial products and services 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.

In 2024, revenue from the wealth management and institutional business, investment banking, investment management, investment and trading and other business segment amounted to RMB16.349 billion, RMB916 million, RMB1,017 million, RMB11,367 million and RMB1,073 million, respectively, accounting for 53.39%, 2.99%, 3.32%, 37.12% and 3.50% of the Company's operating income, respectively.

Chapter 3: Report of the Board of Directors

1. *Wealth management and institutional business*

Market Environment

In 2024, the A share market experienced an initial downturn followed by a rebound, while the bond market maintained momentum amid volatility. The one-way trading volume of stocks and funds in A share market reached RMB295.84 trillion, representing a year-on-year increase of 22.90%. As of the end of the year, the balance of margin financing and securities lending in A share market amounted to RMB1.86 trillion, representing a year-on-year increase of 12.94%. The regulatory policies on securities lending and margin financing loan were continuously tightened. As of the end of the year, the balance of securities lending in A share market amounted to RMB10.438 billion, representing a year-on-year decrease of 85.42%. Meanwhile, the AUM of mutual funds in the market amounted to RMB32.83 trillion, representing a year-on-year increase of 18.93%; and the scale of private securities investment funds amounted to RMB5.21 trillion, representing a year-on-year decrease of 8.89%. China's futures market experienced increased volatility in 2024, with the cumulative trading volume for the year amounting to 7.729 billion lots, representing a year-on-year decrease of 9.08%, and the turnover amounting to RMB619.26 trillion, representing a year-on-year increase of 8.93%.

Actions and Achievements

(1) Brokerage and wealth management

During the Reporting Period, the Company continuously deepened its wealth management business transformation. The Company focused on increasing the scale of financial products, leveraged on the research strengths of securities firms, and built a selected product system with "Selected Mutual Fund", "Private Fund 50" (私募50) and "Chuying" (雛鷹) as the core; and established a complete "asset-strategy-product" research chain, and optimized the process of research, allocation and sales of products as a way to significantly enhance customer experience. In terms of the fund investment advisory business, the Company enhanced investor satisfaction by introducing selected pension funds and other strategies, and refining intelligent investment models and other service details. The Company launched a charity brand "CMS for Good and for Future" (益招向善·致遠前行), leveraging on fund investment advisory portfolios to meet the demand of investors to participate in public welfare and the demand of corporate clients to align with their ESG practices. The Company prioritized building a comprehensive corporate financial service brand of "CMS Enterprise" (招證企航), and persistently enriched its services for corporate clients. By conducting businesses related to share repurchase and shareholding increase by listed companies, the Company has contributed to the high-quality development of the real economy. During the Reporting Period, the number of corporate clients, the asset scale of corporate clients, and the sales scale of corporate wealth management recorded a year-on-year growth. In terms of digital transformation, the Company has deepened its digital reform initiatives in aspects of "channels, services, and management", enhanced the integrated online and offline wealth management business system. The Company has maintained a long-term strategic focus on product development and service innovation, leveraging content operations to strengthen user engagement. Significant efforts have been dedicated to supporting ETF products and services and intensifying the promotion of fixed-income products. Furthermore, the Company continuously enhanced the professional service capability of its wealth advisor team and launched the building of an integrated investment advisory platform, comprehensively empowering wealth advisors in multiple scenarios, so as to further improve the efficiency and quality of customer services.

As of the end of 2024, the Company had approximately 19,298.3 thousand clients, representing a year-on-year increase of 8.68%; and clients' assets under custody amounted to RMB4.27 trillion, representing a year-on-year increase of 14.78%. According to the statistics from Analysys Qianfan, in 2024, the average monthly active users (MAU) of the CMS APP ranked 5th among securities firms, and the average daily visit duration per capita of APP users ranked the first among securities firms. Since the commencement of operations, the "CMS Fund Investment Adviser" (e招投) had a total of 80.2 thousand contracted clients, with AUM amounting to RMB5.112 billion at the end of 2024, representing a year-on-year increase of 9.79%. According to the statistics from the Asset Management Association of China (AMAC), in the second half of 2024, the Company's non-monetary market funds, equity funds and Exchange Traded Fund (ETFs) held by clients of the Company amounted to RMB95.9 billion, RMB69.9 billion and RMB53.3 billion, respectively, ranking 4th, 5th and 4th among securities firms, respectively. During the Reporting Period, the Company was granted the first batch of pilot business qualifications for the Cross-boundary Wealth Management Connect and officially commenced operations in December 2024. The Company will leverage its strengths in research and product offerings to better meet clients' demands for cross-border wealth management and global asset allocation.

Operating indicators	2024	2023
Trading volume of stocks and funds in the SSE, SZSE and BSE (RMB trillion) (Note 1)	26.71	25.18
Market share of trading volume of stocks and funds in the SSE, SZSE and BSE	4.51%	5.23%
Number of wealth management advisors	1,458	1,446
Number of wealth management clients (10 thousand) (Note 2)	62.75	53.79
Amount of assets of wealth management clients (RMB trillion)	1.56	1.37
Number of high-net-worth clients (10 thousand) (Note 3)	3.47	3.17

Source: SSE, SZSE and BSE

- Notes: 1. Trading volume of stocks and funds represents two-way trading volume;
2. Wealth management clients refer to individual clients with assets under custody amounting to RMB300,000 and above;
3. High-net-worth clients refer to clients with assets under custody amounting to RMB8 million and above.

In 2024, China Merchants Futures proactively utilized financial services to support the real economy by enhancing client base management, expanding transaction-oriented assets to sustain growth in clients' equity. As of the end of 2024, the clients' equity of China Merchants Futures amounted to RMB58.804 billion, representing a year-on-year increase of 16.50%, ranking 4th in the industry.

Chapter 3: Report of the Board of Directors

In the overseas market, CMS International has continuously enhanced its investment research services and expertise in global stock market trading. The company has actively accelerated the development of information technologies, enhanced operation support and maintenance capabilities, and comprehensively bolstered its cross-border integrated financial service capabilities. CMS International has also actively enhanced the revenue-generating capacity across multiple markets and product categories. Leveraging its business qualification for the Cross-boundary Wealth Management Connect, CMS International vigorously developed cross-border wealth management services, extending its institutional trading business to Japan, Singapore, and multiple European countries. This has resulted in significant year-on-year increase in commission income from US stocks and bonds. As of the end of 2024, CMS International's client assets under custody amounted to HK\$215.610 billion.

(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, the Company actively explored clients' financing needs, established a tiered client service system, strengthened internal collaboration, and continued to devote more efforts in developing and expanding the client pipeline to improve client satisfaction and retention rate. As of the end of 2024, the balance of margin financing and securities lending of the Company amounted to RMB90.879 billion, and the maintenance coverage ratio was 288.41%. The scale of securities lending of the Company reduced to RMB48 million. The balance of stock pledge repo (including contribution from asset management plans) to be repurchased amounted to RMB18.489 billion, and the overall collateral coverage ratio was 243.79%, of which, the balance of contribution from self-owned capital amounted to RMB14.594 billion, and the overall collateral coverage ratio was 315.24%.

For the overseas markets, CMS International actively seized opportunities arising from the market recovery and intensified marketing efforts for Hong Kong IPO financing services. As at the end of the Reporting Period, the balance of margin financing amounted to HK\$3.341 billion, representing a year-on-year increase of 31.28%, and the maintenance coverage ratio was 328.95%.

Operating indicators	As at the end of 2024	As at the end of 2023
Balance of margin financing and securities lending (RMB100 million)	908.79	827.61
Market share of margin financing and securities lending	4.87%	5.01%
Of which: Balance of securities lending (RMB100 million)	0.48	34.16
Market share of balance of securities lending	0.46%	4.77%
Balance of stock pledge repo (including contribution from asset management plans) (RMB100 million)	184.89	227.75
Balance of stock pledge repo by self-owned capital (RMB100 million)	145.94	185.29
Balance of overseas margin financing (HK\$100 million)	33.41	25.45

(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 financial 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 2024, the Company further transformed its institutional client-related businesses, integrating resources across mechanisms, teams, processes, and systems. It optimized the institutional client marketing and service framework, expedited the implementation of the institutional client manager system and accelerated the digital transformation of institutional business. The Company thoroughly implemented the client manager system by deepening collaborative mechanisms and refining assessment system of institutional client managers. The Company improved the service efficiency of the institutional client manager team by streamlining workflows and upgrading internal working platforms. In terms of marketing services for the institutional client group, the Company focused on services for core clients of mutual fund, insurance firms, leveraging its research and service capabilities to improve the investment research rankings and commissions of core clients. The Company made efforts to develop mutual fund securities settlement business, with notable growth in both newly added scale and existing scale of securities settlement products. Efforts were made to stabilize the private funds business scale under unfavourable conditions and also seek new growth driver, and improve the three-dimensional marketing system that integrates headquarters coordination, branch implementation, and platform support. The tiered and categorized services for private fund clients proved effective, achieving counter-cyclical growth in asset scale of private funds. In terms of the digital development of institutional business, the Company continuously increased investment in the digital process of institutional business, enhanced the digital operation capability for marketing and services. It launched the “CMS Ji Zhi” (招商機智), an unified institutional service platform, and comprehensively integrated company-wide resources to strengthen unified operation and services for institutional business. As of the end of 2024, the trading service coverage ratio of key private fund clients with asset size over RMB5 billion reached 81.40%, and the transaction asset scale of private fund clients increased by 6.19% year-on-year.

② Research

As of the end of 2024, CMS offers research coverage of 2,706 listed companies in China and overseas, and 94% of the total market capitalization of the constituent stocks of the CSI 300 Index, 96% of the total market capitalization of the constituent stocks of the ChiNext Board, and 84% of the total market capitalization of the constituent stocks of the STAR Market.

During the Reporting Period, the Company emphasized both internal and external value creation, and intensively built core competitiveness in research business. The Company focused on the goal of “making the research business an industry benchmark and effectively supporting the strategic transformation of the Company’s core business”, and comprehensively enhanced the quality of internal and external services by following a “three-curve” approach. For the first curve, the Company continuously improved service quality for core clients including mutual funds, insurance asset management, and private funds, and enhanced research provision and Integrated Synergy between research and services. During the Reporting Period, the Company organized 12 characteristic research activities themed on “Intelligent Manufacturing”, “Low-Altitude Economy”, “Maritime and New Energy”, and “Dividend Asset Investment”, etc., further expanding the research influence. Furthermore, the Company accelerated digital transformation of its research business, actively advancing plans

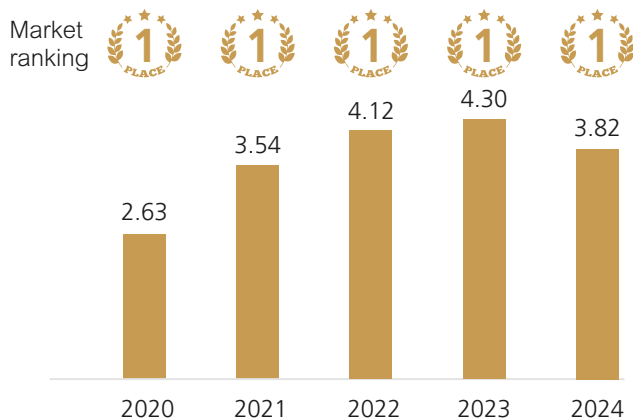
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for an AI research institute, and developed the research service brand “CMS Intelligent Research” (招商智研). It aimed to build a one-stop intelligent research production and service platform, achieving comprehensive digital and intelligent coverage of the entire life-cycle of research. For the second curve, the Company prioritized internal value creation by comprehensively optimizing research resource allocation. It leveraged industrial chain mapping forums to activate the “navigation” function of its research business, providing strong support for the development of other businesses of the Company. For the third curve, the Company built the “CMS Think Tank” (招證智庫) research brand, releasing a series of high-quality reports aligned with national strategies and macroeconomic trends to comprehensively enhance the research brand influence.

③ Custody and fund administrative services

The Company upheld the business policy of “service oriented, expertise prioritized, innovation led and technology driven”. It actively addressed market changes by timely adjusting client marketing and service strategies, and optimized collaborative mechanisms to enhance branches’ professional capabilities and engagement and further consolidate advantages in serving traditional key clients. As to financial technologies, the Company accelerated the development of the Jizhi Bole (機智·伯樂), an intelligent fund analysis platform, and upgraded its custody business system to ensure stable and efficient operations. The Company introduced a custody intelligent assistant, leveraging AI large models to innovate service delivery, and improve service efficiency and customer experience. In addition, through innovative financial engineering methods, the Company pioneered private fund evaluation and analysis to drive institutional business growth. In terms of internationalization strategies, capitalizing on the opportunities of cross-border administrator business, the Company launched the “Partner+” offshore fund administrative outsourcing service brand to expedite the pace of the business to go global. As of the end of 2024, the number of products under custody and fund administrative services of the Company amounted to 38.2 thousand, the size of which amounted to RMB3.46 trillion. According to the statistics from the AMAC and Wind, as of the end of 2024, the Company’s market share in terms of the number of private fund products under custody reached 21.72% and ranked 1st in the industry for eleven consecutive years. The Company ranked 3rd in the securities industry in terms of the amount of mutual fund products under custody. During the Reporting Period, the Company ranked 2nd in the securities industry in terms of the issuance scale of custodied mutual funds.

Number of products under custody and fund administrative services (10,000)



Source: AMAC

Outlook for 2025

The Company will steadfastly consolidate the revenue foundation of brokerage and capital-based intermediary businesses. It will accelerate the transformation of wealth management with a focus on product capability building, strengthening asset allocation and product screening to deliver superior wealth management experiences. Meanwhile, the Company will further strengthen the building of a professional investment advisor team and enhance the digital and intelligent capabilities in wealth management to effectively improve client service quality. For institutional business, the Company will actively build differentiated competitive advantages by continuously refining and enhancing the functions of the “CMS Ji Zhi” platform, thereby strengthening unified operations and services of institutional business. It will deepen the integration of research and services and continuously boost securities settlement business, driving stable revenue growth in institutional business. In addition, for custody business, the Company will proactively respond to a complex and ever-changing external environment and competitive landscapes by optimizing business structures and enhancing internal collaboration to further consolidate advantages in traditional custody and fund administrative services.

2. *Investment banking business*

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

Marketing Environment

In 2024, the pace of issuance in the A share equity financing market slowed down sharply, and the scale and number of financing projects decreased significantly. According to the statistics from Wind, the number of shares issued in the A share market was 262, and the total amount of equity financing (excluding share issuance for asset acquisition, same for below) was RMB248.452 billion, representing a year-on-year decrease of 68.55% and 72.76%, respectively. Of them, a total of 102 IPOs were completed in the A share market, raising proceeds of RMB66.280 billion, representing a year-on-year decrease of 81.54%. The proceeds raised from refinancing amounted to RMB182.172 billion, representing a year-on-year decrease of 67.07%. The Federal Reserve entered a rate-cutting cycle, with China’s policies encouraging mainland enterprises to list in Hong Kong, resulting in a significant year-on-year increase in the scale of Hong Kong IPO financing. According to the statistics from Bloomberg, in 2024, 70 IPOs were completed in the Hong Kong stock market, with raised proceeds of US\$11.122 billion, representing a year-on-year increase of 89.46%. The amount of equity financing in the Hong Kong stock market was US\$19.191 billion, representing a year-on-year increase of 16.90%.

In 2024, the cost of bond issuance showed a downward trend, and the financing amount of the domestic bond market maintained stable growth. According to the statistics from Wind, the total domestic bonds (excluding central bank bills and inter-bank deposit certificates) issued amounted to RMB48.31 trillion, representing a year-on-year increase of 6.99%. Of them, the total credit bonds issued amounted to RMB20.38 trillion (excluding treasury bonds, local government bonds, central bank bills, inter-bank deposit certificates and policy bank bonds, same for below), representing a year-on-year increase of 8.09%. The total corporate bonds issued amounted to RMB3.95 trillion, representing a year-on-year increase of 2.35%. The total financial bonds issued amounted to RMB10.21 trillion, representing a year-on-year increase of 2.23%. The total ABS issued amounted to RMB2.04 trillion, representing a year-on-year increase of 8.60%.

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Transactions in global M&A market exhibited robust vitality. According to the statistics from Bloomberg, a total of 52.7 thousand transactions were announced in the global M&A market, and the total transaction value amounted to US\$3.33 trillion, representing a year-on-year increase of 16.03%. According to the statistics from Wind, 8,612 transactions were announced in China's M&A market (excluding overseas M&A), and the transaction value amounted to RMB2.14 trillion, representing a year-on-year increase of 7.03%. 4,012 transactions were completed, and the transaction value amounted to RMB0.76 trillion, representing a year-on-year decrease of 37.37%.

Actions and Achievements

In 2024, the Company continued to deepen its transformation into a modern investment bank, making real efforts in the “five key areas”, namely technology finance, green finance, inclusive finance, pension finance and digital finance, and fully leveraging the role of finance as a “propeller” to serve the development of real economy. The Company further optimized its investment banking business system, prioritizing business layout in the BSE and Hong Kong market, optimizing the development of client group system, and intensifying the “Gazelle Incubator Project” (羚躍計劃) to enhance the comprehensive client management and service capability and drive the high-quality development of investment banking business. Notably, the Company's rating was upgraded to Category A in both the investment banking business practice quality evaluation and the bond business practice quality evaluation of securities firms in 2024 conducted by the Securities Association of China.

(1) Equity financing

During the Reporting Period, the Company made positive progress in the equity business under adverse market conditions. According to the statistics from Wind, in 2024, the Company ranked 7th in the industry in terms of the value of A share equity projects underwritten as a leading underwriter, in which, the Company ranked 8th in the industry in terms of the value of IPO projects underwritten, and rose four places year-on-year. According to the statistics from Bloomberg, in the Hong Kong stock market, the Company completed a total of 10 IPO projects, with an underwriting amount of US\$120 million, ranking 7th among Chinese brokers. The Company actively fulfilled its mission to contribute to the construction of a financial powerhouse, and continuously enhanced the service capability of technology finance and green finance to promote high-quality development of the real economy. During the Reporting Period, the Company assisted 8 enterprises in related industries in completing A share IPOs and equity refinancing projects, with an aggregate underwriting amount of RMB8.124 billion.

Milestone Projects of Equity Financing in 2024	
A share IPO project of Wuhan Dameng Database (688692.SH)	The first listed company of domestic database
A share IPO project of Uniconn (301631.SH)	A leading enterprise in the field of electrical connected components
A share IPO project of Q&D Circuits (301628.SH)	A leading enterprise in the field of PCB prototyping
Hong Kong IPO project of CHABAIDAO (2555.HK)	The first listing of franchise tea drinks on the Hong Kong Stock Exchange
Hong Kong IPO project of Cirrus (2507.HK)	The first listing of general aviation manufacturer on the Hong Kong Stock Exchange
Hong Kong IPO project of Voicecomm (2495.HK)	The first interactive AI listing on the Hong Kong Stock Exchange
Non-public issuance of Ningbo Tuopu (601689.SH)	A leading enterprise in the field of auto parts
Non-public issuance of AVIC Heavy Machinery (600765.SH)	A leading enterprise of aviation forging in China
Convertible bond of COSONIC (300793.SZ)	A leading enterprise in the field of electroacoustic product manufacturing

During the Reporting Period, the Company vigorously promoted the application of high-quality IPO projects, and continued to strengthen business development of the BSE. The ranking of overall reserve of equity projects stably increased. According to the statistics from Wind and the Exchanges, as of the end of 2024, 14 A share IPO projects underwritten by the Company were pending approval (including projects to be registered), ranking 5th in the industry, rising four places year-on-year. Among them, the Company ranked 6th in the industry in terms of the number of IPO projects pending approval on the BSE. The Company continued to deepen its capacities 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 554 companies have been selected into the "Gazelle Incubator Project" company database, of which, more than 60 companies have signed investment banking business agreements.

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A share projects	2024		2023	
	Lead underwriting amount (RMB100 million)	Number of projects	Lead underwriting amount (RMB100 million)	Number of projects
IPOs	34.83	4	70.51	6
Refinancing	56.43	6	131.57	18
Total	91.26	10	202.08	24

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

Note: Refinancing excludes share issuance for asset acquisition

(2) Debt financing

During the Reporting Period, the Company continued to optimize the bond business structure, strictly controlled the risks of bond business, deeply cultivated the credit bond business of central enterprises and local high-quality SOEs, strengthened the development of financial bonds, Internet financial ABS, REITs and other businesses so as to make steady progress in the market competitiveness. According to the statistics from Wind, in 2024, the domestic bonds lead underwritten by the Company amounted to RMB426.523 billion, representing a year-on-year increase of 30.91%. Of them, the amount of credit bonds and financial bonds underwritten ranked 6th and 7th in the industry. Benefiting from the expansion of Internet financial ABS business, the competitiveness of the Company's ABS business was further improved. The underwriting amount of ABS business increased by 57.85% year-on-year, ranking 4th in the industry, up 3 places year-on-year. The underwriting amount of credit ABS, NAFMII ABN, and enterprise ABS business ranked 1st, 2nd, and 7th in the industry, respectively. The Company maintained strong competitiveness in public REITs, completing 4 public REITs during the Reporting Period, with a total issuance amount of RMB8.181 billion. Since 2021 to the end of the Reporting Period, the Company ranked 3rd in the industry in terms of the aggregate initial offering amount of infrastructure REITs for which the Company acted as a financial advisor. The Company continuously practiced the development concept of green finance and technology finance, and assisted in the issuance of multiple green bonds and technological innovation corporate bonds, with an aggregate underwritten amount of RMB43.102 billion. The Company focused on improving services for inclusive finance, further promoted rural revitalization, and assisted in the issuance of a number of "rural revitalization" and "Three Rural Issues" (三農)-themed bonds and inclusive finance-themed products, with an underwriting amount of RMB45.849 billion.

Milestone Projects of Debt Financing in 2024

AVIC ESR Warehouse and Logistics Closed Infrastructure Securities Investment Fund	The flagship project of ESR Group, the largest real asset management company in the Asia-Pacific region
China Merchants Fund China Merchants Highway Expressway Closed Infrastructure Securities Investment Fund	The first highway public REIT of China Merchants Group
Supply Chain Finance Green Asset-Backed Special Plan (Rural Revitalization) (Phase-I) of Beijing Energy International (京能國際供應鏈金融第1期綠色資產支持專項計劃(鄉村振興))	The first green ABS on supply chain for rural revitalization project in the power industry
Huaneng Trust – 360 Micro Credit Phase-I Asset-Backed Special Plan (華能信託—三六零小貸第1期資產支持專項計劃)	The first domestic AAA international rating exchange-listed ABS
Shangri-La Asia Limited 2024 Medium-Term Notes (Series-I) (Bond Connect) (香格里拉(亞洲)有限公司2024年度第一期中期票據(債券通))	The first panda bond of Shangri-La Asia Limited
Guangxi Beibu Gulf International Port Group Ltd. 2024 Non-public Offering of “Belt and Road” Short-Term Corporate Bond (Phase-I) for Professional Investors (廣西北部灣國際港務集團有限公司2024年面向專業投資者非公開發行「一帶一路」短期公司債券(第一期))	Guangxi SOEs’ first Belt and Road corporate bond
2024 Medium-Term Notes (Phase-I) of Ordos State-owned Asset Investment Holdings Group Co., Ltd. (鄂爾多斯市國有資產投資控股集團有限公司2024年度第一期中期票據)	The first municipal-level AAA-rated bond in the Inner Mongolia Autonomous Region

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	2024		2023	
	Lead underwriting amount (RMB100 million)	Number of issuance	Lead underwriting amount (RMB100 million)	Number of issuance
Domestic bonds				
Enterprise bonds	4.29	3	0.07	1
Corporate bonds	820.71	259	781.14	218
Financial bonds	1,661.36	148	1,220.37	122
Short-term financing bonds	26.30	7	49.23	14
Medium-term notes	273.74	97	226.46	57
Private placement notes	21.34	12	60.97	18
Exchangeable bonds	0.00	0	0.83	1
Asset-backed securities	1,449.00	932	917.99	586
Others	8.50	2	1.00	1
Total	4,265.24	1,460	3,258.06	1,018

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

Note: Bond underwriting includes 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

During the Reporting Period, the Company thoroughly analyzed customer needs, systematically explored potential merger and acquisition opportunities, and focused on promoting the matching of M&A and restructuring. According to the statistics from Wind, in 2024, the Company completed 4 A share market M&A and restructuring projects, including the absorption and merger of entire equity interest of Chongqing General Trading (重慶商社) by Chongqing Department Store and major asset swap of Gree Real Estate, with a transaction amount of RMB11.285 billion, ranking 6th in the industry. Among them, the Company participated in major asset restructuring transactions, with a value totaling RMB10.905 billion, ranking 2nd in the industry. According to the statistics from Wind and the Exchanges, as of the end of 2024, the Company had one M&A and restructuring project under review, ranking 5th in the industry.

Outlook for 2025

The Company will deeply advance its transformation into a modern investment bank, continuously optimize the business system, consolidate the market standing of ABS, Central SOE bonds, public REITs, etc., and strengthen industrial and regional advantages; further enhance the synergy of investment banks and commercial banks to improve client system development and boost integrated financial service capabilities; deepen digital transformation, reinforce refined management and risk control, and effectively elevate practice capacity and management.

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 2024, China's mutual fund industry witnessed rapid growth in product offerings and AUM, and institutional investors expanded significantly. However, persistent challenges remained, including underwhelming performance in active equity investments and limited progress in enhancing investor experience. Meanwhile, the industry saw intensified regulatory reforms marked by the introduction of the New "Nine Opinions", ongoing fee rate reforms, and the implementation of fund manager classification evaluation system, propelling the sector toward more robust high-quality development. Securities companies actively seized industry opportunities, aggressively developed active management capabilities and accelerated the development of mutual and private funds business. According to the data from the AMAC, the AUM of private funds of securities companies and their asset management subsidiaries reached RMB5.47 trillion by the end of 2024, representing a year-on-year increase of 3.04%.

In terms of equity investment, according to the statistics from Zero2IPO Research, in 2024, a total of 3,981 new funds were launched, with the total fundraising reaching RMB1.44 trillion, representing a year-on-year decrease of 43.0% and 20.8%, respectively. The number of investment cases was 8,408, with an investment amount of RMB603.6 billion, representing a year-on-year decrease of 10.4% and 10.3%, respectively. The number of exit cases was 3,696, representing a year-on-year decrease of 6.3%, among which the IPO exits was 1,333, representing a year-on-year decrease of 37.2%. The number of IPOs of invested companies continued to shrink yet bifurcated as the number of IPOs of overseas invested enterprises exceeded that of the domestic market.

Actions and Achievements

(1) Asset management of securities companies

During the Reporting Period, CMS Asset Management significantly enhanced its active management capabilities, advanced the development of its investment research team, and optimized its management mechanisms. It actively promoted product launch, strengthened customized product solutions, expanded cross-border business layout, and continuously diversified product portfolios. CMS Asset Management also intensified efforts to acquire institutional clients. In April 2024, CMS Asset Management was officially approved to conduct mutual fund management business, and actively advancing the declaration and issuance of mutual fund products during the Reporting Period. It launched two equity mutual funds: the BSE 50 Index Fund (北證50成份指數) and the Zhida Quantitative Stock Selection Fund (智達量化選股). As of the end of 2024, the AUM of CMS Asset Management amounted to RMB267.392 billion. Benefiting from growth in the income of collective asset management, CMS Asset Management recorded net income from its business of RMB728 million, representing a year-on-year increase of 2.82%.

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Items	AUM (RMB100 million)		Net income from asset management business (RMB100 million)	
	As at the end of 2024	As at the end of 2023	2024	2023
Mutual fund business	1.06	0.00	0.00	0.00
Collective asset management	1,265.62	1,151.96	5.44	5.10
Separately managed account	758.72	1,071.02	1.48	1.71
Specialized asset management	648.53	725.56	0.35	0.27
Total	2,673.92	2,948.54	7.28	7.08

(2) Private equity fund management

During the Reporting Period, CMS Zhiyuan Capital strove to build a LP service system with brokerage characteristics, persistently deepening collaborations with state-owned capital and industrial capital to make all efforts in the “five key areas”, and support the development and growth of new quality productive forces. In 2024, CMS Zhiyuan Capital achieved additional fund AUM of RMB5.93 billion. It deeply cultivated key sectors such as scientific and technological innovation and green and low-carbon initiatives, completing investment in 12 enterprises with a total investment amount of RMB767 million. In terms of post-investment management, CMS Zhiyuan Capital improved operation management to strengthen post-investment empowerment and support the development of the invested companies. In terms of post-investment exits, the accumulated amount of exiting proceeds amounted to RMB1.694 billion during the Reporting Period. According to the statistics from the AMAC, in the third quarter of 2024, the average monthly private AUM of CMS Zhiyuan Capital amounted to RMB20.96 billion, ranking 8th in the securities industry.

(3) Fund management

① Bosera Funds

In 2024, Bosera Funds actively advanced reforms and innovation, and accelerated investment in new businesses to constantly enhance its core competitiveness. In terms of technology finance, Bosera Funds has focused on product deployment toward technological innovation, and invested over RMB34 billion to products targeting sci-tech innovation as of the end of 2024. In terms of green finance, Bosera Funds has continuously refined its ESG investment framework, optimized ESG product performance, and increased investment in green bonds. In terms of inclusive finance, Bosera Funds has always been committed to creating value for investors and has distributed cumulative dividends of over RMB206.9 billion since its inception. In terms of pension finance, Bosera Funds has enhanced the pension investment research capability while maintaining excellence in social security and annuity services. In terms of digital finance, Bosera Funds has established a digital-intelligent strategic framework, dedicated to developing key projects, and implemented AI+ strategy by establishing an AI laboratory to empower business lines. In 2024, Bosera Funds prioritized the development of passive index funds, with five major ETF products as breakthroughs, namely Gold ETF (黃金ETF), Science and Technology Innovation 100 ETF (科創100 ETF), S&P 500 ETF, Hang Seng Medical ETF (恆生醫療保健ETF), and Bosera Convertible Bond ETF (博時可轉債ETF), to promote the rapid growth of ETF business. As at the end of the Reporting Period, the scale of ETFs exceeded RMB130 billion.

As of the end of the Reporting Period, the AUM of Bosera Funds amounted to RMB1,718.4 billion (including the assets managed by subsidiaries), representing an increase of 9.78% as compared to the end of 2023. Of them, the AUM of mutual funds (excluding feeder funds) amounted to RMB1,092.0 billion, representing an increase of 14.99% as compared to the end of 2023. The AUM of non-monetary mutual funds amounted to RMB631.1 billion, representing an increase of 18.71% as compared to the end of 2023. According to the statistics from Wind, as at the end of 2024, Bosera Funds ranked 7th in the industry in terms of AUM of non-monetary mutual funds, and ranked 1st in terms of AUM of bond mutual funds.

② China Merchants Fund

In 2024, China Merchants Fund adhered to the “high-quality development” requirements of mutual funds and the strategic priorities of “one core, two engines, and four missions” (一核、兩擎、四化), continuously improving operational efficiency and solidifying its core competencies. Through rigorous management and adherence to fundamental principles, the company achieved steady progress and innovation across its businesses. In terms of developing investment research capabilities, China Merchants Fund made dedicated efforts to strengthen the equity investment team building and continued deepening investment-research collaboration, gradually improving both capabilities and reputation in active equity. In terms of product layout, China Merchants Fund continuously optimized its product structure by launching the industry’s first core broad-based CSI A500ETF products, completing the listing of three REITs projects, and issuing its first overseas ETF under the mutual market access scheme. In terms of client management, China Merchants Fund actively facilitated the development of channels and acquisition of clients, steadily promoted the investment advisory business, fully grasped the development opportunities of pension business, and deepened customer companionship and investor education to increase clients’ satisfaction. In terms of risk management, China Merchants Fund consistently advanced comprehensive risk management, and intensified the publicizing and implementation of regulatory requirements. Risk control measures in key areas were further strengthened, enhancing internal control and compliance management. There was no major compliance risk events occurring during the Reporting Period. In terms of fundamental management, China Merchants Fund further strengthened the promotion of corporate values, optimized human resource management, refined financial and procurement management, accelerated digital transformation, and continuously intensified back-office operation management, significantly enhancing overall operational quality and efficiency.

As of the end of the Reporting Period, the AUM of China Merchants Fund (including the assets managed by subsidiaries) amounted to RMB1,568.9 billion, representing an increase of 1.19% as compared to the end of 2023. Among them, the AUM of mutual funds (excluding feeder funds) amounted to RMB879.7 billion, representing an increase of 2.22% as compared to the end of 2023; and the AUM of non-monetary mutual funds amounted to RMB557.4 billion, representing a decrease of 3.15% as compared to the end of 2023. According to the statistics from Wind, as at the end of 2024, China Merchants Fund ranked 9th in the industry in terms of the AUM of non-monetary mutual funds, and ranked 4th in terms of the AUM of bond mutual funds.

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Outlook for 2025

CMS Asset Management is committed to building a stable securities asset management institution that balances the development of mutual and private funds. It will continue to strengthen its professional capabilities and fully leverage the unique competitive advantages of securities asset management in asset creation, product customization and client channels. CMS Asset Management will focus on enhancing active management capabilities, establish an investment research system with distinctive characteristics; develop a sound private product line; and enhance the filing, issuance and marketing of mutual fund products to drive sustained growth in the scale of mutual funds. CMS Zhiyuan Capital will adhere to market-oriented and professional investment philosophies, continuously improve its fund portfolio, drive the diversification of its fund offerings, and accelerate the expansion of the management scale.

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 2024, China introduced a series of counter-cyclical measures, including policies to stimulate consumption and stabilize the property market. Despite external challenges, the domestic economic growth maintained overall stability. Globally, inflation gradually subsided as the U.S. Federal Reserve initiated its rate-cutting cycle. Domestically, the A share market experienced significant volatility but rose notably following new policy initiatives in September 2024, ultimately closing the year on an upward trend.

Actions and Achievements

For equity investment, the Company actively improved the investment research system, focusing on absolute returns and actively exploring diverse investment strategies. We vigorously promoted a high-dividend investment strategy led by SOEs, closely monitoring the macroeconomic trends and national policies. By adhering to long-term industrial development trends and investing in selected industry leaders, the equity investment business achieved favorable investment returns in 2024.

For equity derivatives investment, the Company vigorously developed capital-based intermediary trading business such as listed derivatives market making and demand-driven business, actively developed market-neutral investment business such as quantitative strategies. For listed derivatives market making, the Company further enhanced its capabilities in price discovery and risk management by leveraging AI technologies, including big data analytics and machine learning. The Company actively developed technology finance and green finance, and made continued efforts to enhance market making services for derivatives such as STAR Market ETF options, lithium carbonate options and polysilicon options to facilitate the risk management needs of related industries. As of the end of the Reporting Period, the Company's qualifications for listed derivatives market making increased to 104, ranking 1st among securities companies. The Company's options products listed on the SSE were awarded the comprehensive AA rating in 2024. Securities market making business continued to expand its coverage. As of the end of December, the number of fund market making projects, stock market making projects on the STAR Market, and stock market making projects on the BSE reached 481, 39 and 4, respectively, leading the market in terms of market making competitiveness. The Company was granted comprehensive AA ratings by the SSE and SZSE in 2024. For OTC derivatives, operations adhered strictly to regulatory policies and the risk-neutral principle, with business leverage and risks kept at manageable levels. During the Reporting Period, the Company successfully developed a cloud-native OTC options management system, covering trading varieties across multiple global markets. Core trading capabilities and institutional client services were further enhanced.

For fixed-income investment, during the Reporting Period, the Company fully leveraged its advantages of investment research to accurately identify bond market opportunities for allocation and swing trading. As a result, both domestic and foreign fixed-income investment achieved strong year-on-year returns, significantly outperforming market benchmarks. For market-neutral strategy, the Company actively capitalized on market opportunities through enhancing strategy research and the application of financial technologies, successfully expanding its business scale and realizing substantial year-on-year growth in investment returns. In terms of market making, the Company comprehensively carried out market making business of interbank bonds, derivatives, CFFEX treasury bond futures, exchange bonds, bond ETFs and other products. By leveraging its strong investment research capabilities, the Company enhanced pricing efficiency for bonds and derivatives while advancing the intelligent and technological development of market making services, consistently delivering high-quality market making services to domestic and foreign investors. In terms of client-driven business, the Company proactively advanced fixed-income OTC derivatives businesses such as return swaps and options. It strengthened the capability building of client-driven business to improve client transaction capabilities, diversified client base, and consistently innovated product offerings and business scenarios. The notional amount of fixed-income OTC derivatives saw a significant year-on-year increase during the Reporting Period. In addition, the Company continued to strengthen the digitization of its investment research system, leveraging financial technologies throughout the investment lifecycle - from pre-investment analysis to post-investment monitoring. This approach significantly improved research and investment efficiency. The Company maintained a comprehensive and effective credit risk management system, with no adverse credit events occurred during the Reporting Period.

For foreign exchange, the Company achieved significant progress in both proprietary foreign exchange trading and client-driven business in 2024. It participated as one of the first batch of institutions in the direct processing of transaction settlement in the China Foreign Exchange Trade System and the foreign exchange bilateral agency settlement service of Shanghai Clearing House. The Company's proprietary foreign exchange trading business basically achieved full product coverage of the interbank foreign exchange market, while the scale of foreign exchange client-driven business exceeded RMB100 billion. The Company maintained its leading market influence among securities firms.

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For alternative investment, in 2024, CMS Investment proactively managed the subdued equity investment market environment through timely adjustment to its investment strategies and pace of investment. CMS Investment made investment with high standards and strict requirements, and focused on key sectors such as chip semiconductors, new energy and materials, and biological medicine. During the Reporting Period, CMS Investment invested approximately RMB150 million. Additionally, the company emphasized risk management and timely exits for existing projects, achieving exit proceeds exceeding RMB900 million.

Outlook for 2025

The Company will further enhance its capability to address the changes in external environment and market volatility, optimize asset allocation strategies and decision-making mechanisms, and implement tailored investment approaches across different markets, with the aim of achieving “large scale and stable growth”. The Company will also prioritize stabilizing fixed-income investments by closely monitoring market dynamics, strengthening interest rate risk management, and further exploring overseas investment strategies. To further consolidate its leadership in market-making business, the Company will focus on developing client-driven business and other capital-based intermediary trading businesses, and improve product design and trading capabilities. It will actively build a comprehensive derivatives financial service platform for OTC derivatives business, while expanding risk-neutral strategic investment to enhance its income contribution. In the equity investment space, the Company will strengthen fundamental research, refine its investment layout, and enforce rigorous risk control to pursue absolute returns. CMS Investment will focus on strategic emerging industries and sectors including digital intelligent technology, green technology, and life sciences, emphasizing the technological attributes of investment projects. Furthermore, the Company will leverage the synergy between investment, investment research and investment banking to provide comprehensive financial services across the entire business chain for invested companies; and maintain strict risk control, seize optimal exit opportunities, and enhance post-investment management capabilities.

II. Industry Condition of the Company during the Reporting Period

The development of the securities industry was affected by many factors such as China’s macro economy, monetary policy, regulatory environment, investor trading activity and the international market, resulting in significant cyclical fluctuations.

In 2024, China’s economy maintained overall stability with steady progress, solidly advanced high-quality development, and achieved stable growth in new productive forces of high quality. Domestic financial policy support was further strengthened for the capital market. Among them, the State Council issued the Several Opinions on Strengthening Supervision and Preventing Risks to Promote the High-quality Development of the Capital Market, while the CSRC, the SSE, and the SZSE successively rolled out a series of supporting policies, systematically building a “1+N” policy framework to promote the high-quality development of the capital market. The central bank introduced innovative structural monetary policy tools to boost and enhance the market. As part of efforts to build China into a financial powerhouse, the capital market played an increasingly vital role in channeling medium- to long-term funds into the market. As at the end of 2024, the AUM of ETFs in the market amounted to RMB3.78 trillion, representing a year-on-year increase of 85.05%. Companies listed in the A share market distributed RMB2.39 trillion in dividends throughout the year, representing a year-on-year increase of 7.15%, setting a record high and further enhancing market investment value. The “Six Measures on M&A” (併購六條) further deepened reforms in the M&A and restructuring market, with annual value of M&A exceeding RMB2 trillion, continuously optimizing resource allocation.

In 2024, the SSE Composite Index, SZSE Component Index, ChiNext Index and STAR 50 Index increased by 12.67%, 9.34%, 13.23% and 16.07% year-on-year, respectively. The BSE 50 Index declined by 4.41% year-on-year, while the Hang Seng Index increased by 17.67% year-on-year, and the ChinaBond Composite Total Return Index rose by 7.64% year-on-year. The average daily trading volume of stocks and funds in the A share market was RMB1.22 trillion, representing a year-on-year increase of 22.90%. The average daily trading volume of stocks in the Hong Kong market was HK\$131.825 billion, representing a year-on-year increase of 25.53%. According to the statistics from Wind, the equity financing in the A share market amounted to RMB248.452 billion (excluding share issuance for asset acquisition), representing a year-on-year decrease of 72.76%; and the total credit bonds issued amounted to RMB20.38 trillion, representing a year-on-year increase of 8.09%. According to the statistics from Bloomberg, the total proceeds raised from IPOs in the Hong Kong market amounted to US\$11.122 billion, representing a year-on-year increase of 89.47%.

III. Business of the Company during the Reporting Period

For details, please refer to “I. Discussion and Analysis of Operations” in this chapter.

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

Category	Awarding Authorities	Awards
Wealth management and institutional business	China Fund	9th Yinghua Exemplary Cases of China Private Securities Funds (第九屆中國證券私募基金英華示範案例) - Excellent Private Fund Sales Brokerage Institution (優秀私募銷售券商示範機構)
		The 20th Anniversary Special Selection of China Fund Industry Yinghua Award for ETF - Excellent ETF Seller (優秀ETF銷售商), Excellent ETF Marketing Case (優秀ETF營銷案例)
		“Best IP Brand” – “Best Financial Intelligent Collaboration Video” (「最佳IP形象」 – 「最佳財智同行視頻」) of 2024 Yinghua New Horizons Best Video Series (2024年英華新視界最佳視頻系列)
		“Best Pioneering Investor Education” of 2023 Yinghua New Horizons
		Best China Securities Companies Awards 2024-Best APP of Securities Companies
	SSE	2023 Investor Protection Exemplary Case Award (2023年度投資者保護優秀實踐案例獎)
	SZSE	4th National Investor Education Animation Competition Excellence Award (第四屆全國投教動漫大賽優秀獎)

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Category	Awarding Authorities	Awards
		2024 “Investor Education Pioneer” Team (2024年「投教先鋒」團隊)
	Shenzhen Securities Investor Services Center	2024 Outstanding Investor Education Base in Shenzhen (2024年度深圳轄區優秀投資者教育基地) Outstanding Contribution Award for the Shareholders Are Coming (2024) Investor Rights Knowledge Competition in Shenzhen (《股東來了》(2024)深圳片區投資者權益知識競賽活動突出貢獻獎)
	Cailian Press (財聯社)	1st “Wealth Management Huazun Award” (財富管理·華尊獎) - Best ETF Ecosystem Award (最佳ETF生態獎), Best Investor Education Award (最佳投資者教育獎) “Innovative Investor Education Work Award” (創新投教作品獎) of 1st “Cailian Xingyin Cup” (財聯星引杯) Financial Education
	China Securities Journal	“Best Golden Bull Research Institution” (最佳金牛研究機構) of China Securities Industry Golden Bull Analyst Awards (中國證券業金牛分析師獎) 2024 Jun Ding Award for APP Operation Team in Securities Industry of China
	New Fortune	Best ESG Practice Research Institution
	Sina Finance	Golden Kirin (金麒麟) “Most Distinctive Research Institution” of Sina Finance
	Analysys Qianfan	The Award of Excellent Digital Application in the Year 2024

Category	Awarding Authorities	Awards
Investment banking	China Securities Journal	2024 Securities Golden Bull Award - Golden Bull Investment Bank Team
	Securities Times	2024 Jun Ding Award for Full-Service Investment Bank in China
		Jun Ding Award for M&A and Restructuring Financial Advisor
		Jun Ding Award for Regional Investment Bank (South China Region)
		Jun Ding Award for Supporting Projects of Central SOEs and SOEs
Investment management	New Fortune	17th 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 Refinancing Investment Bank (最佳再融資投行), Best Asset-Backed Securities (ABS) Investment Bank (最佳資產證券化(ABS)投行), Best M&A Investment Bank (最佳併購投行)
	China Securities Journal	2024 3-Year Golden Bull Award for Securities Collective Asset Manager (三年期金牛券商集合資產管理人) 5-Year Golden Bull Award for FOF Asset Management Plan (五年期FOF型金牛資管計劃)

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Category	Awarding Authorities	Awards
Investment and trading	SZSE	2023 Excellent ETF Liquidity Service Provider
	SSE	2023 “Outstanding Fund Market Maker”, “Outstanding Fund Market Maker (Stock ETF)”, “Outstanding STAR Market Stock Market Maker” (優秀科創板股票做市商)
		2024 Leading Institution in Bond Market (2024年度債市領軍機構)
	China Central Depository and Clearing Co., Ltd.	2024 Top 100 Proprietary Settlement Institutions (2024年度自營結算100強)
		2024 Outstanding Bond Underwriting Institution in the Bond Issuance and Underwriting Category (2024年度債券發行承銷類優秀債券承銷機構)
	China Foreign Exchange Trade System	2023 Outstanding RMB Forex Spot Member (2023年度優秀人民幣外匯即期會員)
		2024 Interbank Local Currency Market “Market Influencer of the Year”
		2024 Interbank Local Currency Market “Market Innovation Institution”
	Export-Import Bank of China	“Excellent Underwriter”, “Excellent Market Maker”, and “Innovative Cooperation Award” of 2024 Domestic RMB Financial Bond Underwriting & Market-Making Teams (境內人民幣金融債券承銷做市團)
	Shanghai Clearing House	2024 Outstanding Award for Standard Bond Forward Proprietary Clearing (2024年度標準債券遠期自營清算優秀獎)
		2024 Outstanding Participant for Foreign Exchange Agency Clearing (2024年度外匯代理清算業務優秀參與機構)
		2024 Outstanding Institution for Innovative Business Promotion (2024年度優秀創新業務推進機構)

V. Analysis of Core Competitiveness during the Reporting Period

The Company is the largest securities firm of the SASAC. With its more than 30 years of development, the Company has established notable key competitiveness.

(I) Strong “China Merchants” brand and shareholder background

As a member of China Merchants Group, the Company fully benefits from the brand influence of “China Merchants” and the industrial and financial resources within the China Merchants Group. Strongly supported by China Merchants Group, the Company has continued to grow and develop and 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.

(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 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, develop 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 operating sites to accumulate a solid client base. At present, the Company has 265 securities branches and 14 branches in China, and business agencies in Hong Kong (SAR), the United Kingdom, South Korea and other places, with its service network covering major capital markets around the world. The Company grasps the trend of online development, innovates the online client service model, and promotes the continuous growth of client scale to lay a solid foundation for its long-term development.

(IV) Growing financial technology capabilities

The Company attaches great importance to financial technology, and ranks among the forefront of the industry in terms of its investment in information system. The Company has carried out top-level design and integrated reconstruction from “organization, process, and IT” to comprehensively promote 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.

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(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.

VI. 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	30,622,282	30,020,438	2.00%
Total expenses	20,885,808	22,259,203	-6.17%
Profit before income tax	11,219,492	9,295,693	20.70%
Profit for the year	10,389,971	8,769,087	18.48%
Profit for the year attributable to shareholders of the Company	10,385,872	8,763,960	18.51%
Net cash generated from operating activities	22,261,032	15,768,912	41.17%
Net cash used in investing activities	-14,260,651	-24,094,856	40.81%
Net cash used in/(generated from) financing activities	-10,358,181	7,701,274	-234.50%
Net decrease in cash and cash equivalents	-2,357,800	-624,670	-277.45%

In 2024, the Company recorded total revenue, other income and gains of RMB30.622 billion, profit before income tax of RMB11.219 billion and profit for the year attributable to shareholders of the Company of RMB10.386 billion, representing a year-on-year increase of 2.00%, 20.70% and 18.51%, respectively. Weighted average return on net assets was 8.82%, representing a year-on-year increase of 0.91 percentage point.

2. Income

Unit: RMB'000

Items	Current period		Previous period		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Fee and commission income	10,691,787	34.92%	10,485,053	34.93%	206,734	1.97%
Interest income	10,019,521	32.72%	10,975,823	36.56%	-956,302	-8.71%
Net gain on investment	9,527,453	31.11%	6,730,073	22.42%	2,797,380	41.57%
Net other income and gains	383,521	1.25%	1,829,489	6.09%	-1,445,968	-79.04%
Total revenue, other income and gains	30,622,282	100.00%	30,020,438	100.00%	601,844	2.00%

In 2024, the Company recorded total revenue, other income and gains of RMB30.622 billion, representing a year-on-year increase of RMB602 million, or 2.00%, of which:

Fee and commission income of the Company recorded a year-on-year increase of RMB207 million, or 1.97%, of which, the year-on-year increase in income from securities and futures brokerage business of RMB833 million was mainly attributable to the year-on-year increase in the trading volume of the Company's stocks and funds as a result of the general increase in the market; the underwriting and sponsorship business recorded a year-on-year decrease of RMB494 million, or 39.08%, mainly attributable to the year-on-year decline in the Company's equity underwriting income.

Interest income recorded a year-on-year decrease of RMB956 million, or 8.71%, of which, the year-on-year decrease of RMB778 million in interest income from margin financing and securities lending, mainly due to the decrease in interest rate of the margin financing and securities lending in line with the decline in market interest rates.

Net gain on investment recorded a year-on-year increase of RMB2.797 billion, or 41.57%, of which, the year-on-year increase of RMB3,300 million in net gain from financial assets at fair value through profit or loss, of which, the year-on-year increase in revenue from fixed-income and equity investments.

Other income and gains, net recorded a year-on-year decrease of RMB1.446 billion, or 79.04%, mainly attributable to the fact that China Merchants Futures, a subsidiary of the Company, did not record any revenue from commodities during the year.

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3. Expenses

Unit: RMB'000

Items	Current period		Previous period		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Depreciation and amortization	864,978	4.14%	766,246	3.44%	98,732	12.89%
Staff costs	6,358,749	30.45%	5,828,680	26.19%	530,069	9.09%
Fee and commission expenses	2,313,992	11.08%	2,207,597	9.92%	106,395	4.82%
Interest expenses	8,885,650	42.54%	9,523,425	42.78%	-637,775	-6.70%
Tax and surcharges	118,726	0.57%	112,556	0.51%	6,170	5.48%
Other operating expenses	2,457,013	11.76%	3,632,884	16.32%	-1,175,871	-32.37%
Impairment losses under expected credit loss model, net of reversal	-113,300	-0.54%	187,815	0.84%	-301,115	-160.33%
Total expenses	20,885,808	100.00%	22,259,203	100.00%	-1,373,395	-6.17%

In 2024, the total expenses of the Company amounted to RMB20.886 billion, representing a year-on-year decrease of RMB1.373 billion, or 6.17%, of which:

Fee and commission expenses amounted to RMB2.314 billion, representing a year-on-year increase of RMB106 million, or 4.82%, mainly attributable to the year-on-year increase of RMB181 million in fee and commission expenses of the securities and futures brokerage business.

Interest expenses amounted to RMB8.886 billion, representing a year-on-year decrease of RMB638 million, or 6.70%, of which the interest expenses of bonds payable and interest expenses of short-term debt instruments recorded a year-on-year decrease of RMB480 million due to the decline in financing costs, and the interest expenses of accounts payable to brokerage clients recorded a year-on-year decrease of RMB255 million due to the decline in market interest rates.

Staff costs amounted to RMB6.359 billion, representing a year-on-year increase of RMB530 million, or 9.09%.

Impairment losses under expected credit loss model, net of reversal amounted to a deficit of RMB113 million, representing a year-on-year decrease of RMB301 million, or 160.33%, mainly attributable to the year-on-year decrease in impairment loss of financial assets held under resale agreements of RMB127 million, and the year-on-year decrease in impairment loss of advances to customers of RMB152 million.

Other operating expenses amounted to RMB2.457 billion, representing a year-on-year decrease of RMB1.176 billion, or 32.37%, mainly attributable to a year-on-year decrease of RMB1.462 billion in cost of commodity trading.

Other expenses included depreciation and amortization, tax and surcharges.

