CMS 招商证券

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

# 2025 INTERIM REPORT

# CONTENTS

# Important Notice

**I. The Board, the Supervisory Committee, Directors, Supervisors and senior management of the Company warrant that the information in this interim report is true, accurate and complete and contains no misrepresentation, 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. The interim report has not been audited. KPMG Huazhen LLP and KPMG have issued review opinions in accordance with the Standards on Review Engagements for Certified Public Accountants of China and International Standard on Review Engagements, respectively.**

**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 interim 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 interim period of 2025. Based on the total share capital registered on the equity registration date for equity distribution, a cash dividend of RMB1.19 (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 June 30, 2025, the total distributed profit is RMB1,034,886,689.91. 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 twenty-second meeting of the eighth session of the Board.

**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 warrant that the information in this interim report is true, accurate and complete.**

**X. This interim report is prepared in both Chinese and English versions. In the event of any discrepancy between the Chinese and English versions of this interim 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.

# 01

## About the Company

# Chapter 1

# Definitions

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

| Common terms and expressions | |
|---|---|
| "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 SSE (stock code: 600999) |
| "A Shareholder(s)" | holder(s) of A Shares |
| "APP" | Application |
| "Articles of Association" | the Articles of Association of China Merchants Securities Co., Ltd. |
| "Authorized Representative(s)" | the authorized representative(s) under Rule 3.05 of the Hong Kong Listing Rules |
| "Bosera Funds" | Bosera Asset Management Co., Limited (博時基金管理有限公司) |
| "Board" | the board of directors of the Company |
| "BSE" | the Beijing Stock Exchange (北京證券交易所) |
| "China Merchants Group" | China Merchants Group Limited (招商局集團有限公司) |
| "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) |
| "China Merchants Futures" | China Merchants Futures Co., Limited (招商期貨有限公司) |
| "China Merchants Fund" | China Merchants Fund Management Co., Ltd. (招商基金管理有限公司) |
| "CITIC Securities" | CITIC Securities Company Limited |

| Common terms and expressions | |
|---|---|
| "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) |
| "Company Law" | the Company Law of the PRC (《中華人民共和國公司法》) |
| "CSRC" | China Securities Regulatory Commission (中國證券監督管理委員會) |
| "CSRC Shenzhen Office" | the Shenzhen office of the China Securities Regulatory Commission |
| "Company", "China Merchants Securities", "we" | China Merchants Securities Co., Ltd., a joint stock company incorporated in the PRC in August 1993 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, and if the context so permits, it shall include its subsidiaries |
| "CM Financial Holdings" | China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司) |
| "CMS International" | China Merchants Securities International Company Limited (招商證券國際有限公司) |
| "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) |
| "date of this report" | August 28, 2025 |
| "Director(s)" | the director(s) of the Company |
| "end of the Reporting Period" | June 30, 2025 |
| "Everbright Securities" | Everbright Securities Company Limited |
| "Galaxy Securities" | China Galaxy Securities Co., Ltd. |
| "GF Securities" | GF Securities Co., Ltd. |
| "Group" | China Merchants Securities Co., Ltd. (招商證券股份有限公司) and its controlled subsidiaries |
| "Guotai Haitong Securities" | Guotai Haitong Securities Co., Ltd. |
| "Hong Kong Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Hong Kong Stock Exchange website" | https://www.hkexnews.hk, the website of The Stock Exchange of Hong Kong Limited (HKExnews) |
| "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) |

| Common terms and expressions | |
|---|---|
| "Huatai United Securities" | Huatai United Securities Co., Ltd. |
| "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 Hong Kong Stock Exchange (stock code: 06099) |
| "H Shareholder(s)" | holder(s) of H Shares |
| "IPO" | initial public offering |
| "Jisheng Investment" | Shenzhen Jisheng Investment Development Co., Ltd. (深圳市集盛投資發展有限公司) |
| "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 |
| "Ping An Securities" | Ping An Securities Co., Ltd. |
| "Previous Period" | from January 1, 2024 to June 30, 2024 |
| "Reporting Period" and "Current Period" | from January 1, 2025 to June 30, 2025 |
| "RMB", "RMB10,000", and "RMB100 million" | Renminbi 1 Yuan, Renminbi 10,000 Yuan and Renminbi 100 million Yuan |
| "Securities Law" | the Securities Law of the PRC (《中華人民共和國證券法》) |
| "SFC" | the Securities and Futures Commission of Hong Kong |
| "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) |
| "SSE website" | http://www.sse.com.cn, the website of the Shanghai Stock Exchange |
| "SFO" | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| "STAR Market" | the Science and Technology Innovation Board of the SSE |
| "Supervisor(s)" | the supervisor(s) of the Company |
| "Supervisory Committee" | the supervisory committee of the Company |
| "Shenwan Hongyuan Securities" | Shenwan Hongyuan Securities Co., Ltd. |
| "VaR" | value at risk |
| "Zhongtai Securities" | Zhongtai Securities Co., Ltd. |

# Chapter 2

# Corporate Profile and Key Financial Indicators

## I. Corporate Information

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

**Registered capital and net capital**

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 | 82,847,070,831.52 | 87,411,626,102.24 |

### Qualifications of each of the business lines of the Company

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

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

| No. | Qualification | Approval authority | Date of approval |
|---|---|---|---|
| 13 | Market maker of stock index options | The Institution Supervision Department of the CSRC | December 2019 |
| 14 | Lead market maker of the CSI 300 ETF options | SZSE | December 2019 |
| 15 | Trading authority for access to stock options business | SZSE | December 2019 |
| 16 | Sale and settlement of foreign exchange business | State Administration of Foreign Exchange | August 2019 |
| 17 | Participation in margin securities loan business of the STAR Market | China Securities Finance Co., Ltd. | July 2019 |
| 18 | Market maker of treasury bond futures | The Institution Supervision Department of the CSRC | May 2019 |
| 19 | Credit protection contract business | SSE | February 2019 |
| 20 | Lead market maker of listed funds business | SSE | February 2019 |
| 21 | Credit derivatives business | The Institution Supervision Department of the CSRC | December 2018 |
| 22 | Market maker of crude oil futures business | Shanghai International Energy Exchange | October 2018 |
| 23 | Market maker of nickel futures | Shanghai Futures Exchange | October 2018 |
| 24 | Market maker of copper options | Shanghai Futures Exchange | September 2018 |
| 25 | Dealer of OTC options business | Securities Association of China | August 2018 |
| 26 | Market maker of Bond Connect "Northbound Trading" | China Foreign Exchange Trade System | July 2018 |
| 27 | Conducting pilot cross-border businesses | The Institution Supervision Department of the CSRC | April 2018 |
| 28 | Core dealer of credit risk mitigation instruments | National Association of Financial Market Institutional Investors | January 2017 |
| 29 | Qualification to issue credit risk mitigation certificates | National Association of Financial Market Institutional Investors | January 2017 |
| 30 | Qualification to issue credit-linked notes | National Association of Financial Market Institutional Investors | January 2017 |

| No. | Qualification | Approval authority | Date of approval |
|---|---|---|---|
| 31 | Non-bank member of the Shanghai Commercial Paper Exchange | General Administration Department of the People's Bank of China | November 2016 |
| 32 | Trading authority for access to Southbound Trading business under Shenzhen-Hong Kong Stock Connect | SZSE | November 2016 |
| 33 | Approval for provision of online account opening service | The Institution Supervision Department of the CSRC | April 2015 |
| 34 | Ordinary member for centralized settlement of standard forward bond | Shanghai Clearing House | April 2015 |
| 35 | Approval for financing for exercising incentive share options of listed companies | SZSE | March 2015 |
| 36 | Licence for spot gold proprietary trading business | The Institution Supervision Department of the CSRC | March 2015 |
| 37 | Licence for providing payment services for customers' funds | China Securities Investor Protection Fund Corporation Limited | March 2015 |
| 38 | Licence for stock options market making business | CSRC | January 2015 |
| 39 | Licence for market making business for SSE 50 ETF options trading | SSE | January 2015 |
| 40 | Proprietary trading of stock options | SSE | January 2015 |
| 41 | Licence for options settlement | China Securities Depository and Clearing Corporation Limited | January 2015 |
| 42 | Stock options trading participant on the SSE | SSE | January 2015 |
| 43 | Licence for pilot online securities business | Securities Association of China | November 2014 |
| 44 | Trading authority for access to Southbound Trading business | SSE | October 2014 |
| 45 | Ordinary member of Interbank Market Clearing House Co., Ltd. for centralized settlement of RMB interest rate swaps | Interbank Market Clearing House Co., Ltd. | June 2014 |

| No. | Qualification | Approval authority | Date of approval |
|---|---|---|---|
| 46 | Qualification of lead manager business (market making business) | NEEQ Co., Ltd. | June 2014 |
| 47 | Licence for OTC options trading business | Securities Association of China | February 2014 |
| 48 | Ordinary member for centralized settlement of interest rate swaps | Shanghai Clearing House | February 2014 |
| 49 | Licence for securities investment fund custody business | CSRC | January 2014 |
| 50 | Qualification for agency business of securities pledge registration | The Registration and Custody Department of China Securities Depository and Clearing Corporation Limited | July 2013 |
| 51 | Authority for stock-pledged repo business | SSE | June 2013 |
| 52 | Authority for stock-pledged repo | SZSE | June 2013 |
| 53 | Participation in interest rate swap transactions | CSRC Shenzhen Office | May 2013 |
| 54 | Permit for conducting insurance agency businesses | CIRC | April 2013 (latest certificate obtained in April 2020) |
| 55 | Qualification of lead manager business (recommendation and brokerage businesses) | NEEQ Co., Ltd. | March 2013 |
| 56 | Licence for OTC trading business | Securities Association of China | February 2013 |
| 57 | Licence for equity total return swap business | The Institution Supervision Department of the CSRC | January 2013 |
| 58 | Licence for special institutional client business of insurance companies | CIRC | January 2013 |
| 59 | Qualification for sale of financial products | CSRC Shenzhen Office | December 2012 |
| 60 | Qualification of lead underwriting debt financing instruments of non-financial enterprises | National Association of Financial Market Institutional Investors | November 2012 |

| No. | Qualification | Approval authority | Date of approval |
|---|---|---|---|
| 61 | Qualification to provide comprehensive custodian services for private investment funds | The Institution Supervision Department of the CSRC | October 2012 |
| 62 | Licence for margin financing loan | China Securities Finance Co., Ltd. | August 2012 |
| 63 | Qualification of underwriting private placement bonds of small and medium enterprises | Securities Association of China | June 2012 |
| 64 | Licence for stock repurchase business | CSRC | May 2012 |
| 65 | Qualification for dealer-quoted bond pledged repo transactions | The Institution Supervision Department of the CSRC | January 2012 |
| 66 | Qualification for third-party custodian services for one customer – multiple bank services | CSRC Shenzhen Office | June 2011 |
| 67 | Ordinary member for settlement | Shanghai Clearing House | November 2010 |
| 68 | Qualification for margin financing and securities lending business | CSRC | June 2010 |
| 69 | Licence for direct investment business | CSRC | August 2009 |
| 70 | Qualification for intermediary introduction business for China Merchants Futures | CSRC | February 2008 |
| 71 | Category A clearing participant of China Securities Depository and Clearing Corporation Limited | China Securities Depository and Clearing Corporation Limited | February 2008 |
| 72 | Licence for overseas securities investment management business | CSRC | August 2007 |
| 73 | Primary dealer on the integrated e-platform for fixed-income securities of the SSE | SSE | July 2007 |

| No. | Qualification | Approval authority | Date of approval |
|---|---|---|---|
| 74 | Permit for foreign exchange operation in the securities business | State Administration of Foreign Exchange | December 2006 (latest certificate obtained in November 2012) |
| 75 | Clearing participant of China Securities Depository and Clearing Corporation Limited | China Securities Depository and Clearing Corporation Limited | March 2006 |
| 76 | Primary dealer of SSE 180 Index Exchange Traded Fund | SSE | March 2006 |
| 77 | Qualification for quote transfer business | Securities Association of China | January 2006 |
| 78 | Licence for underwriting business of commercial paper | The People's Bank of China | July 2005 |
| 79 | Qualification for operation of foreign shares business | CSRC | September 2002 |
| 80 | Qualification for open-end securities investment fund consignment business | CSRC | August 2002 |
| 81 | Qualification for trusted investment management business | CSRC | May 2002 |
| 82 | Qualification for online securities agency business | CSRC | February 2001 |
| 83 | Qualified member of interbank market | General Administration Department of the People's Bank of China | September 1999 |
| 84 | Qualification for RMB special stocks business (unrestricted) in Shanghai | Shanghai Securities Management Office | November 1996 |
| 85 | Licence for starting foreign exchange business | Shenzhen Office of the State Administration of Foreign Exchange | October 1996 |
| 86 | Pilot unit of equity trading agency system for non-listed companies | Property Right Transfer Leading Group Office of the Shenzhen Municipal Government | January 1996 |
| 87 | Licence for starting proprietary business | Shenzhen Securities Management Office | August 1993 |