4. Segment revenues

4.1 Analysis of segment revenues and performance

Unit: RMB'000

Business segment	Current period		Previous period		Change		Percentage change
	Amount	Percentage	Amount	Percentage	Amount	Percentage	
Wealth management and institutional business	16,349,490	53.39%	16,658,312	55.49%	-308,822	-1.85%	-2.10%
Investment banking	915,922	2.99%	1,426,891	4.75%	-510,969	-35.81%	-1.76%
Investment management	1,016,835	3.32%	1,002,160	3.34%	14,675	1.46%	-0.02%
Investment and trading	11,366,527	37.12%	8,485,354	28.27%	2,881,173	33.95%	8.85%
Others	1,072,985	3.50%	2,533,745	8.44%	-1,460,760	-57.65%	-4.94%

In terms of segment revenue and other income, revenue from the wealth management and institutional business segment recorded a year-on-year decrease of RMB309 million, or 1.85%, of which, income from securities and futures brokerage business recorded a year-on-year increase of RMB833 million; the interest income from margin financing and securities lending recorded a year-on-year decrease of RMB778 million; and the 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 RMB248 million. Revenue from the investment banking business recorded a year-on-year decrease of RMB511 million, or 35.81%, mainly attributable to the year-on-year decrease of RMB494 million in income from underwriting and sponsorship business. Revenue from the investment management business recorded a year-on-year increase of RMB15 million, or 1.46%. Revenue from the investment and trading business recorded a year-on-year increase of RMB2.881 billion, or 33.95%, of which, revenue from fixed-income and equity investments increased year-on-year. Revenue from others recorded a year-on-year decrease of RMB1,461 million, or 57.65%, mainly due to the fact that China Merchants Futures, a subsidiary of the Company, did not record any revenue from commodities during the year.

In terms of revenue composition, the proportion of operating income from the wealth management and institutional business, the investment banking business, the investment management business and others decreased by 2.10 percentage points, 1.76 percentage points, 0.02 percentage point and 4.94 percentage points, respectively, and the proportion of operating income from the investment and trading business increased by 8.85 percentage points.

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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	11,461,924	54.88%	12,195,694	54.79%	-733,770	-6.02%
Investment banking	717,736	3.44%	879,931	3.95%	-162,195	-18.43%
Investment management	387,691	1.86%	392,951	1.77%	-5,260	-1.34%
Investment and trading	7,062,444	33.81%	6,230,127	27.99%	832,317	13.36%
Others	1,355,490	6.49%	2,646,524	11.89%	-1,291,034	-48.78%

In terms of segment expenses, expenses of the wealth management and institutional business recorded a year-on-year decrease of RMB734 million or 6.02%; expenses of the investment banking recorded a year-on-year decrease of RMB162 million or 18.43%; expenses of the investment management recorded a year-on-year decrease of RMB5 million or 1.34%; expenses of others recorded a year-on-year decrease of RMB1,291 million or 48.78%; expenses of the investment and trading recorded a year-on-year increase of RMB832 million or 13.36%.

5. Cash flows

Unit: RMB'000

Items	Current period	Previous period	Change	Percentage change
Net cash generated from operating activities	22,261,032	15,768,912	6,492,120	41.17%
Net cash used in investing activities	-14,260,651	-24,094,856	9,834,205	40.81%
Net cash used in/(generated from) financing activities	-10,358,181	7,701,274	-18,059,455	-234.50%
Net decrease in cash and cash equivalents	-2,357,800	-624,670	-1,733,130	-277.45%

In 2024, the net decrease in cash and cash equivalents of the Company amounted to RMB2,358 million. Of which, net cash from operating activities amounted to RMB22.261 billion; net cash used in investing activities amounted to RMB14.261 billion; and net cash used in financing activities amounted to RMB10.358 billion. The Company's cash and cash equivalents are mainly denominated in RMB, HKD and USD.

- (1) Net cash flow from operating activities increased by RMB6.492 billion as compared to 2023, mainly attributable to the increase in net inflow from financial assets/liabilities at fair value through profit or loss of RMB60.828 billion, partially offset by the increase in net outflow from placements from banks and other financial institutions of RMB33.286 billion and the increase in net outflow from other current liabilities of RMB25.811 billion.
- (2) Net cash flow from investing activities increased by RMB9.834 billion as compared to 2023, mainly attributable to the decrease in net cash outflow from proceeds from purchases of financial assets at fair value through other comprehensive income of RMB8.694 billion.
- (3) Net cash flow from financing activities decreased by RMB18.059 billion as compared to 2023, mainly due to an increase of RMB37.510 billion in net cash outflows as a results of repayment of bonds and short-term debt instruments, partially offset by the increase of RMB11.325 billion in proceeds from issuance of bonds and short-term debt instruments as compared to last year.

6. Overview of consolidated statement of financial position

Unit: RMB'000

Items	End of Reporting Period		End of Previous Period		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Non-current assets						
Property and equipment	1,664,813	0.23%	1,539,591	0.22%	125,222	8.13%
Right-of-use assets	1,198,810	0.17%	1,545,738	0.22%	-346,928	-22.44%
Goodwill	9,671	0.00%	9,671	0.00%	0	0.00%
Other intangible assets	656,493	0.09%	344,712	0.05%	311,781	90.45%
Interests in associates and joint ventures	12,706,426	1.76%	11,751,540	1.69%	954,886	8.13%
Equity instruments at fair value through other comprehensive income	38,980,021	5.41%	17,697,437	2.54%	21,282,584	120.26%
Financial assets held under resale agreements	608,187	0.08%	1,278,800	0.18%	-670,613	-52.44%
Financial assets at fair value through profit or loss	8,038,679	1.11%	10,574,027	1.52%	-2,535,348	-23.98%
Deferred tax assets	575,628	0.08%	1,583,773	0.23%	-1,008,145	-63.65%
Other non-current assets	350,243	0.05%	589,190	0.08%	-238,947	-40.56%
Total non-current assets	64,788,971	8.98%	46,914,479	6.74%	17,874,492	38.10%

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Items	End of Reporting Period		End of Previous Period		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Current assets						
Advances to customers	95,572,702	13.25%	83,666,020	12.02%	11,906,682	14.23%
Current tax assets	290,360	0.04%	507,993	0.07%	-217,633	-42.84%
Account and other receivables	6,431,873	0.89%	8,936,078	1.28%	-2,504,205	-28.02%
Debt instruments at fair value through other comprehensive income	68,351,202	9.48%	70,798,037	10.17%	-2,446,835	-3.46%
Debt instruments at amortized cost	1,380,138	0.19%	691,493	0.10%	688,645	99.59%
Financial assets held under resale agreements	31,236,933	4.33%	48,497,394	6.97%	-17,260,461	-35.59%
Financial assets at fair value through profit or loss	257,425,043	35.70%	268,163,690	38.54%	-10,738,647	-4.00%
Derivative financial assets	4,647,396	0.64%	6,679,137	0.96%	-2,031,741	-30.42%
Other current assets	367,434	0.05%	337,224	0.05%	30,210	8.96%
Deposits with Exchanges and non-bank financial institutions	13,113,733	1.82%	12,947,109	1.86%	166,624	1.29%
Clearing settlement funds	33,232,276	4.61%	37,691,722	5.42%	-4,459,446	-11.83%
Cash and bank balances	144,322,270	20.01%	110,022,616	15.81%	34,299,654	31.18%
Total current assets	656,371,360	91.02%	648,938,513	93.26%	7,432,847	1.15%
Total assets	721,160,331	100.00%	695,852,992	100.00%	25,307,339	3.64%

As at the end of 2024, the Company's total assets amounted to RMB721.160 billion, representing an increase of RMB25.307 billion, or 3.64% as compared to the end of 2023, among which the balance of the financial assets¹ as at the end of the Reporting Period increased by RMB4.219 billion as compared to the end of 2023, the total balance of cash and bank balances and clearing settlement funds increased by RMB29.840 billion as compared to the end of 2023, the total balance of advances to customers and financial assets held under resale agreements decreased by RMB6.024 billion as compared to the end of 2023. Excluding the accounts payable to brokerage clients, as at the end of the year, the total assets of the Company amounted to RMB569.550 billion, decreased by RMB8.451 billion, or 1.46%, as compared to the end of 2023. The Company's asset quality and liquidity remained sound. As at the end of 2024, its net current assets amounted to RMB140.154 billion, representing a decrease of RMB14.520 billion or 9.39%, as compared to the end of 2023.

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 2024, 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 joint ventures, and property and equipment, right-of-use assets, goodwill and other intangible assets accounted for 24.62%, 52.53%, 17.67%, 1.76% and 0.49% of total assets, respectively. As compared to the end of last year, the proportion of 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 joint ventures, and property and equipment, right-of-use assets, goodwill and other intangible assets increased by 3.39 percentage points, decreased by 1.30 percentage points, decreased by 1.51 percentage points, increased by 0.07 percentage point and basically unchanged, respectively.

Unit: RMB'000

Items	End of Reporting Period		End of Previous Period		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Current liabilities						
Short-term borrowings	9,711,063	1.64%	6,182,840	1.08%	3,528,223	57.06%
Short-term debt instruments	57,384,139	9.71%	57,025,735	9.94%	358,404	0.63%
Placements from banks and other financial institutions	9,979,675	1.69%	27,061,392	4.72%	-17,081,717	-63.12%
Accounts payables to brokerage clients	151,610,717	25.66%	117,852,233	20.54%	33,758,484	28.64%
Accrued staff costs	5,413,225	0.92%	5,525,512	0.96%	-112,287	-2.03%
Other payables and accrued charges	26,822,690	4.54%	40,083,641	6.99%	-13,260,951	-33.08%
Current tax liabilities	147,701	0.02%	50,830	0.01%	96,871	190.58%
Financial liabilities at fair value through profit or loss	52,344,882	8.86%	43,145,361	7.52%	9,199,521	21.32%
Derivative financial liabilities	5,219,511	0.88%	6,938,983	1.21%	-1,719,472	-24.78%
Financial assets sold under repurchase agreements	150,931,020	25.54%	142,684,754	24.87%	8,246,266	5.78%
Lease liabilities	273,090	0.05%	344,454	0.06%	-71,364	-20.72%
Contract liabilities	33,158	0.01%	55,486	0.01%	-22,328	-40.24%
Provisions	–	–	677	0.00%	-677	-100.00%
Long-term borrowings due within one year	564,863	0.10%	185,793	0.03%	379,070	204.03%
Bonds payables due within one year	45,781,740	7.75%	47,126,528	8.21%	-1,344,788	-2.85%
Total current liabilities	516,217,474	87.36%	494,264,219	86.14%	21,953,255	4.44%
Net current assets	140,153,886	23.72%	154,674,294	26.96%	-14,520,408	-9.39%
Total assets less current liabilities	204,942,857	34.68%	201,588,773	35.13%	3,354,084	1.66%

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Items	End of Reporting Period		End of Previous Period		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Non-current liabilities						
Deferred tax liabilities	438,307	0.07%	558,414	0.10%	-120,107	-21.51%
Financial liabilities at fair value through profit or loss	1,303,238	0.22%	1,390,155	0.24%	-86,917	-6.25%
Deferred income	101,610	0.02%	104,452	0.02%	-2,842	-2.72%
Lease liabilities	633,482	0.11%	911,064	0.16%	-277,582	-30.47%
Long-term borrowings	3,024,422	0.51%	1,721,818	0.30%	1,302,604	75.65%
Bonds payables	69,189,565	11.71%	74,865,937	13.05%	-5,676,372	-7.58%
Total non-current liabilities	74,690,624	12.64%	79,551,840	13.86%	-4,861,216	-6.11%
Total liabilities	590,908,098	100.00%	573,816,059	100.00%	17,092,039	2.98%

As at the end of 2024, the total liabilities of the Company amounted to RMB590.908 billion, representing an increase of RMB17.092 billion, or 2.98%, as compared to the end of 2023. Of which, accounts payable to brokerage clients increased by RMB33.758 billion as compared to the end of 2023, financial assets sold under repurchase agreements increased by RMB8.246 billion as compared to the end of 2023, placements from banks and other financial institutions decreased by RMB17.082 billion as compared to the end of 2023. 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, the total liabilities of the Company amounted to RMB439.297 billion, decreased by RMB16.666 billion, or 3.66%, as compared to the end of 2023. The gearing ratio, after deducting accounts payable to brokerage clients, of the Company was 77.13%, representing a decrease of 1.76 percentage points as compared to the end of 2023.

Unit: RMB'000

Item	End of Reporting Period		End of Previous Period		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Equity						
Share capital	8,696,526	6.68%	8,696,526	7.13%	0	0.00%
Other equity instruments	15,000,000	11.52%	15,000,000	12.29%	0	0.00%
Capital reserve	40,362,974	30.99%	40,362,974	33.07%	0	0.00%
Investment revaluation reserve of financial assets at fair value through other comprehensive income	1,445,336	1.11%	183,476	0.15%	1,261,860	687.75%
Foreign currency translation reserve	446,769	0.34%	321,141	0.26%	125,628	39.12%
General reserves	25,881,942	19.87%	23,903,793	19.59%	1,978,149	8.28%
Retained profits	38,345,082	29.44%	33,493,518	27.45%	4,851,564	14.49%
Equity attributable to shareholders of the Company	130,178,629	99.94%	121,961,428	99.94%	8,217,201	6.74%
Non-controlling interests	73,604	0.06%	75,505	0.06%	-1,901	-2.52%
Total equity	130,252,233	100.00%	122,036,933	100.00%	8,215,300	6.73%

As at the end of 2024, equity attributable to shareholders of the Company amounted to RMB130.179 billion, representing an increase of RMB8.217 billion, or 6.74%, as compared to the end of 2023. Among which, profit for the year attributable to shareholders of the Company amounted to RMB10.386 billion; dividends recognized as distribution amounted to RMB3.070 billion; and distribution to holders of other equity instruments amounted to RMB572 million.

7. Overseas assets

Overseas assets amounted to RMB46.895 billion, accounting for 6.50% of total assets.

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(II) Analysis of investment

1. General analysis of external equity investments

During the Reporting Period, the Company had new external equity investments of USD0.9 million. For details, please refer to “Interests in associates and joint ventures” in “Chapter 10: 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	26,193,872.35	319,347.15	139,111.44	414.45	221,794,690.22	219,737,715.68	42,585.86	28,751,891.34
Funds	4,166,274.23	5,870.63	526.73	–	73,736,022.69	74,121,379.65	259.28	3,787,573.91
Stocks	3,893,475.83	-34,055.90	20,292.84	–	37,177,640.03	38,433,787.28	19,251.25	2,642,816.77
Derivatives	-25,984.69	-58,252.98	–	–	–	–	27,026.25	-57,211.42
Others	2,469,696.66	-23,741.86	–	–	2,799,635.05	3,145,726.20	-2,651.21	2,097,212.44
Total	36,697,334.38	209,167.04	159,931.01	414.45	335,507,987.99	335,438,608.81	86,471.43	37,222,283.04

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 10: 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

1. Analysis of subsidiaries

(1) China Merchants Securities Asset Management Co., Ltd.

CMS Asset Management is a wholly-owned subsidiary of China Merchants Securities with a registered capital of RMB1 billion. It is principally engaged in securities asset management and publicly offered security investment funds.

As of the end of 2024, the total assets of CMS Asset Management amounted to RMB5.958 billion and the net assets amounted to RMB5.593 billion. In 2024, it recorded total revenue, other income and gains of RMB872 million and net profit of RMB279 million.

(2) China Merchants Securities International Company Limited

CMS International is a wholly-owned subsidiary of China Merchants Securities with a paid-up capital of HK\$6.454 billion. Through its subsidiaries, CMS International 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 place where its subsidiaries operate.

As of the end of 2024, the total assets of CMS International amounted to HK\$50.683 billion and the net assets amounted to HK\$9.909 billion. In 2024, it recorded total revenue, other income and gains of HK\$2.483 billion and net profit of HK\$457 million. During the Reporting Period, CMS International was reaffirmed by Moody's Baa2 rating, and the long-term outlook remained "stable".

(3) China Merchants Futures Co., Limited

China Merchants Futures is a wholly-owned subsidiary of China Merchants Securities with a registered capital of RMB3.598 billion. Its principal businesses include commodity futures brokerage, financial futures brokerage, futures investment consultation and asset management. As of the end of 2024, China Merchants Futures has four futures branches in Beijing, Guangzhou, Shanghai and Hangzhou, one branch office in Henan and one risk management subsidiary, i.e. China Merchants Securities Capital Investment Co., Ltd. (招證資本投資有限公司).

As of the end of 2024, the total assets of China Merchants Futures amounted to RMB64.823 billion and the net assets amounted to RMB5.353 billion. In 2024, it recorded total revenue, other income and gains of RMB1,492 million and net profit of RMB339 million.

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(4) China Merchants Zhiyuan Capital Investment Co., Ltd.

CMS Zhiyuan Capital is a wholly-owned subsidiary of China Merchants Securities with a registered capital of RMB2.1 billion and a paid-up capital of RMB1.8 billion. It is principally engaged in private equity investment funds and related consultancy and advisory services and other businesses as permitted by regulatory authorities.

As of the end of 2024, the total assets of CMS Zhiyuan Capital amounted to RMB4.076 billion and the net assets attributable to the parent company amounted to RMB2.119 billion. In 2024, it recorded total revenue, other income and gains of RMB124 million and loss attributable to shareholders of the parent company of RMB1.1952 million.

(5) China Merchants Securities Investment Co., Ltd.

CMS Investment is a wholly-owned subsidiary of China Merchants Securities with a registered capital of RMB10.1 billion and a paid-up capital of RMB7.1 billion. 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》).

As of the end of 2024, the total assets of CMS Investment amounted to RMB10.510 billion and the net assets amounted to RMB9.960 billion. In 2024, it recorded total revenue, other income and gains of RMB97 million and net profit of RMB58 million.

2. Analysis of companies in which the Company has a non-controlling interest

(1) Bosera Asset Management Co., Limited

The Company holds 49% equity interest in Bosera Funds. Bosera Funds was established on July 13, 1998 as one of the first five mutual fund management companies in mainland China. Its business scope includes fund raising, sales of funds, asset management and other businesses permitted by the CSRC.

As of the end of 2024, Bosera Funds recorded total assets of RMB13.421 billion and net assets attributable to shareholders of the parent company of RMB10.217 billion. In 2024, it recorded operating income of RMB4.589 billion and net profit attributable to shareholders of the parent company of RMB1,515 million.

(2) China Merchants Fund Management Co., Ltd.

The Company holds 45% equity interest in China Merchants Fund. China Merchants Fund was established on December 27, 2002. Its business scope includes fund management, promotion and establishment of funds and other businesses approved by the CSRC.

As of the end of 2024, China Merchants Fund recorded total assets of RMB15.498 billion and net assets of RMB10.448 billion. In 2024, it recorded operating income of RMB5.308 billion and net profit of RMB1,650 million.

(IV) Structured entities controlled by the Company

As of the end of 2024, the Group consolidated 75 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 2024, the total assets of the consolidated structured entities amounted to RMB39.373 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, 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.

2. *Liability structure*

As of the end of December 2024, total liabilities of the Company amounted to RMB590.908 billion. Excluding the amount of accounts payable to brokerage clients, total liabilities amounted to RMB439.297 billion. Of which, as of the end of December 2024, bonds payable amounted to RMB114.971 billion, accounting for 26.17% of liabilities; short-term debt instruments amounted to RMB57.384 billion, accounting for 13.06% of liabilities; long-term borrowings amounted to RMB3.589 billion, accounting for 0.82% of liabilities; financial assets sold under repurchase agreements amounted to RMB150.931 billion, accounting for 34.36% of liabilities; short-term borrowings amounted to RMB9.711 billion, accounting for 2.21% of liabilities; and placements from banks and other financial institutions amounted to RMB9.98 billion, accounting for 2.27% 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.

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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 2024, 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 and technology innovation

In 2024, the Company actively responded to the national "Digital Finance" policy, deeply practiced the "AI + Finance" strategy of China Merchants Group, and formulated and implemented an AI application strategy. CMS comprehensively advanced the construction of "AI-driven Securities Company" from multiple dimensions such as application, operation center, model, data, and computing power, with a focus on implementing AI strategic projects to further integrate AI with all businesses.

In terms of wealth management, the Company launched an integrated investment advisory business platform to empower wealth advisors across multiple scenarios and enable refined operation management. In terms of institutional business, the Company introduced the "CMS Ji Zhi" (招商機智) professional institution service platform, focusing on building one-stop service capabilities. In terms of research business, the Company comprehensively upgraded the AI research institute, developed the research service brand "CMS Intelligent Research" (招商智研), and introduced a one-stop intelligent research assistant, to significantly improve the research efficiency and the quality of research reports. In investment banking, the Company upgraded the corporate CRM3.0 system, optimized the undertaking platform, and established an operation support platform to greatly enhance marketing success rates, project undertaking efficiency, and integrated management. In terms of investment business, the Company upgraded the new-generation OTC derivatives platform to achieve full life-cycle management of equity and interest rate OTC options business, supporting the rapid growth of OTC options business. Innovatively, the Company leveraged generative AI technologies to analyze inquiry dialogues and automate quotation processes, which significantly improved the quoting efficiency.

In terms of digital infrastructure construction, the Company built an industry-leading enterprise-class cloud-native digital foundation, taking full advantage of new productive forces including cloud computing, big data and large models to drive the comprehensive transformation of its technological capabilities to the cloud era. In terms of core trading system, the Company steadily advanced the third phase construction of the new-generation core trading system, and the launch of which in 4 securities branches has been completed. The Company will steadily promote the launch of the system in remaining securities branches as scheduled.

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In 2024, the Company won the “2023 FinTech Development Award” given by the People’s Bank of China for several projects. Among them, the “Securities Comprehensive Cloud-Native Digital Infrastructure Construction Project” (證券全面雲原生數字基礎設施建設工程) was awarded the Second Prize; the “Tianyan Platform New-Generation Intelligent Investment Research Platform” (天研平台新一代智能投研平台) project received the Third Prize; and the “Intelligent Quality Diagnostics Platform Based on Production Behavior Traceability” (基於生產行為溯源的智能質量診斷平台) project, jointly submitted by the Company, the Dalian Commodity Exchange and other institutions, was also granted the Third Prize.

(2) Business innovation

For details, please refer to “I. 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

During the Reporting Period, the Company newly established Xiong’an branch. No branches or securities branches were closed. During the Reporting Period, the Company relocated 2 branches and 19 securities branches within the same city.

VII. Discussion and Analysis of Future Development of the Company

(I) Industry pattern and trend

1. Capital Market Entering a New Cycle of Reform

The New “Nine Opinions” mark the start of a new cycle in capital market reform. On April 12, 2024, the State Council issued the *Several Opinions on Strengthening Supervision, Preventing Risks and Promoting the High-quality Development of the Capital Market*, clarifying the core reform principles of “enhancing regulation, preventing risks, and advancing high-quality development”. As the third set of guiding documents from the State Council following the 2004 and 2014 “Nine Opinions”, the New “Nine Opinions” have directly addressed long-standing issues in the capital market’s development, prioritized investor returns, and underscore the market’s political and people-centric orientation.

The “1+N” policy framework has been implemented, accelerating the formation of a virtuous market cycle. Guided by the New “Nine Opinions”, the “1+N” policy framework has been gradually implemented, and comprehensive and multi-tiered supporting policies have been rolled out. On the asset side, measures are taken to tighten IPO approval, enhance ongoing supervision, and strengthen delisting efforts. On the capital side, efforts are made to refocus the securities fund industries on their core functions, channel medium- to long-term capital into the market, and tighten oversight of programmatic trading. On the investment side, initiatives involve standardizing share reductions while encouraging dividend distributions, shareholding increases and share buybacks. The market ecosystem rapidly evolves toward an “asset-capital-investment” virtuous cycle.

2. Balancing Functionality and Profitability

The “function-oriented” development must take precedence to drive high-quality development of the capital market. Securities companies shall leverage the investment banking business to act as “gatekeepers” and “value discoverers” of the capital market, as well as “facilitators” of direct financing; leverage wealth and asset management to act as “managers” of societal wealth; leverage capital-based intermediary business to provide liquidity support services, risk management tools, and asset allocation instruments, functioning as market “stabilizers”; leverage research, sales and trading business to offer diversified information, innovative products, and effective strategies for investors, functioning as a “smoothing mechanism” for market frictions; leverage financial technology business to drive the digital transformation of the market as pioneers; and leverage international operations to spearhead the opening-up of the market.

The securities industry has maintained stable profitability with positive momentum. Driven by favourable policies and improved capital adequacy, traditional businesses have rebounded. In response to fee reductions, the securities industry is actively seeking changes by pursuing breakthroughs in digital and intelligent transformation, the coordination of “investment + research + investment banking”, institutional business innovation, and comprehensive financial services, yielding preliminary positive results. The industry’s overall profitability is on a steady upward trend.

3. Acceleration of Financial Supply-Side Reform

The securities industry accelerates M&A and restructuring. Supported by policies from the Central Financial Work Conference to “cultivate first-tier investment banks and investment institutions” and the CSRC to clearly “encourage the building of leading investment banks through M&A and restructuring”, the pace of consolidation in the securities industry has been accelerated. Ongoing integration involving Zheshang Guodu (浙商國都), Guolian Minsheng (國聯民生), Guojun Haitong (國君海通), and Guoxin Wanhe (國信萬和) have been advancing steadily. The M&A and restructuring in the securities industry is evolving from localized or business complementary mergers to consolidations under common control, signaling intensified restructuring activities.

The securities industry is entering a reshuffling phase. Through M&A and restructuring, securities firms aim to enhance license value, optimize and integrate client resources, and expand capital strengths, and reshape the industry landscape. Leading securities firms are continuously growing, improving, and strengthening through consolidation, while small and medium-sized securities firms are focusing on specialized development. The industry is experiencing a sustained adjustment, and has gradually reached an evolutionary process to weed out underperforming players.

(II) Development strategies of the Company

The Company is committed to serving self-reliance and strength in the nation’s science and technology while helping to preserve and increase the value of social wealth. It actively channels financial resources toward technological innovation to fulfill its commitment to “serving the nation through finance”, and achieves its own high-quality development by supporting the high-quality development of the economy and society. The Company adheres to the overall business requirements of “quality first, efficiency prioritized, and moderate scale”, actively striving to build a leading Chinese investment bank characterized by distinctive features, innovation-driven growth, top-tier quality, and exceptional contributions. For its five-year strategy from 2024 to 2028, the Company has defined four strategic priorities: intensive operation, digital intelligent transformation, technology-driven development, and global presence. It will further leverage strengths in cost management and internal synergies, concentrate resources on enhancing AI application capabilities to continuously strengthen its technological innovation, and strategically expand into overseas market, driving comprehensive transformation and upgrading. Aligning with industry characteristics and leveraging its resource advantages, the Company will make continued efforts to strengthen technology finance, expand green finance, optimize inclusive finance, deepen pension finance, and innovate digital finance. By doing this, the Company will advance its transformation into a modern investment bank, build a first-class investment institution, expand and strengthen wealth management business, and establish a comprehensive institutional client service system.

(III) Business plan

2025 marks the concluding year of the “14th Five-Year Plan” and a critical juncture for advancing its five-year strategy from 2024 to 2028. The overarching guidance for the Company’s work of 2025 is to fully implement the guiding principles of the Central Economic Work Conference, excel in the “five key areas”, namely technology finance, green finance, inclusive finance, pension finance and digital finance, deeply practice the new corporate cultural consensus, fully execute the new five-year strategic plan, enhance core competitiveness, achieve new heights in the high-quality development and is committed to successfully concluding the development goals of the “14th Five-Year Plan”.

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(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*

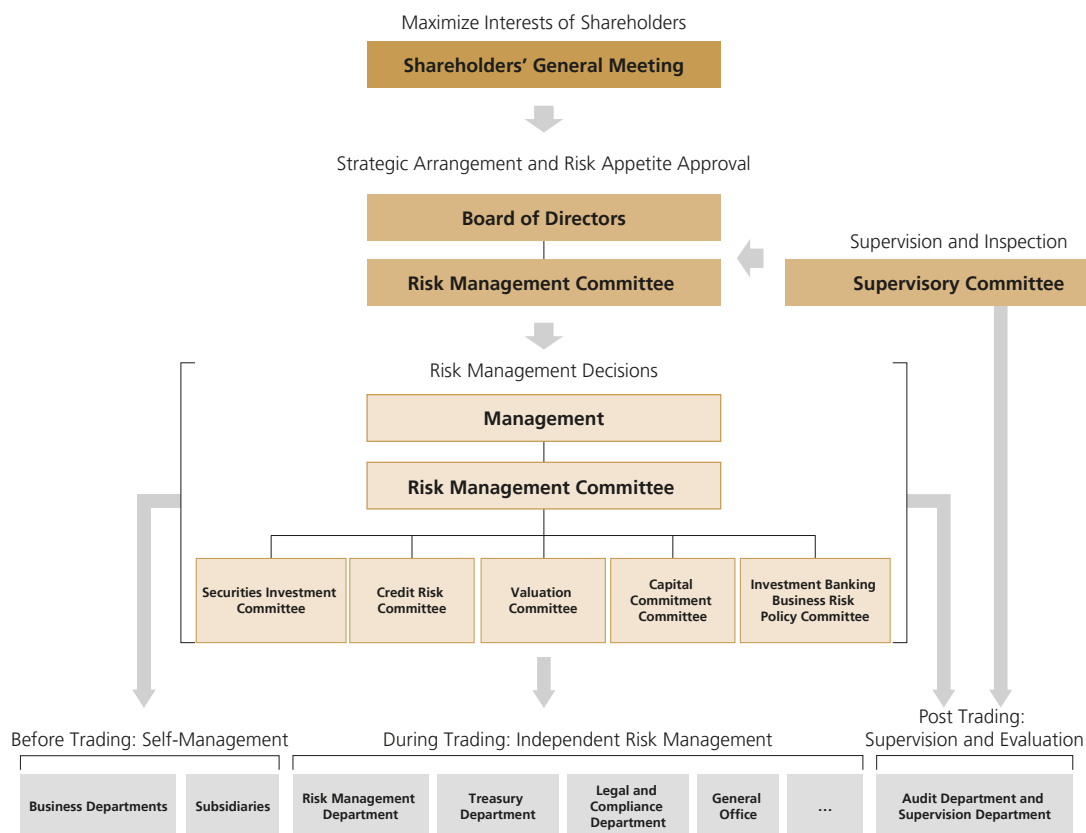
(1) Risk management structure

Since inception, the Company has been committed to establishing an innovative and insightful risk management system that is aligned with its operation strategies and deeply rooted in its core business lines comprehensively. 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 Supervisory Committee, 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



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The overall risk management responsibilities of each department/position 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 overall risk management system, risk appetite, risk tolerance and various risk limit indicators of the Company, convening quarterly meetings to review quarterly risk reports and thoroughly assessing the risk management of the Company.
- ② The Supervisory Committee 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 Securities Investment 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 securities investment, 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. The person-in-charge of risk management of subsidiaries shall be nominated, appointed, removed and appraised by the Chief Risk Officer of the Company.
- 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 General 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 overall risk, market risk, credit risk, operational risk and liquidity 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 took the lead to introduce an economic capital management model in the securities industry in 2006, and 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.

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- 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 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 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 means were used to gradually improve the efficiency of risk management.

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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, negative information client system, internal credit rating engine for bonds, market risk measurement engine, economic capital 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.

The Group's intelligent integrated risk management platform and each subordinate system have industry-leading level of risk data governance. They have sound system scalability. This has significantly improved the efficiency of risk management and the digital capabilities of risk control. In the future, the Group will transform towards the direction of application integration, risk control tools and intelligence to build a comprehensive, flexible and stable digital risk control platform, and will continue to explore the possibility of applying various types of artificial intelligence models in the field of risk control, 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.

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(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.

Chapter 3: Report of the Board of Directors

(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.

Chapter 3: Report of the Board of Directors

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, 2024	December 31, 2023
Onshore bonds		
PRC sovereign bonds	16,372,962	16,340,998
AAA	10,960,057	8,850,588
AA+	509,503	444,999
AA	65,058	60,185
Below AA-	153	153
Non-rated	7,558	60,081
Sub-total	27,915,291	25,757,004
Offshore bonds		
PRC sovereign bonds	14,708	379
A	681,912	389,537
B	263,435	116,101
Non-rated	14,559	–
Sub-total	974,614	506,017
Total	28,889,905	26,263,021

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, and A-1 is the highest rating for short-term financing bonds. 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.

Chapter 3: Report of the Board of Directors

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 mainly 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 other 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, and 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 cash flow strains, 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 is responsible for reviewing the significant event on liquidity risk management and making related decision, and a treasury operating mechanism for centralized management and control of liquidity risks has been established, and the Treasury Department is responsible for daily risk management of liquidity of the Company. 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.

(3) Liquidity risk management approaches

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

- ① The Company has established high-quality current asset reserves and a minimum excess reserve quota system. It has formulated liquidity contingency plans 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 at any time under extreme circumstances to cover unexpected expenses;
- ② The Company has actively developed management for financing gaps. By using management tools such as a cash flow gap, sensitivity analysis 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 manage the payment risks;

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- ③ The Company has 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.

7. *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 RMB87.412 billion.

(V) 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 2024, the Company (parent company) invested RMB496 million in compliance and risk control.

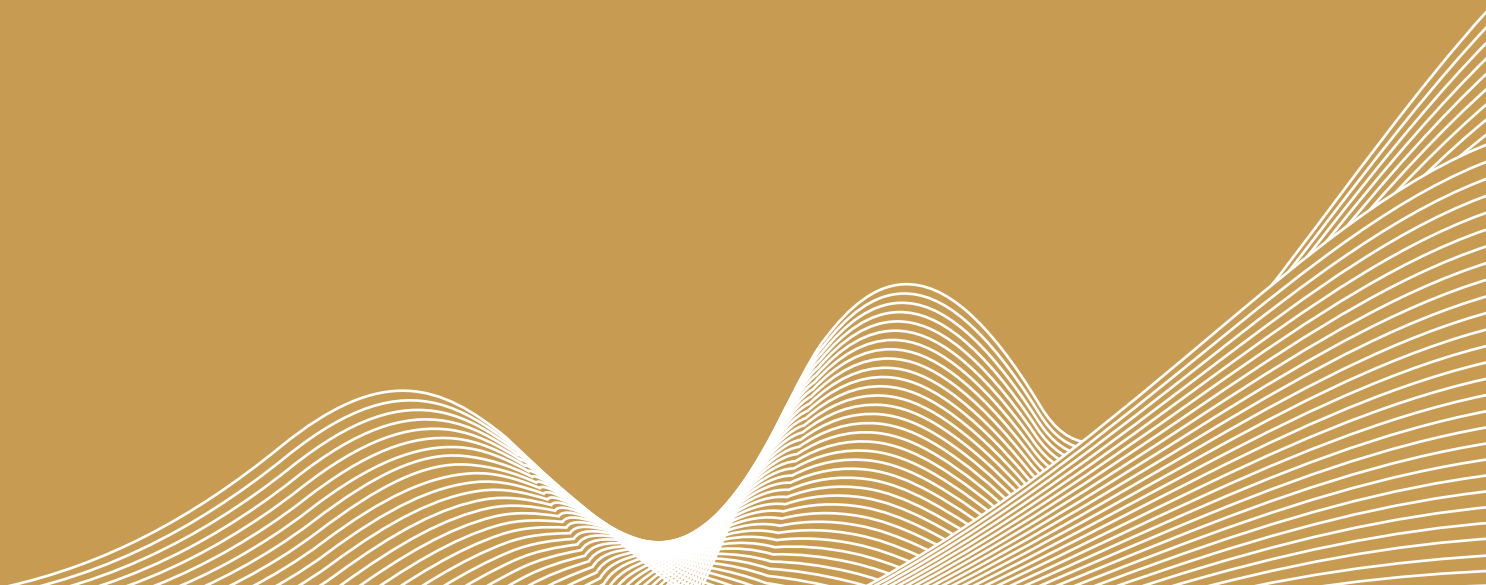
For information technologies, with the goal of "building a customer-centered smart investment bank", the Company has continued to increase investment in science and technologies in accordance with the "14th Five-Year Plan" digital strategic plan with the characteristics of CMS. On the one hand, it focuses on strengthening the building of six business systems, namely wealth management, institutions, investment, investment banking, operations and core deals; on the other hand, it continues to consolidate the three middle platforms and digital foundations, including building a fully cloud-native multi-cloud platform and promoting the cloud application, focusing on the "AI + Finance" strategy and releasing the Tianqi (天启) large model system to support AI innovative applications. For information technologies, the Company (parent company) invested RMB1.583 billion in information technologies in 2024, representing a year-on-year increase of 1.83%.

VIII. 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.

03

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Chapter 4

Corporate

Governance Report

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, the Supervisory Committee 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 and Corporate Governance Report under Appendix C1 of the Hong Kong Listing Rules (hereinafter referred to as the "Code and Report"). The Company satisfied all provisions and substantially all of the recommended best practices under the Code and Report.

During the Reporting Period, the Company held 5 shareholders' general meetings to consider 34 resolutions; 13 Board meetings to consider 65 resolutions and listen to 11 reports; 25 special meetings of committees under the Board to consider 56 resolutions and listen to or review 11 reports; as well as 9 meetings of the Supervisory Committee to consider 17 resolutions and listen to 4 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.

Chapter 4: Corporate Governance Report

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.

Chapter 4: Corporate Governance Report

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, eight of whom are non-executive Directors 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 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 annual financial budget plan and final accounts plan 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 33 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 appoint or dismiss the Company's general manager and secretary to the Board; to appoint or dismiss the Company's deputy general manager, Chief Financial Officer, Chief Compliance Officer, Chief Risk Officer, Chief Information Officer and other senior officers as nominated by the general manager 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 general manager of the Company and examine the general manager's work; 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 ultimately responsible for the overall risk management (including reputational risk management), facilitate the construction of risk management culture (including reputational risk management culture), review and approve the Company's basic overall risk management system, risk appetite, risk tolerance and material risk limits, review the regular risk assessment reports of the Company, and establish a direct communication mechanism with the Chief Risk Officer; ensure that reputational risk is included in the comprehensive risk management system, determine the general goal of reputational risk management, and continuously pay attention to the Company's overall reputational risk management standard. 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; and to exercise other functions and powers as conferred by laws, regulations, regulatory provisions, self-disciplinary rules, the Articles of Association and other relevant provisions.

Chapter 4: Corporate Governance Report

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 2024, the Board and the special committees of the Company revised and improved a total of 9 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) Supervisors and the Supervisory Committee

The appointment and replacement of Supervisors of the Company are in strict compliance with the Articles of Association, and the number of Supervisors and composition of the Supervisory Committee fulfill the requirement of laws and regulations. The Supervisory Committee constantly improves its Rules of Procedures, and the convening, holding and voting procedures of the Supervisory Committee are legal and effective. The Supervisory Committee is accountable to all shareholders. In the spirit of being accountable to all the shareholders of the Company, the Supervisory Committee is responsible for maintaining effective supervision on the finance of the Company as well as the compliance of duty performance of the Board and management. The Supervisors shall perform their duties, including attending the meetings of the Supervisory Committee, observing the meetings of the Board and reporting their work at the shareholders' general meeting in accordance with the relevant requirements. According to the Articles of Association, the Supervisory Committee shall exercise the following major functions and powers: to examine the Company's periodic reports prepared by the Board and give written examination opinions; to check on the financial affairs of the Company; to supervise Directors' and senior officers' performance of duties for the Company including the performance of compliance management duties, and put forward suggestions on the removal of Directors or senior officers who violate laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions, these Articles of Association or the resolutions adopted by the shareholders' general meetings or who shall assume primary responsibility or leadership responsibility for material compliance risk; to inquire about the acts of Directors and senior officers; to require Directors and senior officers to correct their acts which are detrimental to the interest of the Company and its customers; to organize the audit on the senior officers' resignations; to suggest the holding of an interim shareholders' general meeting and convene and preside over the shareholders' general meeting in the event that the Board fails to convene and preside over the shareholders' general meeting in accordance with the Company Law; to submit a proposal to the shareholders' general meeting; to bring a lawsuit against Directors and senior officers in accordance with the Company Law; to attend the meeting of the Board and address inquiries to or suggestions on matters to be resolved by the Board; to check on the financial reports, business reports, profit distribution plans and other financial materials submitted by the Board to the shareholders' general meeting, and conduct investigation and require the person-in-charge of compliance and the compliance department of the Company to offer assistance in case of any doubt or any abnormality in the operation of the Company; if necessary, to retain professional organizations such as accounting firm and law firm to assist its work; to supervise the performance of duties by the Board and the management; to supervise whether any decision and the decision flow of the Board is in compliance with rules and whether any compliance weakness determined is rectified in a timely manner; to supervise the implementation of the compliance management system of the Company; to organize and assess the effectiveness of compliance risk management of the Company at least once each year; to take responsibility for the supervision of overall risk management, supervise and inspect the performance on risk management of the Board and the management and supervise the rectification; to supervise the performance of statutory obligations such as investors' legitimate interests protection by the Company; to supervise the implementation of cultural construction of the Company; to supervise the performance of duties by Directors and senior officers in terms of professional incorruptibility management; to supervise the performance of duties by Directors and senior officers in terms of business integrity management; and to exercise other authorities prescribed by laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions or granted by the shareholders' general meeting.

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According to the Articles of Association, the Supervisory Committee of the Company shall consist of six Supervisors. As at the date of this report, the Supervisory Committee of the Company consisted of six Supervisors, including four shareholder representative Supervisors and two employee representative Supervisors. There is no relationship (including financial, business, family or other material/relevant relationship) among the Supervisors and senior management of the Company. The shareholder representative Supervisors and the employee representative Supervisors are elected by the shareholders' general meetings and the staff representatives through democratic elections, respectively, for a term of three years and are eligible for re-election upon expiry of their terms of office. For details of the composition of the Supervisory Committee and the biographies of the Supervisors, please see "Change in shareholdings and remunerations of existing and resigned/retired Directors, Supervisors and senior management during the Reporting Period" in this chapter.

(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 general manager of the Company shall be accountable to the Board.

According to the Articles of Association, the management consists of the general manager, the deputy general managers, 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 general manager 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 rules and regulations for the Company; to propose to the Board the appointment or dismissal of the deputy general managers, Chief Financial Officer, Chief Compliance Officer, Chief Risk Officer, Chief Information Officer and other senior management (other than the secretary to the Board); 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; and to perform other duties delegated by the Articles of Association or the Board.

(V) Chairman and general manager

For the purpose of balancing power and authority, the roles of chairman and general manager 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 general manager. 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 general manager 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 general manager. There is no relationship (including financial, business, family or other material/relevant relationship) between the chairman and general manager of the Company.

(VI) Liability insurances for Directors, Supervisors 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, Supervisors and senior management and other relevant personnel. Insurance coverage has been provided for the Directors, Supervisors and senior management of the Company against potential liabilities to reasonably avoid management and legal risks faced by the Directors, Supervisors and senior management of the Company and to facilitate the full discharge of duties by the Directors, Supervisors 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, the Supervisory Committee and the management team of the Company through legal procedures, while eligible Party members from the Board, the Supervisory Committee 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, Supervisors 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 in the controlling shareholder and its subsidiaries (excluding the Company and its controlled 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	Website designated for the disclosure of resolutions	Disclosure date of resolutions	Resolutions of meeting
2024 first extraordinary general meeting	January 18, 2024	Hong Kong Stock Exchange website	January 18, 2024	Considered and approved: 1. resolution on the proposed amendments to the Articles of Association of China Merchants Securities Co., Ltd.; 2. resolution on the proposed amendments to the Rules of Procedure for General Meetings of China Merchants Securities Co., Ltd.; 3. resolution on the proposed amendments to the Rules of Procedure for Board Meetings of China Merchants Securities Co., Ltd.; 4. resolution on the proposed amendments to the Rules of Procedure for the Supervisory Committee of China Merchants Securities Co., Ltd.; 5. resolution on the proposed amendments to the Rules for Independent Directors of China Merchants Securities Co., Ltd.; 6. resolution on the election of non-independent Directors of the eighth session of the board of directors of the Company; 7. resolution on the election of independent Directors of the eighth session of the board of directors of the Company; 8. resolution on the election of shareholders' representative Supervisors of the eighth session of the Supervisory Committee of the Company
2024 first A Shareholders class meeting	January 18, 2024	Hong Kong Stock Exchange website	January 18, 2024	Considered and approved: 1. resolution on the proposed amendments to the Articles of Association of China Merchants Securities Co., Ltd.; 2. resolution on the proposed amendments to the Rules of Procedure for General Meetings of China Merchants Securities Co., Ltd.; 3. resolution on the proposed amendments to the Rules of Procedure for Board Meetings of China Merchants Securities Co., Ltd.; 4. resolution on the proposed amendments to the Rules of Procedure for the Supervisory Committee of China Merchants Securities Co., Ltd.

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Meeting	Date of meeting	Website designated for the disclosure of resolutions	Disclosure date of resolutions	Resolutions of meeting
2024 first H Shareholders class meeting	January 18, 2024	Hong Kong Stock Exchange website	January 18, 2024	Considered and approved: 1. resolution on the proposed amendments to the Articles of Association of China Merchants Securities Co., Ltd.; 2. resolution on the proposed amendments to the Rules of Procedure for General Meetings of China Merchants Securities Co., Ltd.; 3. resolution on the proposed amendments to the Rules of Procedure for Board Meetings of China Merchants Securities Co., Ltd.; 4. resolution on the proposed amendments to the Rules of Procedure for the Supervisory Committee of China Merchants Securities Co., Ltd.
2023 annual general meeting	June 28, 2024	Hong Kong Stock Exchange website	June 28, 2024	Considered and approved: 1. the working report of the Board of the Company for 2023; 2. the working report of the Supervisory Committee of the Company for 2023; 3. the duty report of independent Directors of the Company for 2023; 4. the annual report of the Company for 2023; 5. the final accounts report of the Company for 2023; 6. resolution on the profit distribution plan of the Company for 2023; 7. resolution on the authorization for interim profit distribution of the Company for 2024; 8. resolution on the budget for proprietary investment of the Company for 2024; 9. resolution on the contemplated ordinary related party transactions of the Company for 2024; 10. resolution on the guarantee authorization scheme for the year 2024 of China Merchants Securities International Company Limited and its wholly-owned subsidiaries; 11. resolution on the Shareholders' return plan (2024-2026) of the Company; 12. resolution on the grant of the general mandate to the Board to issue additional H Shares of the Company; 13. resolution on the engagement of the auditors of the Company for 2024; 14. resolution on the election of Ms. CHEN Xin as an independent Director of the eighth session of the board of directors of the Company; 15. resolution on the adjustment to the number of members of the Supervisory Committee of the Company; and 16. resolution on the proposed amendments to the Articles of Association of China Merchants Securities Co., Ltd.

Meeting	Date of meeting	Website designated for the disclosure of resolutions	Disclosure date of resolutions	Resolutions of meeting
2024 second extraordinary general meeting	October 25, 2024	Hong Kong Stock Exchange website	October 25, 2024	Considered and approved: 1. resolution on the election of Ms. SUN Xian as a shareholder representative Supervisor of the eighth session of the Supervisory Committee of the Company; 2. resolution on the election of non-executive Directors of the eighth session of the board of directors of the Company

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IV. Information about Directors, Supervisors 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	56	2017.05	2027.01	-	-	-	-	247.28	No
	Chief Information Officer			2022.03	2025.03						
LIU Weiwu (劉威武)	Non-executive Director	Male	60	2021.06	(Note 1)	-	-	-	-	-	Yes
LIU Zhenhua (劉振華)	Non-executive Director	Male	51	2024.10	2027.01	-	-	-	-	-	Yes
LIU Hui (劉輝)	Non-executive Director	Female	54	2024.10	2027.01	-	-	-	-	-	Yes
WU Zongmin (吳宗敏)	Executive Director	Male	59	2022.04	2027.01	-	-	-	-	236.27	No
	President			2022.01	2027.01						
LI Delin (李德林)	Non-executive Director	Male	50	2024.10	2027.01	-	-	-	-	-	Yes
LI Xiaofei (李曉霏)	Non-executive Director	Male	54	2023.01	2027.01	-	-	-	-	-	Yes
HUANG Jian (黃堅)	Non-executive Director	Male	55	2012.08	2027.01	-	-	-	-	-	Yes
ZHANG Mingwen (張銘文)	Non-executive Director	Male	46	2024.01	2027.01	-	-	-	-	-	Yes
DING Lusha (丁璐莎)	Non-executive Director	Female	45	2023.06	2027.01	-	-	-	-	-	Yes
YIP, Ying Chi Benjamin (葉熒志)	Independent non-executive Director	Male	61	2024.01	2027.01	-	-	-	-	17.36	No
ZHANG Ruijun (張瑞君)	Independent non-executive Director	Female	63	2024.01	2027.01	-	-	-	-	17.36	Yes
CHEN Xin (陳欣)	Independent non-executive Director	Female	56	2024.06	2027.01	-	-	-	-	8.44	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 (曹嘯)	Independent non-executive Director	Male	54	2024.01	2027.01	-	-	-	-	17.36	No
FENG Jinhua (豐金華)	Independent non-executive Director	Male	68	2022.11	2027.01	-	-	-	-	20.00	No
ZHU Eric Liwei (朱立偉)	Shareholder representative Supervisor	Male	53	2023.08	2027.01	-	-	-	-	-	Yes
SUN Xian (孫獻)	Shareholder representative Supervisor	Female	52	2024.10	2027.01	-	-	-	-	-	Yes
MA Yunchun (馬蘊春)	Shareholder representative Supervisor	Male	56	2017.06	(Note 2)	-	-	-	-	-	Yes
PENG Luqiang (彭陸強)	Shareholder representative Supervisor	Male	57	2023.06	2027.01	-	-	-	-	-	Yes
YIN Hongyan (尹虹艷)	Employee representative Supervisor	Female	53	2007.08	2027.01	-	-	-	-	116.93	No
CHEN Jun (陳鋈)	Employee representative Supervisor	Male	47	2023.03	2027.01	-	-	-	-	78.68	No
LIU Jie (劉傑)	Vice President (chief financial officer)	Male	53	2023.04	2027.01	-	-	-	-	196.99	No
	Secretary to the Board			2023.08	2027.01						
	Joint Company Secretary and Authorized Representative of the Hong Kong Stock Exchange			2023.04	-						
ZHANG Haochuan (張浩川)	Vice President	Male	52	2022.05	2027.01	-	-	-	-	201.40	No
LIU Rui (劉銳)	Vice President	Male	51	2023.08	2027.01	-	-	-	-	170.40	No
LIU Bo (劉波)	Vice President	Male	48	2024.11	2027.01	-	-	-	-	0	No
ZHANG Xing (張興)	Chief Compliance Officer	Male	48	2024.03	2027.01	-	-	-	-	105.36	No
	Chief Risk Officer			2024.02	2027.01						
ZHANG Jian (張健)	Non-executive Director (resigned)	Male	60	2023.08	2024.10	-	-	-	-	-	Yes
DENG Weidong (鄧偉棟)	Non-executive Director (resigned)	Male	57	2022.04	2024.10	-	-	-	-	-	Yes
MA Boyin (馬伯寅)	Non-executive Director (resigned)	Male	50	2024.01	2024.10	-	-	-	-	-	Yes

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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
XIANG Hua (向華)	Independent non-executive Director (resigned)	Male	53	2017.07	2024.06	-	-	-	-	11.56	Yes
XIAO Houfa (肖厚發)	Independent non-executive Director (resigned)	Male	57	2017.07	2024.01	-	-	-	-	2.63	Yes
XIONG Wei (熊偉)	Independent non-executive Director (resigned)	Male	49	2017.08	2024.01	-	-	-	-	2.63	No
HU Honggao (胡鴻高)	Independent non-executive Director (resigned)	Male	70	2017.07	2024.01	-	-	-	-	2.63	Yes
WANG Zhangwei (王章為)	Shareholder representative Supervisor (resigned)	Male	52	2017.06	2024.10	-	-	-	-	-	Yes
ZOU Qun (鄒群)	Shareholder representative Supervisor (resigned)	Male	58	2020.10	2024.06	-	-	-	-	-	Yes
HE Min (何敏)	Employee representative Supervisor (resigned)	Female	49	2009.07	2024.01	-	-	-	-	6.38	No
WANG Jianping (王劍平)	Employee representative Supervisor (resigned)	Male	50	2024.01	2024.06	-	-	-	-	34.13	No
XIONG Kai (熊開)	Vice President (resigned)	Male	53	2023.08	2024.08	-	-	-	-	87.23	No
ZHAO Bin (趙斌)	Vice President (resigned)	Male	55	2018.11	2024.10	-	-	-	-	154.75	No
HU Yu (胡宇)	Chief Compliance Officer (resigned) Chief Risk Officer (resigned)	Male	60	2018.12	2024.02	-	-	-	-	11.04	No
Total	/	/	/	/	/	-	-	-	-	1,746.81	/

Note:

- Due to retirement, Mr. LIU Weiwu has tendered his resignation from his position as a non-executive Director of the Company on March 13, 2025, with effective from the date of election of a new Director at the shareholders' general meeting. Prior to that, he will continue to fulfill his duties as a Director;
- Due to change in his work arrangements, Mr. MA Yunchun has tendered his resignation from his position as a shareholders' representative Supervisor of the Company on March 13, 2025, with effective from the date of election of a new Supervisor at the shareholders' general meeting. Prior to that, he will continue to fulfill his duties as a Supervisor;
- Total remuneration before tax of Directors, Supervisors and senior management during their tenure of office shown above were remuneration during the year 2024, and LIU Bo has an additional remuneration during the year 2024 of RMB124,800 pending subsequent settlement;
- The total remuneration before tax of the Directors, senior management and employee representative Supervisors 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 upon confirmation;
- 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 and Mr. CHEN Jun held an aggregate of 633,366 shares through the employee stock ownership scheme, accounting for 7.01% of the total shares held under the scheme and 0.01% of the total share capital.