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

| No. | Qualification | Approval authority | Date of approval |
|---|---|---|---|
| 1 | Licence for advising on futures contracts | SFC | March 2005 (latest certificate obtained in June 2014) |
| 2 | Licence for dealing in futures contracts | SFC | January 2005 (latest certificate obtained in February 2009) |
| 3 | Licence for dealing in securities | SFC | January 2005 (latest certificate obtained in February 2009) |
| 4 | Licence for advising on corporate finance | SFC | January 2005 (latest certificate obtained in February 2009) |
| 5 | Licence for asset management | SFC | May 2004 (latest certificate obtained in March 2010) |
| 6 | Licence for advising on securities | SFC | May 2004 (latest certificate obtained in March 2010) |

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

| No. | Qualification | Approval authority | Date of approval |
|---|---|---|---|
| 1 | Qualification of stock options trading participant and license for dealing in stock options brokerage business | SSE | December 2023 |
| 2 | License for dealing in stock options business | SZSE | November 2023 |
| 3 | Licence for options settlement | China Securities Depository and Clearing Corporation Limited | October 2023 |
| 4 | Qualification of stock options trading participant | SZSE | August 2023 |
| 5 | Member of Guangzhou Futures Exchange | Guangzhou Futures Exchange | June 2022 |
| 6 | Market making business | China Futures Association | March 2018 |
| 7 | Member of Shanghai International Energy Exchange | Shanghai International Energy Exchange | May 2017 |
| 8 | Licence for basis trading | China Futures Association | April 2017 |
| 9 | Licence for OTC derivatives business | China Futures Association | April 2017 |
| 10 | Licence for warehouse receipt services | China Futures Association | December 2016 |
| 11 | Filing for entry of the interbank bond market | The People's Bank of China | July 2016 |

| No. | Qualification | Approval authority | Date of approval |
|---|---|---|---|
| 12 | Licence for commodities futures brokerage, financial futures brokerage and futures investment consulting | CSRC | August 2014 (latest certificate obtained in September 2021) |
| 13 | Licence for asset management | CSRC | March 2013 |
| 14 | Licence for futures investment consulting | CSRC | August 2011 |
| 15 | Member of Zhengzhou Commodity Exchange | Zhengzhou Commodity Exchange | March 2009 |
| 16 | Member of Dalian Commodity Exchange | Dalian Commodity Exchange | December 2008 |
| 17 | Member of Shanghai Futures Exchange | Shanghai Futures Exchange | October 2008 |
| 18 | Clearing and settlement member of China Financial Futures Exchange | China Financial Futures Exchange Co., Ltd. | December 2007 |
| 19 | Licence for financial futures trading settlement | CSRC | November 2007 |

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

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

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

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

## II. Contact Persons and Contact Methods

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

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

## III. Basic Information and Changes

| | |
|---|---|
| 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 |

## IV. Information Disclosure and Place for Document Inspection

| | |
|---|---|
| The name and website of the media where the Company discloses its interim report | China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily |
| The websites where the Company discloses its interim 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 interim 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 | SSE | CMS | 600999 | – |
| H Shares | Hong Kong Stock Exchange | CMS | 06099 | – |

## VI. 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 |
| International accounting firm appointed by the Company | Name | KPMG |
| | Office address | 8/F, Prince's Building, 10 Chater Road, Central, Hong Kong |
| 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 |

## VII. Key Accounting Data and Financial Indicators of the Company

### (I) Key accounting data

Unit: Thousand Yuan Currency: RMB

| Key accounting data | January – June 2025 | January – June 2024 | Year-on-year increase/ decrease (%) |
|---|---|---|---|
| Total revenue, other income and gains | 15,079,394 | 14,362,394 | 4.99 |
| Profit for the period attributable to shareholders of the Company | 5,185,896 | 4,747,695 | 9.23 |
| Profit for the period attributable to shareholders of the Company after deduction of non-recurring profit or loss | 5,177,779 | 4,750,061 | 9.00 |
| Net cash from operating activities | 17,042,752 | 44,085,990 | -61.34 |
| Total other comprehensive income for the period (net of tax) | -996,116 | 506,359 | -296.72 |
| | **As at the end of June 2025** | **As at the end of 2024** | **Increase/ decrease (%)** |
| Total assets | 672,859,782 | 721,160,331 | -6.70 |
| Total liabilities | 541,387,286 | 590,908,098 | -8.38 |
| Equity attributable to shareholders of the Company | 131,396,839 | 130,178,629 | 0.94 |
| Total equity | 131,472,496 | 130,252,233 | 0.94 |

### (II) Key financial indicators

| Key financial indicators | The Reporting Period (January – June) | The Previous Period | Change of the Reporting Period against the Previous Period (%) |
|---|---|---|---|
| Basic earnings per share (RMB per share) | 0.56 | 0.51 | 9.80 |
| Diluted earnings per share (RMB per share) | 0.56 | 0.51 | 9.80 |
| Basic earnings per share after deduction of non-recurring profit or loss (RMB per share) | 0.56 | 0.51 | 9.80 |
| Weighted average return on net assets (%) | 4.18 | 4.08 | Increased by 0.10 percentage point |
| Weighted average return on net assets after deduction of non-recurring profit or loss (%) | 4.18 | 4.08 | Increased by 0.10 percentage point |

### (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 CSRC. As at the end of June 2025, the key risk control indicators, such as net capital of the Company, were as follows:

Unit: Yuan Currency: RMB

| Items | As at the end of the Reporting Period | As at the end of last year |
|---|---|---|
| Net capital | 82,847,070,831.52 | 87,411,626,102.24 |
| Net assets | 118,896,121,049.63 | 116,877,233,288.67 |
| Sum of risk capital provisions | 34,274,039,777.88 | 36,568,781,189.13 |
| Total assets on-and off-balance sheet | 368,883,017,861.98 | 397,270,766,199.38 |
| Risk coverage ratio (%) | 241.72 | 239.03 |
| Capital leverage ratio (%) | 16.83 | 15.27 |
| Liquidity coverage ratio (%) | 158.21 | 208.98 |
| Net stable funding ratio (%) | 160.30 | 170.72 |
| Net capital/net assets (%) | 69.68 | 74.79 |
| Net capital/liabilities (%) | 21.78 | 21.42 |
| Net assets/liabilities (%) | 31.26 | 28.63 |
| Value of proprietary equity securities and security derivatives/net capital (%) | 22.35 | 28.08 |
| Value of proprietary fixed-income securities/net capital (%) | 355.57 | 357.15 |

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

# 02

## Operating Analysis

# Chapter 3

# Management's Discussion and Analysis

## I. Industry Condition and Principal Business of the Company during the Reporting Period

In the first half of 2025, despite challenging and complex external developments, China's economy maintained steady progress, and new achievements were made in high-quality development under the strong leadership, scientific decision-making and proactive response of the CPC Central Committee. The capital market demonstrated strong resilience against unexpected external shocks, with significantly improved investor sentiment. 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 documents designed for the capital market were implemented and produced the desired results. The CSRC issued the Implementation Opinions on the Capital Market's Efforts in the "Five Key Areas" of Finance (《關於資本市場做好金融「五篇大文章」的實施意見》) and the Opinions on Setting up a Growth Layer in the STAR Market to Enhance Institutional Inclusiveness and Adaptability (《關於在科創板設置科創成長層 增強制度包容性適應性的意見》), and jointly released the Announcement on Supporting the Issuance of Sci-Tech Innovation Bonds (《關於支持發行科技創新債券有關事宜的公告》) with The People's Bank of China. These measures aimed to improve the full-cycle service capabilities for sci-tech innovation enterprises, guide the capital market to support their growth and expansion, and facilitate the development of new quality productive forces. Meanwhile, the full implementation of measures under the Opinions on Deepening the Market Reform for Mergers, Acquisitions and Restructuring of Listed Companies (《關於深化上市公司併購重組市場改革的意見》) and the official implementation of the Administrative Measures for Major Asset Restructuring of Listed Companies (《上市公司重大資產重組管理辦法》) have further driven value enhancement of listed companies and unleashing market vitality. The foundation for stabilizing and improving the capital market was further consolidated.

In the first half of 2025, the SSE Composite Index, SZSE Component Index, ChiNext Index, STAR 50 Index and BSE 50 Index increased by 2.76%, 0.48%, 0.53%, 1.46% and 39.45%, respectively. The Hang Seng Index increased by 20.00%, and the ChinaBond Composite Total Return Index rose by 1.05%. The average daily trading volume of stocks and funds in the A share market was RMB1,643.153 billion, representing a year-on-year increase of 65.73%. The average daily trading volume of stocks in the Hong Kong market was HK$240.2 billion, representing a year-on-year increase of 117.57%. According to the statistics from Wind, the domestic equity financing amounted to RMB673.853 billion (excluding share issuance for asset acquisition), representing a year-on-year increase of 568.33%; and the total credit bonds issued amounted to RMB10.32 trillion (excluding treasury bonds, local government bonds, central bank bills, inter-bank deposit certificates and policy bank bonds), representing a year-on-year increase of 6.23%. According to the statistics from Bloomberg, the total proceeds raised from IPOs in the Hong Kong market amounted to US$13.743 billion, representing a year-on-year increase of 633.81%.

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.

## II. Discussion and Analysis of Operations

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 first half of the year, the Company proactively addressed new changes in the external business environment, fully integrated into the "Third Pioneering Endeavor" of China Merchants Group, and fully committed to the "five key areas" of finance, namely technology finance, green finance, inclusive finance, pension finance, and digital finance. It fully implemented the new five-year strategic plan, and recorded total revenue, other income and gains of RMB15.079 billion and profit for the period attributable to shareholders of the Company of RMB5.186 billion. The Company achieved steady progress in performance, of which, revenue from the wealth management and institutional business, investment banking business, investment management business, investment and trading business and other business segment amounted to RMB8,922 million, RMB421 million, RMB563 million, RMB4,818 million and RMB362 million, respectively.

### 1. Wealth management and institutional business

***Market Environment***

In the first half of 2025, the one-way trading volume of stocks and funds in A share market reached RMB192.25 trillion, representing a year-on-year increase of 65.73%. As of the end of June, the balance of margin financing and securities lending in A share market amounted to RMB1.85 trillion, representing a decrease of 0.76% as compared to the end of 2024. Among them, the balance of securities lending amounted to RMB12.304 billion, representing an increase of 17.88% as compared to the end of 2024. The fund market recovered. According to the statistics from Wind and the Asset Management Association of China (AMAC), the number of new mutual fund and private fund products issued during the Reporting Period increased by 9.11% and 38.78% year-on-year, respectively.

*Actions and Achievements*

**(1) Brokerage and wealth management**

During the Reporting Period, the Company firmly advanced its wealth management business transformation. In line with the core strategy of practicing a client-oriented approach, the Company fully leveraged its professional advantages in securities research, anchored on the goal of increasing customer asset value, and constructed a new ecosystem of wealth management business that integrated online and offline services and was driven by digital means. In terms of tiered customer services, the Company focused on conducting "CMS Private Club" (招證私享會), "Visiting Listed Companies" (走進上市公司) and other distinctive brand activities, and continuously optimized asset allocation plans and full-cycle companion services, thus consolidating its capability in serving wealth management clients and high-net-worth clients. In the first half of the year, the number of wealth management clients and high-net-worth clients of the Company represented a year-on-year increase of 45.53% and 23.99%, respectively. In terms of building financial product capabilities, the Company strengthened the allocation capabilities of ETFs, private funds and other products, stabilizing the fundamental base of client asset allocation. Efforts were made to advance the construction of the pension finance service system and the development of cross-boundary wealth management connect business. In the first half of 2025, the average daily financial product holding scale of the Company's clients achieved year-on-year growth. In terms of the investment advisory business, the Company developed a public welfare financial service brand "CMS for Good and for Future" (益招向善·致遠前行), focusing on the deep integration of ESG investment concepts and inclusive finance practices. The Company continuously developed an integrated digital-intelligent service platform for investment advisory business. The platform deeply integrated and was empowered by AI technologies, with a focus on the refined operation of customer groups and efficient human-machine collaboration, thus enhancing the overall service efficiency of wealth advisors. As of the end of the Reporting Period, the number of wealth management advisors of the Company reached 1,414.

As of the end of June 2025, the Company had approximately 20,061.5 thousand clients, representing a year-on-year increase of 8.85%; and clients' assets under custody amounted to RMB4.56 trillion, representing an increase of 6.79% as compared to the end of 2024. The "CMS Fund Investment Adviser" (e招投) had AUM amounting to RMB4.719 billion, and a total of 87.6 thousand contracted clients. According to the statistics from Analysys Qianfan, in the first half of 2025, the average monthly active clients of the CMS APP ranked 4th among securities firms, and the average daily visit duration per capita ranked the first among securities firms.

In terms of futures brokerage business, China Merchants Futures has continuously deepened its client base operations, actively expanded industrial client engagement, and steadily promoted the development of risk management business to continuously enhance its capability in serving the real economy. As of the end of the Reporting Period, the average daily customer equity of China Merchants Futures was RMB28.046 billion.

In the overseas market, CMS International has focused on enhancing global trading capabilities, comprehensive service solutions, and asset allocation expertise. It actively seized the opportunities arising from the recovery of the Hong Kong stock and A share markets and comprehensively enhanced cross-border financial services by continuously strengthening IT systems and operational infrastructure. As of the end of June 2025, the clients' assets under custody of CMS International amounted to HK$246.923 billion, representing an increase of 14.52% as compared to the end of 2024. During the Reporting Period, the trading volume of Hong Kong stocks achieved a significant year-on-year growth.