Name	Major work experience
HUO Da (霍達)	<p>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 since March 2022. 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.</p> <p>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.</p>

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Name	Major work experience
LIU Weiwu (劉威武)	<p>Mr. LIU has served as a non-executive Director of the Company since June 2021. 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, a director of China Merchants International Finance Company Limited (招商局國際財務有限公司) since March 2021, an executive director of China Merchants Sharing Services Co., Ltd. (招商局共享服務有限公司) since April 2021, 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 2021, a director of China Merchants Union (BVI) Limited (招商局聯合發展有限公司) since October 2021 (and the chairman of the board of directors since June 2023). 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 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, and 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. 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, and a director of Liaoning Port Group Limited (遼寧港口集團有限公司) from March 2021 to February 2025. He served</p>

Name	Major work experience
	<p>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)).</p> <p>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.</p>
LIU Zhenhua (劉振華)	<p>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).</p> <p>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.</p>

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Name	Major work experience
LIU Hui (劉輝)	<p>Ms. LIU has served as a non-executive Director of the Company since October 2024. She has been the general manager of China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司) since October 2023. 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, and 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).</p> <p>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.</p>

Name	Major work experience
<p>WU Zongmin (吳宗敏)</p>	<p>Mr. WU has served as an executive Director of the Company since April 2022, and our President since January 2022. 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).</p> <p>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).</p>

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Name	Major work experience
LI Delin (李德林)	<p>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).</p> <p>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.</p>

Name	Major work experience
LI Xiaofei (李曉霏)	<p>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) and China Merchants Hoi Tung Trading Company Limited (招商局海通貿易有限公司) since September 2022, and a director of Creative Enterprise Holdings Limited (創毅控股有限公司) since August 2024. He 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).</p> <p>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.</p>

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Name	Major work experience
<p>HUANG Jian (黃堅)</p>	<p>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 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: 3968) 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).</p> <p>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.</p>

Name	Major work experience
ZHANG Mingwen (張銘文)	<p>Mr. ZHANG has served as a non-executive Director of the Company since January 2024. He has served as an executive director and the general manager 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 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)).</p> <p>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.</p>

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Name	Major work experience
DING Lusha (丁璐莎)	<p>Ms. DING has served as a non-executive Director of the Company since June 2023. She has been 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, 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 supervisor of PICC Health & Senior Care Management (Guangzhou) Co., Ltd. (人保健康養老管理(廣州)有限公司) since July 2023, and a director of PICC Financial Services Company Limited (人保金融服務有限公司) since September 2023. 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.</p> <p>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.</p>

Name	Major work experience
YIP, Ying Chi Benjamin (葉熒志)	<p>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 Technology Co., Ltd. (特斯聯智慧科技股份有限公司) (formerly known as Chongqing Terminus 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).</p> <p>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 holds the professional qualification of Certified International Investment Analyst (CIIA).</p>

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Name	Major work experience
<p>ZHANG Ruijun (張瑞君)</p>	<p>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責任公司) 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 Suzhou Racosensor Technology Co., Ltd. (蘇州理工雷科傳感技術有限公司) since April 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.</p> <p>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.</p>

Name	Major work experience
CHEN Xin (陳欣)	<p>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. 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.</p> <p>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.</p>

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Name	Major work experience
CAO Xiao (曹嘯)	<p>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).</p> <p>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.</p>

Name	Major work experience
FENG Jinhua (豐金華)	<p>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).</p> <p>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.</p>

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Name	Major work experience
ZHU Eric Liwei (朱立偉)	<p>Mr. ZHU has served as a shareholder representative Supervisor of the Company since August 2023. 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 September 2022, a director of Shenzhen Yintong Zhihui Information Service Co., Ltd. (深圳市銀通智匯信息服務有限公司) (formerly known as Shenzhen Yintong Qianhai Financial Asset Exchange Co., Ltd. (深圳市銀通前海金融資產交易中心有限公司) and Shenzhen CMB Qianhai Financial Asset Exchange Co., Ltd. (深圳市招銀前海金融資產交易中心有限公司)) since December 2015 and the chairman of the board of directors since September 2019, a supervisor of China Merchants Financial Leasing Co., Ltd. (招商局融資租賃有限公司) since June 2016, 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) since March 2022, a director and the chairman of the board of directors of CMB Wing Lung Insurance Company Limited (招商永隆保險有限公司) since October 2023, and a 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 January 2025. He was 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 September 2022, a director of China Merchants Group Finance Co., Ltd. (招商局集團財務有限公司) from June 2018 to January 2023, and a director of the Company from August 2007 to May 2014. Mr. ZHU Eric Liwei served as a manager of Far Eastern Furnishings Co., Ltd. (Middle East) (遠東傢俱有限公司(中東)), an account manager of the Small and Medium Enterprise Business Center (Toronto) of Canadian Imperial Bank of Commerce (加拿大帝國商業銀行) (a company listed on the New York Stock Exchange, stock code: CM; a company listed on the Toronto Stock Exchange, stock code: CM), an assistant director of the finance department of Lenovo Group Limited (聯想集團有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 00992), a senior manager of the performance reform department of PricewaterhouseCoopers (普華永道會計師事務所), an assistant to general manager and the deputy general manager of China Merchants Finance Holdings Co., Ltd.(招商局金融集團有限公司), a director of China Merchants Commerce Financial Leasing Co., Ltd. (招商局通商融資租賃有限公司), and a director of 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).</p> <p>Mr. ZHU Eric Liwei obtained a bachelor's degree in analytical chemistry from Hunter College of the City University of New York (紐約市立大學) in the United States in July 1994, and a master's degree in finance and accounting from the Schulich School of Business at York University (約克大學) in Canada in November 2001, respectively.</p>

Name	Major work experience
SUN Xian (孫獻)	<p>Ms. SUN has served as a shareholder representative Supervisor of the Company since October 2024. Ms. SUN has been the deputy general manager (and concurrently the chief financial officer) of China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司) since July 2023, and a director of CM Houlder Insurance Brokers Limited (招商海達保險顧問有限公司) and China Merchants Finance Holdings Co., Ltd. (招商局金融集團有限公司) since May 2023. She has served as the chairman of the board of directors of Shenzhen New Jiangnan Investment Co., Ltd. (深圳新江南投資有限公司), Shenzhen Jisheng Investment Development Co., Ltd. (深圳市集盛投資發展有限公司), 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), and a director of China Merchants Ping An Asset Management Co., Ltd. (深圳市招商平安資產管理有限公司) since June 2023. She has been a director of China Merchants Financial Leasing Co., Ltd. (招商局融資租賃有限公司) (formerly known as China Merchants Commerce Financial Leasing Co., Ltd. (招商局通商融資租賃有限公司)) since July 2023, and a director of Best Winner Investment Limited since August 2023. She has served as a director 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) since December 2023 and its vice chairman of the board of directors since June 2024, and the chairman of the board of directors of China Merchants Commercial Factoring (Tianjin) Co., Ltd. (招商商業保理(天津)有限公司) since October 2024. She served as the chief financial officer and secretary to the board of directors of Bosera Asset Management Co., Limited (博時基金管理有限公司) from December 2016 to May 2023. She was a director of Bosera Asset Management (International) Co., Limited (博時基金(國際)有限公司) from April 2017 to May 2023, a director of Bosch Capital Management Limited (博時資本管理有限公司) from April 2017 to June 2023, and a director of Bosera Wealth Fund Sales Company Limited (博時財富基金銷售有限公司) from August 2021 to June 2023. She served as a staff member and the deputy general manager of the clearing business department, the deputy director of financial settlement center, and the deputy general manager of the planning and finance department of COSCO Finance Limited (中遠財務有限責任公司), the general manager of the finance department of Far Eastern International Marine Equipment Services Limited (遠通國際海運設備服務有限公司), the general manager of the finance department of COSCO International Holdings Limited (中遠國際控股有限公司), the chief accountant of Qingdao Ocean Shipping Mariners College (青島遠洋船員學院), and the deputy chief financial officer and concurrently the general manager of the finance department of China Merchants Finance Holdings Co., Ltd. (招商局金融集團有限公司).</p> <p>Ms. SUN Xian obtained a bachelor's degree in economics majoring in western financial accounting and a master's degree in management majoring in accounting from Central University of Finance and Economics in June 1994 and July 2001, respectively. She was awarded the title of Senior Accountant in December 2006.</p>

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Name	Major work experience
MA Yunchun (馬蘊春)	<p>Mr. MA has served as a shareholder representative Supervisor of the Company since June 2017. He has been a director of Yuanhang Minghua (Shanghai) Private Equity Fund Management Co., Ltd. (遠航明華(上海)私募基金管理有限公司) (formerly known as Yuanhang Minghua Asset Management Co., Ltd. (遠海明華資產管理有限公司)) since December 2016, and the vice chairman of the board of directors of Hebei Financial Investment Guarantee Group Co., Ltd. (河北融投擔保集團有限公司) since July 2021. He served as the chairman of the board of directors of Hebei Port Group Shanghai Investment Management Company (河北港口集團上海投資有限公司) from January 2016 to June 2021, the chairman of the board of directors of Hebei Port Group (Tianjin) Investment Management Co., Ltd. (河北港口集團(天津)投資管理有限公司) from October 2020 and November 2024, and a director of ZJMI Environmental Energy Co., Ltd. (浙江物產環保能源股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 603071) from May 2022 to March 2025. He served as a cadre of the electromechanical division, the vice head and the head of the lading team, and the deputy manager of the Sixth Port Service Branch of Qinghuangdao Port Co., Ltd. (秦皇島港口有限公司第六港務分公司), a manager of logistics company of Qinhuangdao Port Co., Ltd. (秦皇島港口有限公司物流公司), a manager of the First Port Service Branch of Qinhuangdao Port Co., Ltd. (秦皇島港股份有限公司) (formerly known as Qinhuangdao Port Co., Ltd. (秦皇島港口有限公司)), and the general manager of Hebei Port Group (Tianjin) Investment Management Co., Ltd. (河北港口集團(天津)投資管理有限公司) and Hebei Port Group Shanghai Investment Management Company (河北港口集團上海投資有限公司).</p> <p>Mr. MA Yunchun obtained a bachelor's degree and a master's degree in welding from Tianjin University (天津大學) in July 1989 and April 1994, respectively.</p>

Name	Major work experience
PENG Luqiang (彭陸強)	<p>Mr. PENG has served as a shareholder representative Supervisor of the Company since June 2023. He has been a director and the chairman of the board of directors of CCCC Finance Company Limited (中交財務有限公司) since December 2024, the deputy chief accountant of China Communications Construction Group (Limited) (中國交通建設集團有限公司) since September 2023, a vice chief accountant of China Communications Construction Company Limited (中國交通建設股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 601800; a company listed on the Hong Kong Stock Exchange, stock code: 01800) since November 2023, the general manager of the finance & fund department of China Communications Construction Group (Limited) (中國交通建設集團有限公司) since July 2023, and the vice chairman of Jiang Tai Insurance Brokers Co., Ltd. (江泰保險經紀股份有限公司) since May 2023. He served as the general manager of the finance & fund department of China Communications Construction Company Limited (中國交通建設股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 601800; a company listed on the Hong Kong Stock Exchange, stock code: 01800) from September 2022 to June 2023, the chief accountant of CCCC Dredging (Group) Co., Ltd. (中交疏浚(集團)股份有限公司) from October 2020 to September 2022, and a director and the chief accountant of CCCC Shanghai Dredging Co., Ltd. (中交上海航道局有限公司) from December 2017 to October 2020. He served as the deputy section chief (副科長) of the financial section (財務科) of No. 2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd. (中交三航局第二工程有限公司), and the section chief (科長) and the deputy chief accountant of the department of Singapore Changi Project (the second phase) of CCCC Third Harbor Engineering Co., Ltd. (中交第三航務工程局有限公司) as well as the deputy division chief (副處長) and the division chief (處長) of the financial division (財務處), the chief accountant and a director of CCCC Third Harbor Engineering Co., Ltd. (中交第三航務工程局有限公司).</p> <p>Mr. PENG Luqiang obtained a bachelor's degree in management majoring in engineering and financial accounting from Changsha Transportation College (長沙交通學院) (currently known as Changsha University of Science & Technology (長沙理工大學)) in July 1990. He was awarded a qualification certificate as a senior accountant by China Communications Construction Group (Limited) (中國交通建設集團有限公司) in October 2021, and the title of the Superior Management Accountant (特級管理會計師) by China Association of Chief Financial Officers in November 2024.</p>

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Name	Major work experience
<p>YIN Hongyan (尹虹艷)</p>	<p>Ms. YIN has served as an employee representative Supervisor of the Company since August 2007. Ms. YIN has served as Chief Wealth Officer of the Company since February 2025. Ms. YIN has served as the director of the Wealth Management and Institutional Business Department since May 2024. Ms. YIN has been our assistant to the President since December 2021. She was the general manager of our Department of Retail Brokerage and Department of Operations and Administration from August 2017 to August 2018, and the general manager of our Human Resources Department from August 2018 to May 2020. She served as our Chief Human Resource Officer from June 2020 to May 2024. She served as the assistant to manager and head of the customer service department of our Shenzhen Zhenhua Road securities branch, deputy manager of our Shenzhen Fumin Road securities branch, assistant to general manager of our Private Customer Service Department, manager of our Shenzhen Fumin Road securities branch and deputy general manager (person-in-charge) and later general manager of our Department of Operations and Administration.</p> <p>Ms. YIN Hongyan obtained a doctoral degree in law majoring in sociology from Nankai University in June 2006.</p>
<p>CHEN Jun (陳鋆)</p>	<p>Mr. CHEN has served as an employee representative Supervisor of the Company since March 2023. He has been the general manager of our audit department since February 2023, and successively served as the deputy general manager (person-in-charge) of our internal review department, and the deputy general manager (person-in-charge) and the general manager of the internal review department of our risk management center from April 2020 to February 2023. He served as the deputy general manager of our risk management department from June 2015 to May 2020, and concurrently the chief risk officer of China Merchants Zhiyuan Capital Investment Co., Ltd. from June 2017 to May 2020. He previously served as the financial director of the project department of Pakistan Barotha Hydropower Plant of Sinohydro Engineering Bureau 8 Co., Ltd. (中國水利水電第八工程局公司), an auditor of KPMG Huazhen LLP, Shenzhen Branch (畢馬威華振會計師事務所深圳分所), and the assistant to the general manager of our risk management department.</p> <p>Mr. CHEN Jun obtained a bachelor's degree majoring in trade economics from Guizhou College of Finance and Economics (貴州財經學院) in July 1998, and a master's degree majoring in law from Xiamen University (廈門大學) in July 2006, respectively.</p>

Name	Major work experience
LIU Jie (劉傑)	<p>Mr. LIU has served as a Vice President (Chief Financial Officer), the Joint Company Secretary and the Authorized Representative under Rule 3.05 of the Hong Kong Listing Rules since April 2023 and the Secretary to the Board since August 2023. He has served as the chairman of the supervisory committee of China Merchants Fund since December 2023. 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).</p> <p>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.</p>
ZHANG Haochuan (張浩川)	<p>Mr. ZHANG has served as a vice president of the Company since May 2022. 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.</p> <p>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.</p>

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Name	Major work experience
LIU Rui (劉銳)	<p>Mr. LIU has served as a vice president of the Company since August 2023. He has served as the chairman of the board of directors of China Merchants Securities International Company Limited since June 2023, 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 China Merchants Futures Co., Limited since September 2022, 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, 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, and 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) since August 2022. He served as 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.</p> <p>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.</p>

Name	Major work experience
LIU Bo (劉波)	<p>Mr. LIU has served as a vice president of the Company since November 2024. 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 successively served as the deputy manager of the statistical information center, the manager of the planning and finance department, the head of the capital management office of each of the planning and finance department (at the level of senior manager of head office) and 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 head and general manager of the asset custody department of the head office, and the general manager of Wuhan Branch (from December 2021 to October 2024).</p> <p>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 was awarded the title of Senior Economist.</p>

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Name	Major work experience
ZHANG Xing (張興)	<p>Mr. ZHANG has served as the Chief Compliance Officer of the Company since March 2024 and Chief Risk Officer since February 2024. He has been an assistant to the President of the Company since September 2023, the director of the Risk Management Center of the Company since April 2021, a supervisor of China Merchants Futures Co., Limited since March 2008, a director of China Merchants Securities Asset Management Co., Ltd. since July 2015, a director of China Merchants Securities International Company Limited (招商證券國際有限公司) since January 2019, and the head of risk management of China Merchants Securities International Company Limited (招商證券國際有限公司) since April 2020. He served as the director of the Operation and Management Center of the Company from September 2023 to January 2024, the Chief Risk Officer of China Merchants Zhiyuan Capital Investment Co., Ltd. from September 2020 to May 2024, a director of China Merchants Zhiyuan Capital Investment Co., Ltd. from May 2019 to March 2023, 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, and the Chief Risk Officer of China Merchants Securities Asset Management Co., Ltd. (招商證券資產管理有限公司) 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.</p> <p>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.</p>

Name	Major work experience
ZHANG Jian (張健)	<p>Mr. ZHANG served as a non-executive Director of the Company from August 2023 to October 2024. He has been the vice chairman of China Merchants Capital Investment Co., Ltd. (招商局資本投資有限責任公司) since April 2023, the chairman of the board of directors of China Merchants Financial Technology Co., Ltd. (招商局金融科技有限公司) since November 2017, and a director of Four Rivers Private Fund Management Co., Ltd. (四源合私募基金管理有限公司) since September 2017. He served as a director of China Merchants Venture Capital Management Co., Ltd. (招商局創新投資管理有限責任公司) from December 2018 to July 2024. He served as 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) from November 2016 to February 2025. He was a director of China Merchants Capital Investment Co., Ltd. (招商局資本投資有限責任公司) from December 2018 to April 2020, the general manager of financial equity management business unit of China Merchants Group Limited (招商局集團有限公司) from September 2015 to October 2020, the chairman of the board of directors of China Merchants China Direct Investments Limited (招商局中國基金有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 00133) from September 2018 to April 2021, the vice chairman of the board of directors of China Merchants Capital Management Co., Ltd. (招商局資本管理有限責任公司) from August 2018 to September 2021, a director of China Merchants Union (BVI) Limited (招商局聯合發展有限公司) from October 2018 to October 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 June 2018 to September 2022, the director of digital center of China Merchants Group Limited (招商局集團有限公司) from May 2019 to April 2024, the chief digital officer (CDO) of China Merchants Group Limited (招商局集團有限公司) from January 2019 to December 2024, the chairman of the board of directors of China Merchants Financial Leasing Co., Ltd. (招商局融資租賃有限公司) (formerly known as China Merchants Commerce Financial Leasing Co., Ltd. (招商局通商融資租賃有限公司)) from January 2021 to December 2024, the deputy general manager (acting as the general manager from April 2023 to September 2023) and person-in-charge of risk management of China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司) from September 2022 to December 2024. Mr. ZHANG Jian held multiple positions 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 Hong Kong Stock Exchange, stock code: 03968) and its branches.</p> <p>Mr. ZHANG Jian obtained a bachelor's degree in economic management from Nanjing University (南京大學) in July 1986 and a master's degree in econometrics from Nanjing University (南京大學) in January 1989, respectively.</p>

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Name	Major work experience
DENG Weidong (鄧偉棟)	<p>Mr. DENG served as a non-executive Director of the Company from April 2022 to October 2024. He has been a director and general manager of China Merchants Innovation & Technology (Group) Co., Ltd. (招商局創新科技(集團)有限公司) since March 2024. He was a director of China International Marine Containers (Group) Co., Ltd. (中國國際海運集裝箱(集團)股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000039; a company listed on the Hong Kong Stock Exchange, stock code: 02039) from October 2020 to January 2025. He was the chairman of the board of directors and general manager of Shenzhen Zhaoguang Investment Co., Ltd. (深圳市招廣投資有限公司) from May 2020 to May 2022, a 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 October 2021 to December 2022, 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 Shenzhen Stock Exchange, stock code: 001979) from October 2021 to November 2022, the general manager and a director of China Economic and Trade Shipping Co., Ltd. (中國經貿船務有限公司) from February 2021 to September 2022, a director of SF Holding Co., Ltd. (順豐控股股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002352) from April 2019 to December 2022, a director of China Merchants Property Operation & Service Co., Ltd. (招商局積餘產業運營服務股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 001914) from December 2019 to April 2021, the head of the Capital Investment & Management Department of China Merchants Group (招商局集團) from January 2015 to August 2021, a director of China Merchants Venture Capital Management Co., Ltd. (招商局創新投資管理有限責任公司) from August 2021 to August 2022, a director and the general manager of China Merchants Investment Development Company Limited (招商局投資發展有限公司) from April 2020 to September 2022, a director of Chongqing Globebill Crossborder Technology Co., Ltd. (重慶錢寶跨境科技有限公司) from April 2014 to February 2024, the Chief Strategy Officer of China Merchants Group (招商局集團) from August 2022 to March 2024, the head of the Strategic Development Department/Technological Innovation Department of China Merchants Group (招商局集團) from August 2021 to March 2024, a 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) from November 2021 to March 2024, 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 April 2020 to May 2024, and a director 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 April 2019 to August 2024 and its vice chairman of the board of directors from July 2023 to August 2024. He worked at Hainan Yangpu Economic Development Zone Administration Bureau (海南省洋浦經濟開發區管理局), and successively served as a deputy general manager and the general manager of the Research and Development Department of China Nanshan Development (Group) Inc. (中國南山開發(集團)股份有限公司).</p>

Name	Major work experience
	<p>司), the deputy general manager of Chiwan Container Terminal Co., Ltd. (赤灣集裝箱碼頭有限公司), the general manager of Shenzhen Mawan Port Service Co., Ltd. (深圳媽灣港務有限公司), and a deputy general manager of China Merchants Holdings (International) Company Limited (招商局國際有限公司) (currently known as 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).</p> <p>Mr. DENG Weidong graduated with a doctoral degree of Science in Physical Geography from the Department of Geodetic and Marine Sciences from Nanjing University (南京大學) in September 1994.</p>
MA Boyin (馬伯寅)	<p>Mr. MA served as a non-executive Director of the Company from January 2024 to October 2024. He was 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 September 2018 to June 2021, the secretary of the Discipline Inspection Commission of China Merchants Financial Services Business Unit (招商局金融事業群／平台) from June 2021 to September 2022, a director of Bosera Asset Management Co., Limited (博時基金管理有限公司) from August 2023 to September 2024, the deputy general manager, chief compliance officer (and compliance officer) and a secretary of the Discipline Inspection Commission of China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司) from September 2022 to December 2024, 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 June 2023 to November 2024, and a director of China Merchants Financial Holdings (Hong Kong) Company Limited from December 2022 to January 2025. He served as a cadre, the head of the Propaganda Department and the deputy secretary of the Youth League Committee of Peking University (北京大學團委), a deputy division-level cadre, the deputy director and the director of the Organization Division under the Organization Department of the Party Committee (黨委組織部組織處) of China Insurance Regulatory Commission (中國保險監督管理委員會) (CIRC, currently known as the National Financial Regulatory Administration (國家金融監督管理總局)), the leader of the Guangzhou-Shenzhen Working Group under the China Insurance Risk Working Group (駐中華保險風險處置工作組廣深工作組) of CIRC, the assistant to the general manager and the deputy general manager of China United Insurance Holding Company Limited (中華聯合保險控股股份有限公司)/China United Insurance Group Company Limited (中華聯合保險集團股份有限公司), the deputy director of the Qingdao Bureau (青島監管局) of CIRC, a deputy inspector of the General Office (辦公廳) of CIRC (during such period, he acted as the deputy secretary-general of the Shenzhen Municipal Government), and the deputy general manager of China Merchants Finance Holdings Co., Ltd. (招商局金融集團有限公司).</p> <p>Mr. MA Boyin obtained a bachelor's degree in economic law/international economic law, a master's degree in economic law and a doctoral degree in international law (majoring in international financial law) from Peking University (北京大學) in July 1997, July 2001 and January 2010, respectively.</p>

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Name	Major work experience
<p>XIANG Hua (向華)</p>	<p>Mr. XIANG served as an independent non-executive Director of the Company from July 2017 to June 2024. He has been a director of Lion Global Financial Limited (獅瀚環球金融有限公司) and Lion Global Digital Finance Open-ended Fund Company (獅瀚環球數字金融開放式基金型公司) since May 2024, deputy chief executive officer of Lion Global Financial Limited (獅瀚環球金融有限公司) since June 2024, a director of CONNECT WEALTH INVESTMENT LIMITED and NeoSpective Capital Limited since October 2021, and a non-executive Director of Digital Finance Group Limited (數字金融集團有限公司) since February 2024. He served as the chief executive officer of Durer Investment Management Co., Ltd. (圖瑞投資管理有限公司) from January 2018 to January 2022. He acted as an officer and the deputy head of the Balance of Payments Department and General Affairs Department of the State Administration of Foreign Exchange, and the head of the Central Foreign Exchange Business Center of the State Administration of Foreign Exchange, the general manager of SAFE Investment Company Limited, and the chief executive officer and chief operating officer of Deepwater Capital Limited.</p> <p>Mr. XIANG Hua obtained a bachelor's degree in economics from Beijing Normal University and a master's degree in economics from Renmin University of China in July 1994 and September 2001, respectively.</p>
<p>XIAO Houfa (肖厚發)</p>	<p>Mr. XIAO served as an independent non-executive Director of the Company from July 2017 to January 2024. He has been the chairman of the governance committee of RSM China (special general partnership) (容誠會計師事務所(特殊普通合夥)) (formerly known as HuaPu TianJian Certified Public Accountants LLP) since January 2025, the executive partner (formerly known as the principal partner) of RSM China (special general partnership) (容誠會計師事務所(特殊普通合夥)) since January 2014, and a director of Jingfu Cardiovascular Hospital (Xuzhou) Co., Ltd. (京阜心血管醫院(徐州)有限責任公司) since November 2019. He was an executive director of Beijing Zhongfa Shengxing Management Consulting Co., Ltd. (北京中發晟興管理諮詢有限公司) from April 2020 to December 2020, and a director of Guohua Kangping Elderly Service Co., Ltd. (國華康平養老服務有限公司) from April 2019 to November 2020. He was the founder, deputy chief accountant and chief accountant of Anhui HuaPu Certified Public Accountants (安徽華普會計師事務所), and the chief accountant of HuaPu TianJian Certified Public Accountants (Beijing) Co., Ltd. (華普天健會計師事務所(北京)有限公司).</p> <p>Mr. XIAO Houfa obtained a bachelor's degree in accounting from Shanghai University of Finance and Economics in July 1988. He has received the title of senior accountant and is a certified public accountant.</p>

Name	Major work experience
XIONG Wei (熊偉)	<p>Mr. XIONG served as an independent non-executive Director of the Company from August 2017 to January 2024. He has been teaching at Princeton University since July 2000 and has been serving as professor of economics since July 2007, Trumbull-Adams Professor of Finance since July 2014, academic advisor at Hong Kong Institute for Monetary and Financial Research since July 2012, academic dean of the School of Economics and Management at The Chinese University of Hong Kong, Shenzhen since June 2015, and dean of Shenzhen Finance Institute, CUHK(SZ) since January 2016. He was a visiting professor of the Faculty of Economics at the University of Cambridge from September 2021 to August 2022.</p> <p>Mr. XIONG Wei obtained a bachelor's degree in physics from the University of Science and Technology of China, a master's degree in physics from Columbia University in the United States and a doctoral degree in finance from Duke University in the United States in July 1993, May 1995 and May 2001, respectively.</p>
HU Honggao (胡鴻高)	<p>Mr. HU served as an independent non-executive Director of the Company from July 2017 to January 2024. He has been a professor of law and doctoral advisor at Fudan University since January 2008, and an independent director of Shenzhen Pacific Union Precision Manufacturing Company Ltd. (深圳市泛海統聯精密製造股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 688210) since April 2020. He served as an independent director of Shanghai Tofflon Science and Technology Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 300171) from March 2014 to February 2020, an independent director of Perfect Group Corp., Ltd. (倍加潔集團股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 603059) from June 2016 to September 2022, an independent director of Shanghai Amarsoft Information & Technology Co., Ltd. (上海安碩信息技術股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300380) from March 2017 to March 2023, and an independent director of Shanghai China Fortune Co., Ltd. (上海華鑫股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600621) from May 2017 to May 2023. He was the head of faculty of law and vice dean of Fudan Law School at Fudan University.</p> <p>Mr. HU Honggao obtained a bachelor's degree in law from Peking University in July 1983.</p>

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Name	Major work experience
WANG Zhangwei (王章為)	<p>Mr. WANG served as a shareholder representative Supervisor of the Company from June 2017 to October 2024. He was a director of Shenzhen Yan Qing Investment and Development Co., Ltd. (深圳市晏清投資發展有限公司), Shenzhen Chu Yuan Investment and Development Co., Ltd. (深圳市楚源投資發展有限公司) and Shenzhen Jisheng Investment Development Co., Ltd. (深圳市集盛投資發展有限公司) from November 2014 to July 2024, and a director of Shenzhen New Jiangnan Investment Co., Ltd. (深圳新江南投資有限公司) from June 2015 to July 2024. He was the audit officer (首席稽核官) of China Merchants Financial Services Business Unit (招商局金融事業群／平台) from April 2019 to September 2022, a supervisor of China Merchants Finance Investment Holdings Co., Ltd. (currently known as China Merchants Financial Holdings Co., Ltd.) from September 2011 to September 2022, a director 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 June 2023 to November 2024, and the audit officer (首席稽核官) of China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司) from September 2022 to December 2024. He served as a manager of the audit department of China Merchants Shekou Holdings Co., Ltd. (招商局蛇口控股股份有限公司), a manager of the finance department of China Merchants Technology Holdings Co., Ltd. (招商局科技集團有限公司), a senior manager of the audit department of China Merchants Group Limited (招商局集團有限公司), a general manager of the finance department of China Merchants Finance Holdings Co., Ltd. (招商局金融集團有限公司), a general manager of Shenzhen Jisheng Investment Development Co., Ltd. (深圳市集盛投資發展有限公司), Shenzhen Chu Yuan Investment and Development Co., Ltd. (深圳市楚源投資發展有限公司) and Shenzhen Yan Qing Investment and Development Co., Ltd. (深圳市晏清投資發展有限公司), and an assistant to general manager of China Merchants Finance Holdings Co., Ltd. (招商局金融集團有限公司).</p> <p>Mr. WANG Zhangwei obtained a bachelor's degree from Dongbei University of Finance and Economics (東北財經大學) and an MBA degree from the University of South Australia (南澳大學) in July 1995 and April 2008, respectively. Mr. WANG Zhangwei is a certified public accountant in the PRC and an international certified internal auditor.</p>

Name	Major work experience
<p>ZOU Qun (鄒群)</p>	<p>Mr. ZOU served as a shareholder representative Supervisor of the Company from October 2020 to June 2024. He has served as the general manager of Shenzhen Huaqiang Dingxin Investment Co., Ltd. (深圳華強鼎信投資有限公司) since March 2021, a director of Shenzhen Huaqiang Dingxin Investment Co., Ltd. (深圳華強鼎信投資有限公司) since January 2015, and a director of Guangdong Huaqiang Property Co., Ltd. (廣東華強置業有限公司) since January 2008. He was the chief of securities investment department of Shenzhen Huaqiang Asset Management Co., Ltd. (深圳華強資產管理有限責任公司) from December 2018 to March 2021. He served as the deputy chief and the chief of financial settlement center, the chief of investment management division and a supervisor of Shenzhen Huaqiang Group Co., Ltd. (深圳華強集團有限公司), a director of Shenzhen Huaqiang Industry Co., Ltd. (深圳華強實業股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000062), the deputy managing director of Shenzhen Sanyang Huaqiang Laser Electronic Co., Ltd. (深圳三洋華強激光電子有限公司), the deputy general manager of Huaqiang Cloud Investment Holding Co., Ltd. (華強雲投資控股有限公司), the managing director of Shenzhen Huaqiang Laser Electronic Co., Ltd. (深圳華強激光電子有限公司), the general manager of Shenzhen Huaqiang Zhaoyang Energy Co., Ltd. (深圳華強兆陽能源有限公司), the chief of securities investment department of Shenzhen Huaqiang Asset Management Group Co., Ltd. (深圳華強資產管理集團有限責任公司), a director of Shenzhen Huaqiang Group Co., Ltd. (深圳華強集團股份有限公司), the general manager of Shenzhen Qianhai Huaqiang Xinghe Financial Leasing Development Co., Ltd. (深圳前海華強興和融資租賃發展有限公司), and the general manager of Shenzhen Huaqiang Group Finance Co., Ltd. (深圳華強集團財務有限公司).</p> <p>Mr. ZOU Qun obtained a bachelor's degree in magnetic physics and devices 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)) in July 1988. He was awarded with the finance professional qualification of intermediate economist by the Ministry of Personnel of the People's Republic of China (中華人民共和國人事部) in June 1995, and obtained the qualification of senior professional manager in enterprise management from China Professional Manager Qualification Assessment Committee (中國職業經理人資格評審委員會) in July 2005.</p>

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Name	Major work experience
HE Min (何敏)	<p>Ms. HE served as an employee representative Supervisor of the Company from July 2009 to January 2024. She has served as the general manager of our Capital Management Department since March 2022. She was the chairman of the supervisory committee of Bosera Asset Management Co., Limited from April 2019 to August 2022, a director of China Merchants Securities Asset Management Co., Ltd. from July 2019 to June 2022, a director of China Merchants Futures Co., Ltd. from May 2019 to April 2022, and a director of China Merchants Zhiyuan Capital Investment Co., Ltd. from May 2019 to March 2022. She served as the deputy general manager of our Finance Department from April 2009 to February 2019, and the general manager of our Finance Department from February 2019 to March 2022. She also served as the assistant to general manager of the Finance Department of the Company.</p> <p>Ms. HE Min obtained a bachelor's degree in economics majoring in accounting and a master's degree in management majoring in accounting, both from Zhongnan University of Economics and Law (formerly known as Zhongnan University of Finance and Economics), in July 1996 and June 1999, respectively. She was granted the qualification of Certified Public Accountant in October 1999 by the Chinese Institute of Certified Public Accountants.</p>
WANG Jianping (王劍平)	<p>Mr. WANG served as an employee representative Supervisor of the Company from January 2024 to June 2024. He has been the general manager of our Finance Department since March 2022, and the general manager of our Strategic Development Department since May 2024. He served as the deputy general manager (person-in-charge) of our Capital Management Department from September 2017 to April 2021, the general manager of our Capital Management Department from April 2021 to March 2022, a director of China Merchants Zhiyuan Capital Investment Co., Ltd. (招商致遠資本投資有限公司) from March 2022 to March 2023, the chairman of the supervisory committee of Bosera Asset Management Co., Limited (博時基金管理有限公司) from August 2022 to August 2023, and a director of China Merchants Securities Asset Management Co., Ltd. (招商證券資產管理有限公司) from June 2022 to July 2022. He served as the financial manager in a number of sales departments of Industrial Securities Co., Ltd. (興業證券股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 601377), and served as the assistant to the general manager and deputy general manager of our Finance Department.</p> <p>Mr. WANG Jianping obtained a bachelor's degree in accounting from Jiangxi University of Finance and Economics in July 1998, and a master's degree in management science and engineering from Tianjin University in December 2012, respectively.</p>

Name	Major work experience
XIONG Kai (熊開)	<p>Mr. XIONG served as a Vice President of the Company from August 2023 to August 2024. He has been Chief Investment Banking Expert (at the level of assistant to the President) of the Company since August 2024. He successively served as the general manager of the inspection and security department, the director of the general office and the general manager of the asset security department, the general manager of Zhengzhou Branch, the general manager of Beijing Branch, and a secretary of the Discipline Inspection Commission of the Head Office 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) from July 2014 to July 2023. He served as deputy section officer, section officer and deputy director of the Ministry of Public Security, researcher, director, deputy division director and division direct of relevant departments of General Office of the Central People Government.</p> <p>Mr. XIONG Kai obtained a bachelor's degree in English from China People's Police University in July 1994, a master's degree in law from Renmin University of China in July 2002, and a doctoral degree in law theory from Chinese Academy of Social Sciences in July 2011, respectively.</p>
ZHAO Bin (趙斌)	<p>Mr. ZHAO has served as the full-time deputy secretary of the Party Committee of the Company since October 2024. Mr. ZHAO served as our Vice President from November 2018 to October 2024. He was an executive director of CMS Investment from January 2019 to May 2022, the chief compliance officer of CMS Asset Management from January 2018 to January 2021, the chairman of the supervisory committee of China Merchants Fund from September 2017 to April 2020, and the chairman of the board of directors of CMS International from January 2022 to June 2023. He took the position of assistant to manager and manager of our Haikou branch, head of Futian branch, assistant to general manager of our Brokerage Business Department, deputy manager (person-in-charge) of our Shenzhen Longgang securities branch, manager of our Shenzhen Nanshan Nanyou Road securities branch, general manager of our Private Customer Service Department, general manager of our Channel Management Department, general manager of our Department of Retail Brokerage, our employee representative Supervisor and Chief Compliance Officer, and director of CMS Asset Management and China Merchants Futures.</p> <p>Mr. ZHAO Bin obtained a bachelor's degree in economics majoring in international finance from Shenzhen University and a master's degree in science majoring in project management from the University of Greenwich in June 1992 and December 2010, respectively.</p>

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Name	Major work experience
HU Yu (胡宇)	<p>Mr. HU served as the chief compliance officer and chief risk officer of the Company from December 2018 to February 2024. He was a teacher in Xishan Middle School (西山中學), teacher of the foreign language teaching and research office of Jiangxi Medical College, deputy principal staff member of Department of Policy and Regulations, the principal staff member of Department of Intermediary Supervision, the deputy director and director of office of the Party Committee as well as the director of No.1 Inspection Office of Shenzhen Bureau of the CSRC, a member of Party Committee and the secretary of Disciplinary Committee of Hainan Bureau of the CSRC, the deputy head of capital operation department of China Merchants Group, and a member of Party Committee and the secretary of Disciplinary Committee of Guangdong Bureau of the CSRC.</p> <p>Mr. HU Yu obtained a Bachelor of Arts degree from Jiangxi Normal University (江西師範大學) and a Master's degree in Finance from Graduate School of People's Bank of China in July 1989 and July 1996, respectively.</p>

(II) Positions of incumbent Directors, Supervisors 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
LIU Hui (劉輝)	China Merchants Financial Holdings Co., Ltd.	General manager	October 2023	to date
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
ZHU Eric Liwei (朱立偉)	China Merchants Financial Holdings Co., Ltd.	Deputy general manager	September 2022	to date
	China Merchants Financial Holdings Co., Ltd.	Deputy general manager (and chief financial officer)	July 2023	to date
SUN Xian (孫獻)	Shenzhen Jisheng Investment Development Co., Ltd.	Chairman of the board of directors	June 2023	to date
	Best Winner Investment Limited	Director	August 2023	to date

Name	Name of shareholder	Position	Date of appointment	Date of termination
ZHANG Jian (張健)	China Merchants Financial Holdings Co., Ltd.	Deputy general manager, person-in-charge of risk management	September 2022	December 2024
MA Boyin (馬伯寅)	China Merchants Financial Holdings Co., Ltd.	Deputy general manager and chief compliance officer (and compliance officer)	September 2022	December 2024
WANG Zhangwei (王章為)	Shenzhen Jisheng Investment Development Co., Ltd.	Director	November 2014	July 2024
	China Merchants Financial Holdings Co., Ltd.	Audit officer	September 2022	December 2024
Description of positions in shareholders	Nil			

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2. Positions in other companies

Name	Name of company	Position	Date of appointment	Date of termination
LIU Weiwu (劉威武)	AviChina Industry & Technology Company Limited	Independent non-executive Director	June 2018	to date
	China Merchants International Finance Company Limited	Director	March 2021	to date
	China Merchants Sharing Services Co., Ltd.	Executive Director	April 2021	to date
	China Merchants Life Insurance Company Limited	Director	June 2021	to date
	China Merchants Union (BVI) Limited	Director	October 2021	to date
		Chairman of the board of directors	June 2023	to date
	China Merchants Group Limited	Head of the finance department (property rights department)	December 2020	November 2024
	Liaoning Port Group Limited	Director	March 2021	February 2025
	China Merchants Port Group Co., Ltd.	Director	May 2021	January 2024

Name	Name of company	Position	Date of appointment	Date of termination
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
	China Merchants Group Limited	Head of Transportation and Logistics Division	February 2023	March 2024
	Sinotrans & CSC Holdings Co., Ltd.	Executive Director and general manager	February 2023	March 2024
	Sinotrans Limited	Director	June 2024	August 2024
LI Delin (李德林)	Bosera Asset Management Co., Limited	Director	September 2024	to date
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	to date
	Creative Enterprise Holdings Limited	Director	August 2024	to date

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Name	Name of company	Position	Date of appointment	Date of termination
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
	COSCO SHIPPING Development Co., Ltd.	Non-executive Director	June 2016	September 2024
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	to date
	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

Name	Name of company	Position	Date of appointment	Date of termination
DING Lusha (丁璐莎)	China Securities Credit Investment Co., Ltd.	Supervisor	June 2020	to date
	PICC Health & Senior Care Management (Guangzhou) Co., Ltd.	Supervisor	July 2023	to date
	PICC Financial Services Company Limited	Director	September 2023	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 Technology Co., Ltd. (特斯聯智慧科技股份有限公司)	Independent Director	September 2024	to date
	Beijing Meixin Technology Co., Ltd. (北京鎂芯科技有限公司)	Director	January 2020	December 2024
	Alex KY Wong Asset Management Company Limited	Director and responsible officer	February 2020	February 2024

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Name	Name of company	Position	Date of appointment	Date of termination
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	to date
	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
	Nuosikai Technology (Beijing) Co., Ltd.	Director	September 2020	December 2024
CHEN Xin (陳欣)	Anton Oilfield Services Group	Independent Director	December 2024	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
FENG Jinhua (豐金華)	Huaan Securities Co., Ltd.	Independent Director	December 2020	May 2024
	CIMC Vehicles (Group) Co., Ltd.	Independent non-executive Director	June 2019	September 2024

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Name	Name of company	Position	Date of appointment	Date of termination
ZHU Eric Liwei (朱立偉)	Shenzhen Yintong Zhihui Information Service Co., Ltd. (深圳市銀通智匯信息服務有限公司)	Director	December 2015	to date
	Shenzhen Yintong Zhihui Information Service Co., Ltd.	Chairman of the board of directors	September 2019	to date
	China Merchants Financial Leasing Co., Ltd.	Supervisor	June 2016	to date
	CM Houlder Insurance Brokers Limited	Chairman of the board of directors	March 2022	to date
	CMB Wing Lung Insurance Company Limited	Director and chairman of the board of directors	October 2023	to date
	China Merchants Bank Co., Ltd.	Director	January 2025	to date

Name	Name of company	Position	Date of appointment	Date of termination
SUN Xian (孫獻)	CM Houlder Insurance Brokers Limited	Director	May 2023	to date
	China Merchants Finance Holdings Co., Ltd.	Director	May 2023	to date
	Shenzhen New Jiangnan Investment Co., Ltd.	Chairman of the board of directors	June 2023	to date
	Shenzhen Yan Qing Investment and Development Co., Ltd.	Chairman of the board of directors	June 2023	to date
	Shenzhen Chu Yuan Investment and Development Co., Ltd.	Chairman of the board of directors	June 2023	to date
	China Merchants Ping An Asset Management Co., Ltd.	Director	June 2023	to date
	China Merchants Financial Leasing Co., Ltd.	Director	July 2023	to date
	China Great Wall Securities Co., Ltd.	Director	December 2023	to date
		Vice chairman of the board of directors	June 2024	to date
	China Merchants Commercial Factoring (Tianjin) Co., Ltd. (招商商業保理(天津)有限公司)	Chairman of the board of directors	October 2024	to date

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Name	Name of company	Position	Date of appointment	Date of termination
MA Yunchun (馬蘊春)	Yuanhang Minghua (Shanghai) Private Equity Fund Management Co., Ltd. (遠航明華(上海)私募 基金管理有限公司)	Director	December 2016	to date
	Hebei Financial Investment Guarantee Group Co., Ltd.	Vice chairman of the board of directors	July 2021	to date
	Hebei Port Group (Tianjin) Investment Management Co., Ltd.	Chairman of the board of directors	October 2020	November 2024
	ZJMI Environmental Energy Co., Ltd.	Director	May 2022	March 2025
PENG Luqiang (彭陸強)	China Communications Construction Group (Limited)	Deputy chief accountant	September 2023	to date
		General manager of the finance and fund department	July 2023	to date
	China Communications Construction Company Limited	Deputy chief accountant	November 2023	to date
	Jiang Tai Insurance Brokers Co., Ltd.	Vice chairman of the board of directors	May 2023	to date
	CCCC Finance Company Limited	Director and chairman of the board of directors	December 2024	to date
LIU Jie (劉傑)	China Merchants Fund Management Co., Ltd.	Chairman of the supervisory committee	December 2023	to date

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	to date
	China Merchants Zhiyuan Capital Investment Co., Ltd.	Director	December 2024	to date
		Executive Director	March 2023	December 2024
	China Merchants Futures Co., Limited	Chairman of the board of directors	September 2022	to date
	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	to date
	Guangdong Equity Exchange Center Co., Ltd.	Director	June 2018	January 2024

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Name	Name of company	Position	Date of appointment	Date of termination
ZHANG Xing (張興)	China Merchants Futures Co., Limited	Supervisor	March 2008	to date
	China Merchants Securities Asset Management Co., Ltd.	Director	July 2015	to date
	China Merchants Securities International Company Limited	Director	January 2019	to date
		Person-in-charge of risk management	April 2020	to date
	China Merchants Securities Investment Co., Ltd.	Chief Risk Officer	September 2017	May 2024
	China Merchants Zhiyuan Capital Investment Co., Ltd.	Chief Risk Officer	September 2020	May 2024

Name	Name of company	Position	Date of appointment	Date of termination
ZHANG Jian (張健)	China Merchants Capital Investment Co., Ltd.	Vice chairman of the board of directors	April 2023	to date
	China Merchants Financial Technology Co., Ltd.	Chairman of the board of directors	November 2017	to date
	Four Rivers Private Fund Management Co., Ltd.	Director	September 2017	to date
	China Merchants Finance Holdings Co., Ltd.	Director	September 2015	January 2025
	China Merchants Venture Capital Management Co., Ltd.	Director	December 2018	July 2024
	China Merchants Bank Co., Ltd.	Director	November 2016	February 2025
	China Merchants Group Limited	Chief digital officer (CDO)	January 2019	December 2024
		Director of digital center	May 2019	April 2024
	China Merchants Financial Leasing Co., Ltd.	Chairman of the board of directors	January 2021	December 2024

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Name	Name of company	Position	Date of appointment	Date of termination
DENG Weidong (鄧偉棟)	China Merchants Innovation & Technology (Group) Co., Ltd. (招商 局創新科技(集團)有限 公司)	Director and general manager	March 2024	to date
	China International Marine Containers (Group) Co., Ltd.	Director	October 2020	January 2025
	Chongqing Globebill Crossborder Technology Co., Ltd.	Director	April 2014	February 2024
		Chief Strategy Officer	August 2022	March 2024
	China Merchants Group Limited	Head of the Strategic Development Department/ Technological Innovation Department	August 2021	March 2024
	Sinotrans Limited	Director	November 2021	March 2024
	China Merchants Taiping Bay Development Investment Co., Ltd.	Director	April 2020	May 2024
	China Merchants Energy Shipping Co., Ltd.	Director	April 2019	August 2024
		Vice chairman of the board of directors	July 2023	August 2024
MA Boyin (馬伯寅)	Bosera Asset Management Co., Limited	Director	August 2023	September 2024
	China Great Wall Securities Co., Ltd.	Supervisor	June 2023	November 2024
	China Merchants Financial Holdings (Hong Kong) Company Limited	Director	December 2022	January 2025

Name	Name of company	Position	Date of appointment	Date of termination
XIANG Hua (向華)	CONNECT WEALTH INVESTMENT LIMITED	Director	October 2021	to date
	NeoSpective Capital Limited	Director	October 2021	to date
	Digital Finance Group Limited (數字金融集團有限公司)	Non-executive Director	February 2024	to date
	Lion Global Digital Finance Open-ended Fund Company (獅瀚環球數字金融開放式基金型公司)	Director	May 2024	to date
	Lion Global Financial Limited (獅瀚環球金融有限公司)	Director	May 2024	to date
	Lion Global Financial Limited (獅瀚環球金融有限公司)	Deputy chief executive officer	June 2024	to date
XIAO Houfa (肖厚發)	RSM China (special general partnership)	Executive partner (formerly known as principal partner)	January 2014	to date
		Chairman of the governance committee	January 2025	to date
	Jingfu Cardiovascular Hospital (Xuzhou) Co., Ltd.	Director	November 2019	to date
XIONG Wei (熊偉)	Princeton University	Professor of Economics	July 2007	to date
		Trumbull-Adams Professor of Finance	July 2014	to date
	Hong Kong Institute for Monetary and Financial Research	Academic advisor	July 2012	to date
	The Chinese University of Hong Kong, Shenzhen	Academic dean of School of Economics and Management	June 2015	to date
	Shenzhen Finance Institute, CUHK(SZ)	Dean	January 2016	to date

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Name	Name of company	Position	Date of appointment	Date of termination
HU Honggao (胡鴻高)	Fudan University	Professor of law and doctoral advisor	January 2008	to date
	Shenzhen Pacific Union Precision Manufacturing Company Ltd.	Independent Director	April 2020	to date
WANG Zhangwei (王章為)	Shenzhen Yan Qing Investment and Development Co., Ltd.	Director	November 2014	July 2024
	Shenzhen Chu Yuan Investment and Development Co., Ltd.	Director	November 2014	July 2024
	Shenzhen New Jiangnan Investment Co., Ltd.	Director	June 2015	July 2024
	China Great Wall Securities Co., Ltd.	Director	June 2023	November 2024
ZOU Qun (鄒群)	Shenzhen Huaqiang Dingxin Investment Co., Ltd.	General manager	March 2021	to date
		Director	January 2015	to date
	Guangdong Huaqiang Property Co., Ltd.	Director	January 2008	to date
Description of positions in other companies		Nil		

(III) Remuneration of Directors, Supervisors and senior management

Decision-making procedures of remuneration of Directors, Supervisors and senior management	Non-executive Directors and external Supervisors 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 the formulation of official and transparent procedures for determining 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, Supervisors 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 8 resolutions, which included the resolution on the calculation and approval of total remuneration for the year, 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, Supervisors and senior management	Remuneration of the Directors and senior management who worked full-time for the Company shall be determined by the Remuneration and Appraisal Committee under 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, Supervisors 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, Supervisors and senior management as of the end of the Reporting Period	Remunerations before tax received by Directors, Supervisors and senior management from the Company during the Reporting Period totaled to RMB17.4681 million.

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(IV) Changes in Directors, Supervisors and senior management

Name	Position	Change	Date of Change	Reason
XIAO Houfa (肖厚發)	Independent non-executive Director	Resigned	January 18, 2024	Resigned due to change of session of the Board
XIONG Wei (熊偉)	Independent non-executive Director	Resigned	January 18, 2024	Resigned due to change of session of the Board
HU Honggao (胡鴻高)	Independent non-executive Director	Resigned	January 18, 2024	Resigned due to change of session of the Board
HE Min (何敏)	Employee representative Supervisor	Resigned	January 18, 2024	Resigned due to change of session of the Supervisory Committee
MA Boyin (馬伯寅)	Non-executive Director	Elected	January 18, 2024	Elected at the shareholders' general meeting
ZHANG Mingwen (張銘文)	Non-executive Director	Elected	January 18, 2024	Elected at the shareholders' general meeting
YIP, Ying Chi Benjamin (葉熒志)	Independent non-executive Director	Elected	January 18, 2024	Elected at the shareholders' general meeting
ZHANG Ruijun (張瑞君)	Independent non-executive Director	Elected	January 18, 2024	Elected at the shareholders' general meeting
CAO Xiao (曹嘯)	Independent non-executive Director	Elected	January 18, 2024	Elected at the shareholders' general meeting
WANG Jianping (王劍平)	Employee representative Supervisor	Elected	January 18, 2024	Elected at the employee representatives' meeting and effective from the date of the general election of the Supervisory Committee
HU Yu (胡宇)	Chief Risk Officer	Resigned	February 26, 2024	Resigned due to retirement
	Chief Compliance Officer	Resigned	March 1, 2024	

Name	Position	Change	Date of Change	Reason
ZHANG Xing (張興)	Chief Risk Officer	Appointed	February 26, 2024	Appointed by the Board
	Chief Compliance Officer	Appointed	March 4, 2024	Appointed by the Board and received the No Objection Letter from the regulatory authority
XIANG Hua (向華)	Independent non-executive Director	Resigned	June 28, 2024	Expiration of term of office and election of a new independent Director at shareholders' general meeting
CHEN Xin (陳欣)	Independent non-executive Director	Elected	June 28, 2024	Elected at the shareholders' general meeting
ZOU Qun (鄒群)	Shareholder representative Supervisor	Resigned	June 28, 2024	Resigned due to adjustment of the number of members of the Supervisory Committee
WANG Jianping (王劍平)	Employee representative Supervisor	Resigned	June 28, 2024	Resigned due to adjustment of the number of members of the Supervisory Committee
XIONG Kai (熊開)	Vice President	Resigned	August 12, 2024	Resigned due to personal reasons
ZHAO Bin (趙斌)	Vice President	Resigned	October 11, 2024	Resigned due to work arrangement
ZHANG Jian (張健)	Non-executive Director	Resigned	October 25, 2024	Resigned due to change in work arrangement
DENG Weidong (鄧偉棟)	Non-executive Director	Resigned	October 25, 2024	Resigned due to change in work arrangement
MA Boyin (馬伯寅)	Non-executive Director	Resigned	October 25, 2024	Resigned due to change in work arrangement
WANG Zhangwei (王章為)	Shareholder representative Supervisor	Resigned	October 25, 2024	Resigned due to change in work arrangement
LIU Zhenhua (劉振華)	Non-executive Director	Elected	October 25, 2024	Elected at the shareholders' general meeting

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Name	Position	Change	Date of Change	Reason
LIU Hui (劉輝)	Non-executive Director	Elected	October 25, 2024	Elected at the shareholders' general meeting
LI Delin (李德林)	Non-executive Director	Elected	October 25, 2024	Elected at the shareholders' general meeting
SUN Xian (孫獻)	Shareholder representative Supervisor	Elected	October 25, 2024	Elected at the shareholders' general meeting
LIU Bo (劉波)	Vice President	Appointed	November 8, 2024	Appointed by the Board

For details, please refer to the relevant announcements published by the Company on the Hong Kong Stock Exchange website on January 18, February 1, February 26, March 5, June 12, June 28, August 12, October 11, October 25, November 8, 2024.