### (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 keenly adapted to market changes and customer demands, balanced risks and returns, and deeply advanced product and service innovation. It actively explored business opportunities such as financing for listed company shareholders and private equity fund clients, improving customer acquisition efficiency in multiple dimensions. As of the end of June 2025, the balance of margin financing and securities lending of the Company amounted to RMB90.600 billion, and the maintenance coverage ratio was 304.76%. The balance of stock pledge repo (including contribution from asset management plans) to be repurchased amounted to RMB18.678 billion, and the overall collateral coverage ratio was 242.57%, of which, the balance of contribution from self-owned capital amounted to RMB15.010 billion, and the overall collateral coverage ratio was 299.87%.

As of the end of June 2025, the balance of margin financing of CMS International amounted to HK$3.287 billion, and the maintenance coverage ratio was 304.39%.

| Operating indicators | As at the end of June 2025 | As at the end of 2024 |
|---|---|---|
| Balance of margin financing and securities lending (RMB100 million) | 906.00 | 908.79 |
| Market share of margin financing and securities lending | 4.90% | 4.87% |
| Of which: Balance of securities lending (RMB100 million) | 0.19 | 0.48 |
| Market share of balance of securities lending | 0.15% | 0.46% |
| Balance of stock pledge repo (including contribution from asset management plans) (RMB100 million) | 186.78 | 184.89 |
| Balance of stock pledge repo by self-owned capital (RMB100 million) | 150.10 | 145.94 |
| Balance of overseas margin financing (HK$100 million) | 32.87 | 33.41 |

### (3) Institutional client integrated services

The Company is committed to providing a package of comprehensive financial services such as research, trading services, custody and fund administrative services, OTC derivatives and block trading for professional 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 the first half of 2025, the Company continued to deepen the transformation and reform of institutional client-related businesses, further integrating resources from multiple dimensions such as strategies, mechanisms, teams, processes, and systems. It optimized the institutional client marketing and service framework, strengthening the construction of integrated service capability for institutional clients. For institutional business, the Company focused on mutual fund, insurance and asset management clients, deepened the integrated collaborative mechanism of research and service, and boosted the broker settlement model to consolidate the foundation of mutual fund business. The Company continued to optimize the tiered service system for private fund clients, and strengthened the three-dimensional marketing system that integrated headquarters coordination, branch implementation, and platform support. By leveraging the "Private Navigation Program" (私募領航計劃) brand and strengthening synergy across the entire business chain, the Company achieved a solid opening for its private fund business, successfully stabilizing existing client assets while expanding new business opportunities. As of the end of June 2025, the transaction asset scale of private fund clients of the Company increased by 17.71% as compared to the end of 2024. In terms of serving corporate clients, the Company continuously upgraded the comprehensive service brand "CMS Enterprise" (招證企航) and its five core service pillars, namely investment, financing, market value management, shareholder services, and comprehensive services, while cooperating with outstanding fund managers to serve enterprises. As of the end of the Reporting Period, the number of corporate clients, the asset scale of corporate clients, and the AUM of corporate client products of the Company all achieved year-on-year growth.

② *Research*

As of the end of June 2025, the Company offers research coverage of 2,828 listed companies in China and overseas, and 93% 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.

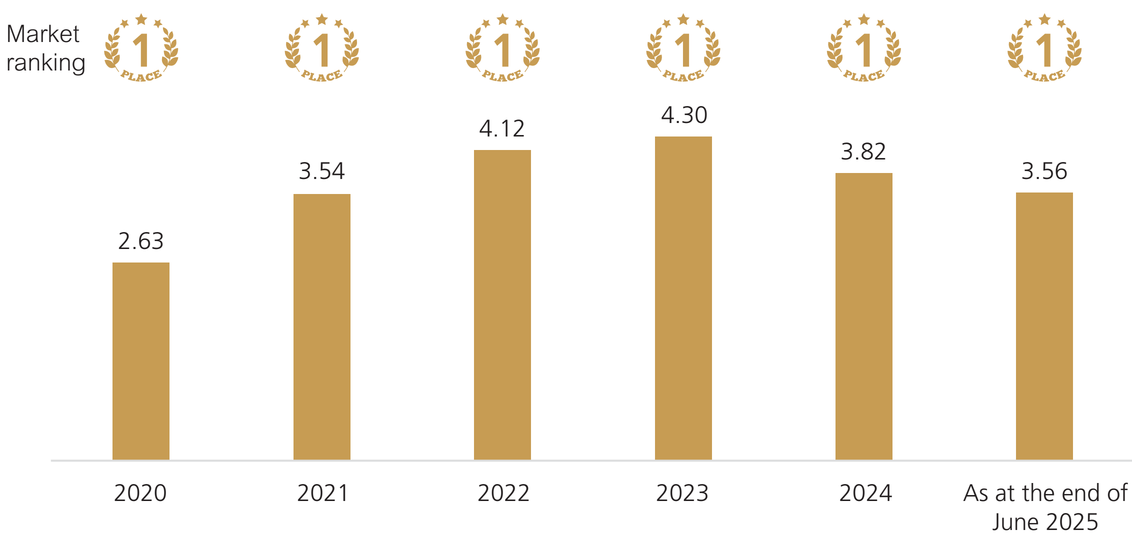
During the Reporting Period, the Company adhered to a strategy that emphasized both internal and external services for research business, and followed a "three-curve" approach to effectively promote business development. For the first revenue curve where the market competition was fierce, anchored by its integrated collaborative mechanism of research and service, the Company efficiently allocated internal resources, and steadily improved the ranking of investment research services for key institutional clients. In the first half of 2025, the Company successfully held nine major investment research events, including the technology investment forum, AI empowering investment forum, bank and insurance capital market forum, Macro Strategy forum, and listed company exchange meeting, expanding the influence of research brand through specialized and professional research activities. For the second revenue curve, the Company practiced a "research +" collaborative model. It leveraged the "navigation" function of investment research team to precisely and effectively empower business development. For the third revenue curve, the Company actively built the "CMS Think Tank" (招證智庫) brand, providing think tank research for government agencies, industry associations, and SOEs, and thus comprehensively enhancing brand influence. The Company continuously developed the "AI Research Institute", leveraging large-scale AI models to enhance research report quality control, iterate the intelligent research management platform, and systematically enhance the quality of research services.