During the Reporting Period, a total of fourteen Directors, Supervisors and senior management of the Company resigned, accounting for 48.28% of the total number of Directors, Supervisors and senior management as at the beginning of the Reporting Period.

Pursuant to Rule 3.09D of the Hong Kong Listing Rules, Mr. YIP, Ying Chi Benjamin and Mr. CAO Xiao (both appointed as independent non-executive Directors of the Company on January 18, 2024) and Mr. WANG Jianping (appointed as an employee representative Supervisor of the Company on January 18, 2024) obtained the legal opinion referred to in Rule 3.09D on January 12, 2024. Mr. MA Boyin and Mr. ZHANG Mingwen (both appointed as non-executive Directors of the Company on January 18, 2024) and Ms. ZHANG Ruijun (appointed as an independent non-executive Director of the Company on January 18, 2024) obtained the legal opinion referred to in Rule 3.09D on January 16, 2024. Ms. CHEN Xin (appointed as an independent non-executive Director of the Company on June 28, 2024) obtained the legal opinion referred to in Rule 3.09D on June 18, 2024. Mr. LIU Zhenhua, Ms. LIU Hui and Mr. LI Delin (all appointed as non-executive Directors of the Company on October 25, 2024) and Ms. SUN Xian (appointed as a Supervisor of the Company on October 25, 2024) obtained the legal opinion referred to in Rule 3.09D on October 22, 2024, October 18, 2024, October 18, 2024 and October 18, 2024, respectively. Each of the above appointed Directors and Supervisors has confirmed that he/she understands his/her responsibilities as a Director and Supervisor of the Company.

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

For details of the changes in appointment of Directors and Supervisors from the beginning of the Reporting Period to the date of this report, please see “Positions of incumbent Directors, Supervisors and senior management and those resigned during the Reporting Period” and “Changes in Directors, Supervisors 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 and Supervisors 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 “X. Punishment and Remedial Measures on the Listed Company, its Directors, Supervisors, Senior Management, Controlling Shareholder and De Facto Controller Due to Suspected Violations of Laws and Regulations” in Chapter 6 of this report.

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V. Convening of Board Meetings during the Reporting Period

Meeting	Date of Meeting	Resolutions
1st meeting of the eighth session of the Board	January 18, 2024	Considered and approved: 1. the resolution on the election of the chairman of the eighth session of the Board; 2. resolution on the election of members of committees under the eighth session of the Board; 3. resolution on the appointment of the secretary to the Board of the Company; 4. resolution on the appointment of the representative of securities affairs of the Company
2nd meeting of the eighth session of the Board	February 26, 2024	Considered and approved the resolution on the appointment of Mr. ZHANG Xing as the Chief Compliance Officer and Chief Risk Officer of the Company
3rd meeting of the eighth session of the Board	March 28, 2024	Considered and approved: 1. the working report of the Board of the Company for 2023; 2. the work report of the Audit Committee under the Board for 2023; 3. resolution on the operational report of the Company for 2023; 4. the annual report of the Company for 2023; 5. the final accounts report of the Company for 2023; 6. resolution on the profit distribution plan of the Company for 2023; 7. resolution on the authorization for interim profit distribution of the Company for 2024; 8. resolution on the 2023 Corporate Social Responsibility Report and Environmental, Social and Governance Report of the Company; 9. resolution on the internal control assessment report of the Company for 2023; 10. resolution on the internal control audit report of the Company for 2023; 11. resolution on the internal audit report of the Company for 2023 and internal audit work plan of the Company for 2024; 12. resolution on the compliance report of the Company for 2023; 13. resolution on the money laundering risk management report of the Company for 2023; 14. resolution on the risk assessment report of China Merchants Group Finance Co., Ltd. for 2023; 15. resolution on the internal control system report of the Company for 2023; 16. resolution on reviewing the assessment report on major operational risk forecast of the Company for 2024; 17. resolution on the budget for the proprietary investment of the Company for 2024; 18. resolution on the adjustment of Risk Appetite Statement of the Company; 19. resolution on the proposed amendments to the Measures for the Administration of Clean Practicing of China Merchants Securities Co., Ltd.; 20. resolution on the financial budget report of the Company for 2024; 21. resolution on the contemplated ordinary related party transactions of the Company for 2024; 22. resolution on the grant of the general mandate to the Board to issue additional H Shares of the Company; 23. resolution on the Shareholders' return plan (2024-2026) of the Company; 24. resolution on convening a shareholders' general meeting at an opportune time

Meeting	Date of Meeting	Resolutions
4th meeting of the eighth session of the Board	April 26, 2024	Considered and approved: 1. the resolution on the first quarterly report of the Company for 2024; 2. resolution on the guarantee authorization scheme for the year 2024 of China Merchants Securities International Company Limited and its wholly-owned subsidiaries; 3. resolution on the continuing implementation of relevant supporting policies regarding fintech innovation investment; 4. resolution on the proposed amendments to the Administrative Measures for Financing Guarantee of China Merchants Securities Co., Ltd.
5th meeting of the eighth session of the Board	June 11, 2024	Considered and approved: 1. the resolution on the engagement of the auditors of the Company for 2024; 2. resolution on the nomination of CHEN Xin as a candidate for independent Director of the eighth session of the board of directors of the Company; 3. resolution on the proposed amendments to the Articles of Association of China Merchants Securities Co., Ltd.; 4. resolution on the proposed amendments to the Employee Stock Ownership Scheme (Revised Draft) of China Merchants Securities Co., Ltd.
6th meeting of the eighth session of the Board	June 28, 2024	Considered and approved the resolution on the by-election of members of committees under the eighth session of the Board of the Company
7th meeting of the eighth session of the Board	August 19, 2024	Considered and approved: 1. the resolution on adjusting the annual caps under the 2022-2024 Administrative Procurement Framework Agreement between the Company and China Merchants Group Limited; 2. resolution on the Action Plan for "Improving the Quality, Increasing Efficiency and Enhancing Returns" of China Merchants Securities Co., Ltd. for 2024 (關於《招商證券股份有限公司2024年度「提質增效重回報」行動方案》的議案)
8th meeting of the eighth session of the Board	August 30, 2024	Considered and approved: 1. the resolution on the 2024 interim operational report of the Company; 2. resolution on the 2024 interim report of the Company; 3. resolution on the interim profit distribution of the Company for 2024; 4. resolution on the 2024 interim audit work report of the Company; 5. resolution on the 2024 interim risk assessment report of China Merchants Group Finance Co., Ltd.
9th meeting of the eighth session of the Board	September 27, 2024	Considered and approved: 1. the resolution on the nomination of candidates for non-executive Directors of the eighth session of the board of directors of the Company; 2. resolution on convening a shareholders' general meeting at an opportune time

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Meeting	Date of Meeting	Resolutions
10th meeting of the eighth session of the Board	October 29, 2024	Considered and approved: 1. the resolution on the third quarterly report of the Company for 2024; 2. resolution on the by-election of members of committees under the eighth session of the Board of the Company
11th meeting of the eighth session of the Board	November 8, 2024	Considered and approved the resolution on the appointment of Mr. LIU Bo as a vice president of the Company
12th meeting of the eighth session of the Board	December 18, 2024	Considered and approved: 1. the resolution on the Securities and Financial Products, Transactions and Services Framework Agreement between the Company and China Merchants Group Limited; 2. resolution on the Securities and Financial Products, Transactions and Services Framework Agreement between the Company and China COSCO Shipping Corporation Limited; 3. resolution on the Administrative Procurement Framework Agreement between the Company and China Merchants Group Limited; 4. resolution on the related party transaction agreement between the Company and China Merchants Group Finance Co., Ltd.; 5. resolution on the Medium- to Long-term Development Strategy and 2024-2028 Development Plan of China Merchants Securities Co., Ltd.; 6. resolution on convening a shareholders' general meeting at an opportune time
13th meeting of the eighth session of the Board	December 30, 2024	Considered and approved: 1. the resolution on the re-appointment of senior management of the Company; 2. resolution on the re-appointment of the person in charge of the internal audit department of the Company; 3. resolution on the change of joint company secretary of the Company; 4. resolution on the proposed amendments to the Management Rules on the Shares and Changes of Shareholdings of Directors, Supervisors and Senior Management in China Merchants Securities Co., Ltd.; 5. resolution on the proposed amendments to the Rules of Procedures for Strategy and Sustainability Committee of the Board of China Merchants Securities Co., Ltd.; 6. resolution on the proposed amendments to the Rules of Procedures for Risk Management Committee of the Board of China Merchants Securities Co., Ltd.; 7. resolution on the proposed amendments to the Rules of Procedures for Nomination Committee of the Board of China Merchants Securities Co., Ltd.; 8. resolution on the third quarterly internal audit report of the Company for 2024; 9. resolution on adjusting the annual caps under the 2022-2026 Property Leasing Framework Agreement between the Company and China Merchants Group Limited

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	13	13	6	0	0	No	5
LIU Weiwu (劉威武)	No	13	13	13	0	0	No	5
LIU Zhenhua (劉振華)	No	4	4	3	0	0	No	1
LIU Hui (劉輝)	No	4	4	4	0	0	No	1
WU Zongmin (吳宗敏)	No	13	13	7	0	0	No	5
LI Delin (李德林)	No	4	4	4	0	0	No	1
LI Xiaofei (李曉霏)	No	13	13	13	0	0	No	5
HUANG Jian (黃堅)	No	13	13	12	0	0	No	5
ZHANG Mingwen (張銘文)	No	13	13	13	0	0	No	3
DING Lusha (丁璐莎)	No	13	13	13	0	0	No	5
YIP, Ying Chi Benjamin (葉熒志)	Yes	13	13	10	0	0	No	3
ZHANG Ruijun (張瑞君)	Yes	13	13	12	0	0	No	3
CHEN Xin	Yes	8	8	7	0	0	No	2
CAO Xiao (曹嘯)	Yes	13	13	13	0	0	No	3
FENG Jinhua (豐金華)	Yes	13	13	11	0	0	No	5
ZHANG Jian (張健) (resigned)	No	9	9	9	0	0	No	5
DENG Weidong (鄧偉棟) (resigned)	No	9	9	9	0	0	No	5
MA Boyin (馬伯寅) (resigned)	No	9	9	8	0	0	No	3
XIANG Hua (向華) (resigned)	Yes	5	5	4	0	0	No	4
XIAO Houfa (肖厚發) (resigned)	Yes	0	0	0	0	0	No	3
XIONG Wei (熊偉) (resigned)	Yes	0	0	0	0	0	No	3
HU Honggao (胡鴻高) (resigned)	Yes	0	0	0	0	0	No	3

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Number of Board meetings convened during the year	13
Of which: number of onsite meetings	0
Number of meetings convened by way of correspondence	6
Number of meetings convened onsite and by way of correspondence	7

(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 2024 (獨立董事2024年度述職報告) published on the Hong Kong Stock Exchange 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 fifth session of the core curriculum of the training course for senior management of central enterprises in January 2024; participated in the lecture on national security education in April 2024; participated in the 2024 world-class international open course on "How Chinese Manufacturing Advances the Development Path of New Industrialization" (中國製造如何推進新型工業化發展道路), the 2024 national confidentiality education online training, and the 2024 world-class international open course on "New Global Landscape in Era of Large Models" (大模型下的新世界格局) in May 2024; participated in the 2024 world-class international open course on "Current Status and Future of Global Sustainable Finance" (全球可持續金融的現狀與未來) in June 2024; participated in the 2024 world-class international open course on "AI and Strategic Management" (AI與戰略管理) and the 2024 world-class international open course on "Enterprise Strategy" (企業戰略) in July 2024; participated in the third session of training workshop on the interpretation of the New "Nine Opinions" and related supporting policies in September 2024; participated in the 2024 follow-up education for securities practitioners from October to November 2024; and read the Monthly Correspondences to the Directors and Supervisors.
LIU Weiwu (劉威武)	Non-executive Director	He participated in the special lecture on the Operational Thinking and Data Application in Business-Finance Integration (《業財融合之經營思維與數據應用》) in January 2024; participated in the special lecture on the Enterprise Data Asset Management and Data Asset Recognition in Financial Statements (《企業數據資產管理及數據資產入表》) in March 2024; participated in the special lecture on the Valuation Practices and Exchanges for Primary Market Investments under Current Market Conditions (《當前形勢下一級市場投資估值實踐與交流》) in April 2024; participated in the special lecture on the Cost and Expense Management from a Business Perspective (《業務視角的企業成本費用管理》) and the thematic meeting on the Key Issues in Corporate Income Tax Final Settlement (《企業所得稅匯算清繳熱點問題交流》) in May 2024; participated in the "Zhu Li Zhi Xing" (鑄力智行) training course for financial talents of China Merchants Group, the special lecture on the Asset-Liability Portfolio Management (《資產負債組合管理》) and the 2024 value creation training for financial talents of China Merchants Group in June 2024; participated in the special lecture on the Root Causes of Costs and Practical Control Strategies (《成本的根源與控制實踐》) in July 2024; 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 newly appointed directors of Hong Kong-listed companies organized by Tian Yuan Law Firm in October 2024; and read the Monthly Correspondences to the Directors and Supervisors.

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Name	Position	Time and content of the training
LIU Hui (劉輝)	Non-executive Director	She participated in the compliance training for newly appointed directors of Hong Kong-listed companies organized by Tian Yuan Law Firm in October 2024; and read the Monthly Correspondences to the Directors and Supervisors.
WU Zongmin (吳宗敏)	Executive Director, President	He participated in the ideas spreading forum (公學思享匯) on the "Perspectives on Zeng Guofan" (大話曾國藩) of China Merchants Group in February 2024; participated in the special lecture on national security education in April 2024; participated in the 2024 national confidentiality education online training, the ideas spreading forum on the "Challenges and Opportunities in Energy Transition under Dual-carbon Goals" (雙碳目標下能源轉型發展的挑戰與機遇) of China Merchants Group, and the live broadcast course on the interpretation of the new Company Law in May 2024; participated in the 2024 world-class international open course on "Innovation Ecosystems: How to Enhance Corporate Leadership in Technological Innovation" (創新生態－如何更好激發企業在科技創新中的主體作用), the ideas spreading forum on the "Innovative Thinking and Transformation Methodologies in the Era of Change" (變革時代的創新思維與轉型方法論) of China Merchants Group, and live broadcast course on the interpretation of the new Law on Guarding State Secrets in June 2024; participated in the 2024 world-class international open course on "How to Build Cross-cultural Leadership Successfully" (如何成功打造跨文化領導力) in October 2024; participated in the 2024 world-class international open course on "Compliance Culture Development in Transnational Corporations" (跨國公司的合規文化建設) and the 2024 world-class international open course on "Internationalization Strategies of Japanese General Trading Companies" (日本綜合商社的國際化戰略) in November 2024; participated in the ideas spreading forum on the "World and Models: AI Through the Lens of Its Architects" (世界與模型－從AI構建者的視角看AI) in December 2024; participated in the 2024 follow-up education for securities practitioners from October to November 2024; 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 newly appointed directors of Hong Kong-listed companies organized by Tian Yuan Law Firm in October 2024; and read the Monthly Correspondences to the Directors and Supervisors.
LI Xiaofei (李曉霏)	Non-executive Director	He participated in the training course for directors, supervisors and senior management of listed companies in Shenzhen in October 2024; 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 market policy interpretation and training organized by the SSE in November 2024; participated in the 2024 second session training program for directors, supervisors, and senior management of listed companies in Shanghai in December 2024; and read the Monthly Correspondences to the Directors and Supervisors.
ZHANG Mingwen (張銘文)	Non-executive Director	He participated in the 2024 second session training program for directors, supervisors, and senior management of listed companies in Shanghai in December 2024; and read the Monthly Correspondences to the Directors and Supervisors.
DING Lusha (丁璐莎)	Non-executive Director	She participated in the specialized training course on interpreting the guiding principles of the Central Financial Work Conference in March 2024; participated in the special training on strengthening Party discipline education and advancing the comprehensive strict governance of the Party in June 2024; participated in the special training course on studying and implementing the guiding principles of the 20th CPC National Congress in September 2024; participated in the training course for directors, supervisors and senior management of listed companies in Shenzhen in October 2024; 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 2024 third follow-up training for independent directors of the SSE in July 2024; participated in the HSBC's 11th China annual conference in September 2024; participated in Morgan Stanley's online macroeconomic conference titled "Words Are Here, When Will Numbers Come?" (文字有了，數字何時有?) in December 2024; and read the Monthly Correspondences to the Directors and Supervisors.
ZHANG Ruijun (張瑞君)	Independent non-executive Director	She participated in the 2024 tenth session of special training program for directors and supervisors of the Listed Companies Association of Beijing in September 2024; participated in the 2024 12th session of special training program for directors and supervisors of listed companies in Beijing in October 2024; 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 newly appointed directors of Hong Kong-listed companies organized by Tian Yuan Law Firm in June 2024; and read the Monthly Correspondences to the Directors and Supervisors.
CAO Xiao (曹嘯)	Independent non-executive Director	He participated in the 2024 fourth session of follow-up training for independent directors of the SSE in August 2024; and read the Monthly Correspondences to the Directors and Supervisors.
FENG Jinhua (豐金華)	Independent non-executive Director	He participated in the 2024 third session of follow-up training for independent directors of the SSE in July 2024; and read the Monthly Correspondences to the Directors and Supervisors.

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2. *Terms of office of non-executive Directors*

As at the end of the Reporting Period, there were eight non-executive Directors (LIU Weiwu, LIU Zhenhua, LIU Hui, LI Delin, LI Xiaofei, HUANG Jian, ZHANG Mingwen and DING Lusha), 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” 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 Report” 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. As such, gender diversity has been achieved in terms of the Board. The Company will continuously strive to increase the number of female Directors and maintain an appropriate balance of gender diversity with regard 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, 2024, the Company had 13,461 employees (including senior management), of which female employees accounted for approximately 43.55%. 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 its efforts in increasing 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.

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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 shareholders' meeting and the board of directors' meeting, 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.

For details of the composition of the committees as at the end of the Reporting Period, please see “Information about the members of special committees under the Board” below.

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.

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(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 (appointed on October 29, 2024), LIU Hui (appointed on October 29, 2024), WU Zongmin, ZHANG Mingwen (appointed on January 18, 2024), DING Lusha, CHEN Xin (appointed on June 28, 2024), ZHANG Jian (resigned on October 25, 2024), DENG Weidong (resigned on October 25, 2024), XIANG Hua (resigned on June 28, 2024)
Risk Management Committee	LIU Hui (chairperson, appointed on October 29, 2024), LIU Weiwu, WU Zongmin, LI Delin (appointed on October 29, 2024), ZHANG Mingwen (appointed on January 18, 2024), DING Lusha, CHEN Xin (appointed on June 28, 2024), ZHANG Jian (chairman, resigned on October 25, 2024), LI Xiaofei (ceased to be member on January 18, 2024), MA Boyin (appointed on January 18, 2024 and resigned on October 25, 2024), XIANG Hua (resigned on June 28, 2024)
Audit Committee	ZHANG Ruijun (chairperson, appointed on January 18, 2024), LIU Weiwu, HUANG Jian, CAO Xiao (appointed on January 18, 2024), FENG Jinhua, XIAO Houfa (chairman, resigned on January 18, 2024), HU Honggao (resigned on January 18, 2024)
Remuneration and Appraisal Committee	CHEN Xin (chairperson, appointed on June 28, 2024), LIU Hui (appointed on October 29, 2024), LI Xiaofei, YIP, Ying Chi Benjamin (appointed on January 18, 2024), FENG Jinhua, XIANG Hua (chairman, resigned on June 28, 2024), ZHANG Jian (resigned on October 25, 2024), XIONG Wei (resigned on January 18, 2024)
Nomination Committee	YIP, Ying Chi Benjamin (chairman, appointed on January 18, 2024), HUO Da, LI Xiaofei, ZHANG Ruijun (appointed on January 18, 2024), CAO Xiao (appointed on January 18, 2024), XIONG Wei (chairman, resigned on January 18, 2024), XIAO Houfa (resigned on January 18, 2024), HU Honggao (resigned on January 18, 2024)

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

Date of meeting	Details of meeting	Major opinions and recommendations	Other duty performance
March 28, 2024	Considered and approved the resolution on the 2023 Corporate Social Responsibility Report and Environmental, Social and Governance Report of the Company	Nil	Nil
December 18, 2024	Considered and approved: 1. the resolution on the Application for the Use of the Financial Technology Innovation Fund for the Information Innovation Transformation Project of 18 Sets of Hang Seng Systems (關於18套恒生系統信創改造項目申請使用金融科技創新基金的議案); 2. resolution on the proposed amendments to the Administrative Measures for Financial Technology Innovation Fund of China Merchants Securities Co., Ltd.; 3. resolution on the Medium- to Long-term Development Strategy and 2024-2028 Development Plan of China Merchants Securities Co., Ltd.	The Company is recommended to optimize the weighting of the new five-year integrated competitiveness indicators and adjust the indicators for mutual funds under custody, etc.	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 which are required to obtain approval from the Board according to the Articles of Association; analyzing and providing recommendations on major strategic investment decisions and M&A of the Company; analyzing and providing recommendations on major strategic investment 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; 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.

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During the Reporting Period, the Strategy and Sustainability Committee held a total of two meetings, and considered and approved the resolution on the 2023 Corporate Social Responsibility Report and Environmental, Social and Governance Report of the Company, resolution on the Application for the Use of the Financial Technology Innovation Fund for the Information Innovation Transformation Project of 18 Sets of Hang Seng Systems (關於18套恒生系統信創改造項目申請使用金融科技創新基金的議案), resolution on the proposed amendments to the Administrative Measures for Financial Technology Innovation Fund of China Merchants Securities Co., Ltd., and resolution on the 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)	2/2
2	LIU Zhenhua	1/1
3	LIU Hui	1/1
4	WU Zongmin	2/2
5	ZHANG Mingwen	2/2
6	DING Lusha	2/2
7	CHEN Xin	1/1
8	ZHANG Jian	1/1
9	DENG Weidong	1/1
10	XIANG Hua	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, 2024	Considered and approved: 1. the resolution on the compliance report of the Company for the fourth quarter of 2023; 2. resolution on the compliance report of the Company for 2023; 3. resolution on the money laundering risk management report of the Company for 2023; 4. the report on overall risk management of the Company for the fourth quarter of 2023 and allocation of economic capital for 2024; 5. summary and planning report on overall risk management of the Company for 2023; 6. resolution on the budget for the proprietary investment of the Company for 2024; 7. report on an all-inclusive budget arrangement for the proprietary investment of the Company for 2024; 8. the assessment report on major operational risk forecast of the Company for 2024; 9. resolution on the adjustment of Risk Appetite Statement of the Company; 10. report on keeping within the supervision limit of risk control indicators (such as net capital) of the Company at the end of 2023	Firstly, properly addressing existing risks and strengthening public sentiment management, enhancing practice quality control in IPO sponsorship business to strictly guard against compliance risks, and continuing to strengthen risk management for urban investment bonds and property-related bonds; secondly, enhancing business development capabilities, strengthening core competitiveness and striving to improving the classified regulatory ratings; thirdly, further enhancing compliance management, improving the internal control mechanism, improving the risk warning system and enhancing the level of risk management under the guiding principles of the Central Financial Work Conference and the guidance of the SFC.	Nil
June 13, 2024	Considered and approved: 1. the report on overall risk management of the Company for first quarter of 2024; 2. resolution on the compliance report of the Company for the first quarter of 2024; 3. reviewed the report on the latest regulatory policies and analysis of typical regulatory cases	The Company is recommended to earnestly implement the requirements of the New "Nine Opinions" on enhancing regulation, preventing risks, and advancing high-quality development, adopt more refined measures in risk prevention and compliance management, continuously improve practice quality, strengthen process controls for projects, fortify risk compliance safeguards, and enhance compliance level, professional service competencies, and core competitiveness.	Nil

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Date of meeting	Details of meeting	Major opinions and recommendations	Other duty performance
August 30, 2024	Considered and approved: 1. the report on overall risk management of the Company for second quarter of 2024; 2. resolution on the compliance report of the Company for the second quarter of 2024; 3. report on keeping within the supervision limit of risk control indicators (such as net capital) of the Company at the end of June 2024	In response to the new challenges currently faced by the Company, the Company is recommended to continuously focus on streamlining its risk management structure and process as well as risk management tools, ensure integrated management of risk appetite and core risk exposures, and allocate risk resources accordingly. The Company is recommended to deepen research into investments denominated in major non-USD currencies, products, and markets to fully leverage risk diversification tools and risk resources. Given the critical importance of pre-event management of market risks, the Company is advised to continuously enhance and improve regular on-site communication mechanisms between risk control teams and business teams. The Company is advised to maintain “strategic patience” to ensure effective risk controls and efficient utilization of risk resources. The Company is recommended to thoroughly implement the arrangements and requirements outlined at the Third Plenary Session of the 20th CPC Central Committee regarding further deepening financial system reforms, and enhance comprehensive service capabilities, thereby solidifying their role as the primary force in serving the real economy and acting as a ballast stone for financial stability.	Nil

Date of meeting	Details of meeting	Major opinions and recommendations	Other duty performance
December 20, 2024	Considered and approved: 1. the report on overall risk management of the Company for the third quarter of 2024; 2. compliance report of the Company for the third quarter of 2024	Under the current stringent regulatory environment, the Company is recommended to further focus on compliance risks, particularly investment banking compliance risks, custody and agency sale business risks, and practitioner conduct 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; reviewing and providing recommendations on the organizational deployment and the duties of risk management and 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 management proposals of the Company; analyzing the results of major investigations and the response of the management on such investigations in respect of risk 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 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.

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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	LIU Hui (chairperson)	1/1
2	LIU Weiwu	4/4
3	WU Zongmin	4/4
4	LI Delin	1/1
5	ZHANG Mingwen	4/4
6	DING Lusha	4/4
7	CHEN Xin	2/2
8	ZHANG Jian (former chairman)	3/3
9	MA Boyin	3/3
10	XIANG Hua	2/2
11	LI Xiaofei	0/0

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

Date of meeting	Details of meeting	Major opinions and recommendations	Other duty performance
March 27, 2024	Considered and approved: 1. the annual report of the Company for 2023; 2. the final accounts report of the Company for 2023; 3. resolution on the internal control audit report of the Company for 2023; 4. resolution on the internal control assessment report of the Company for 2023; 5. resolution on the internal audit report of the Company for 2023 and internal audit work plan of the Company for 2024; 6. resolution on the internal control system report of the Company for 2023; 7. the report of the Company for assessment on the performance of duties by accounting firm for 2023; 8. the report of the Audit Committee under the Board on the performance of supervisory duties by auditor for 2023; 9. the work report of the Audit Committee under the Board for 2023; 10. resolution on the proposed amendments to the Comprehensive Evaluation Measures for the Audit Department and Personnel of the Audit Department of China Merchants Securities Co., Ltd. (Trial); 11. reviewed the report from Deloitte Touche Tohmatsu on audit work of the Company for 2023	Nil	Nil

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Date of meeting	Details of meeting	Major opinions and recommendations	Other duty performance
April 26, 2024	Considered and approved the resolution on the first quarterly report of the Company for 2024	The Company is recommended to perform risk control of all operations amid severe market fluctuations and drastic policy changes.	Nil
June 7, 2024	Considered and approved the resolution on the engagement of the auditors of the Company for 2024	Nil	Nil
August 29, 2024	Considered and approved: 1. the resolution on the 2024 interim report of the Company; 2. resolution on the 2024 interim audit work report of the Company Reviewed the 2024 interim review work report	The Company is recommended to research policies related to auditors providing non-assurance services. The internal audit shall not only focus on risk prevention but also drive development.	Nil
October 29, 2024	Considered and approved: 1. the resolution on the third quarterly report of the Company for 2024; 2. resolution on non-assurance services provided by member firms of KPMG	The Company is recommended to strengthen internal control over emergencies.	Nil
December 30, 2024	Considered and approved: 1. the resolution on the third quarterly internal audit report of the Company for 2024; 2. the 2024 self-assessment program on internal control of the Company; 3. resolution on the re-appointment of chief financial officer of the Company; 4. resolution on the re-appointment of the person in charge of the internal audit department of the Company Reviewed the report from KPMG on audit work plan of the Company for 2024	Nil	Nil

The main duties of the Audit Committee of the Company include: supervising and evaluating external audit work, providing recommendations on engaging or changing external auditors, and supervising and assessing the internal audit work; coordinating the communication of the management, internal auditors and relevant departments with the external auditors, and performing the role as a major representative of the Company to liaise with the external auditors and supervise their relationships; overseeing and evaluating the Company's internal control; overseeing the financial reporting system of the Company, reviewing the Company's financial information and its disclosure, supervising the annual audit work, making judgments on the authenticity, accuracy and completeness of the audited financial report information, and submitting them to the Board for consideration; ensuring and reviewing the arrangements of the Company which enables its employees and those who deal with the Company (e.g. customers and suppliers) to be the whistle-blower in the event of any possible misconduct in financial reporting, internal control or other aspects of the Company; ensuring that proper arrangements are made for the Company to conduct a fair and independent investigation on such matters and take appropriate actions; making recommendations to the Board on the appointment or dismissal of the chief financial officer of the Company; reviewing the changes in accounting policies and accounting estimates or the correction of major accounting errors due to reasons other than changes in accounting standards, and submitting them to the Board for consideration; considering other topics and grants as identified by the Board; and performing other duties required by laws and regulations, regulatory provisions, self-disciplinary rules and the Articles of Association of the places where the Company's securities are listed.

During the Reporting Period, the Audit Committee held a total of six meetings. The Audit Committee convened meetings, considered and made decisions on the relevant issues pursuant to the Working Rules of the Audit Committee under the Board (《董事會審計委員會工作規則》) 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 prudent audit and supervision on the financial position of the Company and reviewing the financial statements prepared by 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.

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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)	6/6
2	LIU Weiwu	6/6
3	HUANG Jian	6/6
4	CAO Xiao	6/6
5	FENG Jinhua	6/6
6	XIAO Houfa (former chairman)	0/0
7	HU Honggao	0/0

(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 1, 2024	Considered and approved the resolution on the calculation of total remuneration of the Company for 2023	Nil	Nil
March 27, 2024	Considered and approved: 1. the resolution on the 2023 assessment report of compliance officer of the Company; 2. reviewed the duty report of Chairman of the Board and senior management of the Company	Nil	Nil
June 10, 2024	Considered and approved the resolution on the proposed amendments to the Employee Stock Ownership Scheme (Revised Draft) of China Merchants Securities Co., Ltd.	Nil	Nil
June 30, 2024	Considered and approved the resolution on the evaluation of the 2024 operating performance and operating performance of the Company's managers during their term of office (關於公司經理層成員2024年度經營業績考核及任期經營業績考核內容的議案)	Nil	Nil
August 12, 2024	Considered and approved: 1. the resolution on the approval and distribution of labor costs of the Company for 2022; 2. resolution on proposed authorizing the management to exercise control over employees' remuneration (關於提請授權經營管理層實施員工薪酬管控的議案)	Nil	Nil

Date of meeting	Details of meeting	Major opinions and recommendations	Other duty performance
December 18, 2024	Considered and approved: 1. the resolution on the evaluation results of operating performance of the Company's managers for 2023 (關於公司經理層成員2023年度經營業績考核結果的議案); 2. resolution on the change of 2024 performance responsibility letters for managers of the Company (關於變更公司有關經理層成員2024年度業績責任書內容的議案)	Nil	Nil

The main duties of the Remuneration and Appraisal Committee of the Company include: considering and reviewing the remuneration policy, standard and proposal of the Directors and senior management of the Company with reference to the principal scope of authorization, duties and importance of the Directors and senior management as well as the remuneration package for similar positions of comparable companies; making recommendations to the Board on the overall remuneration policy and structure of the Directors and senior management of the Company and the formulation of official and transparent procedures for determining the remuneration policy. The remuneration standard and proposal include but are not limited to appraisal standards and procedures, major evaluation systems, and major proposals and systems on reward and penalty. The Remuneration and Appraisal Committee is also responsible for reviewing and approving the remuneration proposal for the management in accordance with the corporate missions and targets determined by the Board; reviewing the overall remuneration policy of the Company and the total amount of annual remuneration and examining the remuneration policy and the execution of annual remuneration; making recommendations to the Board on the remuneration of executive Directors and senior management (including salary, pension and compensation (including the compensation as to the loss or termination of office or appointment)), as well as the remuneration of non-executive Directors; considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions of other positions of the Company; reviewing and approving compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with the terms of the employment contracts or is otherwise fair and reasonable; reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with the terms of the employment contracts or are otherwise reasonable and appropriate; ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration; examining the appraisal standards of the Directors and senior management of the Company; reviewing and examining the performance of the duties of the Directors and senior management, conducting annual performance assessment and providing recommendations; overseeing the implementation of remuneration system of the Company; performing other duties as authorized by the Board; and performing other duties as required by the listing rules or laws and regulations of the places where the Company is listed.

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 2023 operating performance of the Company's managers and determined the evaluation of the operating performance of the Company's managers for 2024.

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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)	3/3
2	LIU Hui	1/1
3	LI Xiaofei	6/6
4	YIP, Ying Chi Benjamin	6/6
5	FENG Jinhua	6/6
6	XIANG Hua (former chairman)	3/3
7	ZHANG Jian	5/5
8	XIONG Wei	0/0

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

Date of meeting	Details of meeting	Major opinions and recommendations	Other duty performance
January 18, 2024	Considered and approved the resolution on the nomination of the secretary to the Board of the Company	Nil	Nil
February 26, 2024	Considered and approved the resolution on the nomination of Mr. ZHANG Xing as the Compliance Officer and Chief Risk Officer of the Company	Nil	Nil
March 27, 2024	Considered and approved the resolution on the Board diversity and independence review report of the Company for 2023 (關於公司2023年度董事會多元化及獨立性檢視報告的議案)	Nil	Nil
June 7, 2024	Considered and approved the resolution on the nomination of CHEN Xin as a candidate for independent Director of the eighth session of the board of directors of the Company	Nil	Nil

Date of meeting	Details of meeting	Major opinions and recommendations	Other duty performance
September 27, 2024	Considered and approved the resolution on the nomination of candidates for non-executive Directors of the eighth session of the board of directors of the Company	Nil	Nil
November 8, 2024	Considered and approved the resolution on the nomination of Mr. LIU Bo as a vice president of the Company	Nil	Nil
December 30, 2024	Considered and approved the resolution on the re-appointment of senior management of the Company	Nil	Nil

The main duties of the Nomination Committee of the Company include: reviewing the structure, number of members and composition (including skills, knowledge and experience) of the Board at least once a year and making recommendations on any intended change to the Board in line with the strategies of the Company; making recommendations to the Board as to its scale and composition based on the business operations, asset scale and share structure of the Company; considering and formulating criteria and procedures for selection of Directors and senior management to be approved by the Board; identifying qualified candidates for Directors and senior management and giving opinions to the Board; assessing the independence of independent non-executive Directors; reviewing and providing recommendations on the appointment and dismissal of Directors and senior management; making recommendations to the Board on the appointment or re-appointment of Directors, as well as the succession plan of Directors (particularly the Chairman and the Chief Executive Officer); performing other duties as authorized by the Board; and performing other duties as required by the listing rules or laws and regulations of the places where the Company is listed.

During the Reporting Period, the Nomination Committee held a total of seven 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" of this report.

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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)	6/6
2	HUO Da	7/7
3	LI Xiaofei	7/7
4	ZHANG Ruijun	6/6
5	CAO Xiao	6/6
6	XIONG Wei (former chairman)	1/1
7	XIAO Houfa	1/1
8	HU Honggao	1/1

VIII. Duty Performance of Supervisors

During the Reporting Period, the Supervisory Committee of the Company fully performed its duties in corporate governance in accordance with the relevant laws and regulations such as the Company Law and Securities Law and the related provisions regarding the responsibilities of the Supervisory Committee in the Articles of Association. The Supervisory Committee supervised the Board and senior management in respect of their implementation of resolutions of the shareholders' general meetings, inspected the daily operation and financial position of the Company, monitored the risk control and compliance of the Company, safeguarded the legitimate interests of the Company, its shareholders and all investors and made positive contributions to the regulated operation of the Company.

(I) Attendance of Supervisors at Supervisory Committee meetings and shareholders' general meetings

Name of Supervisor	Position	Attendance of Supervisory Committee meetings					Attendance of shareholders' general meeting	
		Number of Supervisory Committee 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)
ZHU Eric Liwei (朱立偉)	Shareholder representative Supervisor (tentative convenor)	9	9	6	0	0	No	5
SUN Xian (孫獻) (appointed on October 25, 2024)	Shareholder representative Supervisor	2	2	2	0	0	No	1
MA Yunchun (馬蘊春)	Shareholder representative Supervisor	9	9	9	0	0	No	5
PENG Luqiang (彭陸強)	Shareholder representative Supervisor	9	9	9	0	0	No	5
YIN Hongyan (尹虹艷)	Employee representative Supervisor	9	9	6	0	0	No	5
CHEN Jun (陳鋈)	Employee representative Supervisor	9	9	6	0	0	No	5
WANG Zhangwei (王章為) (resigned on October 25, 2024)	Shareholder representative Supervisor	7	7	7	0	0	No	5
ZOU Qun (鄒群) (resigned on June 28, 2024)	Shareholder representative Supervisor	5	5	5	0	0	No	4
WANG Jianping (王劍平) (resigned on June 28, 2024)	Employee representative Supervisor	5	5	2	0	0	No	4
HE Min (何敏) (resigned on January 18, 2024)	Employee representative Supervisor	0	0	0	0	0	No	3
Number of Supervisory Committee meetings convened during the year								9
Of which: number of onsite meetings								0
Number of meetings convened by way of correspondence								5
Number of meetings convened onsite and by way of correspondence								4

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(II) Convening of Supervisory Committee meetings

In 2024, the Supervisory Committee convened a total of 9 meetings, details of which are set out as follows:

Session	Date of meeting	Resolution(s)
1st meeting of the eighth session of the Supervisory Committee	January 18, 2024	Considered and approved the resolution on the election of the convenor of the eighth session of the Supervisory Committee of China Merchants Securities Co., Ltd.
2nd meeting of the eighth session of the Supervisory Committee	March 28, 2024	Considered and approved: 1. the annual report of the Company for 2023; 2. resolution on operating report of the Company for 2023; 3. resolution on the internal control assessment report of the Company for 2023; 4. resolution on the compliance report of the Company for 2023; 5. resolution on the 2023 Corporate Social Responsibility Report and Environmental, Social and Governance Report of the Company; 6. resolution on the evaluation report on effectiveness of compliance management of the Company for 2023; 7. resolution on the working report of the Supervisory Committee of the Company for 2023.
3rd meeting of the eighth session of the Supervisory Committee	April 19, 2024	Considered and approved the resolution on the audit report on the resignation of HU Yu, former Chief Compliance Officer and Chief Risk Officer of China Merchants Securities Co., Ltd.
4th meeting of the eighth session of the Supervisory Committee	April 26, 2024	Considered and approved the resolution on the first quarterly report of China Merchants Securities Co., Ltd. for 2024.
5th meeting of the eighth session of the Supervisory Committee	June 11, 2024	Considered and approved the resolution on the adjustment to the number of members of the Supervisory Committee of the Company.
6th meeting of the eighth session of the Supervisory Committee	August 30, 2024	Considered and approved: 1. the resolution on the 2024 interim operational report of the Company; 2. resolution on the 2024 interim report of the Company.
7th meeting of the eighth session of the Supervisory Committee	September 27, 2024	Considered and approved: 1. the resolution on the audit report on the resignation of XIONG Kai, former Vice President of China Merchants Securities Co., Ltd.; 2. resolution on the nomination of Ms. SUN Xian as a candidate for shareholder representative Supervisor of the eighth session of the Supervisory Committee of the Company.
8th meeting of the eighth session of the Supervisory Committee	October 29, 2024	Considered and approved the resolution on the third quarterly report of China Merchants Securities Co., Ltd. for 2024.
9th meeting of the eighth session of the Supervisory Committee	December 9, 2024	Considered and approved the resolution on the audit report on the resignation of ZHAO Bin, former Vice President of China Merchants Securities Co., Ltd.

IX. Risks of the Company Identified by the Supervisory Committee

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

X. 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	12,391
Number of employees of major subsidiaries	1,070
Total number of employees	13,461
Number of resigned and retired employees with expenses borne by the parent company and major subsidiaries	51

Classification by business function	
Business function	Number
Securities and futures brokerage	7,582
Research	720
Investment and trading	303
Investment management	290
Investment banking	1,226
Legal and compliance, risk management and internal audit	190
IT	2,200
Finance and accounting	164
Administration and management	605
Others	181
Total	13,461

Classification by educational background	
Educational background	Number
Doctor	129
Master	5,242
Bachelor	6,493
Others	1,597
Total	13,461

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(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 general remuneration of the Company is reasonably determined mainly based on the performance of major operational indicators of the Company as well as the remuneration of benchmark companies. The total remuneration are allocated by the management according to the market-oriented and performance-based principles, which shall consist of fixed remuneration determined based on the market remuneration data provided by professional management consulting company and the ranking of the Company among its major competitors, and bonus determined at the discretion of the Company mainly according to the achievement of key performance indicators of each department, strategic tasks, and objectives in terms of innovation and synergy, use of economic capital, implementation of comprehensive risk management and compliance management as well as the market rate.

(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, implemented training programs for various types of employees, and strives to build a strong core talent team. The Company continuously enriches training resources, optimizes training operations, and improves training quality. Throughout the year, the Company organized over 60 centralized internal training programs, over 500 departmental professional internal training programs and over 200 outsourced training programs, including online and offline. The training focused on political awareness, professional ethics, corporate culture, macroeconomics, compliance and risk control, cutting-edge technology, wealth management, investment and research skills, leadership, digital transformation, etc. Through various training programs, it enabled cadres and employees to enhance their professional ability, and the Company to achieve its business goals and improve its core competitiveness. At the same time, the Company promoted the resource construction of the mobile learning platform, and launched over 300 new online courses to support the flexible and independent learning needs of employees.

(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 such as the Contract Law.

(V) Others

As of December 31, 2024, the Company entered into the securities agency contracts with 843 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.

XI. 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.

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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, 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.

During the Reporting Period, the Company formulated and implemented the annual profit distribution plan for 2023 and the 2024 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 proposal on the annual profit distribution for 2023 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 RMB0.252 (tax inclusive) for each share, amounting to cash dividend of RMB2,191,524,755.11 (tax inclusive) in total. The cash dividend distributed accounted for 25.01% of the net profit attributable to shareholders of the parent company in the consolidated statement of the Company for 2023. The Company made an announcement on the situation where the cash dividend ratio for the year was less than 30%.

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 2024 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 RMB0.101 (tax inclusive) for each share, amounting to cash dividend of RMB878,349,207.41 (tax inclusive) in total. The cash dividend distributed accounted for 18.50% of the net profit attributable to shareholders of the parent company in the interim 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 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 2023 profit distribution plan for A Share and H Share were implemented on July 16 and August 2, 2024, respectively. The Company's 2024 interim profit distribution plans for A Shares and H Shares were implemented on September 20 and October 14, 2024, 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 <input type="checkbox"/> No
Whether the dividend distribution basis and ratio were specific and clear	✓ Yes <input type="checkbox"/> No
Whether the relevant decision-making procedures and arrangement were complete	✓ Yes <input type="checkbox"/> No
Whether the independent Directors have duly performed their duties and functions	✓ Yes <input type="checkbox"/> 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 <input type="checkbox"/> No

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(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)	3.77
Number of shares converted for every 10 shares	0
Cash dividends (tax inclusive)	3,278,590,605.86
Net profit attributable to ordinary shareholders of the Company in the consolidated statement	10,385,872,410.71
Proportion of cash dividends to the net profit attributable to ordinary shareholders of the Company in the consolidated statement (%)	31.57
Amount of repurchase of shares in cash included in the cash dividends	0
Total dividends (tax inclusive)	3,278,590,605.86
Proportion of total dividends to the net profit attributable to ordinary shareholders of the Company in the consolidated statement (%)	31.57

Note: the 2024 interim and annual dividends of the Company amounted to RMB4,156,939,813.27 in total, representing 40.02% of net profit attributable to ordinary shareholders of the Company in the 2024 consolidated financial statement.

The Company will not allocate profit to the statutory reserve for 2024. Based on the total share capital registered on the equity registration date for equity distribution, a cash dividend of RMB3.77 (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, 2024, the total distributed profit is RMB3,278,590,605.86. 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.

Upon consideration and approval of the 2024 annual profit distribution plan at the 2024 annual general meeting of the Company, the Company will distribute the 2024 annual cash dividend before August 30, 2025. 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 2025 interim profit distribution of the Company was considered and approved at the sixteenth meeting of the eighth session of the Board, which proposed to the shareholders' general meeting to authorize the Board to make decisions on the 2025 interim profit distribution plan of the Company according to the profitability and funding requirements of the Company and provided that the amount of the dividend will not be less than the interim dividend for 2024 and the dividend ratio will not exceed 40% of the net profit attributable to shareholders of the Company 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)	7,957,322,027.49
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)	7,957,322,027.49
Average net profit attributable to ordinary shareholders of the Company in the consolidated statement for the latest three financial years (4)	9,073,358,154.97
Proportion of cash dividends for the latest three financial years (%) (5) = (3)/(4)	87.70
Net profit attributable to ordinary shareholders of the Company in the consolidated statement for the latest financial year	10,385,872,410.71
Retained profits as at the end of the year in the statement of the parent company for the latest financial year	27,524,486,995.59

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XII. 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
<p>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.</p> <p>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.</p> <p>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".</p>	<p>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, December 26, 2019, January 14, January 15, January 22, March 5, July 6, August 18, 2020.</p>

Summary of event	Reference
<p>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.</p> <p>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.</p> <p>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.</p> <p>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 published by the Company on the Hong Kong Stock Exchange website on July 6 and August 18, 2020. 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.</p> <p>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.</p> <p>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.</p> <p>As of the date of this report, there were 242 holders of the employee stock ownership scheme of the Company, holding a total of 9,033,173 A Shares of the Company, representing 0.10% of the total issued share capital of the Company. None of the shares under the employee stock ownership scheme were exercisable or granted. The remaining term of the employee stock ownership scheme is approximately 4.8 years.</p>	

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From January 1, 2023, 2024 and 2025 to the Latest Practicable Date, shares under the employee stock ownership scheme were sold 1 time, 6 times and 1 time, respectively. A total of 24,094,488 shares were sold and 27,931,893 shares were unsold in 2023; a total of 17,927,120 shares were sold and 10,004,773 shares were unsold in 2024. From January 1, 2025 to the Latest Practicable Date, a total of 971,600 shares were sold and 9,033,173 shares were unsold. In addition, none of the shares under the employee stock ownership scheme were granted, exercised, lapsed or cancelled for the year 2024. As of the Latest Practicable Date, 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
CHEN Jun (Supervisor)	102,156
Total of the five individuals with the highest total remuneration in 2024 (one of whom is Director)	689,833
Total of other employees	8,241,184

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

As of December 31, 2024, the interests and short positions of the Directors, Supervisors 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/ Supervisors	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
YIN Hongyan	Employee representative Supervisor	A Shares	Beneficial owner	104,311	0.001	0.001	Long position
CHEN Jun	Employee representative Supervisor	A Shares	Beneficial owner	102,156	0.001	0.001	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 payment of performance-based bonuses is determined by the Board with reference to the operating results of the Company. The Chairman and senior management of the Company are entitled to an individual performance bonus based on the appraisal results. The distribution proposal shall be confirmed after the Remuneration and Appraisal Committee under the Board issues written opinions thereon.

XIII. 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 enhanced its ability to restrict itself, strengthened the implementation of the system, implemented supervision and inspection, and effectively prevented and resolved various risks, so as to ensure the sustainable and stable development of the Company.

According to the evaluation results of internal control of the Company for 2024, 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.

XIV. 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 2024, each level duly performed its respective compliance management duties and maintained proper compliance level.

The Company continued to promote the construction of a compliance management system, further organized the implementation of new regulatory rules and properly conducted regulatory communication. 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 organized relevant departments to timely revise and refine internal rules and regulations, in order to implement new regulations and requirements, and effectively enhance the Company's internal control management. In addition, the Company newly formulated or revised 10 legal and compliance management policies, including the Management Measures for Intellectual Property Rights of China Merchants Securities Co., Ltd., the Measures for the Administration of Chinese Walls and Conflict of Interest of China Merchants Securities Co., Ltd. (《招商證券股份有限公司信息隔離牆及利益衝突管理辦法》), the Administrative Measures for Customer Due Diligence of China Merchants Securities Co., Ltd. (《招商證券股份有限公司客戶盡職調查管理辦法》) and the Management Measures for Suspicious Transaction Reporting of China Merchants Securities Co., Ltd. (《招商證券股份有限公司可疑交易報告管理辦法》) to continuously improve the 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》), and established a sound compliance accountability system.

(II) Compliance inspections during the Reporting Period

In 2024, the Company stepped up its compliance inspections, 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 40 compliance inspections were carried out throughout the year, which ensured the standardized development of the Company's business.

XV. 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.

XVI. 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 2024 Audit Report on Internal Control of China Merchants Securities Co., Ltd. (《招商證券股份有限公司2024年度內部控制審計報告》) published on the Hong Kong Stock Exchange website for the same period of this report. The type of opinion on the internal control audit report: standard unqualified opinion.

XVII. Progress of Internal Audit

During the Reporting Period, the Company's audit and supervision work closely focused on the five goals of stabilizing coverage, focusing on key points, strengthening internal control, discovering violations and improving quality and efficiency. The Company enhanced coordination, broadened horizons, and improved the timeliness and holistic nature of audit analysis, thereby comprehensively elevating the supervision effectiveness of internal audit. In accordance with requirements from the National Audit Office, the SASAC, and China Merchants Group regarding the principle of focusing internal audit on core responsibilities and principal businesses, the Company emphasized analyzing new changes, maintained regular and orderly coverage of all operational domains, proactively anticipated risks while refining mechanisms, continuously advanced the application of information technology to improve efficiency in detecting regulatory violations, and comprehensively benchmarked against management requirements to deepen accountability for improper business operation and investments.

During the Reporting Period, the Company launched a total of 163 audit items of various types, in which 35 were related to audit and assessment of the headquarters and subsidiaries, covering key business areas such as agency sale of financial products, fixed-income financing, OTC derivatives, custody and fund administrative services, international brokerage and asset management as well as critical management processes including corporate data governance, accounts receivable management, Internet platform development, and centralized trading settlement. The Company implemented follow-up audit reviews for departments such as the Operation Management Center and Research and Development Center to consolidate rectification outcomes. The Company completed its internal control effectiveness self-assessment project on schedule. In compliance with regulatory requirements, the Company efficiently completed 128 audit items with the departure or resignation of the head of branches, ensuring both quality and efficiency.

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Through such internal audits, evaluation and follow-up supervision and rectification, the completeness, adequacy and effectiveness of internal control systems of each unit have been comprehensively coordinated and improved. The compliance and risk prevention awareness have also been further improved. The audit and supervision have contributed to the efficient development and strategic advancement of the Company, protected the Company's standardized and stable operation, and fully promoted the business and management of the Company to "improve quality and increase efficiency".