③ *Custody and fund administrative services*

In the first half of 2025, the Company actively implemented the high-quality development strategy, proactively adapted to changes in the market environment, and consolidated its industry leadership in custody and fund administrative services. In the field of custody and fund administrative services for private funds, the Company optimized the cross-departmental collaborative mechanism, enhanced the professional service capabilities and market response efficiency of branches, and provided institutional clients with full-chain and comprehensive financial service solutions through diversified services. In the field of custody and fund administrative services for mutual funds, the Company actively engaged with leading mutual funds, and boosted ETF products such as broad-based index ETFs and industry-themed ETFs, vigorously expanding the custody scale of ETF funds. In terms of cross-border business, the Company actively built the "CMS Partner+" brand, and continuously optimized operational processes, further enhancing its global service capabilities for institutional clients. In the field of financial technology, the Company completed the construction of "Jizhi · Bole" (機智 · 伯樂), a fund analysis platform, and steadily advanced system upgrades for basic custody operations, and promoted stable, efficient business operations through technology-driven enhancements.

As of the end of June 2025, the number of products under custody and fund administrative services of the Company amounted to 35.6 thousand, and the size of which amounted to RMB3.52 trillion. Among them, the size of offshore fund administrative management outsourcing business was HK$13.911 billion, representing an increase of 83.13% as compared to the end of 2024. According to the statistics from the AMAC and Wind, as of the end of June 2025, the Company's market share in terms of the number of private fund products under custody reached 21.52% and ranked 1st in the industry for twelve consecutive years.

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




Source: AMAC

***Outlook for the second half of 2025***

The Company will actively respond to market competition and steadfastly advance the transformation and upgrading of wealth management and institutional business. It will deepen the refined operation of retail and institutional client segments, optimize the tiered and categorized customer service system, upgrade the product service system and digital intelligent empowerment tools, further expand the AUM of financial products, enhance asset allocation expertise, and continuously improve the comprehensive service capabilities of the wealth management and investment advisor teams. The Company will leverage the comprehensive service advantages of capital-based intermediary business to balance scale benefits and risk management. Meanwhile, it will continuously improve the institutional client service system, and strategically develop the securities settlement business through precise client categorization, tailored service strategies, and professional institutional client manager teams, thereby comprehensively boosting the comprehensive competitiveness of institutional business.

**2. Investment banking business**

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

***Marketing Environment***

In the first half of 2025, the A-share equity financing market demonstrated a trend of structural growth. The IPO market recovered steadily, while intensive issuance of capital replenishment tools by state-owned banks promoted a rapid growth in the scale of refinancing. According to the statistics from Wind, the number of shares issued in the A share market was 123, and the total amount of equity financing (excluding share issuance for asset acquisition, same for below) was RMB673.853 billion, representing a year-on-year increase of 568.33%. Among them, a total of 48 IPOs were completed in the A share market, raising proceeds of RMB38.002 billion, representing a year-on-year increase of 25.54%. The proceeds raised from refinancing amounted to RMB635.85 billion, representing a year-on-year increase of 801.21%. The Hong Kong IPO market rebounded markedly. According to the statistics from Bloomberg, 43 IPOs were completed in the Hong Kong stock market, with raised proceeds of US$13.743 billion in total, representing a year-on-year increase of 633.81%.

The domestic bond market continues to expand with "dual drivers" of credit bond and interest rate bond issuances, playing an ongoing active role in stabilizing market expectations, ensuring financing for key economic sectors, and supporting structural transformation of the economy. According to the statistics from Wind, the total domestic bonds (excluding central bank bills and inter-bank deposit certificates, same for below) issued amounted to RMB27.20 trillion, representing a year-on-year increase of 23.85%. Among them, the total credit bonds issued amounted to RMB10.32 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 6.23%. The total corporate bonds issued amounted to RMB2.17 trillion, representing a year-on-year increase of 15.71%. The total financial bonds issued amounted to RMB5.90 trillion, representing a year-on-year increase of 19.22%. The total ABS issued amounted to RMB974.898 billion, representing a year-on-year increase of 27.14%.

Global M&A activities were on the rise, with a significant year-on-year increase in M&A transaction value. According to the statistics from Bloomberg, in the first half of 2025, a total of 27.8 thousand transactions were announced in the global M&A market, and the total transaction value amounted to US$2.40 trillion, representing a year-on-year increase of 23.71%. Since the introduction of the Opinions on Deepening the Market Reform for Mergers, Acquisitions and Restructuring of Listed Companies (《關於深化上市公司併購重組市場改革的意見》), the A share M&A and restructuring market has ushered in new development opportunities. According to the statistics from Wind, 3,660 transactions were announced in China's M&A market (excluding overseas M&A), and the transaction value amounted to RMB850.853 billion, representing a year-on-year increase of 18.65%. 1,839 transactions were completed, and the transaction value amounted to RMB584.892 billion, representing a year-on-year increase of 76.62%.

*Actions and Achievements*

**(1) Equity financing**

During the Reporting Period, the domestic equity underwriting scale of the Company achieved significant growth. According to the statistics from Wind, the value of A share equity projects underwritten as a leading underwriter amounted to RMB24.438 billion, representing a year-on-year increase of 371.50%. The Company ranked 7th and 8th in the industry in terms of the value and number of A share equity projects underwritten, respectively. Among them, the Company ranked 9th in the industry in terms of both the value and number of IPO projects underwritten, and ranked 7th in the industry in terms of both the number and value of refinancing projects underwritten. The rankings of the number of IPO and refinancing projects underwritten both improved year-on-year. The Company actively served enterprises in green, carbon peaking and carbon neutrality, and sci-tech innovation sectors. During the Reporting Period, the Company assisted 4 enterprises in related sectors in completing A share IPOs and equity refinancing projects, with an underwriting amount of RMB4.266 billion.

| Milestone Projects of Equity Financing in the first half of 2025 | |
|---|---|
| An IPO project of Senter Electronic (001388.SZ) on the main board of SZSE | A leading industrial IoT solution provider |
| An IPO project of Sidea (301629.SZ) on the ChiNext board of SZSE | A leading wafer prober manufacturer |
| A refinancing project of Postal Savings Bank of China (601658.SH) | A leading major retail bank in China |
| A refinancing project of Cathay Biotech (688065.SH) | A leading enterprise in synthetic biology |

The Company actively reserved high-quality IPO projects. As of the end of June 2025, 14 A share IPO projects underwritten by the Company were pending approval (including those approved but not yet issued), ranking 6th in the industry according to the statistics from Wind and the exchanges. In the first half of 2025, the number of Hong Kong IPO applications submitted by the Company to the Hong Kong Stock Exchange surged several times year-on-year. The Company continued to serve sci-tech innovation enterprises in the growth stage, and actively promoted the business transformation of companies in the "Gazelle Incubator Project" company database. As at the end of the Reporting Period, a total of 593 companies have been selected into the "Gazelle Incubator Project" company database.

| | First half of 2025 | | First half of 2024 | |
|---|---|---|---|---|
| **A share projects** | **Lead underwriting amount (RMB100 million)** | **Number of projects** | **Lead underwriting amount (RMB100 million)** | **Number of projects** |
| IPOs | 11.86 | 2 | 16.36 | 1 |
| Refinancing | 232.52 | 4 | 35.47 | 3 |
| **Total** | **244.38** | **6** | **51.83** | **4** |