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

According to the planning of the CSRC, in 2021, the Company organized the self-inspection of the special governance action of listed companies. Upon self-inspection, the Company established and improved a relatively complete and reasonable corporate governance structure and internal control system in accordance with relevant laws, regulations, rules and systems such as the Company Law, the Corporate Governance Guidelines for Listed Companies, the Corporate Governance Guidelines for Securities Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Hong Kong Listing Rules. The issues identified in the self-inspection, such as the extension of the Board and the Supervisory Committee and the failure of certain members of senior management to attend the shareholders' general meetings, have all been rectified in 2021. The Company will further enhance its corporate governance in accordance with laws and regulations, and continuously improve its quality of development.

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, Supervisors 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、監事和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" 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, 2024 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, Supervisors and senior management may be exposed.

(III) Joint company secretaries

Mr. LIU Jie and Ms. KWONG Yin Ping Yvonne are the joint company secretaries of the Company, whose appointments were made in April 2023 and April 2016, respectively, and became effective in April 2023 and October 2016, respectively. Among which, the appointment of Ms. KWONG Yin Ping Yvonne was terminated on December 31, 2024. Mr. LIU Jie is vice president (chief financial officer), the secretary to the Board and the main contact person within the Company. Ms. KWONG Yin Ping Yvonne is a vice president of SWCS Corporate Services Group (Hong Kong) Limited. According to Rule 3.29 of the Hong Kong Listing Rules, for the year 2024, both Mr. LIU Jie and Ms. KWONG Yin Ping Yvonne have received over 15 hours of relevant professional training.

On December 30, 2024, following the consideration and approval at the 13th meeting of the eighth session of the Board, the Company appointed Ms. WONG Wai Yee Ella as the joint company secretary of the Company in place of Ms. KWONG Yin Ping Yvonne, and appointed Ms. WONG Wai Yee Ella as the alternate authorized representative of Mr. WU Zongmin and Mr. LIU Jie, with effect from January 1, 2025. Ms. WONG is a director of company secretarial services division of Tricor Services Limited (a member of Vistra Group), a global professional services provider specializing in integrated business, corporate and investor services.

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(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 for ninety (90) consecutive days or more shall be entitled to request the Board to convene an extraordinary general meeting, and shall put forward such request to the Board in writing. The Board shall, pursuant to relevant laws, laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions, 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 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. 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 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 for ninety (90) consecutive days or more shall be entitled to request the Supervisory Committee to convene an extraordinary general meeting, and shall put forward such request to the Supervisory Committee in writing. Where the Supervisory 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 Supervisory Committee shall be deemed as failing to convene and preside over the shareholders' 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 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, the Supervisory Committee, and shareholder(s) severally or jointly holding 3% or above shares of the Company for one hundred and eighty (180) consecutive days or more shall be entitled to submit proposals to the Company at the shareholders' general meeting. Shareholder(s) severally or jointly holding 3% or above shares of the Company for one hundred and eighty (180) consecutive days or more shall have the right to submit a temporary proposal 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 contents of the temporary proposal. Save for the circumstances specified 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.

(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 6: 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, so as to establish a relatively complete and effective channel for communication with 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.

Chapter 4: Corporate Governance Report

During the Reporting Period, the 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 ‘Centennial CMS, Creating and Sharing the Future’ (百年招商·創享未來)”, and held a presentation on cash dividends for the Company. More than 100 analysts from domestic and overseas organizations and more than 30 media participated in the collective results briefings, and about 200,000 people participated in the conference online. The Company organized the analyst and investor conferences on 2023 annual results and 2024 interim results, the online briefing on 2024 interim results and 2024 third quarterly results, and participated in the 2024 investor online collective reception day for listed companies in Shenzhen. The Company made continuous and in-depth communications with a total of more than 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. The Company has recorded the above investor reception and communication activities in accordance with relevant regulatory requirements, and has properly kept relevant documents.

(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 internal auditors, whose main duties include the independent and objective supervision, evaluation and recommendation on the Company’s internal control, risk management, revenue and expenses and business activities.

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 2024 Internal Control Assessment Report of China Merchants Securities Co., Ltd. (《招商證券股份有限公司2024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 January 2024 and June 2024, respectively. For details, please refer to the relevant announcements published by the Company on the Hong Kong Stock Exchange website on December 14, 2023, January 18, 2024, June 11, 2024 and June 28, 2024.

Chapter 5

Environment and Social Responsibility

I. Information on Environmental Protection

Whether a mechanism related to environmental protection has been established	Yes
Amount invested in environmental protection during the Reporting Period (Unit: RMB10,000)	32.73

(I) Information conducive to protecting the ecology, preventing pollution and fulfilling environmental responsibilities

The Company has incorporated the concept of being green and low-carbon into its daily operations, and formulated energy-saving and environmental protection work plans, so as to reduce energy consumption, improve the utilization efficiency of resources and reduce waste emissions. For specific environmental data and management information, please refer to the 2024 Sustainable Development Report of China Merchants Securities Co., Ltd. disclosed on the SSE website and the 2024 Environmental, Social and Governance Report of China Merchants Securities Co., Ltd. disclosed on the Hong Kong Stock Exchange website by the Company for the same period of this report.

In terms of garbage disposal, the Company has actively implemented a series of effective measures to achieve garbage classification, recycling and eco-friendly disposal. Garbage recycling stations have been set up on each floor of China Merchants Securities Building to ensure that all garbage is scientifically sorted and properly recycled. The Company has established a dedicated recycling system for used batteries, with a cumulative collection of 21 kilograms this year. Domestic garbage and kitchen garbage is recycled and disposed by third-party professional companies, while hazardous garbage is regularly removed by designated removal units appointed by local government authorities.

Chapter 5: Environment and Social Responsibility

In terms of intensive resource utilization, the Company has actively advocated for the conservation of office supplies, and standardized the procedures for their allocation, procurement, and distribution. In addition, the Company has advanced digital transformation in office operations to reduce the frequency of paper document printing and fax usage.

In terms of material procurement, the Company has actively implemented green procurement policies. For vehicle procurement, the Company requires that vehicles purchased through centralized procurement comply with National VI standard (environmental protection requirements) or be electric vehicles. For furniture procurement, the Company requires that furniture suppliers must get the China Environmental Labeling certification and ISO 9000 series quality management system certification. The furniture products and their raw materials must reach the E1 level of national environmental standard.

In terms of environmental public welfare, the Company has organized numerous eco-friendly public welfare activities and actively encouraged employees to participate. These activities include riverbank and coastal beach cleaning, voluntary tree planting, and red envelope recycling and reuse campaign.

In 2024, the Company continued to deepen its commitment to green finance, and leveraged diversified financial instruments to serve the low-carbon transformation of the real economy. For investment banking business, the Company underwrote green bonds of RMB16.601 billion (project financing totaling RMB117.37 billion), representing a year-on-year increase of 54%. The Company completed three green equity financing projects, raising a total of RMB5.257 billion, and underwrote an amount of RMB3.885 billion. For equity investment business, CMS Investment intensified research investments in green and low-carbon sectors, prioritizing new energy and new materials as core investment directions. Over the year, it reviewed nearly 10 green and low-carbon projects with a total amount of approximately RMB100 million. During the Reporting Period, the funds managed by CMS Zhiyuan Capital completed the green equity project investment totaling RMB622 million. China Merchants Futures has actively constructed a multi-level green futures product system to explore and research derivatives such as carbon finance. It pioneered and refined China's first commodity ESG index to facilitate effective capital allocation in green resource products field. China Merchants Futures also advanced the design and practical application of weather derivatives, assisting agriculture, power sector and other industries in improving their risk management systems.

(II) Measures adopted for reducing carbon emissions during the Reporting Period and their effects

Whether measures for reducing carbon emissions have been taken	Yes
Carbon dioxide equivalent emissions reduced (Unit: tonne)	3,723
Types of measures for reducing carbon emissions (e.g. using clean energy to generate electricity, using carbon reduction technologies in the business process, developing and manufacturing new products that reduce carbon emissions, etc.)	green and low-carbon operation to build a green data center

Chapter 5: Environment and Social Responsibility

Specific description

In 2024, the Company incorporated the the concept of green and low-carbon development into the whole process of daily operation, and dug into the potential of green development from the daily office level, improved energy conservation and environmental protection measures, organized green environmental protection activities to enhance the efficiency of resource use and the environmental awareness of employees, and made efforts to reduce the impact of various business activities on the environment.

The Company has proactively implemented multiple measures to guide employees in adopting eco-friendly practices. For instance, the staff canteen no longer provides single-use takeaway utensils, encouraging employees to bring their own containers for takeaways. According to the Administrative Regulations on Domestic Garbage Sorting of Shenzhen (《深圳市生活垃圾分類管理條例》), the Company has set up garbage sorting stations within office premises, and publicized garbage sorting knowledge through screens in the public area to guide employees to properly carry out garbage sorting.

The Company has continuously improved energy-saving and eco-friendly facilities in the office workplace. In terms of optimizing air conditioning systems, the Company reasonably sets the temperature of the office air conditioner, and adjusts the number, operating hours, and cooling temperature of air conditioner in a timely manner according to seasonal and climatic changes to reduce energy consumption. The temperature is maintained no lower than 26°C in summer and no higher than 24°C in winter. Regular maintenance includes cleaning air conditioner filters and inspecting ducts to ensure high-efficiency and energy-saving operations. In terms of electricity consumption data analysis and optimization, the Company conducts a comprehensive review of the building's power usage, analyzing electricity consumption patterns during peak and off-peak periods. The Company fully leverages nighttime off-peak hours for ice storage in air conditioning systems, and utilizes ice-melting cooling during daytime peak hours. The Company implements zonal lighting control in the workplace, adjusting supplemental lighting in specific areas based on occupancy levels and weather conditions. Security personnel conduct daily floor patrols from 8:00 PM to 10:00 PM to verify the shutdown of office equipment such as computers. The garage lighting system has been upgraded to low-energy LED fixtures, operating at full capacity during peak hours and maintaining a basic lighting level during off-peak periods.

The Company is committed to building a green data center. Covering an area of more than 9,000 square meters, the Weixin Data Center (威新數據中心) of the Company is designed and constructed in strict accordance with the national A-level computer room standards. Currently, the data center has a PUE (Power Usage Effectiveness) value of around 1.5. In order to improve energy efficiency, Weixin Data Center adopts a cold aisle closure method to effectively reduce the mixing of hot and cold air and lower the loss of cooling capacity, and applies medium-temperature chilled water to improve the operational efficiency of chillers. The power components of air conditioning system in the data center are all controlled by intelligent frequency conversion to reduce power loss. The operation and maintenance team of the data center adjusts the precise air conditioning parameters according to the heat dissipation needs of IT equipment, and optimizes the layout of the ventilation floor to save energy. In terms of power supply, the data center uses high-frequency UPS to replace traditional equipment, reducing the use of transformers. In addition, the Company have insulated the entire facade of the data center building to reduce cooling capacity loss due to heat transfer and save energy.

II. 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 2024 Environmental, Social and Governance Report of China Merchants Securities Co., Ltd. disclosed on the 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)	40.38	–
Of which: monies (in RMB10,000)	40.38	–
Supplies (in RMB10,000)	–	–
Number of people benefited	–	–

Specific description

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

1. The Company continued the “Continuing Hope, Warming Gannan with Love” (廣續希望·愛暖甘南) education support activity. In April and May 2024, two batches of youth teaching groups comprising a total of 7 members were organized to conduct a month-long educational support program at Nimalong Wanquan Primary School (尼瑪龍完全小學) in Xiahe County, Gannan Tibetan Autonomous Prefecture, Gansu Province. On the occasion of International Children’s Day, the labor union and certain Party branches of the Company donated holiday gifts to the school, including storytelling machines, laser printers, sports equipment, and books, to support the development of rural education.
2. To support post-typhoon reconstruction in Shanya Village, Jinshan Town, Wenchang City, Hainan Province, and assist villagers in restoring normal production and daily life as soon as possible, the Company donated RMB30,000 to the Wenchang Charity Federation. The funds were earmarked for post-disaster housing repairs for villagers under the jurisdiction of Shanya Village Committee in Jinshan Town, Wenchang City.

Chapter 5: Environment and Social Responsibility

- The Company continued the “Ayi Tudou” (阿依土豆) – Delipu Primary School Teaching Support Project (得力鋪小學支教項目), and donated RMB373,801.74 to Chongqing Xing’an Poverty Alleviation Foundation (重慶市興安幫扶基金會) to specifically support the “Ayi Tudou” teaching project in the Daliang Mountain region. The funds were allocated to provide living subsidies, transportation, accommodation, meals, training, and incentive allowances for eight volunteer teachers, and also support student activities, daily necessities, hygiene supplies, teaching materials, art education, and excellence awards for Delipu students. Such efforts provided support for the education and healthy development of primary school students in remote underdeveloped areas, and improved the quality-oriented education for local children.

In addition, the Company has proactively carried out poverty alleviation programs through finance, public welfare, enlightenment, and consumption, effectively advancing rural revitalization.

III. 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)	690.89	–
Of which: monies (in RMB10,000)	690.89	–
Supplies (in RMB10,000)	–	–
Number of people benefited	–	–
Form of assistance (e.g. Poverty alleviation through industry, employment, education, etc.)	Poverty alleviation through finance, charity, enlightenment and consumption	–

Specific description

(I) Poverty alleviation through finance

- The Company has actively responded to the national rural revitalization strategy, resolutely fulfilled the social responsibility as a central enterprise, and further promoted the rural revitalization.

As a lead underwriter, the Company actively participated in the issuance of bond products related to “rural revitalization” and “Three Rural Issues”, including the 2024 Public Issuance of Rural Revitalization Corporate Bonds by CCCC Financial Leasing Co., Ltd. to Professional Investors (Phase I) (中交融資租賃有限公司2024年面向專業投資者公開發行鄉村振興公司債券(第一期)), China’s first rural revitalization corporate bond issued by a leasing company, the Supply Chain Finance Phase-I Green Asset-Backed Special Plan (Rural Revitalization) of Beijing Energy International (京能國際供應鏈金融第1期綠色資產支持專項計劃(鄉村振興)), the first green rural revitalization supply chain project in the power industry, the 2024 “Three Rural Issues” Special Financial Bonds of China Merchants Bank Co., Ltd. (2024年招商銀行股份有限公司「三農」專項金融債券), with a total issuance amount of RMB35.302 billion, among which the underwriting amount of CMS was RMB2.746 billion.

2. The Company donated RMB15 thousand to the Rural Revitalization Bureau (鄉村振興局) of Qichun County, Hubei Province, which was specially used for the “Agricultural Insurance + Weather Derivatives” (農業保險+天氣衍生品) project in Qichun, Hubei Province, to purchase tea planting meteorological index insurance for tea growers in Qichun, Hubei Province, so as to reduce the impact of blizzard and freezing rain on farmers, and provide solid risk guarantee for farmers.
3. The Company donated RMB200,000 to the Rural Revitalization Bureau of Shache County, Kashgar, Xinjiang, earmarked for the red dates “Insurance + Futures” commercial project to help farmers and agricultural enterprises control risks and maintain income.

(II) Poverty alleviation through charity

1. The Company donated RMB110,000 to the Yanchangpu Village Committee of Zhanlong Town, Puning City, Guangdong Province to fund the “Installation of a Dedicated Power Distribution Station Platform at Yanchangpu Village Agricultural Market” (佔隴鎮延長埔村農貿市場安裝配電站專用台) project. By supporting rural infrastructure construction, the Company consolidated and expanded achievements made in poverty alleviation in coordination with the extensive drive for rural vitalization.
2. The Company donated RMB250,000 to the People’s Government of Liuba County, Hanzhong City, Shaanxi Province, specifically for the “Upgrade of Rural Domestic Drinking Water Facilities in Huangnibao Village, Yuhuangmiao Town, Liuba County” (留壩縣玉皇廟鎮黃泥堡村農村生活飲用水設施提升) project, aiming to improve rural water infrastructure and ensure safe drinking water for local residents.
3. In response to the national call to revitalize the “three major ball sports” (football, basketball, volleyball), the Company donated RMB240,000 to the Education Bureau of Shache County, Kashgar, Xinjiang, dedicated to the “Three Major Ball Sports Promotion Project in Shache County’s Educational System” (莎車縣教育系統『三大球』運動推廣項目). This initiative supported the high-quality development of sports education for teachers and students in Shache County, and fostered a stronger sense of identity and belonging to the Chinese nation among students of all ethnic groups.
4. To effectively prevent myopia among adolescents and safeguard their healthy development, the Company donated RMB100,000 to the Education Bureau and Science and Technology Bureau of Tianzhu Tibetan Autonomous County, Gansu Province to assist Tianzhu No. 4 Middle School (天祝縣第四中學) in improving classroom lighting.

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(III) Poverty alleviation through enlightenment

The Company donated RMB430,000 to the People's Government of Shitai County, Anhui Province, a paired assistance county, to support the "Specialized Training Program for Enhancing the Competence of Party and Government Officials and Investment Promotion in Shitai County". The initiative helped local Party and government officials further improve their comprehensive management capabilities, consolidate achievements made in poverty alleviation, and broaden the pathway to common prosperity.

(IV) Poverty alleviation through consumption

The Company purchased agricultural products worth approximately RMB5.5639 million through the National Rural Revitalization Consumption Assistance Guangdong Pavilion (鄉村振興全國消費幫扶廣東館), Shenzhen Haijixing Poverty Alleviation (Consumption) Center (深圳海吉星消費幫扶中心), the agricultural support platform of China Merchants Group, and from poverty alleviation regions including Xixian County in Shanxi Province and Xinghe County in Inner Mongolia as holiday gifts to employees, thereby consolidating and expanding the achievements made in poverty alleviation and facilitating the rural revitalization with practical actions.

Chapter 6

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	-	-

Chapter 6: Major Events

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	-	-

Chapter 6: Major Events

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
Other undertakings to minority shareholders	Others	China Merchants Group, China Ocean Shipping	When there is unusual price movement in the shares of the Company, they will not reduce their shareholdings in the Company and will increase their shareholdings in accordance with laws when appropriate.	July 2015	Yes	When there is unusual price movement in the shares of the Company.	Yes	-	-

II. 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	RMB2.2 million
Term of appointment of domestic accounting firm	1 year
Name of the certified public accountants of domestic accounting firm	WU Zhongming (吳鐘鳴), LIU Xiqian (劉西茜)
Accumulated years of audit services provided by the certified public accountants of domestic accounting firm	WU Zhongming (吳鐘鳴) (1 year), LIU Xiqian (劉西茜) (1 year)
Name of international accounting firm	KPMG
Remuneration of international accounting firm	RMB960,000
Term of appointment of international accounting firm	1 year

	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 2024, with audit fees amounting to RMB0.81 million.

III. Material Litigations or Arbitrations

There were no material litigations or arbitrations for the year

In the dispute lawsuit caused by false statements in the securities market of China Security Co., Ltd. (中安科股份有限公司) (hereinafter referred to as “China Security”), the court ruled that the Company is jointly and severally liable to the investors, capped at 25% of the total damages. The Company placed high priority on investor compensation matters and proactively fulfilled legally effective court rulings. In accordance with the principle of “full compensation payment”, the Company has legally discharged compensation obligations to investors. As of the Latest Practicable Date, the Company paid a total of RMB286 million, and substantially completed the compensation.

To safeguard the Company’s legitimate rights and interests, on October 24, 2024, the Company filed a recovery action with the Shanghai Financial Court against the liable parties in the China Security misrepresentation cases, including China Security, China Security & Fire Technology Co., Limited, Shenzhen Zhongheng Huizhi Investment Co., Ltd., Tu Guoshen (塗國身), Yinxin Assets Appraisal Co., Ltd. (銀信資產評估有限公司), and Ruihua Certified Public Accountants, LLP.

In addition, on October 14, 2024, the Company received legal documents from the Shanghai Financial Court regarding a service contract dispute lawsuit filed by China Security against the Company. China Security alleges that the Company, acting as the financial advisor for the project in question, failed to fulfill the obligations as a financial advisor as required by the agreement, harming China Security’s interests and causing losses. Based on these allegations, China Security is demanding that the Company bear corresponding losses. The Company will actively organize the response to the litigation.

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

In January 2024, the Company received the Decision on Taking Measures to Issue Warning Letter to China Merchants Securities Co., Ltd. (《關於對招商證券股份有限公司採取出具警示函措施的決定》) issued by the CSRC Anhui Office; in February 2024, the Shenzhen Nanshan Nanyou Avenue securities branch of the Company received the Decision of the CSRC Shenzhen Office on Taking Measures to Issue Warning Letter to Shenzhen Nanshan Nanyou Avenue Securities Branch of China Merchants Securities Co., Ltd. (《深圳證監局關於對招商證券股份有限公司深圳南山南油大道證券營業部採取出具警示函措施的決定》) issued by the CSRC Shenzhen Office; on February 9, 2024, the CSRC and the CSRC Shenzhen Office announced the results of the penalties imposed on a number of practitioners of China Merchants Securities for stock trading and other violations, and on the same day, the CSRC Shenzhen Office announced the Decision of the CSRC Shenzhen Office on Ordering China Merchants Securities Co., Ltd. to Increase the Number of Internal Compliance Inspections (《深圳證監局關於對招商證券股份有限公司採取責令增加內部合規檢查次數措施的決定》), the Decision of the CSRC Shenzhen Office on Taking Measures to Issue Warning Letter to HUO Da (《深圳證監局關於對霍達採取出具警示函措施的決定》), the Decision of the CSRC Shenzhen Office on Taking Regulatory Interview Measures against ZHAO Bin and HU Yu (《深圳證監局關於對趙斌、胡宇採取監管談話措施的決定》) and other regulatory letters. For details of the above matters, please refer to the 2023 Annual Report of China Merchants Securities Co., Ltd. issued in the Hong Kong Stock Exchange website by the Company on April 18, 2024.

In April 2024, the Shanghai Zhaojiabang Road securities branch of the Company received the Decision on Taking Measures to Issue Warning Letter to the Shanghai Zhaojiabang Road Securities Branch of China Merchants Securities Co., Ltd. (《關於對招商證券股份有限公司上海肇嘉濱路證券營業部採取出具警示函措施的決定》) issued by the CSRC Shanghai Office; in April 2024, the Company received the Decision on Criticism against China Merchants Securities Co., Ltd. and Relevant Parties (《關於對招商證券股份有限公司及相關當事人給予通報批評處分的決定》) issued by the Shenzhen Stock Exchange; in August 2024, the Company received the Decision of the CSRC Shenzhen Office on Taking Measures to Issue Warning Letter to China Merchants Securities Co., Ltd. (《深圳證監局關於對招商證券股份有限公司採取出具警示函措施的決定》) issued by the CSRC Shenzhen Office. For details of the above matters, please refer to the 2024 Interim Report of China Merchants Securities Co., Ltd. issued in the Hong Kong Stock Exchange website by the Company on September 24, 2024.

In December 2024, the Haikou CM Building securities branch of the Company received the Decision on Taking Measures to Issue Warning Letter to the Haikou CM Building Securities Branch of China Merchants Securities Co., Ltd. (《關於對招商證券股份有限公司海口招商局大廈證券營業部採取出具警示函措施的決定》) issued by the CSRC Hainan Office, which stated that between August 2020 and December 2022, employees of the Haikou CM Building securities branch of the Company had engaged in violations of providing clients with answers to knowledge tests required for opening accounts related to the STAR Market and the Southbound Trading via personal WeChat accounts. In response, the Company has further strengthened controls over business conduct, enhanced compliance training, improved system-based supervision, rigorously enforced appropriateness management requirements, and intensified inspections and oversight.

Chapter 6: Major Events

In December 2024, the Company received the Decision of the CSRC Shenzhen Office on Taking Measures to Issue Warning Letter to China Merchants Securities Co., Ltd. (《深圳證監局關於對招商證券股份有限公司採取出具警示函措施的決定》) issued by the CSRC Shenzhen Office, which stated that in the course of the Company's operations, there were deficiencies in brokerage business management and OTC derivatives business management. The Company has continuously revised and improved relevant systems for brokerage business and OTC derivatives business, reinforced appropriateness controls for mutual fund sales, strengthened business segregation and client management, enhanced the management of trading margins and valuation models, and consistently improved and supervised the management of marketing teams' practice behavior, risk monitoring and traceability.

V. 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.

VI. Material Connected Transactions

We entered into the Securities and Financial Products, Transactions and Services Framework Agreement with China Merchants Group on May 27, 2022, and the Administrative Procurement Framework Agreement (the "2022 Administrative Procurement Framework Agreement") 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 Securities and Financial Products, Transactions and Services Framework Agreement shall commence from November 29, 2022 until December 31, 2024; the term of the 2022 Administrative Procurement Framework Agreement shall commence from March 27, 2022 until December 31, 2024; 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 May 27, 2022, respectively, circular of the Company dated November 9, 2022 and announcement of poll results of the Company dated November 29, 2022.

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 May 27, 2022 for a term commencing from November 29, 2022 until December 31, 2024. 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.

Chapter 6: Major Events

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.

As the term of the Securities and Financial Products, Transactions and Services Framework Agreement entered into between the Company and China Merchants Group and COSCO Shipping on May 27, 2022 expired on December 31, 2024, the Company entered into the Securities and Financial Products, Transactions and Services Framework Agreement with China Merchants Group and COSCO Shipping on December 18, 2024 to renew the aforesaid framework agreement. Subject to approval by the independent shareholders at the 2025 first extraordinary general meeting held on April 7, 2025, the term of the above framework agreement with China Merchants Group and COSCO Shipping on December 18, 2024 will commence on the date of approval by the independent shareholders at the 2025 first extraordinary general meeting and will expire on December 31, 2027. For details, please refer to the Company's announcement dated December 18, 2024 and the circular dated March 19, 2025.

(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 Framework Agreement for the three years ending December 31, 2024 are as follows:

Securities and financial products and transactions	RMB million		
	2022	2023	2024
Inflow	2,900	7,500	7,500
Outflow	2,500	11,660	11,670

- (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 2024, the Group has followed the pricing policy and guidelines as set out in the Company's announcement dated May 27, 2022 and the circular dated November 9, 2022.

Chapter 6: Major Events

Historical figures

For the year ended December 31, 2024, the Group had securities and financial products transactions with China Merchants Group and/or its associates, with a total cash inflow of RMB310.64 million and a total cash outflow of RMB3,869.93 million. Such amounts were below the caps for 2024.

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 Framework Agreement for the three years ending December 31, 2024 are as follows:

Financial services	RMB million		
	2022	2023	2024
Income generated by us	70	92	95

In entering into the above connected transactions in 2024, the Group has followed the pricing policy and guidelines as set out in the Company's announcement dated May 27, 2022 and the circular dated November 29, 2022.

Historical figures

As at December 31, 2024, the Group provided securities and financial services to China Merchants Group and/or its associates and generated income of RMB30.83 million, which was below the annual cap of 2024.

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

Chapter 6: Major Events

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 Framework Agreement for the three years ending December 31, 2024 are as follows:

	RMB million		
Transaction	2022	2023	2024
Administrative procurement	83	92	151.5

Note: As considered and approved at the thirty-ninth meeting of the seven session of the board of directors of the Company on December 14, 2023, the annual transaction caps for the connected transactions between the Company and its subsidiaries and China Merchants Group and its associates in respect of administrative procurement for the years 2023 and 2024 have been adjusted from RMB86.0 million and RMB90.0 million to RMB92.0 million and RMB108.5 million, respectively. As considered and approved at the seventh meeting of the eighth session of the board of directors of the Company on August 19, 2024, the transaction cap in respect of administrative procurement for the year 2024 has been adjusted to RMB151.5 million. For details, please refer to the announcements published by the Company on the Hong Kong Stock Exchange website on December 14, 2023 and August 19, 2024.

In entering into the above connected transactions in 2024, 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, 2024, the administrative procurement between the Group and China Merchants Group and its associates from time to time amounted to RMB126.63 million, which was below the annual cap of 2024.

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 Framework Agreement for the five years ending December 31, 2026 are as follows:

Transaction	RMB million				
	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	177.34

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. For details, please refer to the announcement published by the Company on the Hong Kong Stock Exchange website on December 30, 2024.

In entering into the above connected transactions in 2024, 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, 2024, 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 RMB66.80 million, which was below the annual cap of 2024.

Chapter 6: Major Events

(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 Framework Agreement for the three years ending December 31, 2024 are as follows:

	RMB million		
Securities and financial products and transactions	2022	2023	2024
Inflow	600	1,600	1,600
Outflow	800	3,650	3,660

- (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 2024, the Group has followed the pricing policy and guidelines as set out in the Company’s announcement dated May 27, 2022 and the circular dated November 9, 2022.

Historical figures

As at December 31, 2024, the Group had securities and financial products transactions with COSCO Shipping and/or its associates, with a total cash inflow of RMB180 million and a total cash outflow of RMB710 million. Such amounts were below caps for 2024.

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 Framework Agreement for the three years ending December 31, 2024 are as follows:

	RMB million		
Financial services	2022	2023	2024
Income generated by us	7	71.2	71.5

In entering into the above connected transactions in 2024, the Group has followed the pricing policy and guidelines as set out in the Company's announcement dated May 27, 2022 and the circular dated November 29, 2022.

Historical figures

As at December 31, 2024, the Group provided securities and financial services to COSCO Shipping and/or its associates and generated income of RMB2.79 million, which was below the annual cap of 2024.

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 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.

Chapter 6: Major Events

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 2025 (《關於公司2025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.

VII. 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)														-
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														-44.96
Balance of guarantees for subsidiaries as at the end of the Reporting Period (B)														20.17
Total guarantees of the Company (including guarantees for subsidiaries)														
Total guarantees (A+B)														20.17
Ratio of total guarantees to net assets of the Company (%)														1.55
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)														15.17
Amount of guarantees in excess of 50% of the net assets (E)														-
Total amount of the above three types of guarantees (C+D+E)														15.17
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. On June 28, 2024, at the 2023 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\$79 billion equivalent, of which, financing guarantees shall not exceed HK\$14.8 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 RMB40.654 billion in total (with financing guarantees of approximately RMB2.852 billion). The balance of guarantees utilized and traded was approximately RMB1.517 billion in total.

VIII. Other Disclosures

(I) Sufficiency of public float of H Shares

As at the Latest Practicable Date prior to the issue of this report, 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' and Supervisors' interests in business competing with the Company

As of the Latest Practicable Date, none of the Directors or Supervisors 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' and Supervisors' service contracts

None of the Directors or Supervisors 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' and Supervisors' interests in transactions, arrangements or contracts of significance

During the Reporting Period, none of the Directors, Supervisors or any entity connected with any Director or Supervisor 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, 2024.

(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, Supervisors 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.

Chapter 6: Major Events

(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 and Supervisors

Details of remuneration to the Directors and Supervisors 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" 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 Balance Sheet Date" under "Chapter 10: Financial Report" of this report, there were no other major events after the Reporting Period.

(XI) Qualification of accounts

According to the statistics from the Company, as at December 31, 2024, the Company had 6,142 unqualified capital accounts, 6,188 unqualified securities accounts, 1,009,597 dormant capital accounts and 1,697,539 dormant securities accounts.

Chapter 6: Major Events

(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稅政策有關問題的通知》(財稅[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稅政策有關問題的通知》(財稅[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) (《國家稅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稅有關問題的通知》(國稅函[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) (《財政部國家稅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稅收政策的通知》(財稅[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) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[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稅有關問題的通知》(國稅函[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) (《財政部國家稅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稅收政策的通知》(財稅[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稅收政策的通知》(財稅[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.

Chapter 6: Major Events

(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 2024.

(XIV) Directors' and Supervisors' rights to acquire shares or debentures

During the Reporting Period or as at the end of 2024, none of the Directors and Supervisors 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 2024.

(XVI) Major customers and suppliers

In 2024, 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, 2024, the 2024 annual report and the audited financial statements for 2024 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, 2024 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, 2024, 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, 2024, 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 7

Changes in Shares and Shareholders

I. Changes in Share Capital

(I) Changes in shares

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	Listing and trading/ listing	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	Listing and trading/ listing	Date of closing
Bonds (including enterprise bonds, corporate bonds and non-financial enterprise debt financing instruments)								
Public corporate bonds	240506.SH	24 China Merchants Securities G1 (24招證G1)	January 18, 2024	2.74	30.00	January 23, 2024	30.00	January 18, 2027
Short-term corporate bonds	240609.SH	24 China Merchants Securities S1 (24招證S1)	February 23, 2024	2.23	20.00	February 28, 2024	20.00	June 7, 2024
Subordinated bonds	240739.SH	24 China Merchants Securities C1 (24招證C1)	March 20, 2024	2.64	9.00	March 25, 2024	9.00	March 20, 2027
Subordinated bonds	240740.SH	24 China Merchants Securities C2 (24招證C2)	March 20, 2024	2.77	17.00	March 25, 2024	17.00	March 20, 2029
Short-term corporate bonds	240753.SH	24 China Merchants Securities S3 (24招證S3)	March 19, 2024	2.22	57.00	March 22, 2024	57.00	June 7, 2024
Short-term corporate bonds	240754.SH	24 China Merchants Securities S4 (24招證S4)	March 19, 2024	2.25	20.00	March 22, 2024	20.00	7 August, 2024
Short-term corporate bonds	240822.SH	24 China Merchants Securities S5 (24招證S5)	March 28, 2024	2.23	20.00	April 2, 2024	20.00	July 4, 2024
Short-term corporate bonds	240823.SH	24 China Merchants Securities S6 (24招證S6)	March 28, 2024	2.21	20.00	April 2, 2024	20.00	September 6, 2024
Subordinated bonds	240922.SH	24 China Merchants Securities C4 (24招證C4)	April 19, 2024	2.55	20.00	April 24, 2024	20.00	April 19, 2029
Short-term corporate bonds	240933.SH	24 China Merchants Securities S7 (24招證S7)	April 22, 2024	1.97	21.00	April 25, 2024	21.00	July 11, 2024
Short-term corporate bonds	240934.SH	24 China Merchants Securities S8 (24招證S8)	April 22, 2024	1.99	18.00	April 25, 2024	18.00	September 5, 2024
Short-term corporate bonds	241003.SH	24 China Merchants Securities S9 (24招證S9)	May 17, 2024	1.93	56.00	May 22, 2024	56.00	August 8, 2024
Short-term corporate bonds	241004.SH	24 China Merchants Securities S10 (24招證S10)	May 17, 2024	1.97	22.00	May 22, 2024	22.00	October 11, 2024
Short-term corporate bonds	241078.SH	24 China Merchants Securities S11 (24招證S11)	June 6, 2024	1.93	55.00	June 12, 2024	55.00	September 13, 2024
Short-term corporate bonds	241079.SH	24 China Merchants Securities S12 (24招證S12)	June 6, 2024	1.97	30.00	June 12, 2024	30.00	October 16, 2024
Short-term corporate bonds	241123.SH	24 China Merchants Securities S13 (24招證S13)	June 13, 2024	1.93	10.00	June 18, 2024	10.00	October 11, 2024

Chapter 7: Changes in Shares and Shareholders

Class of shares and their derivative securities	Code	Abbreviation	Date of issuance	Offer price (or interest rate %)	Issuance amount (RMB100 million)	Date of listing	Listing and trading/ listing	Date of closing
Short-term corporate bonds	241124.SH	24 China Merchants Securities S14 (24招S14)	June 13, 2024	2.05	50.00	June 18, 2024	50.00	April 10, 2025
Subordinated bonds	241180.SH	24 China Merchants Securities C6 (24招C6)	June 27, 2024	2.32	20.00	July 2, 2024	20.00	June 27, 2029
Public corporate bonds	241189.SH	24 China Merchants Securities G2 (24招G2)	July 1, 2024	2.15	10.00	July 4, 2024	10.00	July 1, 2027
Public corporate bonds	241190.SH	24 China Merchants Securities G3 (24招G3)	July 1, 2024	2.25	60.00	July 4, 2024	60.00	July 1, 2028
Short-term corporate bonds	241203.SH	24 China Merchants Securities S15 (24招S15)	July 11, 2024	1.95	10.00	July 16, 2024	10.00	February 20, 2025
Short-term corporate bonds	241204.SH	24 China Merchants Securities S16 (24招S16)	July 11, 2024	1.96	10.00	July 16, 2024	10.00	March 21, 2025
Short-term corporate bonds	241383.SH	24 China Merchants Securities S17 (24招S17)	August 7, 2024	1.79	10.00	August 12, 2024	10.00	December 19, 2024
Short-term corporate bonds	241384.SH	24 China Merchants Securities S18 (24招S18)	August 7, 2024	1.85	20.00	August 12, 2024	20.00	March 20, 2025
Subordinated bonds	241412.SH	24 China Merchants Securities C8 (24招C8)	August 8, 2024	2.12	30.00	August 13, 2024	30.00	August 8, 2029
Short-term corporate bonds	241613.SH	24 China Merchants Securities S19 (24招S19)	September 12, 2024	1.98	20.00	September 19, 2024	20.00	February 21, 2025
Short-term corporate bonds	241614.SH	24 China Merchants Securities S20 (24招S20)	September 12, 2024	1.98	10.00	September 19, 2024	10.00	March 14, 2025
Short-term corporate bonds	241717.SH	24 China Merchants Securities S22 (24招S22)	October 11, 2024	2.14	31.00	October 16, 2024	31.00	March 10, 2025
Short-term corporate bonds	241718.SH	24 China Merchants Securities S23 (24招S23)	October 11, 2024	2.19	30.00	October 16, 2024	30.00	June 8, 2025
Short-term corporate bonds	241719.SH	24 China Merchants Securities S24 (24招S24)	October 11, 2024	2.19	17.00	October 16, 2024	17.00	September 7, 2025
Short-term corporate bonds	241753.SH	24 China Merchants Securities S25 (24招S25)	October 24, 2024	2.00	49.00	October 29, 2024	49.00	February 15, 2025
Short-term corporate bonds	241754.SH	24 China Merchants Securities S26 (24招S26)	October 24, 2024	2.02	26.00	October 29, 2024	26.00	June 22, 2025
Short-term corporate bonds	241755.SH	24 China Merchants Securities S27 (24招S27)	October 24, 2024	2.04	25.00	October 29, 2024	25.00	September 21, 2025

Chapter 7: Changes in Shares and Shareholders

Class of shares and their derivative securities	Code	Abbreviation	Date of issuance	Offer price (or interest rate %)	Issuance amount (RMB100 million)	Date of listing	Listing and trading/ listing	Date of closing
Public corporate bonds	241759.SH	24 China Merchants Securities G4 (24招證G4)	October 18, 2024	2.15	20.00	October 23, 2024	20.00	October 18, 2027
Short-term corporate bonds	241918.SH	24 China Merchants Securities S28 (24招證S28)	November 11, 2024	1.90	40.00	November 14, 2024	40.00	January 22, 2025
Short-term corporate bonds	241919.SH	24 China Merchants Securities S29 (24招證S29)	November 11, 2024	1.92	22.00	November 14, 2024	22.00	May 15, 2025
Short-term corporate bonds	241920.SH	24 China Merchants Securities S30 (24招證S30)	November 11, 2024	1.93	20.00	November 14, 2024	20.00	September 18, 2025
Private corporate bonds	256614.SH	24 China Merchants Securities F1 (24招證F1)	November 25, 2024	2.12	10.00	November 28, 2024	10.00	June 25, 2026
Private corporate bonds	256615.SH	24 China Merchants Securities F2 (24招證F2)	November 25, 2024	2.15	25.00	November 28, 2024	25.00	December 10, 2026
Private corporate bonds	256616.SH	24 China Merchants Securities F3 (24招證F3)	November 25, 2024	2.14	25.00	November 28, 2024	25.00	March 11, 2027
Private corporate bonds	256933.SH	24 China Merchants Securities F4 (24招證F4)	December 18, 2024	1.73	50.00	December 23, 2024	50.00	December 19, 2025
Private corporate bonds	256934.SH	24 China Merchants Securities F5 (24招證F5)	December 18, 2024	1.73	30.00	December 23, 2024	30.00	January 8, 2026
Other derivative securities								
-	-	-	-	-	-	-	-	-

Chapter 7: Changes in Shares and Shareholders

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 April 2023, 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 [2023] No. 975) (《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[2023]975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 RMB30 billion. In 2024, the Company issued two tranches of corporate bonds with a maturity of more than one year accordingly.

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 2024, 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 2022, 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 [2022] No. 3211) (《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[2022]3211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 2024, the Company issued thirteen 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 2024, the Company issued four tranches of subordinated corporate bonds accordingly.

4. 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 2024, the Company issued two tranches of non-publicly issued 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	158,593
Total number of holders of ordinary shares as of the end of the month preceding the disclosure of this annual report	151,369

(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)	–	2,047,900,517	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)	–	1,703,934,870	19.59	–	Nil	–	State-owned legal person
HKSCC Nominees Limited	50,515	1,274,272,152	14.65	–	Nil	–	Overseas legal person
China Ocean Shipping Company Limited (中國遠洋運輸有限公司)	–	544,632,418	6.26	–	Nil	–	State-owned legal person
Hebei Port Group Co., Ltd. (河北港口集團有限公司)	–	343,282,732	3.95	–	Nil	–	State-owned legal person
Hong Kong Securities Clearing Company Limited	107,851,353	227,246,343	2.61	–	Nil	–	Overseas legal person
CCCC Capital Holdings Co., Ltd. (中交資本控股有限公司)	-45,074,258	227,145,103	2.61	–	Nil	–	State-owned legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	–	170,789,261	1.96	–	Nil	–	Unknown
COSCO Shipping (Guangzhou) Co., Ltd. (中遠海運(廣州)有限公司)	–	109,199,899	1.26	–	Nil	–	State-owned legal person
Southern Fund – Agricultural Bank of China – China Southern China Securities and Financial Assets Management Program (南方基金－農業銀行－南方中證金融資產管理計劃)	–	68,273,260	0.79	–	Nil	–	Other

Chapter 7: Changes in Shares and Shareholders

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	RMB ordinary shares	2,047,900,517
Shenzhen Jisheng Investment Development Co., Ltd. (深圳市集盛投資發展有限公司)	1,703,934,870	RMB ordinary shares	1,703,934,870
HKSCC Nominees Limited	1,274,272,152	Overseas listed foreign shares	1,274,272,152
China Ocean Shipping Company Limited (中國遠洋運輸有限公司)	544,632,418	RMB ordinary shares	544,632,418
Hebei Port Group Co., Ltd. (河北港口集團有限公司)	343,282,732	RMB ordinary shares	343,282,732
Hong Kong Securities Clearing Company Limited	227,246,343	RMB ordinary shares	227,246,343
CCCC Capital Holdings Co., Ltd. (中交資本控股有限公司)	227,145,103	RMB ordinary shares	227,145,103
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	170,789,261	RMB ordinary shares	170,789,261
COSCO Shipping (Guangzhou) Co., Ltd. (中遠海運(廣州)有限公司)	109,199,899	RMB ordinary shares	109,199,899
Southern Fund – Agricultural Bank of China – China Southern China Securities and Financial Assets Management Program (南方基金－農業銀行－南方中證金融資產管理計劃)	68,273,260	RMB ordinary shares	68,273,260
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	<p>Among the above top ten shareholders:</p> <p>1. CM Financial Holdings holds 100% of the equity interest in Jisheng Investment in aggregate. CM Financial Holdings and Jisheng Investment are both subsidiaries of China Merchants Group, the de facto controller of the Company;</p> <p>2. China Ocean Shipping and COSCO Shipping (Guangzhou) Co., Ltd. are both subsidiaries of China COSCO Shipping Corporation Limited.</p>		

- 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, 2024, to the best knowledge of the Directors having made reasonable enquiries, the following persons (other than the Directors, Supervisors 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

Chapter 7: Changes in Shares and Shareholders

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	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	90,674,300	1.04	7.11	Long position
9	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
10	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
11	COSCO SHIPPING Investment Holdings Co., Limited	H Shares	Beneficial owner	207,797,720	2.39	16.30	Long position

Chapter 7: Changes in Shares and Shareholders

1. China Merchants Group holds 100% of the equity interest in CM Financial Holdings and Jisheng Investment, and is deemed to be interested in the same number of A Shares which CM Financial Holdings (23.55%) and Jisheng Investment (19.59%) are interested in under the SFO.
2. China Merchants Group 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. CM Financial Holdings directly holds 23.55% of the shares of the Company. CM Financial Holdings holds 100% of the equity interest in Jisheng Investment, and is deemed to be interested in the same number of A Shares which Jisheng Investment (19.59%) is interested in under the SFO. Thus, CM Financial Holdings holds, directly and indirectly, an aggregate of 43.14% of the equity interest in the A Shares of the Company. CM Financial Holdings 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. CM Financial Holdings 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 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 (6.26%), COSCO Shipping (Guangzhou) Co., Ltd., a wholly-owned subsidiary of China Shipping Group Co., Ltd. (1.26%), COSCO SHIPPING Investment Holdings Co., Limited, a wholly-owned subsidiary of China Shipping Group Co., Ltd. (0.10%), and Guangzhou Sanding Oil Products Transport Co., Ltd. (廣州市三鼎油品運輸有限公司) (0.01%) 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, a wholly-owned subsidiary of China Shipping Group Co., Ltd. (中國海運集團有限公司) (2.39%), 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; and
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, 2024, the Company was not aware of any other person (other than the Directors, Supervisors 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.

Chapter 7: Changes in Shares and Shareholders

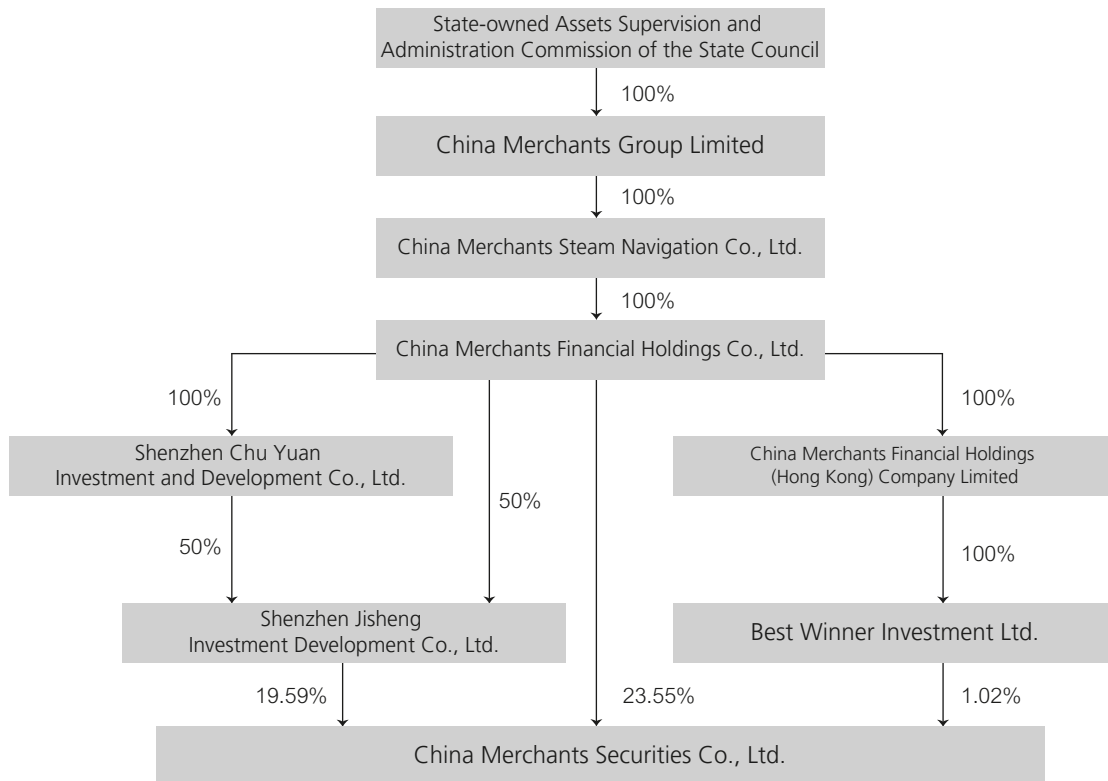
IV. Details of Controlling Shareholder and De Facto Controller

(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	Business as a financial holding company; other businesses approved by the People's Bank of China
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 H 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

Chapter 7: Changes in Shares and Shareholders

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

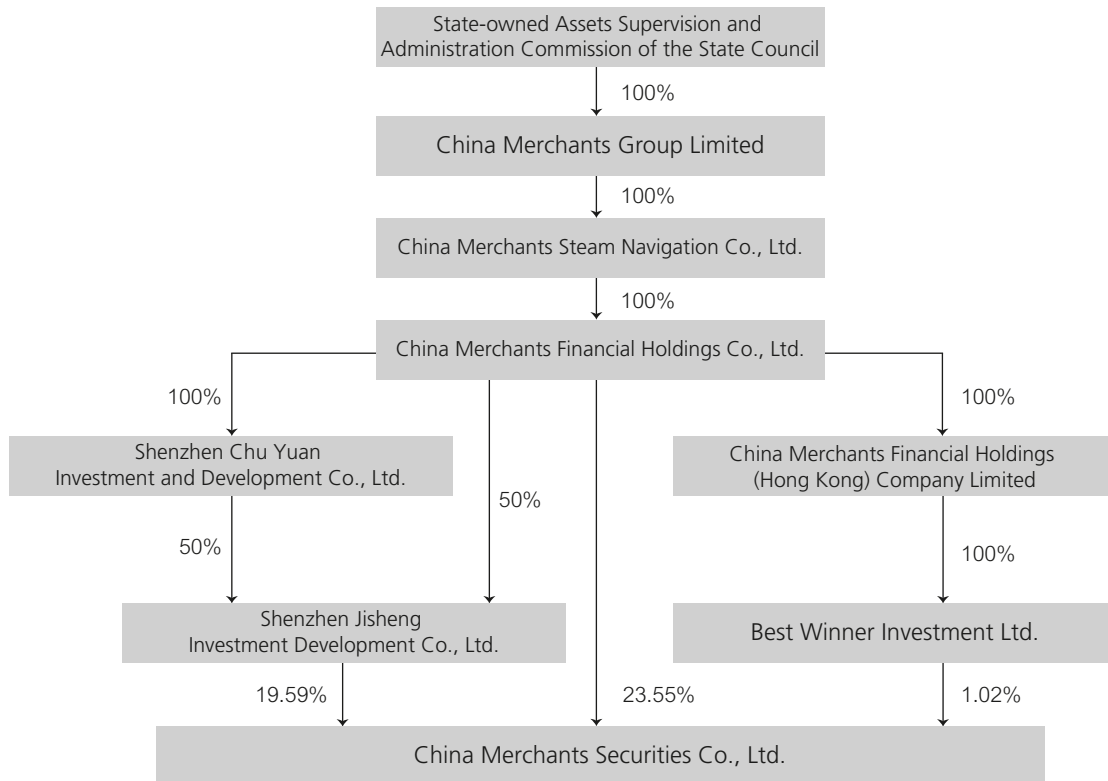
As of the end of the Reporting Period, the major listed companies in which China Merchants Group directly or indirectly held shares were as follows:

held 74.35% interests in China Merchants Land Limited;
 held 72.15% interests in China Merchants Port Holdings Company Limited;
 held 69.47% interests in Liaoning Port Co., Ltd.;
 held 68.72% interests in China Merchants Expressway Network & Technology Holdings Co., Ltd.;
 held 62.96% interests in China Merchants Port Group Co., Ltd.;
 held 59.20% interests in Sinotrans Limited;
 held 58.47% interests in China Merchants Shekou Industrial Zone Holdings Co., Ltd.;
 held 54.02% interests in China Merchants Energy Shipping Co., Ltd.;
 held 51.16% 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 29.97% interests in China Merchants Bank Co., Ltd.;
 held 29.94% interests in Anhui Expressway Company Limited;
 held 28.05% interests in Shanghai International Port (Group) Co., Ltd.;
 held 29.50% interests in Nanjing Tanker Corporation;
 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.;

Chapter 7: Changes in Shares and Shareholders

	<p>held 19.08% interests in Jinzhou Port Co., Ltd.;</p> <p>held 17.75% interests in Fujian Expressway Development Co., Ltd.;</p> <p>held 16.52% interests in Heilongjiang Transport Development Co., Ltd.;</p> <p>held 16.32% interests in Hubei Chutian Smart Communication Co., Ltd.;</p> <p>held 16.15% interests in Shandong Hi-Speed Company Limited;</p> <p>held 15.43% interests in Henan Zhongyuan Expressway Co., Ltd.;</p> <p>held 14.04% interests in Jilin Expressway Co., Ltd.;</p> <p>held 13.86% interests in Guangxi Wuzhou Communications Co., Ltd.;</p> <p>held 12.36% interests in China Great Wall Securities Co., Ltd.;</p> <p>held 11.69% interests in Jiangsu Expressway Company Limited;</p> <p>held 11.66% interests in SHELF DRILLING, LTD.;</p> <p>held 9.59% interests in Shanxi Hi-speed Group Co., Ltd. (山西高速集團股份有限公司);</p> <p>held 8.70% interests in Qilu Expressway Company Limited;</p> <p>held 8.12% interests in Shenzhen Expressway Corporation Limited;</p> <p>held 8.04% interests in Xiandai Investment Co., Ltd.;</p> <p>held 6.83% interests in Antong Holdings Co., Ltd.;</p> <p>held 6.07% interests in Zhejiang Expressway Co., Ltd.;</p> <p>held 5.54% interests in Pangang Group Vanadium & Titanium Resources Co., Ltd.;</p> <p>held 3.88% interests in S.F. Holding Co., Ltd.;</p> <p>held 2.81% interests in International Business Settlement Holdings Limited;</p> <p>held 2.36% interests in Qingdao Port International Co., Ltd.</p>
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.

Chapter 7: Changes in Shares and Shareholders

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

Unit: 10,000 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 8

Relevant Information of Bonds

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

(I) Corporate bonds

1. 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, 2025	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors (if any)	Trading mechanism	Whether there is any risk of termination of listing and trading
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)	14 China Merchants Bonds (14招商債)	122374.SH	May 26, 2015	May 26, 2015	-	May 26, 2025	55	5.08	Payment of interest annually, and payment of principal upon expiry	SSE	Everbright Securities	Everbright Securities	Offering to investors	Matching, click-to-trade, quote request, auction and negotiation	No
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)(品種二))	21 China Merchants Securities 10 (21招證10)	188568.SH	August 11, 2021	August 12, 2021	-	August 12, 2026	20	3.41	Payment of interest annually, and 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

Chapter 8: Relevant Information of Bonds

Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2025	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors (if any)	Trading mechanism	Whether there is any risk of termination of listing and trading
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	3.70	Payment of interest annually, and payment of principal 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	22 China Merchants Securities Y1 (22招證Y1)	185584.SH	March 23, 2022	March 24, 2022	-	-	43	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	22 China Merchants Securities Y2 (22招證Y2)	185697.SH	April 18, 2022	April 19, 2022	-	-	47	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	22 China Merchants Securities Y3 (22招證Y3)	185739.SH	April 25, 2022	April 26, 2022	-	-	40	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	22 China Merchants Securities Y4 (22招證Y4)	185831.SH	June 7, 2022	June 8, 2022	-	-	20	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, 2025	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors (if any)	Trading mechanism	Whether there is any risk of termination of listing and trading
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))	22 China Merchants Securities G2 (22招證G2)	185393.SH	July 25, 2022	July 26, 2022	-	July 26, 2025	40	2.70	Payment of interest annually, and 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 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))	22 China Merchants Securities G4 (22招證G4)	137654.SH	August 10, 2022	August 11, 2022	-	August 11, 2025	50	2.59	Payment of interest annually, and 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 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))	23 China Merchants Securities C1 (23招證C1)	138979.SH	February 27, 2023	March 1, 2023	-	September 11, 2025	14	3.45	Payment of interest annually, and payment of principal 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 (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))	23 China Merchants Securities C2 (23招證C2)	138980.SH	February 27, 2023	March 1, 2023	-	March 1, 2026	8	3.55	Payment of interest annually, and payment of principal 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 (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))	23 China Merchants Securities C4 (23招證C4)	115087.SH	March 16, 2023	March 17, 2023	-	March 17, 2026	17	3.40	Payment of interest annually, and payment of principal upon expiry	SSE	Ping An Securities	Ping An Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No

Chapter 8: Relevant Information of Bonds

Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2025	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors (if any)	Trading mechanism	Whether there is any risk of termination of listing and trading
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))	23 China Merchants Securities G1 (23招證G1)	115251.SH	April 14, 2023	April 17, 2023	-	April 17, 2025	40	2.89	Payment of interest annually, and 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 (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	3.03	Payment of interest annually, and 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 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	3.30	Payment of interest annually, and payment of principal 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	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	3.17	Payment of interest annually, and 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

Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2025	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors (if any)	Trading mechanism	Whether there is any risk of termination of listing and trading
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	3.13	Payment of interest annually, and payment of principal 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	3.39	Payment of interest annually, and payment of principal 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 (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))	23 China Merchants Securities G5 (23招證G5)	115647.SH	July 12, 2023	July 13, 2023	-	July 13, 2025	16	2.58	Payment of interest annually, and payment of principal 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 (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	2.72	Payment of interest annually, and payment of principal 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	2.70	Payment of interest annually, and payment of principal 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

Chapter 8: Relevant Information of Bonds

Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2025	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors (if any)	Trading mechanism	Whether there is any risk of termination of listing and trading
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	2.74	Payment of interest annually, and payment of principal 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 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	3.20	Payment of interest annually, and payment of principal 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))	23 China Merchants Securities C10 (23招證C10)	240166.SH	October 27, 2023	October 30, 2023	-	October 30, 2028	15	3.45	Payment of interest annually, and payment of principal 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 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	2.88	Payment of interest annually, and payment of principal 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 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))	23 China Merchants Securities 12 (23招證12)	240423.SH	December 18, 2023	December 19, 2023	-	June 19, 2025	25	2.80	Payment of interest annually, and payment of principal 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, 2025	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors (if any)	Trading mechanism	Whether there is any risk of termination of listing and trading
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))	23 China Merchants Securities 13 (23招證13)	240424.SH	December 18, 2023	December 19, 2023	-	December 19, 2025	20	2.81	Payment of interest annually, and payment of principal 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	2.74	Payment of interest annually, and payment of principal 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	2.64	Payment of interest annually, and payment of principal 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 (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	2.77	Payment of interest annually, and payment of principal 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	2.55	Payment of interest annually, and payment of principal 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

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Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2025	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors (if any)	Trading mechanism	Whether there is any risk of termination of listing and trading
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))	24 China Merchants Securities S14 (24招證S14)	241124.SH	June 12, 2024	June 13, 2024	-	April 10, 2025	50	2.05	Payment of principal and interest upon expiry	SSE	GF Securities and CITIC Securities	GF 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	2.32	Payment of interest annually, and payment of principal 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	2.15	Payment of interest annually, and payment of principal 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	2.25	Payment of interest annually, and payment of principal 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 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	2.12	Payment of interest annually	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, 2025	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors (if any)	Trading mechanism	Whether there is any risk of termination of listing and trading
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))	24 China Merchants Securities S23 (24招S23)	241718.SH	October 10, 2024	October 11, 2024	-	June 8, 2025	30	2.19	Payment of principal and interest upon expiry	SSE	GF Securities and CITIC Securities	GF Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
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))	2024 China Merchants Securities S24 (24招S24)	241719.SH	October 10, 2024	October 11, 2024	-	September 7, 2025	17	2.19	Payment of principal and interest upon expiry	SSE	GF Securities and CITIC Securities	GF 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	2.15	Payment of interest annually	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 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))	24 China Merchants Securities S26 (24招S26)	241754.SH	October 23, 2024	October 24, 2024	-	June 22, 2025	26	2.02	Payment of principal and interest upon expiry	SSE	GF Securities and CITIC Securities	GF Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
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))	24 China Merchants Securities S27 (24招S27)	241755.SH	October 23, 2024	October 24, 2024	-	September 21, 2025	25	2.04	Payment of principal and interest upon expiry	SSE	GF Securities and CITIC Securities	GF Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No

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Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2025	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors (if any)	Trading mechanism	Whether there is any risk of termination of listing and trading
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))	24 China Merchants Securities S29 (24招證S29)	241919.SH	November 7, 2024	November 11, 2024	-	May 15, 2025	22	1.92	Payment of principal and interest upon expiry	SSE	GF Securities and CITIC Securities	GF Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No
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))	24 China Merchants Securities S30 (24招證S30)	241920.SH	November 7, 2024	November 11, 2024	-	September 18, 2025	20	1.93	Payment of principal and interest upon expiry	SSE	GF Securities and CITIC Securities	GF 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	2.12	Payment of interest annually	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	2.15	Payment of interest annually	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 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	2.14	Payment of interest annually	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, 2025	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors (if any)	Trading mechanism	Whether there is any risk of termination of listing and trading
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))															
	24 China Merchants Securities F4 (24招證F4)	256933.SH	December 17, 2024	December 18, 2024	-	December 19, 2025	50	1.73	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 2024 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2024年面向專業投資者非公開發行公司債券(第二期)(品種二))															
	24 China Merchants Securities F5 (24招證F5)	256934.SH	December 17, 2024	December 18, 2024	-	January 8, 2026	30	1.73	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 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))															
	25 China Merchants Securities F2 (25招證F2)	257433.SH	February 12, 2025	February 13, 2025	-	November 6, 2025	14	1.85	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 Type Three 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)(品種三))															
	25 China Merchants Securities F3 (25招證F3)	257434.SH	February 12, 2025	February 13, 2025	-	February 5, 2026	43	1.85	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 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))															
	25 China Merchants Securities S1 (25招證S1)	242574.SH	March 10, 2025	March 11, 2025	-	August 14, 2025	14	2.08	Payment of principal and interest upon expiry	SSE	Huatai United Securities, Guotai Junan Securities, Senwan Hongyuan Securities and Ping An Securities	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No

Chapter 8: Relevant Information of Bonds

Name	Abbreviation	Code	Date of issuance	Value date	Latest sell-back date after April 30, 2025	Date of expiry	Remaining balance	Interest rate (%)	Payment of principal and interest	Trading place	Lead underwriter	Trustee	Eligibility of investors (if any)	Trading mechanism	Whether there is any risk of termination of listing and trading
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))	25 China Merchants Securities S2 (25招證S2)	242575.SH	March 10, 2025	March 11, 2025	-	November 13, 2025	34	2.08	Payment of principal and interest upon expiry	SSE	Huatai United Securities, Guotai Junan Securities, Senwan 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 2025 Type Three 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)(品種三))	25 China Merchants Securities S3 (25招證S3)	242579.SH	March 10, 2025	March 11, 2025	-	March 6, 2026	32	2.06	Payment of principal and interest upon expiry	SSE	Huatai United Securities, Guotai Junan Securities, Senwan Hongyuan Securities and Ping An Securities	Huatai United Securities	Offering to professional institutional investors	Matching, click-to-trade, quote request, auction and negotiation	No

Notes:

- For perpetual subordinated bonds, the issuer shall have the right of redemption, and (when specific conditions are met) the option of redemption and the option of deferring payment of interest. 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 of the perpetual subordinated bonds is determined through bookkeeping and filing, and shall remain unchanged during the first five interest-bearing years. Since the sixth interest-bearing year, the coupon rate shall be re-determined every five years. The coupon rate re-determined every five years is the benchmark interest rate for the relevant period plus the initial spread plus 300 basis points. The initial spread is the difference between the coupon rate and the initial benchmark interest rate in the first five interest-bearing years.

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 interest in a timely manner
The 2021 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2021年公司債券(第一期)(品種二))	Full payment of principal in a timely manner
The 2021 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2021年面向專業投資者公開發行次級債券(第一期))	Full payment of principal in a timely manner
The 2021 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2021年公司債券(第二期))	Full payment of principal in a timely manner
The 2023 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2023年面向專業投資者公開發行短期公司債券(第五期))	Full payment of principal in a timely manner
The 2023 Type One 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2023年面向專業投資者公開發行短期公司債券(第九期)(品種一))	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 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 2021 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2021年面向專業投資者公開發行次級債券(第二期))	Full payment of principal in a timely manner
The 2023 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 interest 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 2023 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2023年面向專業投資者公開發行短期公司債券(第六期)(品種一))	Full payment of principal in a timely manner

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Name	Payment of interest and principal
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 2021 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2021年面向專業投資者公開發行次級債券(第三期))	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 interest 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 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
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 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 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 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2023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 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 2023 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2023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 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

Name	Payment of interest and principal
The 2023 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2023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 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 interest in a timely manner
The 2024 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2024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
The 2024 Type One 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2024年面向專業投資者公開發行短期公司債券(第二期)(品種一))	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 2021 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面向專業投資者公開發行2021年公司債券(第四期)(品種二))	Full payment of principal in a timely manner
The 2023 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2023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 2024 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2024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 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2024年面向專業投資者公開發行短期公司債券(第四期)(品種一))	Full payment of principal in a timely manner
The 2021 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2021年公司債券(第三期)(品種二))	Full payment of principal 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 interest 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

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Name	Payment of interest and principal
The 2023 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2023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 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 interest in a timely manner
The 2024 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2024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 2024 Type One 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2024年面向專業投資者公開發行短期公司債券(第五期)(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 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 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 2021 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面向專業投資者公開發行2021年公司債券(第五期)(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 2024 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2024年面向專業投資者公開發行短期公司債券(第四期)(品種二))	Full payment of principal in a timely manner
The 2024 Type Two 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2024年面向專業投資者公開發行短期公司債券(第三期)(品種二))	Full payment of principal in a timely manner
The 2024 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2024年面向專業投資者公開發行短期公司債券(第六期)(品種一))	Full payment of principal in a timely manner
The 2023 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2023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 2024 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2024年面向專業投資者公開發行短期公司債券(第五期)(品種二))	Full payment of principal in a timely manner
The 2024 Type One 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)(品種一))	Full payment of principal in a timely manner
The 2024 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2024年面向專業投資者公開發行短期公司債券(第六期)(品種二))	Full payment of principal 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 2021 Type One 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)(品種一))	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 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 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)(品種一))	Full payment of principal 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 interest 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 interest in a timely manner

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2. *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) and (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. The Company held the 2022 annual general meeting on June 30, 2023, and considered and approved the Resolution on the Profit Distribution Plan of the Company for 2022 at the meeting, and paid A Share and H Share cash dividend on July 25, 2023 and August 4, 2023, respectively, which is a mandatory interest payment. The option of deferring payment of interest was not triggered during the Reporting Period. The Company has fully paid the interest of the bonds for the relevant period.

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 2024, the Company's own cash and bank balances amounted to RMB19.192 billion, and the unrestricted cash and bank balances amounted to RMB18.443 billion, which met the undertaken amount.

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

Name of intermediary	Office address	Name of signing accountant	Contact person	Contact number
Everbright Securities Co., Ltd.	51/F, Tower One, 1266 West Nanjing Road, Jing'an District, Shanghai	–	WANG Yicong (王一聰), GU Yijun (顧藝珺), ZHOU Chengying (周程穎)	021-52523039; 021-52523176; 021-52523279
CITIC Securities Company Limited	North Tower, Excellence Times Plaza II, 8 Zhongxin San Road, Futian District, Shenzhen, Guangdong Province	–	WANG Chuanzheng (王傳正), YANG Yichen (楊伊晨)	010-60833046
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), LIU Haowen (劉浩文)	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 Xiyong 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

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Name of intermediary	Office address	Name of signing accountant	Contact person	Contact number
Guotai Junan Securities Co., Ltd.	33/F, Bohua Plaza, No. 669 Xinzha Road, Jing'an District, Shanghai	–	WU Yiqing (吳怡青), LIU Siyu (劉思語), PU Tianhao (浦天皓), MA Jingyi (馬靜怡)	021-38676666
Shenwan Hongyuan Securities Co., Ltd.	Tower B, Hengao Center, No. 19 Taipingqiao Street, Xicheng District, Beijing	–	PENG Dai (彭戴), WANG Xueliang (王學良), RONG Heng (榮恆)	010-88085367
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
Jia Yuan Law Offices	F408, Ocean Building, 158 Fuxingmennei Street, Xicheng District, Beijing	–	SU Dunyuan (蘇敦淵), WANG Hao (王浩)	0755-82789766
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), ZHOU Hanlin (周瀚林)	HONG Ruiming (洪銳明)	020-28311202
Shanghai Brilliance Credit Rating & Investors Service Co., Ltd.	13/F, Huasheng Building, 398 Hankou Road, Shanghai	–	WANG Junying (王雋穎), WANG Chunmiao (王春苗)	021-63501349
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

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

Current status	Execution	Whether there is any change	Status before change	Reason for the change	Whether the change has been approved by the competent authority	Impact of the change on the rights and interests of bond investors
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.	No	N/A	N/A	N/A	N/A

Chapter 8: Relevant Information of Bonds

(II) Proceeds from Corporate Bonds

1. General 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
122374.SH	14 China Merchants Bonds (14招商債)	No	—	55.00	0.00	0.00
188568.SH	21 China Merchants Securities 10 (21招證10)	No	—	20.00	0.00	0.00
188998.SH	21 China Merchants Securities C8 (21招證C8)	No	—	10.00	0.00	0.00
185286.SH	22 China Merchants Securities G1 (22招證G1)	No	—	50.00	0.00	0.00
185393.SH	22 China Merchants Securities G2 (22招證G2)	No	—	40.00	0.00	0.00
137653.SH	22 China Merchants Securities G3 (22招證G3)	No	—	30.00	0.00	0.00
137654.SH	22 China Merchants Securities G4 (22招證G4)	No	—	50.00	0.00	0.00

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
185584.SH	22 China Merchants Securities Y1 (22招證Y1)	No	—	43.00	0.00	0.00
185697.SH	22 China Merchants Securities Y2 (22招證Y2)	No	—	47.00	0.00	0.00
185739.SH	22 China Merchants Securities Y3 (22招證Y3)	No	—	40.00	0.00	0.00
185831.SH	22 China Merchants Securities Y4 (22招證Y4)	No	—	20.00	0.00	0.00
115251.SH	23 China Merchants Securities G1 (23招證G1)	No	—	40.00	0.00	0.00
115252.SH	23 China Merchants Securities G2 (23招證G2)	No	—	40.00	0.00	0.00
115314.SH	23 China Merchants Securities G3 (23招證G3)	No	—	28.00	0.00	0.00
115315.SH	23 China Merchants Securities G4 (23招證G4)	No	—	22.00	0.00	0.00
115647.SH	23 China Merchants Securities G5 (23招證G5)	No	—	16.00	0.00	0.00

Chapter 8: Relevant Information of Bonds

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
115648.SH	23 China Merchants Securities G6 (23招證G6)	No	—	34.00	0.00	0.00
115703.SH	23 China Merchants Securities G8 (23招證G8)	No	—	35.00	0.00	0.00
115790.SH	23 China Merchants Securities 10 (23招證10)	No	—	40.00	0.00	0.00
240335.SH	23 China Merchants Securities 11 (23招證11)	No	—	30.00	0.00	0.00
240423.SH	23 China Merchants Securities 12 (23招證12)	No	—	25.00	0.00	0.00
240424.SH	23 China Merchants Securities 13 (23招證13)	No	—	20.00	0.00	0.00
138979.SH	23 China Merchants Securities C1 (23招證C1)	No	—	14.00	0.00	0.00
138980.SH	23 China Merchants Securities C2 (23招證C2)	No	—	8.00	0.00	0.00
115086.SH	23 China Merchants Securities C3 (23招證C3)	No	—	15.00	0.00	0.00

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
115087.SH	23 China Merchants Securities C4 (23招證C4)	No	–	17.00	0.00	0.00
115286.SH	23 China Merchants Securities C6 (23招證C6)	No	–	33.00	0.00	0.00
115379.SH	23 China Merchants Securities C7 (23招證C7)	No	–	10.00	0.00	0.00
115380.SH	23 China Merchants Securities C8 (23招證C8)	No	–	10.00	0.00	0.00
240165.SH	23 China Merchants Securities C9 (23招證C9)	No	–	20.00	0.00	0.00
240166.SH	23 China Merchants Securities C10 (23招證C10)	No	–	15.00	0.00	0.00
240506.SH	24 China Merchants Securities G1 (24招證G1)	No	–	30.00	0.00	0.00
241189.SH	24 China Merchants Securities G2 (24招證G2)	No	–	10.00	0.00	0.00

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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
241190.SH	24 China Merchants Securities G3 (24招證G3)	No	—	60.00	0.00	0.00
241759.SH	24 China Merchants Securities G4 (24招證G4)	No	—	20.00	0.00	0.00
240739.SH	24 China Merchants Securities C1 (24招證C1)	No	—	9.00	0.00	0.00
240740.SH	24 China Merchants Securities C2 (24招證C2)	No	—	17.00	0.00	0.00
240922.SH	24 China Merchants Securities C4 (24招證C4)	No	—	20.00	0.00	0.00
241180.SH	24 China Merchants Securities C6 (24招證C6)	No	—	20.00	0.00	0.00
241412.SH	24 China Merchants Securities C8 (24招證C8)	No	—	30.00	0.00	0.00
240609.SH	24 China Merchants Securities S1 (24招證S1)	Yes	Short-term corporate bonds	20.00	0.00	0.00
240753.SH	24 China Merchants Securities S3 (24招證S3)	Yes	Short-term corporate bonds	57.00	0.00	0.00

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
240754.SH	24 China Merchants Securities S4 (24招證S4)	Yes	Short-term corporate bonds	20.00	0.00	0.00
240822.SH	24 China Merchants Securities S5 (24招證S5)	Yes	Short-term corporate bonds	20.00	0.00	0.00
240823.SH	24 China Merchants Securities S6 (24招證S6)	Yes	Short-term corporate bonds	20.00	0.00	0.00
240933.SH	24 China Merchants Securities S7 (24招證S7)	Yes	Short-term corporate bonds	21.00	0.00	0.00
240934.SH	24 China Merchants Securities S8 (24招證S8)	Yes	Short-term corporate bonds	18.00	0.00	0.00
241003.SH	24 China Merchants Securities S9 (24招證S9)	Yes	Short-term corporate bonds	56.00	0.00	0.00
241004.SH	24 China Merchants Securities S10 (24招證S10)	Yes	Short-term corporate bonds	22.00	0.00	0.00
241078.SH	24 China Merchants Securities S11 (24招證S11)	Yes	Short-term corporate bonds	55.00	0.00	0.00
241079.SH	24 China Merchants Securities S12 (24招證S12)	Yes	Short-term corporate bonds	30.00	0.00	0.00

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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
241123.SH	24 China Merchants Securities S13 (24招S13)	Yes	Short-term corporate bonds	10.00	0.00	0.00
241124.SH	24 China Merchants Securities S14 (24招S14)	Yes	Short-term corporate bonds	50.00	0.00	0.00
241203.SH	24 China Merchants Securities S15 (24招S15)	Yes	Short-term corporate bonds	10.00	0.00	0.00
241204.SH	24 China Merchants Securities S16 (24招S16)	Yes	Short-term corporate bonds	10.00	0.00	0.00
241383.SH	24 China Merchants Securities S17 (24招S17)	Yes	Short-term corporate bonds	10.00	0.00	0.00
241384.SH	24 China Merchants Securities S18 (24招S18)	Yes	Short-term corporate bonds	20.00	0.00	0.00
241613.SH	24 China Merchants Securities S19 (24招S19)	Yes	Short-term corporate bonds	20.00	0.00	0.00
241614.SH	24 China Merchants Securities S20 (24招S20)	Yes	Short-term corporate bonds	10.00	0.00	0.00

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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
241717.SH	24 China Merchants Securities S22 (24招S22)	Yes	Short-term corporate bonds	31.00	0.00	0.00
241718.SH	24 China Merchants Securities S23 (24招S23)	Yes	Short-term corporate bonds	30.00	0.00	0.00
241719.SH	24 China Merchants Securities S24 (24招S24)	Yes	Short-term corporate bonds	17.00	0.00	0.00
241753.SH	24 China Merchants Securities S25 (24招S25)	Yes	Short-term corporate bonds	49.00	0.00	0.00
241754.SH	24 China Merchants Securities S26 (24招S26)	Yes	Short-term corporate bonds	26.00	0.00	0.00
241755.SH	24 China Merchants Securities S27 (24招S27)	Yes	Short-term corporate bonds	25.00	0.00	0.00
241918.SH	24 China Merchants Securities S28 (24招S28)	Yes	Short-term corporate bonds	40.00	0.00	0.00
241919.SH	24 China Merchants Securities S29 (24招S29)	Yes	Short-term corporate bonds	22.00	0.00	0.00

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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
241920.SH	24 China Merchants Securities S30 (24招S30)	Yes	Short-term corporate bonds	20.00	0.00	0.00
256614.SH	24 China Merchants Securities F1 (24招證F1)	No	—	10.00	0.00	0.00
256615.SH	24 China Merchants Securities F2 (24招證F2)	No	—	25.00	0.00	0.00
256616.SH	24 China Merchants Securities F3 (24招證F3)	No	—	25.00	0.00	0.00
256933.SH	24 China Merchants Securities F4 (24招證F4)	No	—	50.00	0.00	0.00
256934.SH	24 China Merchants Securities F5 (24招證F5)	No	—	30.00	0.00	0.00

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	Other purposes and the amount involved
122374.SH	14 China Merchants Bonds (14招商債)	55.00	-	-	Supplementing the working capital of the Company of RMB5.5 billion	N/A	N/A
188568.SH	21 China Merchants Securities 10 (21招證10)	20.00	-	-	Supplementing the working capital of the Company of RMB2 billion	N/A	N/A
188998.SH	21 China Merchants Securities C8 (21招證C8)	10.00	-	Replacement of 18 China Merchants G8 with a principal amount of RMB1 billion	-	N/A	N/A
185286.SH	22 China Merchants Securities G1 (22招證G1)	50.00	-	Replacement of 18 China Merchants Securities F10 with a principal amount of RMB1.1 billion, and replacement of 21 China Merchants Securities S1 with a principal amount of RMB3.9 billion	-	N/A	N/A
185393.SH	22 China Merchants Securities G2 (22招證G2)	40.00	-	Replacement of 19 China Merchants F6 with a principal amount of RMB4 billion	-	N/A	N/A

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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	Other purposes and the amount involved
137653.SH	22 China Merchants Securities G3 (22招證G3)	30.00	–	Replacement of 20 China Merchants F7 with a principal amount of RMB3 billion	–	N/A	N/A
137654.SH	22 China Merchants Securities G4 (22招證G4)	50.00	–	Replacement of 20 China Merchants F7 with a principal amount of RMB1 billion, repayment of 20 China Merchants Securities G4 with a principal amount of RMB0.5 billion, repayment of 21 China Merchants Securities F1 with a principal amount of RMB2.5 billion, and repayment of 22 China Merchants Securities S1 with a principal amount of RMB1 billion	–	N/A	N/A
185584.SH	22 China Merchants Securities Y1 (22招證Y1)	43.00	–	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	–	N/A	N/A

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	Other purposes and the amount involved
185697.SH	22 China Merchants Securities Y2 (22招證Y2)	47.00	–	Replacement of 17 China Merchants Y2 with a principal amount of RMB4.7 billion	–	N/A	N/A
185739.SH	22 China Merchants Securities Y3 (22招證Y3)	40.00	–	Repayment of 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	–	N/A	N/A
185831.SH	22 China Merchants Securities Y4 (22招證Y4)	20.00	–	Repayment of 17 China Merchants Y4 with a principal amount of RMB2 billion	–	N/A	N/A
115251.SH	23 China Merchants Securities G1 (23招證G1)	40.00	–	–	Supplementing the working capital of the Company of RMB4 billion	N/A	N/A
115252.SH	23 China Merchants Securities G2 (23招證G2)	40.00	–	–	Supplementing the working capital of the Company of RMB4 billion	N/A	N/A
115314.SH	23 China Merchants Securities G3 (23招證G3)	28.00	–	–	Supplementing the working capital of the Company of RMB2.8 billion	N/A	N/A

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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	Other purposes and the amount involved
115315.SH	23 China Merchants Securities G4 (23招證G4)	22.00	–	–	Supplementing the working capital of the Company of RMB2.2 billion	N/A	N/A
115647.SH	23 China Merchants Securities G5 (23招證G5)	16.00	–	Replacement of 20 China Merchants Securities C1 with a principal amount of RMB1.6 billion	–	N/A	N/A
115648.SH	23 China Merchants Securities G6 (23招證G6)	34.00	–	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	–	N/A	N/A
115703.SH	23 China Merchants Securities G8 (23招證G8)	35.00	–	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 billion	–	N/A	N/A

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	Other purposes and the amount involved
115790.SH	23 China Merchants Securities 10 (23招證10)	40.00	–	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	–	N/A	N/A
240335.SH	23 China Merchants Securities 11 (23招證11)	30.00	–	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, and replacement of 23 China Merchants Securities S7 with a principal amount of RMB0.5 billion	–	N/A	N/A
240423.SH	23 China Merchants Securities 12 (23招證12)	25.00	–	–	Supplementing the working capital of the Company of RMB2.5 billion	N/A	N/A
240424.SH	23 China Merchants Securities 13 (23招證13)	20.00	–	–	Supplementing the working capital of the Company of RMB2 billion	N/A	N/A

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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	Other purposes and the amount involved
138979.SH	23 China Merchants Securities C1 (23招證C1)	14.00	–	Replacement of 22 China Merchants Securities S2 with a principal amount of RMB1.4 billion	–	N/A	N/A
138980.SH	23 China Merchants Securities C2 (23招證C2)	8.00	–	Replacement of 22 China Merchants Securities S4 with a principal amount of RMB0.8 billion	–	N/A	N/A
115086.SH	23 China Merchants Securities C3 (23招證C3)	15.00	–	Replacement of 21 China Merchants Securities G1 with a principal amount of RMB1.5 billion	–	N/A	N/A
115087.SH	23 China Merchants Securities C4 (23招證C4)	17.00	–	Replacement of 12 China Merchants Securities 03 with a principal amount of RMB1.7 billion	–	N/A	N/A
115286.SH	23 China Merchants Securities C6 (23招證C6)	33.00	–	Replacement of 12 China Merchants Securities 03 with a principal amount of RMB3.3 billion	–	N/A	N/A
115379.SH	23 China Merchants Securities C7 (23招證C7)	10.00	–	Replacement of 12 China Merchants Securities 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	–	N/A	N/A

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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	Other purposes and the amount involved
115380.SH	23 China Merchants Securities C8 (23招證C8)	10.00	–	Repayment of 20 China Merchants Securities C1 with a principal amount of RMB1 billion	–	N/A	N/A
240165.SH	23 China Merchants Securities C9 (23招證C9)	20.00	–	Replacement of 21 China Merchants Securities G6 with a principal amount of RMB2 billion	–	N/A	N/A
240166.SH	23 China Merchants Securities C10 (23招證C10)	15.00	–	Replacement of 23 China Merchants Securities S7 with a principal amount of RMB1.5 billion	–	N/A	N/A
240506.SH	24 China Merchants Securities G1 (24招證G1)	30.00	–	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	–	N/A	N/A
241189.SH	24 China Merchants Securities G2 (24招證G2)	10.00	–	Replacement of 23 China Merchants Securities S14 with a principal amount of RMB1 billion	–	N/A	N/A
241190.SH	24 China Merchants Securities G3 (24招證G3)	60.00	–	Replacement of 23 China Merchants Securities S14 with a principal amount of RMB0.5 billion	Supplementing the working capital of the Company of RMB5.5 billion	N/A	N/A

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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	Other purposes and the amount involved
241759.SH	24 China Merchants Securities G4 (24招證G4)	20.00	–	Replacement of 21 China Merchants Securities G9 with a principal amount of RMB2 billion	–	N/A	N/A
240609.SH	24 China Merchants Securities S1 (24招證S1)	20.00	–	Replacement of 21 China Merchants Securities G2 with a principal amount of RMB2 billion	–	N/A	N/A
240753.SH	24 China Merchants Securities S3 (24招證S3)	57.00	–	Replacement of 21 China Merchants Securities G2 with a principal amount of RMB1.5 billion, and replacement of 21 China Merchants Securities C1 with a principal amount of RMB2.5 billion	Supplementing the working capital of the Company of RMB1.7 billion	N/A	N/A
240754.SH	24 China Merchants Securities S4 (24招證S4)	20.00	–	–	Supplementing the working capital of the Company of RMB2 billion	N/A	N/A
240822.SH	24 China Merchants Securities S5 (24招證S5)	20.00	–	Replacement of 21 China Merchants Securities C1 with a principal amount of RMB2 billion	–	N/A	N/A

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	Other purposes and the amount involved
240823.SH	24 China Merchants Securities S6 (24招證S6)	20.00	–	Replacement of 21 China Merchants Securities C1 with a principal amount of RMB0.3 billion, replacement of 23 China Merchants Securities S9 with a principal amount of RMB0.3 billion, and replacement of 21 China Merchants Securities G3 with a principal amount of RMB1.4 billion	–	N/A	N/A
240933.SH	24 China Merchants Securities S7 (24招證S7)	21.00	–	Replacement of 23 China Merchants Securities S9 with a principal amount of RMB2.1 billion	–	N/A	N/A
240934.SH	24 China Merchants Securities S8 (24招證S8)	18.00	–	Replacement of 23 China Merchants Securities S17 with a principal amount of RMB1.8 billion	–	N/A	N/A
241003.SH	24 China Merchants Securities S9 (24招證S9)	56.00	–	Replacement of 21 China Merchants Securities C2 with a principal amount of RMB5.6 billion	–	N/A	N/A
241004.SH	24 China Merchants Securities S10 (24招證S10)	22.00	–	Replacement of 23 China Merchants Securities S17 with a principal amount of RMB2.2 billion	–	N/A	N/A

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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	Other purposes and the amount involved
241078.SH	24 China Merchants Securities S11 (24招S11)	55.00	–	Replacement of 21 China Merchants Securities C2 with a principal amount of RMB0.4 billion, replacement of 21 China Merchants Securities C3 with a principal amount of RMB0.6 billion, and replacement of 23 China Merchants Securities S10 with a principal amount of RMB4.5 billion	–	N/A	N/A
241079.SH	24 China Merchants Securities S12 (24招S12)	30.00	–	Replacement of 21 China Merchants Securities C3 with a principal amount of RMB3 billion	–	N/A	N/A
241123.SH	24 China Merchants Securities S13 (24招S13)	10.00	–	Replacement of 21 China Merchants Securities C3 with a principal amount of RMB1 billion	–	N/A	N/A
241124.SH	24 China Merchants Securities S14 (24招S14)	50.00	–	Replacement of 21 China Merchants Securities C3 with a principal amount of RMB1.4 billion, and replacement of 23 China Merchants Securities S13 with a principal amount of RMB3.6 billion	–	N/A	N/A

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	Other purposes and the amount involved
241203.SH	24 China Merchants Securities S15 (24招S15)	10.00	–	Replacement of 23 China Merchants Securities S18 with a principal amount of RMB1 billion	–	N/A	N/A
241204.SH	24 China Merchants Securities S16 (24招S16)	10.00	–	Replacement of 23 China Merchants Securities S18 with a principal amount of RMB1 billion	–	N/A	N/A
241383.SH	24 China Merchants Securities S17 (24招S17)	10.00	–	Replacement of 23 China Merchants Securities S14 with a principal amount of RMB0.1 billion, and replacement of 23 China Merchants Securities S18 with a principal amount of RMB0.9 billion	–	N/A	N/A
241384.SH	24 China Merchants Securities S18 (24招S18)	20.00	–	Replacement of 23 China Merchants Securities S14 with a principal amount of RMB2 billion	–	N/A	N/A
241613.SH	24 China Merchants Securities S19 (24招S19)	20.00	–	Replacement of 23 China Merchants Securities S20 with a principal amount of RMB2 billion	–	N/A	N/A

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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	Other purposes and the amount involved
241614.SH	24 China Merchants Securities S20 (24招S20)	10.00	–	Replacement of 21 China Merchants Securities G7 with a principal amount of RMB0.5 billion, and replacement of 23 China Merchants Securities S20 with a principal amount of RMB0.5 billion	–	N/A	N/A
241717.SH	24 China Merchants Securities S22 (24招S22)	31.00	–	Replacement of 23 China Merchants Securities S15 with a principal amount of RMB1.5 billion, and replacement of 24 China Merchants Securities S9 with a principal amount of RMB1.6 billion	–	N/A	N/A
241718.SH	24 China Merchants Securities S23 (24招S23)	30.00	–	Replacement of 24 China Merchants Securities S9 with a principal amount of RMB1 billion, and replacement of 24 China Merchants Securities S4 with a principal amount of RMB2 billion	–	N/A	N/A
241719.SH	24 China Merchants Securities S24 (24招S24)	17.00	–	Replacement of 24 China Merchants Securities S9 with a principal amount of RMB1.7 billion	–	N/A	N/A

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	Other purposes and the amount involved
241753.SH	24 China Merchants Securities S25 (24招S25)	49.00	–	Replacement of 24 China Merchants Securities S9 with a principal amount of RMB1.3 billion, and replacement of 21 China Merchants Securities G9 with a principal amount of RMB1.7 billion	Supplementing the working capital of the Company of RMB1.9 billion	N/A	N/A
241754.SH	24 China Merchants Securities S26 (24招S26)	26.00	–	–	Supplementing the working capital of the Company of RMB2.6 billion	N/A	N/A
241755.SH	24 China Merchants Securities S27 (24招S27)	25.00	–	–	Supplementing the working capital of the Company of RMB2.5 billion	N/A	N/A
241918.SH	24 China Merchants Securities S28 (24招S28)	40.00	–	Replacement of 21 China Merchants Securities G9 with a principal amount of RMB1.3 billion, and replacement of 24 China Merchants Securities S8 with a principal amount of RMB1.7 billion	Supplementing the working capital of the Company of RMB1 billion	N/A	N/A
241919.SH	24 China Merchants Securities S29 (24招S29)	22.00	–	–	Supplementing the working capital of the Company of RMB2.2 billion	N/A	N/A

Chapter 8: Relevant Information of Bonds

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	Other purposes and the amount involved
241920.SH	24 China Merchants Securities S30 (24招S30)	20.00	– –		Supplementing the working capital of the Company of RMB2 billion	N/A	N/A
240739.SH	24 China Merchants Securities C1 (24招證C1)	9.00	–	Replacement of 23 China Merchants Securities S9 with a principal amount of RMB0.9 billion	–	N/A	N/A
240740.SH	24 China Merchants Securities C2 (24招證C2)	17.00	–	Replacement of 23 China Merchants Securities S9 with a principal amount of RMB1.7 billion	–	N/A	N/A
240922.SH	24 China Merchants Securities C4 (24招證C4)	20.00	– –		Supplementing the working capital of the Company of RMB2 billion	N/A	N/A
241180.SH	24 China Merchants Securities C6 (24招證C6)	20.00	–	Replacement of 23 China Merchants Securities S13 with a principal amount of RMB0.9 billion, and replacement of 23 China Merchants Securities S18 with a principal amount of RMB1.1 billion	–	N/A	N/A
241412.SH	24 China Merchants Securities C8 (24招證C8)	30.00	–	Replacement of 24 China Merchants Securities S3 with a principal amount of RMB1.9 billion	Supplementing the working capital of the Company of RMB1.1 billion	N/A	N/A

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	Other purposes and the amount involved
256614.SH	24 China Merchants Securities F1 (24招證F1)	10.00	-	-	Supplementing the working capital of the Company of RMB1 billion	N/A	N/A
256615.SH	24 China Merchants Securities F2 (24招證F2)	25.00	-	Replacement of 24 China Merchants Securities S6 with a principal amount of RMB2 billion	Supplementing the working capital of the Company of RMB0.5 billion	N/A	N/A
256616.SH	24 China Merchants Securities F3 (24招證F3)	25.00	-	-	Supplementing the working capital of the Company of RMB2.5 billion	N/A	N/A
256933.SH	24 China Merchants Securities F4 (24招證F4)	50.00	-	Replacement of 23 China Merchants Securities S21 with a principal amount of RMB1.5 billion	Supplementing the working capital of the Company of RMB3.5 billion	N/A	N/A
256934.SH	24 China Merchants Securities F5 (24招證F5)	30.00	-	-	Supplementing the working capital of the Company of RMB3 billion	N/A	N/A

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3. Compliance in the use of proceeds

Bond code	Bond abbreviation	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
122374.SH	14 China Merchants Bonds (14招商債)	Supplementing the working capital of the Company	Yes	Yes	Yes
188568.SH	21 China Merchants Securities 10 (21招證10)	Supplementing the working capital of the Company	Yes	Yes	Yes
188998.SH	21 China Merchants Securities C8 (21招證C8)	Repaying due corporate bonds	Yes	Yes	Yes
185286.SH	22 China Merchants Securities G1 (22招證G1)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
185393.SH	22 China Merchants Securities G2 (22招證G2)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
137653.SH	22 China Merchants Securities G3 (22招證G3)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
137654.SH	22 China Merchants Securities G4 (22招證G4)	Repaying the principal of due corporate bonds	Yes	Yes	Yes

Bond code	Bond abbreviation	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
185584.SH	22 China Merchants Securities Y1 (22招證Y1)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
185697.SH	22 China Merchants Securities Y2 (22招證Y2)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
185739.SH	22 China Merchants Securities Y3 (22招證Y3)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
185831.SH	22 China Merchants Securities Y4 (22招證Y4)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
115251.SH	23 China Merchants Securities G1 (23招證G1)	Supplementing the working capital of the Company	Yes	Yes	Yes
115252.SH	23 China Merchants Securities G2 (23招證G2)	Supplementing the working capital of the Company	Yes	Yes	Yes
115314.SH	23 China Merchants Securities G3 (23招證G3)	Supplementing the working capital of the Company	Yes	Yes	Yes

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Bond code	Bond abbreviation	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
115315.SH	23 China Merchants Securities G4 (23招證G4)	Supplementing the working capital of the Company	Yes	Yes	Yes
115647.SH	23 China Merchants Securities G5 (23招證G5)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
115648.SH	23 China Merchants Securities G6 (23招證G6)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
115703.SH	23 China Merchants Securities G8 (23招證G8)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
115790.SH	23 China Merchants Securities 10 (23招證10)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
240335.SH	23 China Merchants Securities 11 (23招證11)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
240423.SH	23 China Merchants Securities 12 (23招證12)	Supplementing the working capital of the Company	Yes	Yes	Yes

Bond code	Bond abbreviation	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
240424.SH	23 China Merchants Securities 13 (23招證13)	Supplementing the working capital of the Company	Yes	Yes	Yes
138979.SH	23 China Merchants Securities C1 (23招證C1)	Repaying due corporate bonds	Yes	Yes	Yes
138980.SH	23 China Merchants Securities C2 (23招證C2)	Repaying due corporate bonds	Yes	Yes	Yes
115086.SH	23 China Merchants Securities C3 (23招證C3)	Repaying due corporate bonds	Yes	Yes	Yes
115087.SH	23 China Merchants Securities C4 (23招證C4)	Repaying due corporate bonds	Yes	Yes	Yes
115286.SH	23 China Merchants Securities C6 (23招證C6)	Repaying due corporate bonds	Yes	Yes	Yes
115379.SH	23 China Merchants Securities C7 (23招證C7)	Repaying due corporate bonds	Yes	Yes	Yes

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Bond code	Bond abbreviation	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
115380.SH	23 China Merchants Securities C8 (23招證C8)	Repaying due corporate bonds	Yes	Yes	Yes
240165.SH	23 China Merchants Securities C9 (23招證C9)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
240166.SH	23 China Merchants Securities C10 (23招證C10)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
240506.SH	24 China Merchants Securities G1 (24招證G1)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
241189.SH	24 China Merchants Securities G2 (24招證G2)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
241190.SH	24 China Merchants Securities G3 (24招證G3)	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	Yes

Bond code	Bond abbreviation	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	Yes	Yes	Yes
240739.SH	24 China Merchants Securities C1 (24招證C1)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
240740.SH	24 China Merchants Securities C2 (24招證C2)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
240922.SH	24 China Merchants Securities C4 (24招證C4)	Supplementing the working capital of the Company	Yes	Yes	Yes
241180.SH	24 China Merchants Securities C6 (24招證C6)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
241412.SH	24 China Merchants Securities C8 (24招證C8)	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	Yes
240609.SH	24 China Merchants Securities S1 (24招證S1)	Repaying the principal of due corporate bonds	Yes	Yes	Yes

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Bond code	Bond abbreviation	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
240753.SH	24 China Merchants Securities S3 (24招證S3)	RMB4 billion for repaying the principal of due corporate bonds, and RMB1.7 billion for supplementing the working capital of the Company	Yes	Yes	Yes
240754.SH	24 China Merchants Securities S4 (24招證S4)	Supplementing the working capital of the Company	Yes	Yes	Yes
240822.SH	24 China Merchants Securities S5 (24招證S5)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
240823.SH	24 China Merchants Securities S6 (24招證S6)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
240933.SH	24 China Merchants Securities S7 (24招證S7)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
240934.SH	24 China Merchants Securities S8 (24招證S8)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
241003.SH	24 China Merchants Securities S9 (24招證S9)	Repaying the principal of due corporate bonds	Yes	Yes	Yes

Bond code	Bond abbreviation	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
241004.SH	24 China Merchants Securities S10 (24招S10)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
241078.SH	24 China Merchants Securities S11 (24招S11)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
241079.SH	24 China Merchants Securities S12 (24招S12)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
241123.SH	24 China Merchants Securities S13 (24招S13)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
241124.SH	24 China Merchants Securities S14 (24招S14)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
241203.SH	24 China Merchants Securities S15 (24招S15)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
241204.SH	24 China Merchants Securities S16 (24招S16)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
241383.SH	24 China Merchants Securities S17 (24招S17)	Repaying the principal of due corporate bonds	Yes	Yes	Yes

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Bond code	Bond abbreviation	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
241384.SH	24 China Merchants Securities S18 (24招S18)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
241613.SH	24 China Merchants Securities S19 (24招S19)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
241614.SH	24 China Merchants Securities S20 (24招S20)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
241717.SH	24 China Merchants Securities S22 (24招S22)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
241718.SH	24 China Merchants Securities S23 (24招S23)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
241719.SH	24 China Merchants Securities S24 (24招S24)	Repaying the principal of due corporate bonds	Yes	Yes	Yes
241753.SH	24 China Merchants Securities S25 (24招S25)	RMB3 billion for repaying the principal of due corporate bonds, and RMB1.9 billion for supplementing the working capital of the Company	Yes	Yes	Yes

Bond code	Bond abbreviation	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
241754.SH	24 China Merchants Securities S26 (24招S26)	Supplementing the working capital of the Company	Yes	Yes	Yes
241755.SH	24 China Merchants Securities S27 (24招S27)	Supplementing the working capital of the Company	Yes	Yes	Yes
241918.SH	24 China Merchants Securities S28 (24招S28)	RMB3 billion for repaying the principal of due corporate bonds, and RMB1 billion for supplementing the working capital of the Company	Yes	Yes	Yes
241919.SH	24 China Merchants Securities S29 (24招S29)	Supplementing the working capital of the Company	Yes	Yes	Yes
241920.SH	24 China Merchants Securities S30 (24招S30)	Supplementing the working capital of the Company	Yes	Yes	Yes
256614.SH	24 China Merchants Securities F1 (24招證F1)	Supplementing the working capital of the Company	Yes	Yes	Yes

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Bond code	Bond abbreviation	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
256615.SH	24 China Merchants Securities F2 (24招證F2)	RMB2 billion for repaying the principal of due corporate bonds, and RMB0.5 billion for supplementing the working capital of the Company	Yes	Yes	Yes
256616.SH	24 China Merchants Securities F3 (24招證F3)	Supplementing the working capital of the Company	Yes	Yes	Yes
256933.SH	24 China Merchants Securities F4 (24招證F4)	RMB1.5 billion for repaying the principal of due corporate bonds, and RMB3.5 billion for supplementing the working capital of the Company	Yes	Yes	Yes
256934.SH	24 China Merchants Securities F5 (24招證F5)	Supplementing the working capital of the Company	Yes	Yes	Yes

As at the end of the Reporting Period and up to the date of this report, 25 China Merchants Securities F2, 25 China Merchants Securities F3, 25 China Merchants Securities S1, 25 China Merchants Securities S2 and 25 China Merchants Securities S3 of the Company have also opened special accounts for collecting proceeds under relevant provisions in the prospectus, which operated normally. As of the date of this report, the proceeds from the above bonds have been fully utilized in accordance with the purpose stipulated in the prospectus, and the proceeds have been used in accordance with the purpose, plan and other commitments in the prospectus, and there has been no violation of the use of the proceeds or any change in the use of the proceeds.

(III) Other matters to be disclosed in respect of certain types of bonds**1. The Company is the issuer of renewable corporate bonds**

During the Reporting Period, the relevant information of the Company's perpetual subordinated bonds is as follows:

Unit: 100 Million Yuan Currency: RMB

Bond code	185584.SH	185697.SH	185739.SH	185831.SH
Bond abbreviation	22 China Merchants Securities Y1	22 China Merchants Securities Y2	22 China Merchants Securities Y3	22 China Merchants Securities Y4
Remaining balance	43	47	40	20
Renewal	Nil	Nil	Nil	Nil
Interest step-up	Nil	Nil	Nil	Nil
Interest deferral	The Company has fully paid the interest of the bonds.			
Mandatory interest payment	A mandatory interest payment has occurred within 12 months before the interest payment date: The Company held the 2022 annual general meeting on June 30, 2023, and considered and approved the Resolution on the Profit Distribution Plan of the Company for 2022 at the meeting, and paid the cash dividend of A Shares and H Shares on July 25, 2023 and August 4, 2023, respectively.			
Whether they are still included in equity and corresponding accounting treatment or not	Yes	Yes	Yes	Yes
Other matters	Nil	Nil	Nil	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, 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

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(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 RMB339.989 billion and RMB325.208 billion, respectively, and the balance of the interest-bearing liabilities recorded a year-on-year decrease of 4.35% 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	–	801.99	677.21	1,479.21	45.48
Bank loans	–	–	–	–	–
Non-standard financing	–	229.10	4.72	233.81	7.19
Other interest-bearing liabilities	–	1,539.06	–	1,539.06	47.33
Of which: Placements from banks and other financial institutions	–	99.80	–	99.80	3.07
Financial assets sold under repurchase agreements	–	1,439.27	–	1,439.27	44.26
Total	–	2,570.15	681.93	3,252.08	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, which are classified as equity instruments and are not included in interest-bearing liabilities. For details, please see "Other equity instruments" in "Chapter 10: 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 RMB147.921 billion, the outstanding balance of enterprise bonds was RMB0 billion, the outstanding balance of offshore bonds was RMB0 billion, and a total of RMB50.508 billion of corporate credit bonds will mature or can be sold back in April to December 2025.

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 RMB356.855 billion and RMB346.566 billion, respectively, and the balance of the Company's interest-bearing liabilities recorded a year-on-year decrease of 2.88% 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	–	802.09	687.18	1,489.27	42.97
Bank loans	–	102.76	30.24	133.00	3.84
Non-standard financing	–	229.57	4.72	234.29	6.76
Other interest-bearing liabilities	–	1,609.11	–	1,609.11	46.43
Of which: Placements from banks and other financial institutions	–	99.80	–	99.80	2.88
Financial assets sold under repurchase agreements	–	1,509.31	–	1,509.31	43.55
Total	–	2,743.53	722.14	3,465.66	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, which are classified as equity instruments and are not included in interest-bearing liabilities. For details, please see "Other equity instruments" in "Chapter 10: 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 RMB147.921 billion, the outstanding balance of enterprise bonds was RMB0 billion, the outstanding balance of offshore bonds was RMB1.006 billion, and a total of RMB50.508 billion of corporate credit bonds will mature or can be sold back in April to December 2025.

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 RMB1.006 billion, of which RMB0 billion were offshore bonds due within April to December 2025.

Chapter 8: Relevant Information of Bonds

(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	2024	2023	Year-on-year change (%)
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	103.77	87.32	18.84
Current ratio	1.38	1.41	-1.88
Quick ratio	1.38	1.41	-1.88
Gearing ratio (%)	77.13	78.89	Decreased by 1.76 percentage points
EBITDA/debt ratio	5.04	4.59	9.74
Interest coverage ratio	2.34	2.06	13.49
Cash interest coverage ratio	3.28	2.61	25.88
EBITDA/interest coverage ratio	2.44	2.15	13.68
Loan repayment ratio (%)	100.00	100.00	–
Interest payment ratio (%)	100.00	100.00	–

Note: Gearing ratio = (Total liabilities – Accounts payable to brokerage clients)/(Total assets – Accounts payable to brokerage clients).