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 consolidate its leadership in core bond product categories while deepening its focus on credit bond underwriting for central state-owned enterprises (CSEs) and high-quality local state-owned enterprises (LSOEs). The bond underwriting business has maintained a solid growth momentum. According to the statistics from Wind, in the first half of 2025, the domestic bonds lead underwritten by the Company amounted to RMB201.465 billion, representing a year-on-year increase of 17.51%. The amount of credit bonds and ABS underwritten ranked 7th and 5th in the industry, respectively. Among them, the underwriting amount of NAFMII ABN and credit ABS ranked 1st and 2nd in the industry, respectively. 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 actively practiced the development concept of green finance and technology finance, and assisted in the issuance of multiple green bonds and sci-tech innovation corporate bonds, with an underwriting amount of RMB35.865 billion, representing a year-on-year increase of 140.10%. The Company kept 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 RMB10.827 billion.

| Milestone Projects of Debt Financing in the first half of 2025 | |
|---|---|
| BOC Sinotrans Warehousing and Logistics Closed-End Infrastructure Securities Investment Fund (中銀中外運倉儲物流封閉式基礎設施證券投資基金) | Logistics infrastructure REITs benchmark case |
| 2025 Sci-tech Innovation and Low-carbon Transition Corporate Bonds (Phase-I) of COSCO SHIPPING Development Co., Ltd. Publicly Issued to Professional Investors (中遠海運發展股份有限公司2025年面向專業投資者公開發行科技創新低碳轉型公司債券(第一期)) | The first low-carbon transition corporate bond in shipping sector |
| 2025 Green Financial Bonds (Phase-I) of Huishang Bank Financial Leasing Co., Ltd. (徽銀金融租賃有限公司2025年第一期綠色金融債券) | China's first Yangtze River Delta Integration-themed green financial bond issued in the financial leasing sector |
| 2025 Qingdao Conson Jiaozhou Bay Tunnel Private Placement Asset-Backed Notes (Phase-I) of Jiushi Financial Leasing (Shanghai) Co., Ltd. (Quasi-REITs) (久實融資租賃(上海)有限公司2025年度第一期青島國信膠州灣隧道定向資產支持票據(類REITs)) | China's first tunnel asset-backed quasi-REIT; Qingdao's first quasi-REIT |
| 2025 Bond Supporting Micro, Small and Medium-sized Sci-tech Innovation Enterprises (Phase I) of Wuhan Optics Valley Financial Holdings Group Co., Ltd. Privately Placed to Professional Investors (武漢光谷金融控股集團有限公司2025年面向專業投資者非公開發行科技創新中小微企業支持債券(第一期)) | The first bond supporting micro, small and medium-sized sci-tech innovation enterprises in Central China |

| Domestic bonds | First half of 2025 | | First half of 2024 | |
|---|---|---|---|---|
| | Lead underwriting amount (RMB100 million) | Number of issuance | Lead underwriting amount (RMB100 million) | Number of issuance |
| Enterprise bonds | 0 | 0 | 1.56 | 1 |
| Corporate bonds | 402.69 | 131 | 347.43 | 111 |
| Financial bonds | 864.96 | 88 | 633.68 | 63 |
| Short-term financing bonds | 11.00 | 2 | 22.84 | 6 |
| Medium-term notes | 95.69 | 46 | 146.06 | 40 |
| Private placement notes | 12.10 | 5 | 10.21 | 4 |
| Asset-backed securities | 628.20 | 461 | 549.19 | 390 |
| Others | 0 | 0 | 3.50 | 1 |
| **Total** | **2,014.65** | **733** | **1,714.44** | **616** |

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 continued to strengthen resource allocation to its M&A business, and actively built an M&A and restructuring database, expanded buyer-seller matchmaking channels, and enhanced resource matching efficiency through these strategic initiatives. According to the statistics from Wind, in the first half of 2025, the Company completed the 36.67% equity change project of Cathay Biotech and the acquisition of 35% equity in Zhuhai Airport by Airport Authority Hong Kong, with a total transaction amount of RMB17.908 billion, ranking 7th in the industry.

*Outlook for the second half of 2025*

The Company will accelerate the transformation into a modern investment bank. Aligning with national economic transformation and upgrading as well as strategic orientation, the Company will practice a client-oriented approach to advance a comprehensive reform and upgrade across client acquisition, service, and collaboration model of investment banking. The Company will intensify its efforts in undertaking and incubating high-quality IPO projects, and seize the policy window for project applications; continuously strengthen the client operation system in refinancing business, and deeply cultivate existing high-quality clients; seize policy opportunities in M&A and restructuring business, focus on projects with controllable risks, and orderly develop high-quality projects; focus on expanding the bond underwriting business among central and state-owned enterprises, consolidate ABS and other dominant varieties, and accelerate the layout of innovative varieties such as sci-tech innovation bonds; further deepen cross-border integration and collaboration between domestic and international operations, and enhance the "A+H" two-way service capabilities.

### 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 the first half of 2025, the CSRC promulgated the Action Plan for High-Quality Development of Public Fund Industry (《推動公募基金高質量發展行動方案》), introducing a series of measures including optimization of fund operational models, alignment of investor interests with fund managers, restructuring of performance evaluation frameworks, and expansion of equity fund offerings. These initiatives aim to drive the industry toward a new phase of high-quality development grounded in an investor-centric philosophy. According to the data from the AMAC, as of the end of June 2025, the total size of mutual funds in the entire market reached RMB34.39 trillion, setting a new historical high, and the AUM of private funds of securities companies and their asset management subsidiaries reached RMB5.52 trillion, representing an increase of 1.01% as compared with the end of 2024.

China's equity investment market showed a trend of structural recovery. According to the statistics from Zero2IPO Research, in the first half of 2025, the fundraising market warmed up. A total of 2,172 new funds were launched, with the fundraising reaching RMB728.330 billion, representing a year-on-year increase of 12.13% and 11.95%, respectively. The investment activity steadily recovered. The number of investment cases was 5,612, with an investment amount of RMB338.924 billion, representing a year-on-year increase of 21.95% and 1.56%, respectively. Among them, the investment activity in the AI industry significantly increased. In terms of exits, the number of exit cases totaled 935 in the market, representing a year-on-year decrease of 43.3%. IPOs and M&A transactions accounted for 62.35% and 14.12% of exits, respectively.