Chapter 9

Information Disclosure of a Securities Company

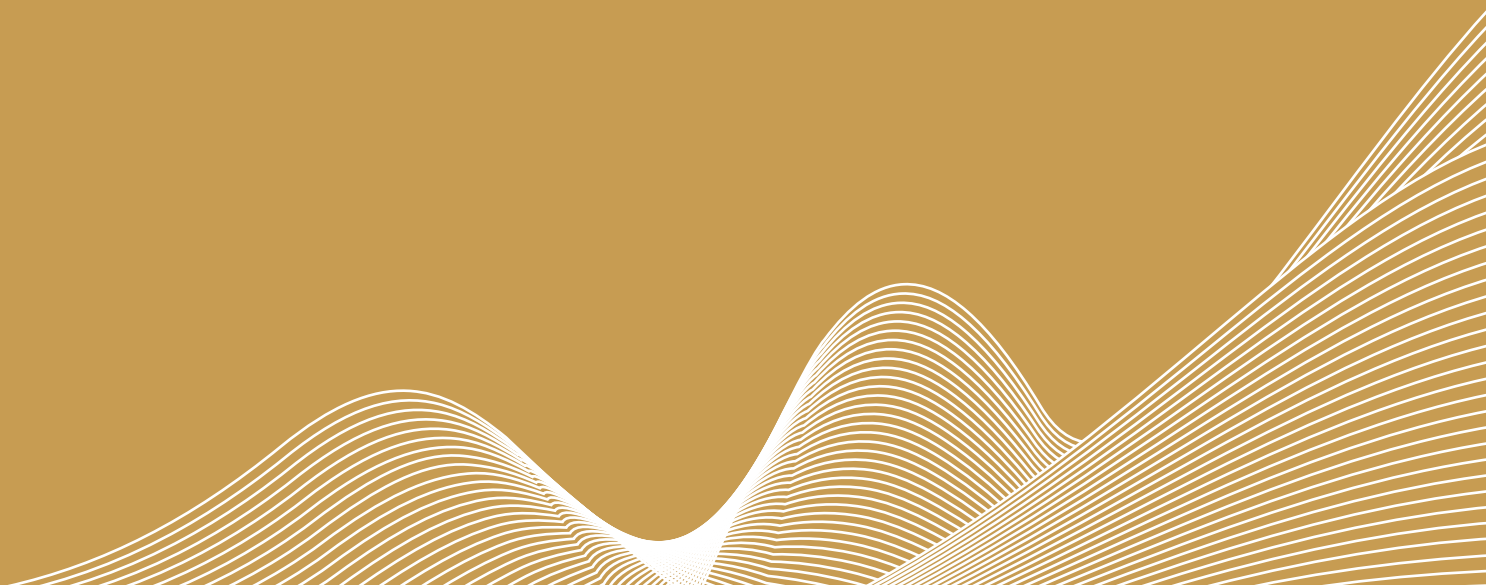
Relevant Information on the Major Administrative Approvals of the Company

No.	Issuing authority	Title	Document No.	Date of announcement
1	CSRC	Approval for the Registration of 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 [2024] No. 923 (證監許可[2024]923號)	June 14, 2024
2	CSRC	Approval for the Registration of Short-term 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短期公司債券註冊的批覆)	Zheng Jian Xu Ke [2024] No. 1963 (證監許可[2024]1963號)	December 31, 2024

04

Financial Report

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Chapter 10: Financial Report

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 336 to 496, which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with 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). 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 the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("**IESBA Code**") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People's Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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	
<i>Refer to Notes 21 and 23 to the consolidated financial statements</i>	<i>Our audit procedures to assess consolidation of structured entities included the following:</i>
<p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> – 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;

Chapter 10: Financial Report (Continued)

Key Audit Matters (continued)

The key audit matter	How the matter was addressed in our audit
Consolidation of structured entities (continued)	
<i>Refer to Notes 21 and 23 to the consolidated financial statements</i>	<i>Our audit procedures to assess consolidation of structured entities included the following:</i>
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.	<ul style="list-style-type: none">– 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	
<i>Refer to Notes 16,26,29,62(2) to the consolidated financial statements</i>	<i>Our audit procedures to assess measurement of loss allowances for Financing Assets included the following:</i>
<p>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.</p> <p>Management judgment is involved in the selection of those parameters and the application of the assumptions.</p> <p>Management exercises significant judgement in determining the quantum of loss allowance, including:</p> <ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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;

Chapter 10: Financial Report (Continued)

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)	
<i>Refer to Notes 16,26,29,62(2) to the consolidated financial statements</i>	<i>Our audit procedures to assess measurement of loss allowances for Financing Assets included the following:</i>
<p>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.</p> <p>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.</p>	<ul style="list-style-type: none">• 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;• 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;

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)	
<i>Refer to Notes 16,26,29,62(2) to the consolidated financial statements</i>	<p><i>Our audit procedures to assess measurement of loss allowances for Financing Assets included the following:</i></p> <ul style="list-style-type: none"> • 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;

Chapter 10: Financial Report (Continued)

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	
<i>Refer to Notes 63(2) to the consolidated financial statements.</i>	<i>Our audit procedures to assess the fair value of Level 3 Financial Instruments included the following:</i>
<p>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.</p> <p>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.</p>	<ul style="list-style-type: none">• 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.

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.

Chapter 10: Financial Report (Continued)

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 group 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, 2025

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, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	Year ended December 31,	
		2024	2023
Fee and commission income	7	10,691,787	10,485,053
Interest income	8	10,019,521	10,975,823
Investment gains or losses, net	9	9,527,453	6,730,073
Other income and gains or losses, net	10	383,521	1,829,489
Total revenue, other income and gains		30,622,282	30,020,438
Depreciation and amortization	11	(864,978)	(766,246)
Staff costs	12	(6,358,749)	(5,828,680)
Fee and commission expenses	13	(2,313,992)	(2,207,597)
Interest expenses	14	(8,885,650)	(9,523,425)
Tax and surcharges		(118,726)	(112,556)
Other operating expenses	15	(2,457,013)	(3,632,884)
Impairment losses under expected credit loss model, net of reversal	16	113,300	(187,815)
Total expenses		(20,885,808)	(22,259,203)
Share of results of associates and joint ventures		1,483,018	1,534,458
Profit before income tax		11,219,492	9,295,693
Income tax expenses	17	(829,521)	(526,606)
Profit for the year		10,389,971	8,769,087
Attributable to:			
Shareholders of the Company		10,385,872	8,763,960
Non-controlling interests		4,099	5,127
		10,389,971	8,769,087
Earnings per share attributable to shareholders of the Company (Expressed in RMB per share)	18		
– Basic and diluted		1.13	0.94

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, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Year ended December 31,	
	2024	2023
Profit for the year	10,389,971	8,769,087
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	472,908	(118,963)
Income tax impact	(89,056)	(33,303)
Sub-total	383,852	(152,266)
Share of other comprehensive income of associates, net of related income tax	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	1,916,506	408,250
Reclassification adjustment to profit or loss	(704,149)	(86,024)
Impairment losses under expected credit loss model, net of reversal	4,144	1,346
Income tax impact	(300,921)	(79,796)
Sub-total	915,580	243,776
Share of other comprehensive income of associates, net of related income tax	48,130	13,272
Exchange differences arising from translation of foreign operations	125,628	83,085
Other comprehensive income for the year (net of tax)	1,473,443	187,867
Total comprehensive income for the year (net of tax)	11,863,414	8,956,954
Attributable to:		
Shareholders of the Company	11,859,315	8,951,827
Non-controlling interests	4,099	5,127
	11,863,414	8,956,954

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

		As at December 31,	
	Notes	2024	2023
Non-current assets			
Property and equipment	19	1,664,813	1,539,591
Right-of-use assets	20	1,198,810	1,545,738
Goodwill		9,671	9,671
Other intangible assets		656,493	344,712
Interests in associates and joint ventures	22	12,706,426	11,751,540
Equity instruments at fair value through other comprehensive income	24	38,980,021	17,697,437
Financial assets held under resale agreements	26	608,187	1,278,800
Financial assets at fair value through profit or loss	32	8,038,679	10,574,027
Deferred tax assets	27	575,628	1,583,773
Other non-current assets	28	350,243	589,190
Total non-current assets		64,788,971	46,914,479
Current assets			
Advances to customers	29	95,572,702	83,666,020
Current tax assets		290,360	507,993
Accounts and other receivables	30	6,431,873	8,936,078
Debt instruments at fair value through other comprehensive income	31	68,351,202	70,798,037
Debt instruments at amortized cost	25	1,380,138	691,493
Financial assets held under resale agreements	26	31,236,933	48,497,394
Financial assets at fair value through profit or loss	32	257,425,043	268,163,690
Derivative financial assets	33	4,647,396	6,679,137
Other current assets		367,434	337,224
Deposits with exchanges and non-bank financial institutions	34	13,113,733	12,947,109
Clearing settlement funds	35	33,232,276	37,691,722
Cash and bank balances	36	144,322,270	110,022,616
Total current assets		656,371,360	648,938,513
Total assets		721,160,331	695,852,992

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of financial position (Continued)

As at December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

		As at December 31,	
	Notes	2024	2023
Current liabilities			
Short-term borrowings	38	9,711,063	6,182,840
Short-term debt instruments	39	57,384,139	57,025,735
Placements from banks and other financial institutions	40	9,979,675	27,061,392
Accounts payables to brokerage clients	41	151,610,717	117,852,233
Accrued staff costs	42	5,413,225	5,525,512
Other payables and accrued charges	43	26,822,690	40,083,641
Current tax liabilities		147,701	50,830
Financial liabilities at fair value through profit or loss	44	52,344,882	43,145,361
Derivative financial liabilities	33	5,219,511	6,938,983
Financial assets sold under repurchase agreements	45	150,931,020	142,684,754
Lease liabilities	46	273,090	344,454
Contract liabilities		33,158	55,486
Provisions		–	677
Long-term borrowings due within one year	51	564,863	185,793
Bonds payables due within one year	53	45,781,740	47,126,528
Total current liabilities		516,217,474	494,264,219
Net current assets		140,153,886	154,674,294
Total assets less current liabilities		204,942,857	201,588,773

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of financial position (Continued)

As at December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

		As at December 31,	
	Notes	2024	2023
Equity			
Share capital	47	8,696,526	8,696,526
Other equity instruments	48	15,000,000	15,000,000
Capital reserves		40,362,974	40,362,974
Investment revaluation reserve of financial assets at fair value through other comprehensive income	49	1,445,336	183,476
Translation reserve		446,769	321,141
General reserves	50	25,881,942	23,903,793
Retained profits		38,345,082	33,493,518
Equity attributable to shareholders of the Company		130,178,629	121,961,428
Non-controlling interests		73,604	75,505
Total equity		130,252,233	122,036,933
Non-current liabilities			
Deferred tax liabilities	27	438,307	558,414
Financial liabilities at fair value through profit or loss	44	1,303,238	1,390,155
Deferred income		101,610	104,452
Lease liabilities	46	633,482	911,064
Long-term borrowings	52	3,024,422	1,721,818
Bonds payables	54	69,189,565	74,865,937
Total non-current liabilities		74,690,624	79,551,840
Total equity and non-current liabilities		204,942,857	201,588,773

The accompanying notes form an integral part of these consolidated financial statements.

The consolidated financial statements on pages 336 to 496 were approved and authorized for issue by the board of directors on 27 March, 2025 and are signed on its behalf by:

HUO Da
Executive Director, Chairman

WU Zongmin
Executive Director, President

Consolidated statement of changes in equity

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Equity attributable to shareholders of the Company									Total
	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	
At January 1, 2023 (Restated)	8,696,526	15,000,000	40,346,871	(180,630)	238,056	22,278,999	28,794,773	115,174,595	82,488	115,257,083
Profit for the year	-	-	-	-	-	-	8,763,960	8,763,960	5,127	8,769,087
Other comprehensive income for the year	-	-	-	104,782	83,085	-	-	187,867	-	187,867
Total comprehensive income for the year	-	-	-	104,782	83,085	-	8,763,960	8,951,827	5,127	8,956,954
Appropriation to general reserves	-	-	-	-	-	1,624,794	(1,624,794)	-	-	-
Distribution to holders of other equity instruments (note 55)	-	-	-	-	-	-	(572,240)	(572,240)	-	(572,240)
Dividends recognized as distribution (note 55)	-	-	-	-	-	-	(1,608,857)	(1,608,857)	(12,110)	(1,620,967)
Transfer to retained profits for cumulative fair value change of FVTOCI upon disposal (note 49)	-	-	-	259,324	-	-	(259,324)	-	-	-
Changes in other capital reserves of associates and joint ventures	-	-	16,103	-	-	-	-	16,103	-	16,103
At December 31, 2023	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

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, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Equity attributable to shareholders of the Company									Total
	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	
At January 1, 2024	8,696,526	15,000,000	40,362,974	183,876	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	-	-	-
Changes in other capital reserves of associates and joint ventures	-	-	-	-	-	-	-	-	-	-
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 cash flows

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Year ended December 31	
	2024	2023
Operating activities		
Profit before income tax	11,219,492	9,295,693
Adjustments for:		
Interest expenses	8,885,650	9,523,425
Share of results of associates and joint ventures	(1,483,018)	(1,534,458)
Depreciation and amortization	864,978	766,246
Impairment losses under expected credit loss model, net of reversal and other impairment losses, net	(113,300)	187,815
Gains on disposal of property and equipment, other intangible assets and other non-current assets, net	(2,345)	(1,087)
Foreign exchange (gains) losses, net	(113,701)	79,679
Gains on disposal of interests in an associate	–	(1,066)
Net realized gains from disposal of financial assets at fair value through other comprehensive income	(704,149)	(86,024)
Net realized losses from derecognition of financial liabilities measured at amortised cost	–	338
Dividend income and interest income from financial assets at fair value through other comprehensive income and debt instruments at amortized cost	(2,970,461)	(1,740,005)
Unrealized fair value changes in financial instruments at fair value through profit or loss	(1,692,653)	(2,749,672)
Unrealized fair value changes in derivative financial instruments	486,824	309,227
Operating cash flows before movements in working capital	14,377,317	14,050,111

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Year ended December 31	
	2024	2023
Operating activities (continued)		
Increase in advances to customers	(12,211,961)	(1,661,631)
Decrease (Increase) in other current assets	3,414,297	(4,020,729)
Decrease (Increase) in financial assets held under resale agreements	17,791,812	(339,195)
Decrease (Increase) in financial instruments/liabilities at fair value through profit or loss, net	24,127,540	(36,700,859)
Increase in deposits with exchanges and non-bank financial institutions	(162,839)	(730,470)
Decrease in pledged and restricted bank deposits	453,024	583,958
Increase in clearing settlement funds	(3,487,342)	(4,653,128)
Increase in cash held on behalf of customers	(28,977,875)	(6,681,687)
Increase in accounts payables to brokerage clients	33,728,815	11,276,704
Decrease in accrued staff costs	(117,220)	(1,035,163)
(Decrease) Increase in other current liabilities	(13,428,587)	12,382,030
Increase in financial assets sold under repurchase agreements	8,197,127	21,894,804
(Decrease) Increase in placements from banks and other financial institutions	(17,069,867)	16,215,921
Net cash from operations	26,634,241	20,580,666
Income taxes paid	(16,317)	(498,424)
Interest paid	(4,356,892)	(4,313,330)
Net cash from operating activities	22,261,032	15,768,912
Investing activities		
Dividends and interest received from investments	3,544,409	2,350,436
Purchases of property and equipment, other intangible assets and other non-current assets	(763,707)	(608,244)
Proceeds from disposals of property and equipment, other intangible assets and other non-current assets	6,493	4,650
Proceeds on disposal of interest in an associate	–	3,097
Net purchase or proceeds from purchases of financial instruments at fair value through other comprehensive income	(17,047,846)	(25,742,154)
Net purchase or proceeds from purchases or disposals of debt instruments at amortized cost	–	(102,641)
Net cash used in investing activities	(14,260,651)	(24,094,856)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Year ended December 31	
	2024	2023
Financing activities		
Dividends paid to shareholders and other equity instruments holders	(3,648,114)	(2,193,207)
Interest payment of bonds and short-term debt instruments	(4,818,832)	(5,630,809)
Interest payment of borrowings	(445,433)	(362,506)
Interest payment of lease liabilities	(33,648)	(38,823)
Repayment of bonds and short-term debt instruments	(154,517,825)	(117,007,789)
Repayment of lease liabilities	(334,297)	(358,159)
Proceeds from bonds and short-term debt instruments	148,406,325	137,081,571
Proceeds from (repayment of) short-term borrowings	3,329,387	(4,509,148)
Proceeds from long-term borrowings	1,704,256	720,144
Net cash (used in) from financing activities	(10,358,181)	7,701,274
Net decrease in cash and cash equivalents	(2,357,800)	(624,670)
Cash and cash equivalents at the beginning of the year	29,781,625	30,226,988
Effect of foreign exchange rate changes	135,237	179,307
Cash and cash equivalents at the end of the year	27,559,062	29,781,625
Interest received included in net cash from operating activities	8,903,224	8,785,583

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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 RMB891,273,800 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 RMB1,702,997,123 A Shares and RMB294,120,354 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, 2024, 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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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's ("CSRC").

The consolidated financial statements are presented in Renminbi ("RMB"), which is the same as functional currency of the Company. All 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, 2024 for the preparation of the consolidated financial statements.

Amendments to IAS 1	Classification of current liabilities and non- current liabilities
Amendments to IFRS 16	Lease liability in a sale and leaseback
Amendments to IFRS 7 and IAS 7	Supplier financing arrangements

2.1.1 Amendments to IAS 1, Presentation of financial statements ("2020 and 2022 amendments", or collectively the "IAS 1 amendments")

The IAS 1 amendments impact the classification of a liability as current or non-current, and are applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions in a full set of financial statements.

Upon the adoption of the amendments, the Group has reassessed the classification of its liabilities as current or non-current and did not identify any reclassification to be made.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

2 Application of new and amendments to IFRS Accounting Standards (continued)

2.1 New and amendments to IFRS Accounting Standards that are mandatorily effective for the current year (continued)

2.1.2 Amendments to IFRS 16, Leases: Lease liability in a sale and leaseback

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right-of-use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions.

2.1.3 Amendments to IAS 7 – “Cash Flow Statement” and IFRS 7 – “Financial Instruments: Disclosure – Supplier Financing Arrangements”

These amendments introduced new disclosure requirements to increase the transparency of supplier financing arrangements and their impact on entity liabilities, cash flows and liquidity risk exposures. Since no such disclosure is required in the annual report period in which such amendments are applied for the first time, the Group has not made additional disclosure in this financial report.

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 IAS 21	The effects of changes in foreign exchange rates–Lack of exchangeability ¹
Amendments to IFRS 9	Amendments to the classification and measurement of financial instruments ²
Annual Improvements to IFRS (Volume 11)	Annual improvements to IFRS Accounting Standards ²
Amendments to IAS 18	Presentation and disclosure in financial statements ³
Amendments to IAS 19	Subsidiaries without public accountability: disclosures ³

1 Effective for annual periods beginning on or after January 1, 2025

2 Effective for annual periods beginning on or after January 1, 2026

3 Effective for annual periods beginning on or after January 1, 2027

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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 (continued)

The directors of the Company anticipate that the application of all the new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statement in the foreseeable future.

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 material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. 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 investment cost.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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 resale 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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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", 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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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 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).

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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;

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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 Group; 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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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 also includes any tax arising from 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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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 an 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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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 that are measured at amortized cost or debt instruments measured at fair value through other comprehensive;
- lease receivables;
- contract assets;
- loan commitments 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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 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; or
- 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 from equity to profit or loss as a reclassification adjustment;

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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 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 a principal market 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. 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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

3 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

Financial instruments (continued)

(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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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 an 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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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%

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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) According to the Enterprise Income Tax Law of the People’s Republic of China and relevant regulation on the implementation, and the Notice of the Ministry of Finance and the State Administration of Taxation on Implementing the Inclusive Tax Deduction and Exemption Policies for Small and Micro Enterprises (Cai Shui [2022] No. 13, hereinafter referred to as the “Notice”) and other regulations, the Notice of the Ministry of Finance and the State Administration of Taxation on Implementing the Inclusive Tax Deduction and Exemption Policies for Small and Micro Enterprises and Individual Proprietorships (Cai Shui [2023] No. 6), the Notice of the Ministry of Finance and the State Administration of Taxation of Further Supporting the Development of Small and Micro Enterprises and Self-Employed Businesses with Relevant Tax and Fee Policies (Cai Shui [2023] No. 12), and during the period from January 1, 2022 to December 31, 2024, for an enterprise with an annual taxable income that is not less than RMB1 million nor more than RMB3 million, it will have its taxable income reduced by 25%, and the applicable enterprise income tax rate will be 20%, and during the period from January 1, 2023 to December 31, 2024, for an enterprise with annual taxable income not exceeding RMB1 million, the tax base will be reduced to 25%, and corporate income tax will be paid at 20%, and the policy that for the small and micro enterprises, the tax base will be reduced to 25%, and the applicable enterprise income tax rate will be 20%, continue to be implemented until December 31, 2027. Six subsidiaries of China Merchants Zhiyuan Capital Investment Co., Ltd., which is the subsidiary of the Company, benefit from the above-mentioned 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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 2024 and 2023 are as follows:

	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

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 2023							
Segment revenue and results							
– Segment revenue	16,652,189	1,426,891	994,366	8,481,821	721,706	(86,024)	28,190,949
– Segment other income and gains or losses	6,123	–	7,794	3,533	1,812,039	–	1,829,489
Segment revenue and other income	16,658,312	1,426,891	1,002,160	8,485,354	2,533,745	(86,024)	30,020,438
Segment expenses	(12,195,694)	(879,931)	(392,951)	(6,230,127)	(2,646,524)	86,024	(22,259,203)
Segment result	4,462,618	546,960	609,209	2,255,227	(112,779)	–	7,761,235
Share of results of associates and joint ventures	–	–	13	–	1,534,445	–	1,534,458
Profit before income tax	4,462,618	546,960	609,222	2,255,227	1,421,666	–	9,295,693
As at December 31, 2023							
Segment assets and liabilities							
Segment assets	235,832,458	1,068,082	9,887,986	427,461,721	30,454,969	(8,852,224)	695,852,992
Segment liabilities	(204,740,588)	(686,639)	(2,821,338)	(360,058,445)	(14,361,273)	8,852,224	(573,816,059)
For the year ended December 31, 2023							
Other segment information							
Amounts included in the measurement of segment profit or loss or segment assets:							
Interest income	8,317,393	–	57,068	1,965,680	721,706	(86,024)	10,975,823
Interest expenses	(4,573,657)	(13,004)	(58,928)	(4,949,577)	(14,283)	86,024	(9,523,425)
Capital expenditure	(430,188)	(20,274)	(11,157)	(14,896)	(131,729)	–	(608,244)
Depreciation and amortization	(419,494)	(55,817)	(14,890)	(31,333)	(244,712)	–	(766,246)
Impairment losses, net of reversal	(163,896)	–	(17,251)	(6,668)	–	–	(187,815)

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

6 Segment information (continued)

(2) Geographical segments

The Group has two major geographical operation in the PRC, namely Mainland China and Outside Mainland China, 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 and (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.

	Mainland China	Outside Mainland China	Total
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
For the year ended December 31, 2023			
Segment Revenue			
Revenue	26,460,155	1,730,794	28,190,949
Other income and gains or losses, net	1,805,211	24,278	1,829,489
	28,265,366	1,755,072	30,020,438

Specified non-current assets

	Mainland China	Outside Mainland China	Total
As at December 31, 2024			
Specified non-current assets	16,426,292	160,164	16,586,456
As at December 31, 2023			
Specified non-current assets	15,630,994	149,448	15,780,442

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

6 Segment information (continued)

(3) Information about major customers

No customer for the years ended December 31, 2024 and 2023 contributed over 10% to the total revenue of the Group.

7 Fee and commission income

	Year ended December 31,	
	2024	2023
Securities and futures brokerage business	8,428,832	7,596,086
Underwriting and sponsorship business	769,930	1,263,900
Asset management and fund management business	726,715	715,844
Financial advisory business	131,810	170,513
Investment advisory business	44,283	42,348
Other business	590,217	696,362
	10,691,787	10,485,053

8 Interest income

	Year ended December 31,	
	2024	2023
Advances to customers and securities lending	4,505,746	5,283,330
Exchanges and financial institutions balances, deposits and clearing settlement funds	2,885,530	2,965,290
Debt instruments at fair value through other comprehensive income ("FVTOCI")	1,721,912	1,585,698
Financial assets held under securities back-lending resale agreements	660,233	774,836
Other financial assets held under resale agreements	204,563	338,001
Debt instruments at amortized cost	40,688	28,668
Others	849	—
	10,019,521	10,975,823

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

9 Investment gains or losses, net

	Year ended December 31,	
	2024	2023
Dividend and interest income from financial assets at FVTPL	5,791,734	6,638,997
Dividend from financial assets at FVTOCI	1,207,861	125,639
Net gains from disposals of debt instruments measured at FVTOCI	704,149	86,024
Net losses on derecognition of debt instruments at amortized cost	–	(338)
Net gains on disposal of interest in an associate	–	1,066
Net gains from financial assets at FVTPL	5,566,615	2,266,761
Net losses from financial liabilities at FVTPL	(3,950,386)	(1,823,932)
Net gains (losses) from derivative financial instruments	207,480	(564,144)
	9,527,453	6,730,073

10 Other income and gains or losses, net

	Year ended December 31,	
	2024	2023
Income from commodity trading	–	1,461,732
Government grants ⁽ⁱ⁾	14,823	39,976
Refund from tax withholding and remittance	45,375	58,949
Rental income	18,479	18,226
Foreign exchange gains, net	121,606	57,847
Others	183,238	192,759
	383,521	1,829,489

- (i) Government grants represent the unconditional grants received by the Group from local government and are used for supporting the business at specific locations.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

11 Depreciation and amortization

	Year ended December 31,	
	2024	2023
Depreciation of right-of-use assets	346,994	350,292
Depreciation of property and equipment	280,822	204,192
Amortization of other non-current assets	125,515	185,506
Amortization of other intangible assets	111,647	26,256
	864,978	766,246

12 Staff costs

	Year ended December 31,	
	2024	2023
Salaries, bonus and allowances	4,957,240	4,349,896
Contributions to retirement benefits ⁽ⁱ⁾	670,393	710,364
Other social welfare ⁽ⁱⁱ⁾	471,116	518,576
Others	260,000	249,844
	6,358,749	5,828,680

- (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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

13 Fee and commission expenses

	Year ended December 31,	
	2024	2023
Securities and futures brokerage business	2,245,803	2,065,259
Underwriting and sponsorship business	41,999	117,697
Financial advisory business	3,272	15,141
Asset management and fund management business	9,446	2,954
Investment advisory business	13,472	6,546
	2,313,992	2,207,597

14 Interest expenses

	Year ended December 31,	
	2024	2023
Bonds payables	3,216,015	4,123,992
Financial assets sold under repurchase agreements	2,920,919	2,717,503
Short-term debt instruments	1,034,966	607,219
Placements from banks and other financial institutions	717,310	891,100
Accounts payables to brokerage clients	502,752	757,352
Borrowings	457,479	364,153
Lease liabilities	33,648	38,845
Others	2,561	23,261
	8,885,650	9,523,425

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

15 Other operating expenses

	Year ended December 31,	
	2024	2023
Electronic equipment operation expenses	625,545	574,683
Business and promotion expenses	360,846	261,743
Member fees of stock exchange	293,058	246,540
Postal and communications expenses	205,051	218,798
Business travel expenses	117,295	136,776
Securities and futures investor protection funds	90,369	75,467
Rental and property management expenses ⁽ⁱ⁾	85,395	81,643
General and administrative expenses	67,544	62,360
Auditors' remuneration	4,321	4,195
Cost of commodity trading	–	1,462,203
Others	607,589	508,476
	2,457,013	3,632,884

- (i) Expense relating to short-term leases is RMB5,869 thousand (Year ended December 31, 2023: RMB6,686 thousand).

16 Impairment losses under expected credit loss model, net of reversal

	Year ended December 31,	
	2024	2023
Impairment (Reversal of) loss on financial assets held under resale agreements (note 26)	(10,236)	116,869
Impairment (Reversal of) loss on advances to customers (note 29)	(108,350)	43,227
Impairment loss on accounts and other receivables (note 30)	1,091	21,051
Impairment loss on debt instruments at amortized cost (note 25)	51	5,322
Impairment loss on debt instruments at FVTOCI (note 31)	4,144	1,346
	(113,300)	187,815

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

17 Income tax expenses

	Year ended December 31,	
	2024	2023
Current tax:		
– PRC Enterprise Income Tax	302,027	264,433
– Hong Kong Profits Tax	11,057	1,411
	313,084	265,844
Under (over) provision in respect of prior years:		
– PRC Enterprise Income Tax	19,454	33,736
– Hong Kong Profits Tax	(718)	–
	18,736	33,736
Deferred taxation		
– Origination and reversal of temporary differences (note 27)	497,701	227,026
	829,521	526,606

The Group is subject to the global minimum top-up tax under The Pillar Two Model Rules (also referred to as Global Anti-Base Erosion, GloBE) published by the Organisation 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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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,	
	2024	2023
Profit before income tax	11,219,492	9,295,693
Tax at the income tax rate of 25%	2,804,873	2,323,923
Tax effect of share of result of associates and joint ventures	(370,969)	(383,615)
Tax effect of expenses not deductible for tax purpose	86,376	109,503
Tax effect of income that are not taxable	(1,559,189)	(1,400,475)
Effect of different tax rates of subsidiaries	(36,526)	(16,807)
Tax effect of tax losses and deductible temporary differences not recognized	4,451	39,760
Utilization of deferred tax assets previously not recognized	(7,288)	(146)
Under provision in respect of prior years	18,736	33,736
Others	(110,943)	(179,273)
Income tax expense for the year	829,521	526,606

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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,	
	2024	2023
Earnings for the purpose of basic earnings per share:		
Profit attributable to shareholders of the Company	10,385,872	8,763,960
Less: Profit attributable to holders of perpetual subordinated bonds	(572,240)	(572,240)
	9,813,632	8,191,720
Number of shares:		
Weighted average number of ordinary shares	8,696,526	8,696,526
Earnings per share:		
Earnings per share (in RMB)	1.13	0.94

For the years ended December 31, 2024 and 2023, there were no dilutive shares, therefore the diluted earnings per share were not presented.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 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

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 2023	1,277,180	60,688	1,154,429	66,373	32,650	2,591,320
Additions	165	9,729	217,712	1,275	77,455	306,336
Disposals	(35,201)	(4,453)	(71,750)	(3,523)	–	(114,927)
Transfer to other non-current assets	–	–	–	–	(77,474)	(77,474)
Exchange differences	–	18	764	478	245	1,505
As at December 31, 2023	1,242,144	65,982	1,301,155	64,603	32,876	2,706,760
Accumulated depreciation and impairment						
As at January 1, 2023	342,923	51,527	598,716	49,111	–	1,042,277
Charge for the year	31,856	2,716	159,542	10,078	–	204,192
Disposals	(4,210)	(4,231)	(68,436)	(3,408)	–	(80,285)
Exchange differences	–	18	551	416	–	985
As at December 31, 2023	370,569	50,030	690,373	56,197	–	1,167,169
Carrying values						
As at December 31, 2023	871,575	15,952	610,782	8,406	32,876	1,539,591

As at December 31, 2024, included in leasehold land and buildings were carrying values of RMB4,964 thousand (December 31, 2023: RMB5,397 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, 2024.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

20 Right-of-use assets

	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

	Land and buildings	Leasehold land	Total
Cost			
As at January 1, 2023	2,653,881	432,600	3,086,481
Additions	369,455	–	369,455
Disposals	(137,538)	(20,834)	(158,372)
Exchange differences	3,260	–	3,260
As at December 31, 2023	2,889,058	411,766	3,300,824
Accumulated depreciation			
As at January 1, 2023	1,485,020	44,815	1,529,835
Charge for the year	339,449	10,843	350,292
Disposals	(124,434)	(2,555)	(126,989)
Exchange differences	1,948	–	1,948
As at December 31, 2023	1,701,983	53,103	1,755,086
Carrying values			
As at December 31, 2023	1,187,075	358,663	1,545,738

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 2024, total cash outflow for leases amounted to RMB373,814 thousand (2023: RMB403,668 thousand).

As at December 31, 2024 and December 31, 2023, 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, 2024, the Group consolidated 75 (December 31, 2023: 50) structured entities. The total assets of the consolidated structured entities amounted to RMB39,373,414 thousand (2023: RMB34,296,081 thousand).

The financial impact of these structured entities on the Group's financial position as at December 31, 2024 and 2023, and the results and cash flows for the years ended December 31, 2024 and 2023, though consolidated, are not significant and therefore not disclosed separately.

22 Interests in associates and joint ventures

	As at December 31,	
	2024	2023
Cost of unlisted investments in associates and joint ventures	4,576,535	4,576,535
Share of post-acquisition profits and other comprehensive income, net of dividends received	8,799,041	7,844,155
Sub-total	13,375,576	12,420,690
Less: Impairment loss	(669,150)	(669,150)
	12,706,426	11,751,540

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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,		Principal activities
		2024	2023	
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 holding
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%	N/A	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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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,	
	2024	2023
Total assets	13,420,713	12,222,126
Total liabilities	(3,127,444)	(2,851,051)
Net assets	10,293,269	9,371,075
Revenue	4,588,963	4,588,497
Profit for the year	1,528,204	1,511,269
Other comprehensive income	3,991	2,180
Total comprehensive income	1,532,195	1,513,449
Dividends declared by the associate attributable to the Group	298,900	269,500
Net assets of the associate attributable to shareholders of the Company	10,216,610	9,308,685
The Group's share of net assets of the associate	5,006,139	4,561,256
– Goodwill	3,425,523	3,425,523
– Impairment loss recognized	(669,150)	(669,150)
Carrying amount in the consolidated financial statements	7,762,512	7,317,629

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

22 Interests in associates and joint ventures (continued)

China Merchants Fund Management Limited:

	As at December 31 and year ended December 31,	
	2024	2023
Total assets	15,497,784	14,150,755
Total liabilities	(5,049,453)	(4,826,063)
Net assets	10,448,331	9,324,692
Revenue	5,307,528	5,294,336
Profit for the year	1,649,977	1,753,371
Other comprehensive income	104,874	30,924
Total comprehensive income	1,754,851	1,784,295
Dividends declared by the associate attributable to the Group	284,046	285,544
Net assets of the associate attributable to shareholders of the Company	10,448,331	9,324,692
The Group's share of net assets of the associate	4,701,749	4,196,111
– Goodwill	199,545	199,545
Carrying amount in the consolidated financial statements	4,901,294	4,395,656

Aggregate information of associates and joint ventures that are not individually material:

	As at December 31 and year ended December 31,	
	2024	2023
The Group's share of loss for the year	(2,066)	(1,326)
The Group's share of other comprehensive income	–	–
The Group's share of total comprehensive income	(2,066)	(1,326)
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	42,620	38,255

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 2024, the total assets of these unconsolidated structured entities sponsored by the Group amounted to RMB323,334,960 thousand (2023: RMB325,825,723 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, 2024 and 2023. They are accounted for as financial assets at fair value through profit or loss and listed as below:

	As at December 31, 2024	
	2024	2023
Funds	37,266,371	41,662,742
Trust schemes	681,104	851,302
Wealth management products	3,232,585	1,070,065
Others	17,181,680	21,519,152
	58,361,740	65,103,261

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

24 Equity instruments at fair value through other comprehensive income

	As at December 31,	
	2024	2023
Equity investments ⁽ⁱ⁾	4,510,717	1,619,778
Others ⁽ⁱⁱ⁾	34,469,304	16,077,659
	38,980,021	17,697,437

- (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 RMB237,073 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 RMB151,118 thousand was reclassified from other comprehensive income to retained earnings.

25 Debt instruments at amortized cost

(1) Analyzed by nature

	As at December 31,	
	2024	2023
Current		
Bonds	1,380,514	691,810
Less: Expected credit losses	(376)	(317)
	1,380,138	691,493

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

25 Debt instruments at amortized cost (continued)

(2) Movements of expected credit losses are as follows

	As at December 31,	
	2024	2023
At the beginning of the year	317	83,613
Expected credit losses recognized	51	5,322
Write-off of expected credit losses	–	(89,976)
Exchange differences	8	1,358
At the end of the year	376	317

	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

	As at December 31, 2023			
	12 months (stage 1)	Life time (stage 2)	Life time (stage 3)	Total
Principal and interest	691,810	–	–	691,810
Expected credit losses	317	–	–	317

For the year ended December 31, 2024, there was no transfer between the stages of expected credit losses. (2023: Nil)

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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,	
	2024	2023
Non-current		
Analyzed by collateral type:		
Listed equity investments ⁽ⁱ⁾	609,000	1,280,000
Analyzed by market:		
Stock exchanges	609,000	1,280,000
Less: Expected credit losses	(813)	(1,200)
	608,187	1,278,800
Current		
Analyzed by collateral type:		
Listed equity investments ⁽ⁱ⁾	14,063,665	17,428,911
Bonds	18,065,230	32,070,294
Sub-total	32,128,895	49,499,205
Analyzed by market:		
Stock exchanges	15,670,034	22,243,924
Interbank bond market	16,458,861	27,255,281
Sub-total	32,128,895	49,499,205
Less: Expected credit losses	(891,962)	(1,001,811)
	31,236,933	48,497,394

- (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, 2024, the Group received collateral amounted to RMB62,825 million (2023: RMB84,833 million) in connection with its reverse resale agreements and securities back-lending.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

26 Financial assets held under resale agreements (continued)

(2) Movements of allowances for expected credit losses are as follows

	As at December 31,	
	2024	2023
At the beginning of the year	1,003,011	886,142
(Reversal of) expected credit losses recognized	(10,236)	116,869
Write-offs	(100,000)	–
At the end of the year	892,775	1,003,011

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, 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

	As at December 31, 2023			
	12 months (stage 1)	Life time (stage 2)	Life time (stage 3)	Total
Principal and interest	17,732,593	–	976,318	18,708,911
Expected credit losses	26,693	–	976,318	1,003,011
Collateral	47,239,200	–	–	47,239,200

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 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

	Stage 1 12 months ECL	Stage 2 Lifetime ECL (not credit- impaired)	Stage 3 Lifetime ECL (credit- impaired)	Total
At January 1, 2023	13,905	2,400	869,837	886,142
Changes in the expected credit losses:				
– Transfer to Stage 1	–	–	–	–
– Transfer to Stage 2	–	–	–	–
– Transfer to Stage 3	–	–	–	–
– Charged to profit or loss	12,788	(2,400)	106,481	116,869
At December 31, 2023	26,693	–	976,318	1,003,011

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

27 Deferred tax assets (liabilities)

The following is an analysis of the deferred tax balances for financial reporting purposes:

	As at December 31,	
	2024	2023
Deferred tax assets	575,628	1,583,773
Deferred tax liabilities	(438,307)	(558,414)
	137,321	1,025,359

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, 2023 (Restated)	(517,620)	1,441,418	28,237	243,317	64,299	(1,953)	107,731	1,365,429
(Charge) Credit to profit or loss	(279,652)	(299,360)	(2,124)	35,115	-	(1,686)	320,681	(227,026)
Charge to other comprehensive income	-	-	-	-	(113,099)	-	-	(113,099)
Exchange differences	-	-	-	-	792	-	(737)	55
At December 31, 2023	(797,272)	1,142,058	26,113	278,432	(48,008)	(3,639)	427,675	1,025,359
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

As at December 31, 2024, 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 RMB500,801 thousand (2023: RMB646,035 thousand) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately RMB10,031 thousand with expiry in 2028 (2023: Included in unrecognised tax losses are losses of approximately RMB33,145 thousand with expiry in 2028). Other losses may be carried forward indefinitely.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

28 Other non-current assets

(1) Analyzed by nature

	As at December 31,	
	2024	2023
Deferred expenses	231,361	455,418
Others	119,909	133,772
Less: allowances for impairment	(1,027)	–
	350,243	589,190

(2) Movements of deferred expenses are as follows

	As at December 31,	
	2024	2023
At the beginning of the year	455,418	593,169
Additions	12,631	–
Disposals	(117,114)	(29,719)
Transfer from construction in progress (note 19)	5,941	77,474
Amortization	(125,515)	(185,506)
At the end of the year	231,361	455,418

29 Advances to customers

(1) Analyzed by nature

	As at December 31,	
	2024	2023
Advances to customers	95,755,050	83,955,719
Less: Expected credit losses	(182,348)	(289,699)
	95,572,702	83,666,020

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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,	
	2024	2023
Collateral measured at fair value		
Cash	5,954,832	4,258,484
Bonds	243,185	751,995
Equity securities	230,019,358	204,815,594
Funds	7,028,789	10,263,783
	243,246,164	220,089,856

(3) The movements of allowance of impairment losses are as follows

	As at December 31,	
	2024	2023
At the beginning of the year	289,699	244,731
(Reversal of) expected credit losses recognized	(108,350)	43,227
Write-offs	—	—
Exchange differences	999	1,741
At the end of the year	182,348	289,699

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

29 Advances to customers (continued)

(3) The movements of allowance of impairment losses are as follows (continued)

	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

	As at December 31, 2023			
	12 months (stage 1)	Life time (stage 2)	Life time (stage 3)	Total
Principal and interest	83,345,114	3,816	606,789	83,955,719
Expected credit losses	113,663	1	176,035	289,699

(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, 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

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 2023	101,599	86	143,046	244,731
Changes in the expected credit losses:				
– Transfer to Stage 1	–	–	–	–
– Transfer to Stage 2	–	–	–	–
– Transfer to Stage 3	(944)	(16)	960	–
– Charged (credit) to profit or loss	13,008	(69)	32,029	44,968
As at December 31, 2023	113,663	1	176,035	289,699

30 Accounts and other receivables

- (1) Analyzed by nature

	As at December 31,	
	2024	2023
Accounts and other receivables from/related to:		
Clearing houses, brokers and dealers	2,927,398	3,924,633
Deposits of OTC derivative business	2,629,113	4,262,186
Fee and commission income	589,025	647,167
Other receivables	33,909	33,197
Dividends receivable	8,425	45,495
Others	325,197	104,303
Sub-total	6,513,067	9,016,981
Less: Expected credit losses of accounts and other receivables	(81,194)	(80,903)
	6,431,873	8,936,078

Fair value gain or losses arising from these business are recorded in derivative assets or liabilities.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 2024		As at December 31, 2023	
	Amount	Expected credit losses	Amount	Expected credit losses
Within 1 year	2,682,358	(104)	8,705,634	(130)
Between 1 and 2 years	1,095,999	(10,302)	110,570	(910)
Between 2 and 3 years	2,633,480	(490)	118,362	(32,127)
Over 3 years	101,230	(70,298)	82,415	(47,736)
	6,513,067	(81,194)	9,016,981	(80,903)

31 Debt instruments at fair value through other comprehensive income

(1) Analyzed by type

	As at December 31,	
	2024	2023
Current		
Government bonds	37,212,346	44,048,095
Bonds issued by policy banks	344,919	1,705,488
Bonds issued by commercial banks and other financial institutions	12,658,095	7,282,545
Others	18,135,842	17,761,909
	68,351,202	70,798,037

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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,	
	2024	2023
At the beginning of the year	8,967	7,592
Expected credit losses recognized	4,144	1,346
Exchange differences	36	29
At the end of the year	13,147	8,967

	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

	As at December 31, 2023			
	12 months (stage 1)	Life time (stage 2)	Life time (stage 3)	Total
Principal and interest	70,798,037	–	–	70,798,037
Expected credit losses	8,967	–	–	8,967

During the year ended December 31, 2024 and 2023, there was no material transfer between the stages of expected credit losses.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

32 Financial assets at fair value through profit or loss

	As at December 31,	
	2024	2023
Current		
Debt securities	185,330,835	175,064,428
Funds	37,244,712	41,662,742
Equity investments ⁽ⁱ⁾	23,192,334	37,165,357
Others ⁽ⁱⁱ⁾	11,657,162	14,271,163
Sub-total	257,425,043	268,163,690
Non-current		
Equity investments ⁽ⁱ⁾	1,902,476	3,609,600
Others ⁽ⁱⁱ⁾	6,136,203	6,964,427
Sub-total	8,038,679	10,574,027

(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, 2024, debt securities of RMB2,110,400 thousand (2023: RMB626,571 thousand) and RMB27,713,758 thousand (2023: RMB24,014,293 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).

Notes to the Consolidated Financial Statements (Continued)

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33 Derivative financial instruments

	As at December 31, 2024			As at December 31, 2023		
	Non-Hedging Instruments			Non-Hedging Instruments		
	Notional principal amounts	Fair Value Assets	Liabilities	Notional principal amounts	Fair Value Assets	Liabilities
Interest derivative instrument	719,007,781	40,477	9,457	871,230,093	19,919	34,323
Equity derivative instrument	109,167,286	4,243,783	4,766,108	277,906,904	5,797,429	5,930,485
Currency derivatives	115,663,626	25,554	36,940	33,931,541	55,060	20,547
Credit derivatives	313,768	333	1,261	851,245	1,556	4,847
Other derivative instrument	51,050,998	337,249	405,745	142,707,537	805,173	948,781
	995,203,459	4,647,396	5,219,511	1,326,627,320	6,679,137	6,938,983

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,	
	2024	2023
Deposits with stock exchanges and clearing houses:		
Shanghai Clearing House	1,312,078	986,073
China Securities Depository and Clearing Corporation Limited	530,961	381,650
Hong Kong Exchanges and Clearing Limited	132,296	170,882
Deposits with futures and commodity exchanges and financial institutions:		
China Financial Futures Exchange	5,973,303	5,733,229
Shanghai Futures Exchange	1,672,776	983,442
Dalian Commodity Exchange	786,957	1,430,841
Others	2,705,362	3,260,992
	13,113,733	12,947,109

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

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35 Clearing settlement funds

	As at December 31,	
	2024	2023
Clearing settlement funds held with clearing houses for:		
House accounts	9,158,603	17,107,892
Clients	24,073,673	20,583,830
	33,232,276	37,691,722

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,	
	2024	2023
Bank balances – house accounts	19,192,096	14,116,931
House accounts	18,442,508	12,976,608
Pledged and restricted bank deposits		
– Restricted bank deposit for purchase of bond, stock and as risk reserve and credit (note 37)	749,588	1,140,323
Cash held on behalf of customers	125,130,174	95,905,685
	144,322,270	110,022,616

37 Cash and cash equivalents

Cash and cash equivalents comprise the followings:

	As at December 31,	
	2024	2023
Bank balances – house accounts (note 36)	19,150,084	13,814,513
Clearing settlement funds – house accounts (note 35)	9,158,566	17,107,435
Less: Pledged and restricted bank deposits (note 36)	(749,588)	(1,140,323)
	27,559,062	29,781,625

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

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38 Short-term borrowings

	As at December 31,	
	2024	2023
Current		
Unsecured bank borrowings ⁽ⁱ⁾	9,693,769	6,171,961
Interests accrued	17,294	10,879
	9,711,063	6,182,840

- (i) As at December 31, 2024, the floating interest rates of Group's short-term unsecured bank borrowings ranged from 0.9% – 6.16% (2023: 1.68% – 6.91%) per annum while the fixed interest rates of Group's short-term unsecured bank borrowings ranged from 3.1% to 4.84% per annum (2023: Nil).

39 Short-term debt instruments

		As at January 1, 2024	Issuance/ Other Transfer	Redemption/ Exchange difference	As at December 31, 2024
Short-term bond payables	1.65% – 2.95%/ Floated rates	35,400,000	73,900,000	71,300,000	38,000,000
Principals of income certificates	0.50% – 6.30%	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

		As at January 1, 2023	Issuance/ Other Transfer	Redemption/ Exchange difference	As at December 31, 2023
Short-term bond payables	2.07% – 2.68%	–	51,900,000	16,500,000	35,400,000
Short-term financing bills payables	1.82% – 2.00%	24,000,000	–	24,000,000	–
Principals of income certificates	0.05% – 7.95%/ Floated rates	991,631	35,986,072	15,587,744	21,389,959
Interest accrued		156,368	562,280	482,872	235,776
		25,147,999	88,448,352	56,570,616	57,025,735

Notes to the Consolidated Financial Statements (Continued)

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40 Placements from banks and other financial institutions

	As at December 31,	
	2024	2023
Placement from banks ⁽ⁱ⁾	9,977,270	14,052,051
Placement from other financial institutions ⁽ⁱⁱ⁾	–	6,020,000
Gold leasing ⁽ⁱⁱⁱ⁾	–	6,948,132
Interest accrued	2,405	41,209
	9,979,675	27,061,392

(i) As at December 31, 2024, the interest rates due to banks ranged from 1.40% – 5.00% (December 31, 2023: 1.85% – 6.00%) per annum.

(ii) As at December 31, 2024, the Group has no funds borrowed from other financial institutions (December 31, 2023: 2.12% – 3.10%).

(iii) As at December 31, 2024, the Group has no gold leasing business (December 31, 2023: 2.60% – 2.80%).

41 Accounts payables to brokerage clients

	As at December 31,	
	2024	2023
Clients' deposits for margin financing and securities lending	12,177,116	7,235,279
Clients' deposits for other brokerage business	139,433,601	110,616,954
	151,610,717	117,852,233

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

42 Accrued staff costs

	As at December 31,	
	2024	2023
Current		
Salaries, bonus and allowances	5,358,276	5,422,135
Short-term social welfare	46	52,054
Defined contribution plans ⁽ⁱ⁾	1,039	942
Others	53,864	50,381
	5,413,225	5,525,512

- (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 RMB670,393 thousand (2023: RMB710,364 thousand) represents contributions payables to these plans by the Group at rates specified in the rules of the plans. As at December 31, 2024, contributions of RMB1,039 thousand due in respect of the year ended December 31, 2024 had not been paid to these plans (2023: RMB942 thousand). The amounts were paid subsequent to the end of reporting period.

43 Other payables and accrued charges

	As at December 31,	
	2024	2023
Settlement payables to brokers and clearing houses	6,315,950	8,623,960
Dividends payables to holders of other equity instruments	572,240	572,240
Deposits of equity return swaps ⁽ⁱ⁾	18,374,991	29,133,690
Other tax payables	671,372	377,132
Commission and handling fee payables	100,613	126,497
Futures risk reserve	184,671	164,363
Notes payable	–	612,400
Others ⁽ⁱⁱ⁾	602,853	473,359
	26,822,690	40,083,641

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Other payables and accrued charges (continued)

- (i) As at December 31, 2024 and 2023, 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 from 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,	
	2024	2023
Non-current		
Financial liabilities designated at fair value through profit or loss		
– Structured entities ⁽ⁱ⁾	1,303,238	1,390,155
	1,303,238	1,390,155
Current		
Financial liabilities held for trading		
– Equity securities	711,389	1,798,215
– Debt securities	49,819,523	39,184,029
– Structured notes	1,113,786	1,641,628
– Others	458,770	380,722
Financial liabilities designated at fair value through profit or loss		
– Structured entities ⁽ⁱ⁾	241,414	140,767
	52,344,882	43,145,361

- (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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

45 Financial assets sold under repurchase agreements

	As at December 31,	
	2024	2023
Current		
Analyzed by collateral type:		
Bonds	150,931,020	142,684,754
Analyzed by market:		
Stock exchanges	34,514,477	49,152,601
Interbank bond market	109,833,148	90,271,478
Over-the-counter	6,583,395	3,260,675
	150,931,020	142,684,754

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, 2024, the Group’s pledged collateral in connection with its repurchase financing business amounted to RMB171,802 million (2023: RMB159,149 million).

46 Lease liabilities

	As at December 31,	
	2024	2023
Within 1 year	273,090	344,454
Within a period of more than 1 year but not more than 2 years	212,155	257,994
Within a period of more than 2 years but not more than 5 years	298,423	416,370
Within a period of more than 5 years	122,904	236,700
Sub-total	906,572	1,255,518
Less: Amount due for settlement within 12 months shown under current liabilities	(273,090)	(344,454)
Amount due for settlement after 12 months shown under non-current liabilities	633,482	911,064

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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,	
	2024	2023
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	–	–	15,000,000

On March 24, April 19, April 26 and June 8, 2022, the Company completed the issuance of the first tranche of 2022 RMB4,300,000,000, the second tranche of RMB4,700,000,000, the third tranche of RMB4,000,000,000 and the fourth tranche of RMB2,000,000,000, respectively, with a cumulative issuance amount of RMB15 billion. And the interest rates of above perpetual subordinated bonds ranged from 3.72% – 3.95%.

The Company shall have the right of redemption attached to the above bonds, and on the 5th and subsequent coupon payment days of the above bonds, the Company shall be entitled to redeem the above bonds at par value plus interest payable; 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 to the next payment date for the current year as well as all interest and accreted interest already deferred, without being subject to any limitation with respect to the number of deferrals. Of which, mandatory interest payment events are limited to dividend 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 statement of financial position.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

49 Investment revaluation reserve of financial assets at fair value through other comprehensive income

	As at December 31,	
	2024	2023
At the beginning of the year	183,476	(180,630)
Debt instruments at FVTOCI		
Net changes in fair value for the year	1,916,505	408,250
Reclassification to profit or loss	(704,149)	(86,024)
Income tax impact	(300,098)	(79,005)
Expected credit losses of debt instruments at FVTOCI		
Net changes in profit or loss for ECL reclassification adjustment	4,144	1,346
Income tax impact	(823)	(791)
Equity instruments at FVTOCI		
Net changes in fair value for the year	472,908	(118,963)
Transfer to retained profits	(85,955)	259,324
Income tax impact	(89,056)	(33,303)
Share of other comprehensive income of associates		
Share of other comprehensive income that will be reclassified subsequently to profit or loss	48,130	13,272
Share of other comprehensive income that will not be reclassified subsequently to profit or loss	254	–
At the end of the year	1,445,336	183,476

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 2024 and 2023, 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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

50 General reserves (continued)

The movements of the general reserve are as follows:

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

As at December 31, 2023

	At the beginning of the year	Addition	At the end of the year
Statutory reserve	5,236,148	–	5,236,148
General risk reserve	8,881,799	856,184	9,737,983
Transaction risk reserve	8,161,052	768,610	8,929,662
	22,278,999	1,624,794	23,903,793

51 Long-term borrowings due within one year

	As at December 31,	
	2024	2023
Unsecured bank borrowings	555,624	181,244
Interest accrued	9,239	4,549
	564,863	185,793

As at December 31, 2024, the Group's unsecured long-term bank borrowings due within one year bore floating interest rate of 5.731% – 5.793% (December 31, 2023: 6.571%) per annum.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

52 Long-term borrowings

	As at December 31,	
	2024	2023
Unsecured bank borrowings	3,024,422	1,721,818
Analysed by maturity:		
1 to 2 years	463,020	–
2 to 5 years	2,561,402	1,721,818
	3,024,422	1,721,818

As at December 31, 2024, the Group's unsecured long-term bank borrowings bore floating interest rate of 5.297% – 5.731% (December 31, 2023: 6.468% – 6.883%) per annum.

53 Bonds payables due within one year

	As at December 31,	
	2024	2023
Non-convertible bonds ⁽¹⁾	37,580,948	22,732,768
Subordinated bonds ⁽²⁾	2,899,629	20,796,804
Income certificates	3,779,463	1,459,367
Interest accrued	1,521,700	2,137,589
	45,781,740	47,126,528

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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
14 CM bond	CNY	5,500,000	2015/05/26	2025/05/26	5.08%
22 CMG1	CNY	5,000,000	2022/01/17	2025/01/17	2.89%
22 CMG2	CNY	4,000,000	2022/07/26	2025/07/26	2.70%
22 CMG3	CNY	3,000,000	2022/08/11	2025/02/12	2.54%
22 CMG4	CNY	5,000,000	2022/08/11	2025/08/11	2.59%
23 CMG1	CNY	4,000,000	2023/04/17	2025/04/17	2.89%
23 CMG5	CNY	1,600,000	2023/07/13	2025/07/13	2.58%
23 CM12	CNY	2,500,000	2023/12/19	2025/06/19	2.80%
23 CM13	CNY	2,000,000	2023/12/19	2025/12/19	2.81%
24 CMF4	CNY	5,000,000	2024/12/18	2025/12/19	1.73%

(2) The details of subordinated bonds are as follows:

Name	Currency	Issue amount	Value date	Maturity date	Coupon rate
23 CMC1	CNY	1,400,000	2023/03/01	2025/09/11	3.45%
23 CMC3	CNY	1,500,000	2023/03/17	2025/03/17	3.25%

54 Bonds payables

	As at December 31,	
	2024	2023
Non-convertible bonds ⁽¹⁾	46,834,710	58,427,501
Subordinated bonds ⁽²⁾	21,883,352	15,192,000
Income certificates	471,503	1,246,436
	69,189,565	74,865,937

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

54 Bonds payables (continued)

(1) The details of non-convertible bonds are as follows:

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 CMG4	CNY	2,200,000	2023/04/25	2028/04/25	3.17%
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%
CMSINT 3.3% 09/18/26 EMTN	CNY	1,000,000	2023/09/18	2026/09/18	3.30%
23 CM11	CNY	3,000,000	2023/11/24	2026/11/24	2.88%
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 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 CMF3	CNY	2,500,000	2024/11/25	2027/03/11	2.14%
24 CMF5	CNY	3,000,000	2024/12/18	2026/01/08	1.73%

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

54 Bonds payables (continued)

(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 CMC8	CNY	1,000,000	2023/05/22	2028/05/22	3.39%
23 CMC9	CNY	2,000,000	2023/10/30	2026/10/30	3.20%
23 CMC10	CNY	1,500,000	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%

55 Dividends

	As at December 31,	
	2024	2023
Dividends recognized as distribution	3,069,874	1,608,857
Distribution to holders of other equity instruments	572,240	572,240

The Company's general meeting held on March 27, 2025 made a resolution on dividend distribution. See Note 68 (2) for details of specific distribution.

The Group's 2023 Annual General Meeting authorized the Board of Directors to determine the interim profit distribution for the period ended 30 June 2024, not exceeding RMB880 million. Following the approval at the 8th meeting of the 8th Board of Directors on August 30, 2024, the Company proposed a cash dividend of RMB1.01 (inclusive of tax) per 10 shares to all shareholders based on total capital of 8,696,526,806 shares as the interim profit distribution for the period ended 30 June 2024, amounting to a total profit distribution of RMB878,349.21 thousand.

Pursuant to a resolution of the shareholder's meeting held on June 28, 2024, the Company declared cash dividends of RMB2.52 for every 10 shares (tax included) based on 8,696,526,806 shares held and the aggregate amount was RMB2,191,525 thousand for the year ended December 31, 2023.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 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/ gold 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

As at December 31, 2023

	Financial assets at fair value through profit or loss	Debt instruments at amortized cost	Debt instruments at fair value through other comprehensive income	Securities/ gold lending arrangements	Total
Fair value of transferred assets	107,703,169	10,083	30,331,665	20,137,039	158,181,956
Carrying amount of associated liabilities	97,151,408	9,093	27,360,054	18,164,199	142,684,754
Net position	10,551,761	990	2,971,611	1,972,840	15,497,202

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

56 Transfers of financial assets (continued)

(2) Securities lending arrangements

As of December 31, 2024, 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 RMB576,138 thousand (December 31, 2023: RMB918,383 thousand) and equity instruments at fair value through other comprehensive income of RMB12 thousand (December 31, 2023: RMB921,579 thousand). These lending agreements are secured by client's securities and deposits held as collateral. 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, 2024, the Group had securities underwriting commitments of RMB0 that had been contracted but not disbursed, and external investments of RMB209,183 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. As of December 31, 2024, the company had paid a total of RMB286 million in compensation to 7,823 investors, and has essentially fulfilled the compensation obligations mandated by the court ruling in this civil compensation case. In October 2024, to safeguard the legitimate rights and interests of the company, our company filed a lawsuit for the right of recourse against China Security and other relevant liable parties with the Shanghai Financial Court. On October 29, 2024, our company received the acceptance notice (Case No. (2024) Hu 74 Min Chu No. 942) from the Shanghai Financial Court.

In addition, on October 14, 2024, the Company received legal documents from the Shanghai Financial Court regarding a service contract dispute lawsuit filed by China Security against the Company, and demanded that the company compensate it for the relevant losses totaling RMB1.5 billion. The company has currently evaluated this lawsuit and believes that there is a high degree of uncertainty regarding the possibility of the company ultimately bearing civil liability in this lawsuit. Therefore, as of December 31, 2024, the company has not made any provisions for estimated liabilities in respect of the above mentioned lawsuit. As of the date of issuance of this report, the case has not been officially heard, and there has been no other progress on this matter.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 2024 and 2023 are as follows:

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	–	–	–	–	–
DENG Weidong ⁽¹⁾	–	–	–	–	–
HUANG Jian	–	–	–	–	–
LI Xiaofei	–	–	–	–	–
DING Lusha	–	–	–	–	–
ZHANG Jian ⁽²⁾	–	–	–	–	–
ZHANG Mingwen ⁽³⁾	–	–	–	–	–
MA Boyin ⁽⁴⁾	–	–	–	–	–
LIU Zhenhua ⁽⁵⁾	–	–	–	–	–
LIU Hui ⁽⁶⁾	–	–	–	–	–
LI Delin ⁽⁷⁾	–	–	–	–	–
	–	–	–	–	–

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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
Independent non-executive directors:					
XIANG Hua ⁽⁸⁾	116	–	–	–	116
FENG Jinhua	200	–	–	–	200
XIAO Houfa ⁽⁹⁾	26	–	–	–	26
XIONG Wei ⁽¹⁰⁾	26	–	–	–	26
HU Honggao ⁽¹¹⁾	26	–	–	–	26
YE Yingzhi ⁽¹²⁾	174	–	–	–	174
ZHANG Ruijun ⁽¹³⁾	174	–	–	–	174
CAO Xiao ⁽¹⁴⁾	174	–	–	–	174
CHEN Xin ⁽¹⁵⁾	84	–	–	–	84
	1,000	–	–	–	1,000
Supervisors:					
WANG Zhangwei ⁽¹⁶⁾	–	–	–	–	–
MA Yunchun	–	–	–	–	–
ZOU Qun ⁽¹⁷⁾	–	–	–	–	–
YIN Hongyan	–	1,358	240	74	1,672
HE Min ⁽¹⁸⁾	–	71	15	–	86
ZHU Liwei	–	–	–	–	–
CHEN Jun	–	793	177	164	1,134
PENG Luqiang	–	–	–	–	–
WANG Jianping ⁽¹⁹⁾	–	423	77	48	548
SUN Xian ⁽²⁰⁾	–	–	–	–	–
	–	2,645	509	286	3,440
	1,000	6,451	1,082	1,645	10,178

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

58 Directors' and supervisors' emoluments (continued)

Year ended December 31, 2023

Name	Fees	Salaries, allowances and benefits in kind	Retirement benefits scheme contributions	Bonus charge during the year	Total emoluments
Executive directors:					
HUO Da	–	2,054	326	610	2,990
WU Zongmin	–	1,938	348	700	2,986
	–	3,992	674	1,310	5,976
Non-executive directors:					
LIU Weiwu	–	–	–	–	–
DENG Weidong	–	–	–	–	–
SU Min	–	–	–	–	–
PENG Lei	–	–	–	–	–
GAO Hong	–	–	–	–	–
HUANG Jian	–	–	–	–	–
LIU Chong	–	–	–	–	–
Wang Wen	–	–	–	–	–
LI Xiaofei	–	–	–	–	–
DING Lusha	–	–	–	–	–
Zhang Jian	–	–	–	–	–
	–	–	–	–	–

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

58 Directors' and supervisors' emoluments (continued)

Year ended December 31, 2023 (continued)

Name	Fees	Salaries, allowances and benefits in kind	Retirement benefits scheme contributions	Bonus charge during the year	Total emoluments
Independent non-executive directors:					
XIANG Hua	200	–	–	–	200
XIAO Houfa	200	–	–	–	200
XIONG Wei	200	–	–	–	200
HU Honggao	200	–	–	–	200
FENG Jinhua	218	–	–	–	218
	1,018	–	–	–	1,018
Supervisors:					
ZHOU Linda Lei	–	1,599	269	410	2,278
LI Xiaofei	–	–	–	–	–
WANG Zhangwei	–	–	–	–	–
MA Yunchun	–	–	–	–	–
ZHANG Zhen	–	–	–	–	–
ZOU Qun	–	–	–	–	–
YIN Hongyan	–	1,351	281	519	2,151
HE Min	–	881	203	335	1,419
SHEN Weihua	–	159	36	48	243
ZHU Liwei	–	–	–	–	–
XU Xin	–	–	–	–	–
CHEN Jun	–	638	169	247	1,054
PENG Luqiang	–	–	–	–	–
	–	4,628	958	1,559	7,145
	1,018	8,620	1,632	2,869	14,139

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

58 Directors' and supervisors' emoluments (continued)

- (1) Deng Weidong left his post as a non-executive director in October 2024.
- (2) Zhang Jian left his post as a non-executive director in October 2024.
- (3) Zhang Mingwen was appointed as a non-executive director in January 2024.
- (4) Ma Boyin was appointed as a non-executive director in January 2024, and Ma Boyin left as a non-executive director in October 2024.
- (5) Liu Zhenhua was appointed as a non-executive director in October 2024.
- (6) Liu Hui was appointed as a non-executive director in October 2024.
- (7) Li Delin was appointed as a non-executive director in October 2024.
- (8) Xiang Hua left his post as an independent non-executive director in June 2024.
- (9) Xiao Houfa left his post as an independent non-executive director in January 2024.
- (10) Xiong Wei left his post as an independent non-executive director in January 2024.
- (11) Hu Honggao resigned as an independent non-executive director in January 2024.
- (12) Ye Yingzhi was appointed as an independent non-executive director in January 2024.
- (13) Zhang Ruijun was appointed as an independent non-executive director in January 2024.
- (14) Cao Xiao was appointed as an independent non-executive director in January 2024.
- (15) Chen Xin was appointed as an independent non-executive director in June 2024.
- (16) Wang Zhangwei resigned as a supervisor in October 2024.
- (17) Zou Qun left his post as supervisor in June 2024.
- (18) He Min resigned as a supervisor in January 2024.
- (19) Wang Jianping was appointed as a supervisor in January 2024, and Wang Jianping left as a supervisor in June 2024.
- (20) Sun Xian was appointed as a supervisor in October 2024.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

58 Directors' and supervisors' emoluments (continued)

The above salary details are the salary details attributable to 2024 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, 2024 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

Two (2023: three) of the five individuals with the highest emoluments were directors or supervisors of the Company. The emoluments of the remaining three individuals (2023: two) with the highest emoluments are as below:

	As at December 31,	
	2024	2023
Basic salaries and allowances	4,139	3,351
Bonuses	2,501	2,337
Contributions to retirement benefit scheme	710	596
	7,350	6,284

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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,	
	2024	2023
Emolument bands		
HKD2,500,001 to HKD3,000,000	3	–
HKD3,000,001 to HKD3,500,000	–	1
HKD3,500,001 to HKD4,000,000	–	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,	
	2024	2023
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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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
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 Shekou Industrial Zone Holdings Co., Ltd. *	Fellow subsidiary of the de facto controller
China Merchants (Shanghai) Investment Co., Ltd. *	Fellow subsidiary of the de facto controller
Sinotrans Co., Ltd.	Fellow subsidiary of the de facto controller
China Merchants Real Estate (Shenzhen) Co., Ltd.	Fellow subsidiary of the de facto controller
China Merchants Hoi Tung Trading Co., Ltd.	Fellow subsidiary of the de facto controller
Dalian Jingang United Auto International Trade Co., Ltd. *	Fellow subsidiary of the de facto controller
Shenzhen Huiqin Property Management Co., Ltd. *	Fellow subsidiary of the de facto controller
China Merchants Expressway Network & Technology Holdings Co., Ltd. *	Fellow subsidiary of the de facto controller
Shengao Lande Environmental Protection Technology Group Co., Ltd. *	Fellow subsidiary of the de facto controller
China Everbright Bank Co., Ltd.	Enterprises in which director serve each other

* English name translated is for identification purpose only.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

60 Significant related party transactions (continued)

(2) Related parties transaction and balances

- a. *During the years ended December 31, 2024 and 2023, the Group's major transactions and balances with its associate are as follows*

Transactions between the Group and associates:

	As at December 31,	
	2024	2023
Fee and commission income		
– Funds managed by Bosera Asset Management Co., Ltd. and China Merchants Fund Management Limited	110,633	218,493

Balances between the Group and associates:

	As at December 31,	
	2024	2023
Accounts and other receivables		
– Funds managed by Bosera Asset Management Co., Ltd. and China Merchants Fund Management Limited	32,481	30,786

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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,	
	2024	2023
Fee and commission income		
– China Merchants Bank Co., Ltd.	3,176	19,444
– China Merchants Shekou Industrial Zone Holdings Co., Ltd. *	3,516	28,688
– China Merchants Hoi Tung Trading Co., Ltd.	–	11,263
– Sinotrans Co., Ltd.	755	5,283
China Merchants Expressway Network & Technology Holdings Co., Ltd. *	8,425	–
Interest income		
– China Merchants Bank Co., Ltd.	483,273	469,969
– China Everbright Bank Co., Ltd.	7,560	Not applicable
Investment gains or losses, net		
– China Merchants Bank Co., Ltd.	32,915	53,419
– China Everbright Bank Co., Ltd.	5,704	Not applicable
Other income and gains or losses, net		
– Shengao Lande Environmental Protection Technology Group Co., Ltd.	5,835	5,483
Fee and commission expenses		
– China Merchants Bank Co., Ltd.	55,494	61,164
Interest expenses of placement and borrowings from banks		
– China Merchants Bank Co., Ltd.	10,952	25,686

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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,	
	2024	2023
Other operating expenses		
– Shenzhen Merchants Property Management Co., Ltd. *	30,427	49,053
– China Merchants Real Estate (Shenzhen) Co., Ltd.	12,364	5,773
– Shenzhen Huiqin Property Management Co., Ltd. *	30,844	–
Purchase of software and office supplies		
– Shenzhen Merchants Daojiahui Technology Co., Ltd. *	44,743	45,106
– Dalian Jingang United Auto International Trade Co., Ltd. *	7,211	–
Interest expenses of lease liabilities		
– China Merchants Bank Co., Ltd.	13,552	16,383
Interest expenses of repurchase agreements business		
– China Merchants Bank Co., Ltd.	11,274	3,878

* English name translated is for identification purpose only.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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,	
	2024	2023
Cash and bank balances		
– China Merchants Bank Co., Ltd.	30,824,922	23,360,309
– China Everbright Bank Co., Ltd.	966,092	Not applicable
Bonds, securitizations, structured deposits and certificates of deposit		
– China Merchants Bank Co., Ltd.	559,328	1,210,077
– China Everbright Bank Co., Ltd.	1,975,893	Not applicable
Short-term borrowings		
– China Merchants Bank Co., Ltd.	371,395	284,218
– China Everbright Bank Co., Ltd.	461,597	Not applicable
Lease liabilities		
– China Merchants Bank Co., Ltd.	248,466	472,666
– China Merchants (Shanghai) Investment Co., Ltd. *	15,971	25,739

* English name translated is for identification purpose only.

(3) Key management personnel

The remuneration of the key management personnel of the Group is as follows:

	As at December 31,	
	2024	2023
Short-term benefits		
– Salaries, bonus and allowances	15,925	20,945
Post-employment benefits		
– Contribution to retirement schemes	1,969	2,246
	17,894	23,191

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

61 Financial instruments

Categories of financial instruments

	As at December 31,	
	2024	2023
Financial assets		
Equity instruments at fair value through other comprehensive income	38,980,021	17,697,437
Debt instruments at fair value through other comprehensive income	68,351,202	70,798,037
Financial assets measured at amortized cost	325,997,136	303,865,004
Derivative financial assets	4,647,396	6,679,137
Financial assets at fair value through profit or loss	265,463,722	278,737,717
	703,439,477	677,777,332
Financial liabilities		
Derivative financial liabilities	5,219,511	6,938,983
Financial liabilities at fair value through profit or loss	53,648,120	44,535,516
Financial liabilities at amortized cost	524,942,350	515,419,871
	583,809,981	566,894,370

62 Financial risk management

(1) Risk management structure

Since its establishment, the Group has been developing an all-around, innovative and forward-looking 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 Audit and Supervision Department.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

62 Financial risk management (continued)

(1) Risk management structure (continued)

The overall risk management duties of departments or posts under 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 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 Supervisory Committee of the Group is responsible for supervising and examining the operations of the comprehensive risk management system of the Company;
- (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 Administration Department together with the Risk Management Department and other relevant departments 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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, or spot market transactions; (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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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 advances to customers, 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:

- Advances to customers: 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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

62 Financial risk management (continued)

(2) Credit risk (continued)

Expected credit loss (ECL) measurement (continued)

- Financial assets (pledged by stocks) 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

For advances to customers and stock-pledged repurchase agreements under financial assets held under resale agreements, on the basis of clients' credit risks, clients' purchasing power and the values of all collaterals, the Group fully considers the borrowers' credit risk, maturity date, the information of related collateral securities, which including the sectors, liquidity discount factor, restrictions, concentration, volatility, prices, operations of issuers etc., and considers margin maintenance ratios to individually assess the loss ratios in order to measure the impairment loss allowance of high risk credit business.

The loss ratio is determined on the Group's historical default data, margin maintenance ratios, the liquidity of collateral, etc., with forward-looking adjustments made accordingly.

For debt instruments at amortized cost and debt instruments at fair value through other comprehensive income, factors considered in the assessment using the expected credit loss model mainly includes asset categories, PD, LGD, exposures, exchange rates and adjustments factors, whether there are SICR and judgment on low risk assets, and the impairment loss allowance in respect of fixed-income financial assets determined on the projected cash inflows.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

62 Financial risk management (continued)

(2) Credit risk (continued)

Measuring ECL – inputs, assumptions and estimation techniques (continued)

PD will be adjusted in the light of macroeconomic environment and the specific situation of bonds, and determined after having incorporated forward-looking factors and adjustment factors of specific bonds. The forward-looking adjustment factors are evaluated mainly based on analyzing the relationship between the default rate and the long-term average default rate under different economic environments (or macroeconomic factors) in China and other countries, and determined through forecasting economic environment; 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.

LGD is estimated based on historical data and subject to a forward looking adjustment.

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 0.0018% to 2.6514% (2023: 0.00% – 1.25%), the loss rates on financial assets under resale agreements range from 0.1032% to 5.2298% (2023: 0.00% – 3.78%).

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.

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.

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;

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

62 Financial risk management (continued)

(2) Credit risk (continued)

SICR (continued)

- 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;
- 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.

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.

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, 2024, 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:

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

62 Financial risk management (continued)

(2) Credit risk (continued)

a. Maximum credit risk exposure

	As at December 31,	
	2024	2023
Financial assets at FVTPL ⁽ⁱ⁾	186,588,076	176,834,112
Derivative financial assets	4,647,396	6,679,137
Advances to customers	95,572,702	83,666,020
Financial assets held under resale agreements	31,845,120	49,776,194
Accounts and other receivables	6,412,013	8,915,076
Deposits with exchanges and non-bank financial institutions	13,113,733	12,947,109
Clearing settlement funds	33,232,276	37,691,722
Cash and bank balances	144,322,270	110,022,616
Debt instruments at amortized cost	1,380,138	691,493
Debt instruments at FVTOCI	68,351,202	70,798,037
Equity instruments at FVTOCI ⁽ⁱⁱ⁾	12	921,579
Other non-current assets	118,883	133,772
Other current assets	337,093	305,441
Maximum credit risk exposure	585,920,914	559,382,308

(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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 2024

	Mainland China	Outside Mainland China	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

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

62 Financial risk management (continued)

(2) Credit risk (continued)

b. Risk concentration (continued)

As at December 31, 2023

	Mainland China	Outside Mainland China	Total
Financial assets at FVTPL	173,608,199	3,225,913	176,834,112
Derivative financial assets	4,316,942	2,362,195	6,679,137
Advances to customers	81,423,718	2,242,302	83,666,020
Financial assets held under resale agreements	49,776,194	–	49,776,194
Accounts and other receivables	5,023,529	3,891,547	8,915,076
Deposits with exchanges and non-bank financial institutions	12,760,549	186,560	12,947,109
Clearing settlement funds	37,172,295	519,427	37,691,722
Cash and bank balances	98,989,169	11,033,447	110,022,616
Debt instruments at amortized cost	20,394	671,099	691,493
Debt instruments at FVTOCI	69,208,144	1,589,893	70,798,037
Equity instruments at FVTOCI	921,579	–	921,579
Other non-current assets	133,772	–	133,772
Other current assets	305,441	–	305,441
Maximum credit risk exposure	533,659,925	25,722,383	559,382,308

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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,	
	2024	2023
Rating		
Issuers in Mainland China		
– PRC sovereign bonds ⁽ⁱ⁾	163,729,615	163,409,977
– AAA	109,600,570	88,505,875
– AA+	5,095,035	4,449,988
– AA	650,577	601,854
– AA–	2	2
– AA- below	1,533	1,533
– Non-rated	75,576	600,811
Sub-total	279,152,908	257,570,040
Issuers in Hong Kong and other regions ⁽ⁱⁱ⁾		
– PRC sovereign bonds ⁽ⁱ⁾	147,079	3,795
– A	6,819,123	3,895,366
– B	2,634,351	1,161,015
– Non-rated	145,591	–
Sub-total	9,746,144	5,060,176
	288,899,052	262,630,216

(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. A-1 rating represents rating on short-term financing bonds. 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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

62 Financial risk management (continued)

(3) Liquidity risk

a. *Origin and management of liquidity risk*

The Group's exposure to liquidity risk mainly 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 funding needs for normal business operation. If there is material and adverse changes in the operating condition of the Group in the future and the Group is not able to maintain their gearing ratio at a reasonable level, and the operations of the Group experiences unusual changes, the Group may not be able to repay the principal or interest of relevant debts in full when due.

In order to prevent liquidity risk, the Group has established high-quality current asset reserve and minimum excess reserve quota system. The Group has formulated liquidity emergency management plans to retain minimum excess reserve in the funding plan. The Group has reserved treasury bonds, PBOC bills and other highly liquid assets which can be liquidated at any time under extreme circumstances for unexpected expenses. In addition, the Group has actively developed management for funding gaps. By using management tools of cash flow gap, sensitivity analysis and stress testing, the Group can identify potential risks as early as possible to arrange financing and adjust the pace of fund utilization for business purposes in advance to effectively manage the payment risk. The Group has also continuously expanded their financing channels and has a balanced distribution of debt maturities, so as to avoid the payment risk caused by single financing channel or servicing debts when due. Besides, the Group has established internal risk reporting system to promptly monitor the liquidity risk in the operation of each business and at each branch. Moreover, the Group takes measures to promote the safe, sound and sustainable operations of each business and each branch.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

62 Financial risk management (continued)

(3) Liquidity risk (continued)

b. Undiscounted cash flows by contractual maturities

	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

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

62 Financial risk management (continued)

(3) Liquidity risk (continued)

b. Undiscounted cash flows by contractual maturities (continued)

	As at December 31, 2023							Total
	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	
Non-derivative financial liabilities								
Borrowings	8,090,451	–	5,294,497	229,902	985,482	1,827,167	–	8,337,048
Short-term debt instruments	57,025,735	–	6,414,575	22,657,287	28,390,504	–	–	57,462,366
Placements from banks and other financial institutions	27,061,392	–	18,994,682	2,382,366	5,822,138	–	–	27,199,186
Bonds payables	121,992,465	–	11,420,826	6,459,681	30,837,604	78,642,858	–	127,360,969
Financial assets sold under repurchase agreements	142,684,754	–	140,110,927	2,164,902	455,222	–	–	142,731,051
Financial liabilities at fair value through profit or loss	44,535,516	2,314,008	39,219,563	116,924	1,493,874	1,619	1,389,528	44,535,516
Accounts payables to brokerage clients	117,852,233	117,852,233	–	–	–	–	–	117,852,233
Other payables and accrued charges	39,457,323	38,808,671	182,252	92,000	374,400	–	–	39,457,323
Lease liabilities	1,255,518	–	44,236	26,556	277,944	726,007	289,047	1,363,790
Sub-total	559,955,387	158,974,912	221,681,558	34,129,618	68,637,168	81,197,651	1,678,575	566,299,482
Derivative financial liabilities-net settlement	6,938,983	2,814,840	311,180	1,349,904	1,914,271	548,737	51	6,938,983
Total	566,894,370	161,789,752	221,992,738	35,479,522	70,551,439	81,746,388	1,678,626	573,238,465

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 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

	At December 31, 2023			
	Final	Highest	Lowest	Average
Market risk of equity price	62,876	163,430	59,545	94,271
Market risk of interest rate	99,577	111,219	58,595	84,916
Market risk of commodity price	7,152	21,620	7,152	12,390
Market risk of foreign exchange	452	1,302	174	759
	126,230	201,336	106,904	136,267

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 2024						Total
	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	
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

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

62 Financial risk management (continued)

(4) Market risk (continued)

c. Interest rate risk (continued)

	At December 31, 2024						Total
	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	
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
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

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

62 Financial risk management (continued)

(4) Market risk (continued)

c. Interest rate risk (continued)

	At December 31, 2023						Total
	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	
Financial assets							
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	17,697,437	17,697,437
Debt instruments at fair value through other comprehensive income	426,248	969,559	6,301,155	54,294,832	8,806,243	-	70,798,037
Financial assets at fair value through profit or loss	3,055,777	3,159,071	29,220,869	98,317,640	40,839,407	104,144,953	278,737,717
Derivative financial assets	275	15,243	418	-	-	6,663,201	6,679,137
Advances to customers	9,460,552	18,113,005	56,092,463	-	-	-	83,666,020
Financial assets held under resale agreements	33,495,354	1,611,331	13,390,709	1,278,800	-	-	49,776,194
Debt instruments at amortized cost	105,954	171,726	413,813	-	-	-	691,493
Accounts and other receivables	-	-	-	-	-	8,936,078	8,936,078
Other non-current assets	-	-	-	17,239	23,627	92,906	133,772
Deposits with exchanges and non-bank financial institutions	7,921,645	-	-	-	-	5,025,464	12,947,109
Clearing settlement funds	37,691,264	-	-	-	-	458	37,691,722
Cash and bank balances	106,621,279	2,865,757	535,580	-	-	-	110,022,616
Sub-total	198,778,348	26,905,692	105,955,007	153,908,511	49,669,277	142,560,497	677,777,332

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

62 Financial risk management (continued)

(4) Market risk (continued)

c. Interest rate risk (continued)

	At December 31, 2023						Total
	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	
Financial liabilities							
Borrowings	7,889,545	200,906	-	-	-	-	8,090,451
Short-term debt instruments	6,405,527	22,529,344	27,634,000	-	-	456,864	57,025,735
Placements from banks and other financial institutions	18,991,562	2,374,687	5,695,143	-	-	-	27,061,392
Bonds payables	11,211,594	6,364,509	28,239,068	73,623,551	-	2,553,743	121,992,465
Financial assets sold under repurchase agreements	140,087,698	2,146,362	450,694	-	-	-	142,684,754
Derivative financial liabilities	-	5,705	-	-	-	6,933,278	6,938,983
Financial liabilities at fair value through profit or loss	39,184,029	-	-	-	-	5,351,487	44,535,516
Accounts payables to brokerage clients	98,646,885	-	-	-	-	19,205,348	117,852,233
Other payables and accrued charges	146,000	92,000	374,400	-	-	38,844,923	39,457,323
Lease liabilities	43,902	26,334	274,218	674,364	236,700	-	1,255,518
Sub-total	322,606,742	33,739,847	62,667,523	74,297,915	236,700	73,345,643	566,894,370
Net position	(123,828,394)	(6,834,155)	43,287,484	79,610,596	49,432,577	69,214,854	110,882,962

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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,	
	2024	2023
Change in basis points		
Increase by 100bps	(2,795,865)	(3,474,937)
Decrease by 100bps	2,744,396	3,559,605

Sensitivity to equity

	As at December 31,	
	2024	2023
Change in basis points		
Increase by 100bps	(5,052,542)	(5,400,396)
Decrease by 100bps	5,158,117	5,587,608

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

62 Financial risk management (continued)

(4) Market risk (continued)

d. Foreign currency rate risk (continued)

Sensitivity analysis of exchange rate

	As at December 31,	
	2024	2023
Change in exchange rate		
Depreciation of USD by 3%	(68,640)	(24,180)
Depreciation of HKD by 3%	(43,700)	(52,670)

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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

63 Fair value of financial instruments

(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, 2024 and 2023.

(2) Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis

If there is a reliable market quote for financial instruments, the fair value of financial instruments is based on quoted market prices. If a reliable quoted market price is not available, the fair value of the financial instruments is estimated using valuation techniques. Valuation techniques applied include reference to the fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. The inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and foreign exchange rates. Where discounted cash flow analysis is used, estimated cash flows are based on management's best estimates and the discount rate used is reference to another instrument that is substantially the same.

Since the Level 2 and Level 3 of financial assets and liabilities are not quoted in an active market, valuation techniques are used to estimate the fair value. When estimating fair value using valuation techniques, observable inputs and data from the practical market (e.g. yield curve of interest rate products, foreign currency exchange rate, implied volatility, etc.) are adopted. If the observable inputs in the market are not available, the observable input data that are calibrated as closely as possible to the market observable data are used for estimating the fair value. Meanwhile, the credit risk, volatility, correlation, etc. of the Group and the counterparties are estimated by the management. Changes in these factors will affect the estimated fair value of the financial instruments, therefore there were uncertainty of accounting estimation on carrying balances of the Level 2 and Level 3 of financial assets and liabilities.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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 financial instruments are as set out below:

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
	2024	2023				
1) Financial assets at fair value through profit or loss						
Debt securities						
– Traded on stock exchanges	585,904	2,669,900	Level 1	Quoted closing prices in an active market.	N/A	N/A
– Traded on stock exchange or interbank market	184,617,893	171,922,864	Level 2	Discounted cash flow method. Estimated cash flows discounted at observable yield curve reflecting credit risk of counterparties.	N/A	N/A
– Bonds with no active market	127,038	471,664	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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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
	2024	2023				
1) Financial assets at fair value through profit or loss (continued)						
<i>Equity investments</i>						
– Traded on stock exchanges	21,331,222	36,088,560	Level 1	Quoted closing prices in an active market.	N/A	N/A
– Traded on stock exchanges (inactive)	87,465	30,675	Level 2	Quoted closing prices for stocks suspended for trading adjusted by fair value changes of similar securities.	N/A	N/A
– Traded on stock exchanges (restricted)	293,186	852,037	Level 3	Market prices adjusted by option pricing model for liquidity.	Liquidity discount.	The higher the discount, the lower the fair value.
– Traded on National Equities Exchange and Quotations	144,385	159,843	Level 2	Bid prices quoted by market dealers.	N/A	N/A
– Traded on National Equities Exchange and Quotations	8,005	16,863	Level 2	Bid prices or negotiated prices.	N/A	N/A
– Unlisted Equity	–	271,041	Level 2	Latest observable transaction prices.	N/A	N/A

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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)

	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
Financial assets/financial liabilities	2024	2023				
1) Financial assets at fair value through profit or loss (continued)						
Equity investments (continued)						
– Unlisted Equity	101,749	82,321	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	422,170	2,622,562	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.
– Unlisted Equity	336,945	358,835	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	2,369,683	292,220	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 derivatives models. Historical volatilities.	The higher the historical volatilities, the higher the fair value

Notes to the Consolidated Financial Statements (Continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

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
	2024	2023				
1) Financial assets at fair value through profit or loss (continued)						
Funds						
– Traded on stock exchanges	7,639,167	11,782,397	Level 1	Quoted closing prices in an active market.	N/A	N/A
– Traded on over-the-counter market	29,578,729	29,880,345	Level 2	Based on the net asset values of the investment, determined with reference to observable (quoted) prices of underlying investment portfolio.	N/A	N/A
– Traded on stock exchanges (restricted)	26,816	–	Level 3	Market prices adjusted by option pricing model for liquidity.	Liquidity discount.	The higher the discount, the lower the fair value.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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
	2024	2023				
1) Financial assets at fair value through profit or loss (continued)						
<i>Other investments</i>						
– Wealth management and trust products and others	–	101,896	Level 1	Quoted closing prices in an active market.	N/A	N/A
– Wealth management and trust products and others	681,104	12,984,508	Level 2	Based on the net asset values of the investment, determined with reference to observable (quoted) prices of underlying investment portfolio.	N/A	N/A
– Wealth management and trust products and others	10,534,608	740,532	Level 2	Discounted cash flow method. Estimated cash flows discounted at an observable yield curve reflecting credit risk of counterparties.	N/A	N/A
– Wealth management and trust products and others	–	110,770	Level 3	Discounted cash flow method. Estimated cash flows discounted at an 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.
– Partnership enterprise	6,577,653	7,297,884	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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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)

	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
Financial assets/financial liabilities	2024	2023				
2) Debt instruments at fair value through other comprehensive income						
Bonds						
– Traded on stock exchanges	–	280,522	Level 1	Quoted closing prices in an active market.	N/A	N/A
– Traded on stock exchange or interbank market	68,351,202	70,517,515	Level 2	Discounted cash flow method. Estimated cash flows discounted at observable yield curve reflecting credit risk of counterparties.	N/A	N/A

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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
	2024	2023				
3) Equity instruments at fair value through other comprehensive income						
Equity investments						
– Traded on stock exchanges	4,510,005	1,617,654	Level 1	Quoted closing prices in an active market.	N/A	N/A
– Traded on stock exchanges	542,683	–	Level 1	Quoted closing prices in an active market.		
– National Stock Transfer System	711	–	Level 2	Bidding/negotiated transfer price		
– Traded on stock exchanges (inactive)	–	1,417	Level 2	Quoted closing prices for stocks suspended for trading adjusted by fair value changes of similar securities.	N/A	N/A
– Traded on stock exchange or interbank market	33,836,877	16,076,259	Level 2	Discounted cash flow method. Estimated cash flows discounted at observable yield curve reflecting credit risk of counterparties.	N/A	N/A
– Others	–	2,107	Level 2	Lastest observable transaction prices.	N/A	N/A
– Others	1,400	–	Level 3	Market approach	Liquidity discount.	The higher the discount, the lower the fair value.
– Traded on stock exchanges (restricted)	88,345	–	Level 3	Market prices adjusted by option pricing model for liquidity.	Liquidity discount.	The higher the discount, the lower the fair value.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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
	2024	2023				
4) Derivative financial instruments						
– Interest rate swap – assets	37,442	15,936	Level 2	Discounted cash flows with future cash flows that are estimated based on contractual terms, discounted at a rate that reflects the credit risk.	N/A	N/A
– Interest rate swap – liabilities	4,794	14,927	Level 2	Discounted cash flows with future cash flows that are estimated based on contractual terms, discounted at a rate that reflects the credit risk.	N/A	N/A
– Bond futures – assets	3,034	3,983	Level 1	Quoted closing prices in an active market.	N/A	N/A
– Bond futures – liabilities	37	13,627	Level 1	Quoted closing prices in an active market.	N/A	N/A
– Equity return swaps – assets	2,984,633	3,771,632	Level 2	Calculated based on the difference between the equity return of underlying securities and the fixed income agreed in the swap agreements.	N/A	N/A
– Equity return swaps – liabilities	3,243,967	4,180,517	Level 2	Calculated based on the difference between the equity return of underlying securities and the fixed income agreed in the swap agreements.	N/A	N/A

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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
	2024	2023				
4) Derivative financial instruments (continued)						
– Stock index futures – assets	33,293	8,789	Level 1	Quoted closing prices in an active market.	N/A	N/A
– Stock index futures – liabilities	172	118,173	Level 1	Quoted closing prices in an active market.	N/A	N/A
– Options – assets	431,815	299,665	Level 1	Quoted closing prices in an active market.	N/A	N/A
– Options – liabilities	769,459	648,397	Level 1	Quoted closing prices in an active market.	N/A	N/A
– Over-the-counter option – assets	36,130	50,959	Level 2	Option pricing model. Key inputs mainly include the underlying price, the strike price and time to expiry.	N/A	N/A
– Over-the-counter option – liabilities	39,285	18,004	Level 2	Option pricing model. Key inputs mainly include the underlying price, the strike price and time to expiry.	N/A	N/A
– Over-the-counter option – assets	757,111	1,666,384	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	717,851	971,163	Level 3	Option pricing model.	Historical volatility of the share prices of the securities.	The higher the historical volatility, the higher the fair value.

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(Expressed in thousands of Renminbi, unless otherwise stated)

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
	2024	2023				
4) Derivative financial instruments (continued)						
- Foreign exchange contracts – assets	25,330	47,280	Level 2	Discounted cash flows. Future cash flows are estimated based on forward and contractual interest rates, discounted at rates that reflects the credit risk.	N/A	N/A
- Foreign exchange contracts – liabilities	36,260	5,944	Level 2	Discounted cash flows. Future cash flows are estimated based on forward and contractual interest rates, discounted at rates that reflects the credit risk.	N/A	N/A
- Currency futures – assets	224	27	Level 1	Quoted closing prices in an active market.	N/A	N/A
- Currency futures – liabilities	681	272	Level 1	Quoted closing prices in an active market.	N/A	N/A
- Currency futures – assets	-	7,753	Level 2	Calculated based on the difference between the underlying assets market price and the reference price agreed by counterparties.	N/A	N/A
- Currency futures – liabilities	-	14,331	Level 2	Calculated based on the difference between the underlying assets market price and the reference price agreed by counterparties.	N/A	N/A
- Credit default swap – liabilities	1,250	430	Level 2	Discounted cash flows. Future cash flows are estimated based on forward and contractual interest rates, discounted at rates that reflects the credit risk.	N/A	N/A

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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
	2024	2023				
4) Derivative financial instruments (continued)						
– Credit default swap – assets	333	1,556	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	4,417	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.
– Commodity futures – assets	319,973	369,366	Level 1	Quoted closing prices in an active market.	N/A	N/A
– Commodity futures – liabilities	398,157	509,041	Level 1	Quoted closing prices in an active market.	N/A	N/A
– Commodity swap – assets	18,078	426,837	Level 2	Calculated based on the difference between the underlying commodity market price and the reference price agreed by counterparties.	N/A	N/A
– Commodity swap – liabilities	7,303	439,417	Level 2	Calculated based on the difference between the underlying commodity market price and the reference price agreed by counterparties.	N/A	N/A

Notes to the Consolidated Financial Statements (Continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

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
	2024	2023				
4) Derivative financial instruments (continued)						
- Commodity forward contracts – assets	–	8,949	Level 2	Calculated based on the difference between the underlying commodity market price and the reference price agreed by counterparties.	N/A	N/A
- Commodity forward contracts – liabilities	–	323	Level 2	Calculated based on the difference between the underlying commodity market price and the reference price agreed by counterparties.	N/A	N/A
- Bond forward contracts – assets	–	21	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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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
	2024	2023				
5) Financial liabilities at fair value through profit or loss						
– Structured entities	1,476,739	1,464,805	Level 2	Based on the net asset values of the investment, determined with reference to observable (quoted) prices of underlying investment portfolio.	N/A	N/A
– Equity securities	711,389	1,798,215	Level 1	Quoted closing prices in an active market.	N/A	N/A
– Debt securities	49,819,523	39,184,029	Level 2	Discounted cash flow method. Estimated cash flows discounted at observable yield curve reflecting credit risk of counterparties.	N/A	N/A
– Structured notes	1,113,786	1,641,628	Level 2	Based on the net asset values of the investment, determined with reference to observable (quoted) prices of underlying investment portfolio.	N/A	N/A
– Income right	67,914	66,117	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.
– Others	3,825	216,320	Level 1	Quoted closing prices in an active market.	N/A	N/A
– Others	454,944	164,402	Level 2	Calculated based on the difference between the equity return of underlying securities and the fixed income agreed in the swap agreements.	N/A	N/A

The fair value of the financial instruments in Level 3 is not significantly sensitive to a reasonable change in these unobservable inputs.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 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

Notes to the Consolidated Financial Statements (Continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

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, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss	50,642,753	216,006,671	12,088,293	278,737,717
– Debt securities	2,669,900	171,922,864	471,664	175,064,428
– Equity investments	36,088,560	478,422	4,207,975	40,774,957
– Funds	11,782,397	29,880,345	–	41,662,742
– Others	101,896	13,725,040	7,408,654	21,235,590
Derivative financial assets	681,830	4,329,346	1,667,961	6,679,137
Debt instruments at fair value through other comprehensive income	280,522	70,517,515	–	70,798,037
Equity instruments at fair value through other comprehensive income	1,617,654	16,079,783	–	17,697,437
	53,222,759	306,933,315	13,756,254	373,912,328
Financial liabilities				
Financial liabilities at fair value through profit or loss	2,014,535	42,454,864	66,117	44,535,516
Derivative financial liabilities	1,289,510	4,673,893	975,580	6,938,983
	3,304,045	47,128,757	1,041,697	51,474,499

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 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)

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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 (continued)

	Financial assets	Financial liabilities
As at January 1, 2023	12,595,193	465,932
Gains or losses for the year	1,863,033	227,606
Additions	1,728,483	588,865
Sales and settlements	(2,094,686)	(249,284)
Transfers into Level 3	2,109,435	8,578
Transfers out Level 3	(2,445,204)	–
As at December 31, 2023	13,756,254	1,041,697
Total gains or losses for the year included in profit or loss for assets/liabilities held at the end of the reporting period	2,014,762	229,831

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 2024 and 2023, 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, 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.

Notes to the Consolidated Financial Statements (Continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

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, 2024						
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	Related amounts not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral	
Accounts and other receivables	1,737,256	(787,293)	949,963	(655)	(13,739)	935,569

As at December 31, 2024						
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	Related amounts not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral	
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)

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

64 Offsetting financial assets and financial liabilities (continued)

As at December 31, 2023						
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	Related amounts not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral	
Accounts and other receivables	1,717,146	(950,502)	766,644	(19,811)	(441,690)	305,143

As at December 31, 2023						
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	Related amounts not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral	
Accounts payable to brokerage clients	(5,862,124)	104,041	(5,758,083)	987,042	–	(4,771,041)
Other payables and accrued charges	(3,334,242)	79,710	(3,254,532)	19,811	(429,102)	(3,663,823)
	(9,196,366)	183,751	(9,012,615)	1,006,853	(429,102)	(8,434,864)

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, 2024 and 2023, 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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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,					
		2024				2023	
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, 2024)		Proportion ownership interest held by the Company (As at December 31, 2023)		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

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 2024)		Proportion ownership interest held by the Company (As at December 31, 2023)		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\$5,500,000,000	Securities brokerage
China Merchants Futures (HK) Co., Limited	PRC	0.00%	100.00%	0.00%	100.00%	HK\$200,000,000	Futures brokerage
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

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 2024)		Proportion ownership interest held by the Company (As at December 31, 2023)		Issued and fully paid share capital	Principal activities
		Directly	Indirectly	Directly	Indirectly		
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%	98.40%	–	Investment management
Bliss Moment Limited	UK	0.00%	100.00%	0.00%	100.00%	US\$19,213,563.28	Investment management
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, 2024, the bond securities issued by the subsidiaries of the company are “CMSI 3.3% N20260918”, the issuer is CMS International Gemstone Limited, as detailed in notes 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.

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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	Others	Total
At January 1, 2024	8,090,451	57,025,735	121,992,465	1,255,518	572,240	(14,151)	188,922,258
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	(14,151)	187,120,453

	Borrowings	Short-term debt instruments	Bonds payables	Lease liabilities	Dividend payables	Others	Total
At January 1, 2023	11,772,043	25,147,999	134,627,742	1,243,346	574,515	(14,151)	173,351,494
Cash changes							
– Cash flow from financing activities	(4,151,510)	31,269,939	(16,826,966)	(396,982)	(2,193,207)	–	7,701,274
– Cash flow from operating activities	–	–	–	–	(2,275)	–	(2,275)
Non-cash changes							
– Financing cost incurred	355,843	607,219	4,123,992	38,845	2,193,207	–	7,319,106
– Additions of leases	–	–	–	382,101	–	–	382,101
– Disposal of leases	–	–	–	(13,103)	–	–	(13,103)
– Others	(30,675)	–	–	–	–	–	(30,675)
– Exchange differences	144,750	578	67,697	1,311	–	–	214,336
At December 31, 2023	8,090,451	57,025,735	121,992,465	1,255,518	572,240	(14,151)	188,922,258

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

67 Statement of financial position and reserve of the company

	As at December 31,	
	2024	2023
Non-current assets		
Property and equipment	1,566,731	1,449,081
Right-of-use assets	1,134,095	1,424,375
Other intangible assets	579,636	283,952
Investments in subsidiaries	18,869,797	18,869,797
Interests in associates	12,702,514	11,751,540
Equity instruments at fair value through other comprehensive income	38,835,489	17,583,531
Financial assets held under resale agreements	608,187	1,278,800
Financial assets at fair value through profit or loss	548,179	41,710
Deferred tax assets	444,556	1,438,983
Other non-current assets	320,904	547,387
Total non-current assets	75,610,088	54,669,156
Current assets		
Advances to customers	92,516,394	81,423,718
Current tax assets	290,240	414,823
Accounts and other receivables	3,558,448	4,843,156
Amount due from a subsidiary	699,672	2,921,440
Debt instruments at fair value through other comprehensive income	64,295,829	68,207,092
Financial assets held under resale agreements	31,176,210	48,497,394
Financial assets at fair value through profit or loss	225,821,099	238,852,462
Derivative financial assets	4,050,505	4,699,497
Other non-current assets	319,958	300,539
Deposits with exchanges and non-bank financial institutions	7,885,165	7,647,730
Clearing settlement funds	34,942,639	39,787,923
Cash and bank balances	79,510,280	55,149,412
Total current assets	545,066,439	552,745,186
Total assets	620,676,527	607,414,342

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

67 Statement of financial position and reserve of the company (continued)

	As at December 31,	
	2024	2023
Current liabilities		
Short-term debt instruments	57,336,472	56,979,600
Placements from banks and other financial institutions	9,979,665	26,420,988
Accounts payables to brokerage clients	95,621,082	70,851,406
Accrued staff costs	4,875,513	5,127,940
Other payables and accrued charges	24,179,676	36,491,089
Financial liabilities at fair value through profit or loss	49,819,523	39,185,099
Derivative financial liabilities	3,136,750	4,499,531
Financial assets sold under repurchase agreements	143,926,614	139,152,739
Lease liabilities	244,205	311,324
Contract liabilities	21,640	51,280
Provisions	—	536
Bonds payables due within one year	45,772,440	43,565,065
Total current liabilities	434,913,580	422,636,597
Net current assets	110,152,859	130,108,589
Total assets less current liabilities	185,762,947	184,777,745
Equity		
Share capital	8,696,526	8,696,526
Other equity instruments	15,000,000	15,000,000
Capital reserves	40,249,268	40,249,268
Investment revaluation reserve of financial assets at fair value through other comprehensive income	1,383,316	178,666
General reserves	24,023,636	22,173,364
Retained profits	27,524,487	23,688,363
Total equity	116,877,233	109,986,187
Non-current liabilities		
Deferred income	101,410	104,452
Lease liabilities	591,454	816,076
Bonds payables	68,192,850	73,871,030
Total non-current liabilities	68,885,714	74,791,558
Total equity and non-current liabilities	185,762,947	184,777,745

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 2024

	At the beginning of the year	Increase	Decrease	At the end of the year
Capital reserves	40,249,268	–	–	40,249,268

For the year ended December 31, 2023

	At the beginning of the year	Increase	Decrease	At the end of the year
Capital reserves	40,233,165	16,103	–	40,249,268

Investment revaluation reserve of financial assets at fair value through other comprehensive income

	As at December 31,	
	2024	2023
At the beginning of the year	178,666	(170,658)
Debt instruments at FVTOCI		
Net changes in fair value for the year	1,882,772	398,624
Reclassification to profit or loss	(700,514)	(86,931)
Income tax impact	(295,564)	(77,923)
Expected credit losses of debt instruments at FVTOCI		
Net changes in profit or loss for ECL reclassification adjustment	3,209	3,165
Income tax impact	(802)	(791)
Equity instruments at FVTOCI		
Net changes in fair value for the year	443,839	(127,140)
Transfer to retained profits	(87,618)	260,351
Income tax impact	(89,056)	(33,303)
Share of other comprehensive income of associates		
Share of other comprehensive income that will be reclassified subsequently to profit or loss	48,130	13,272
Share of other comprehensive income that will not be reclassified subsequently to profit or loss	254	–
At the end of the year	1,383,316	178,666

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

67 Statement of financial position and reserve of the company (continued)

General reserves

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

For the year ended December 31, 2023

	At the beginning of the year	Addition	At the end of the year
Statutory reserve	5,236,148	–	5,236,148
General risk reserve	7,785,396	753,045	8,538,441
Transaction risk reserve	7,656,584	742,191	8,398,775
	20,678,128	1,495,236	22,173,364

Retained profits

The movements of retained profits of the Company are as follows:

	As at December 31,	
	2024	2023
At the beginning of the year	23,688,363	20,187,720
Effect of changes in accounting policy	–	15,412
At the beginning of the year (Restated)	23,688,363	20,203,132
Profit for the year (Restated)	9,240,894	7,421,915
Transfer from other comprehensive income	87,617	(260,351)
Appropriation to general reserve	(1,850,273)	(1,495,236)
Distribution to holders of other equity instruments	(572,240)	(572,240)
Dividends recognized as distribution	(3,069,874)	(1,608,857)
At the end of the year	27,524,487	23,688,363

Notes to the Consolidated Financial Statements (Continued)

For The Year Ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

68 Events after the reporting period

(1) Bond issue

On February 13, 2025, the Company issued the first tranche of the short-term corporate bonds to professional investors. Type II is named as “25 China Merchants Securities F2”, the aggregate principal amount of which is RMB1.4 billion, its duration is 266 days, and the interest rate is 1.85% per annum. Type III is named as “25 China Merchants Securities F3”, the aggregate principal amount of which is RMB4.3 billion, its duration is 357 days, and the interest rate is 1.85% per annum. Type I is not issued.

On March 11, 2025, the Company issued the first tranche of the publicly offered short-term corporate bonds to professional investors. Type I is named as “25 China Merchants Securities S1”, the aggregate principal amount of which is RMB1.4 billion, its duration is 156 days, and the interest rate is 2.08% per annum. Type II is named as “25 China Merchants Securities S2”, the aggregate principal amount of which is RMB3.4 billion, its duration is 247 days, and the interest rate is 2.08% per annum. Type III is named as “25 China Merchants Securities S3”, the aggregate principal amount of which is RMB3.2 billion, its duration is 360 days, and the interest rate is 2.06% per annum.

(2) Profit distribution

As approved at the 16th meeting of the 8th Board of Directors on March 27, 2025, the Company’s profit distribution plan for 2024 is to distribute cash dividends of 3.77 yuan (tax included) 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.

Serve the country's goal of achieving technological self-reliance and self-improvement,
and contribute to the preservation and appreciation of social wealth

National sentiment, responsibility in the era; striving for renewal and strengthening,
persevering to achieve greatness

CMS  **招商证券**

Address: 111 Fuhua 1st Road, Futian Street, Futian District, Shenzhen

Telephone: (0755) 82960432

Fax: (0755) 82944669

website: <https://www.cmschina.com>

Email: IR@cmschina.com.cn