*Actions and Achievements*

**(1) Asset management of securities companies**

During the Reporting Period, CMS Asset Management coordinated the development of mutual and private fund businesses and expedited the transformation of asset management business. Firstly, CMS Asset Management strengthened the building of investment research capability, strictly aligned itself with the new regulatory requirements for mutual funds, optimized investment research mechanism, and consolidated the core active management capability. Secondly, CMS Asset Management accelerated the pace of product issuance, with a focus on enhancing FOF product creation capability. The number of FOF products issued in the first half of the year increased significantly year-on-year. CMS Asset Management also enhanced its product customization capability to solidify the foundation of institutional business. Thirdly, CMS Asset Management steadily advanced the application and issuance process of mutual fund products. In the first half of the year, it applied for four mutual fund products and completed the public offering transformation of seven large-scale collective products, further expanding the product line of mutual funds. As at the end of the Reporting Period, the AUM totaled RMB253.460 billion, including 11 mutual fund products with a size of RMB61.558 billion. In the first half of 2025, benefiting from the contribution of income from mutual fund business, the net income of CMS Asset Management was RMB412 million, representing a year-on-year increase of 9.87%.

| | AUM (RMB100 million) | | Net income from asset management business (RMB100 million) | |
|---|---|---|---|---|
| **Items** | **As at the end of June 2025** | **As at the end of 2024** | **First half of 2025** | **First half of 2024** |
| Mutual fund business | 615.58 | 1.06 | 1.34 | 0.00 |
| Collective asset management | 538.66 | 1,265.62 | 2.14 | 2.37 |
| Separately managed account | 683.75 | 758.72 | 0.45 | 1.15 |
| Specialized asset management | 696.61 | 648.53 | 0.19 | 0.23 |
| **Total** | **2,534.60** | **2,673.92** | **4.12** | **3.75** |

In terms of overseas business, CMS International built a diversified product system for asset management business to deeply meet the cross-border asset allocation needs of investors in the Guangdong-Hong Kong-Macao Greater Bay Area, effectively enhancing the convenience of cross-border investment. As of the end of June 2025, the AUM of CMS International totaled HK$17.311 billion, representing an increase of 62.91% as compared to the end of 2024.

**(2) Private equity fund management**

During the Reporting Period, CMS Zhiyuan Capital deepened cooperation opportunities with listed companies and leading industrial clients, and actively promoted the establishment of key industrial funds in three major areas, namely "digital intelligence science and technology, life science and technology, and green science and technology". CMS Zhiyuan Capital continuously enhanced professional investment capabilities, accelerated the cultivation of new quality productive forces, and injected new impetus into the high-quality development of the real economy. In the first half of 2025, CMS Zhiyuan Capital increased its fund management scale by RMB4.1 billion. Focusing on the hard technology sector, CMS Zhiyuan Capital completed 5 investment projects with an investment amount of RMB372 million. In terms of post-investment exit, the amount of project exit reached RMB1.008 billion.

**(3) Fund management**

① *Bosera Funds*

During the Reporting Period, Bosera Funds adhered to its strategic principles of steady progress with prudence, risk management as a cornerstone, technology-driven innovation, and relentless development momentum in its operations. In terms of operation, it continuously strengthened the refined process management of investment, sales, and finance, adhered to the political and people-oriented nature of finance, and actively made efforts in the "five major areas" of finance. In terms of inclusive finance, Bosera Funds actively responded to the fee rate reform, and strengthened investor education and companionship. Since its establishment, Bosera Funds has cumulatively distributed dividends to fund investors exceeding RMB218.607 billion. In terms of technology finance, Bosera Funds served the development of new quality productive forces. As of the end of June 2025, the scale of products invested in sci-tech innovation exceeded RMB49.4 billion. In terms of green finance, Bosera Funds optimized the performance of ESG products and enhanced support for green bonds. There were 13 ESG-themed mutual fund products. In terms of pension finance, Bosera Funds fully enhanced the annuity investment capability and optimized annuity investment method and system. In terms of digital finance, Bosera Funds was empowered by digital intelligent means and pursued high-quality development.

As of the end of the Reporting Period, the AUM of Bosera Funds amounted to RMB1,710.5 billion (including the assets managed by subsidiaries). Among them, the AUM of mutual funds (excluding feeder funds) amounted to RMB1,079.6 billion. The AUM of non-monetary mutual funds amounted to RMB620.6 billion, ranking among the top in the industry.

② *China Merchants Fund*

During the Reporting Period, China Merchants Fund thoroughly implemented the requirements for the high-quality development of mutual funds, and actively responded to the complex and changing external environment. Focusing on capacity building, it firmly focused on the two key pillars of customer experience and synergistic integration, and generally maintained a sound and stable development momentum. In terms of investment research capacity building, China Merchants Fund continuously enhanced the equity investment capability and deepened the interaction between investment and research. The performance of equity-oriented funds and social security portfolios of China Merchants Fund significantly improved in the current year. In terms of product layout, China Merchants Fund continuously optimized the product structure. It was the first to apply for and obtain the approval of the industry's first batch of floating rate products based on performance benchmarks and the first batch of CSI AAA sci-tech innovation bond ETF products, and successfully launched the industry's first cross-market ETF product that could be traded in RMB, the first batch of sci-tech innovation comprehensive index ETF and other innovative projects. 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 improve clients' experience and satisfaction. In terms of risk management, China Merchants Fund consistently advanced comprehensive risk management, and intensified the publicizing and implementation of regulatory requirements. Risk controls in key areas were further strengthened, enhancing internal control and compliance management. Due to such efforts, it effectively controlled business risks, and there was no major compliance risk events occurring during the Reporting Period.

As of the end of the Reporting Period, the AUM of China Merchants Fund (including the assets managed by subsidiaries) amounted to RMB1,538.3 billion. Among them, the AUM of mutual funds (excluding feeder funds) amounted to RMB896.7 billion; and the AUM of non-monetary mutual funds amounted to RMB522.9 billion, ranking among the top in the industry.

***Outlook for the second half of 2025***

CMS Asset Management will focus on building a stable securities asset management institution with brokerage characteristics and driven by both mutual and private funds, vigorously enhance internal synergy, and make mutual fund business stronger; and improve customized and allocation-based asset management capabilities driven by customer needs. CMS Zhiyuan Capital will actively promote the fundraising and establishment of reserve funds, deeply explore industrial client resources; strengthen investment capacity building, and continuously advance the transformation from post-investment management to post-investment empowerment, assisting invested enterprises in value growth. The associated mutual fund companies will accelerate the transformation towards high-quality development, improve product layout, and enhance asset management and wealth management capabilities.

### 4. Investment and trading

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

***Marketing Environment***

In the first half of 2025, China's domestic demand operated steadily under multiple counter-cyclical adjustment policies. In terms of external demand, the US tariff policy disrupted exports. Despite the increasing uncertainty in external demand, China's economic fundamentals remained resilient. During the Reporting Period, due to the multiple coordinated macro policies, the positive fiscal policies and the moderately loose monetary policies, the economy and finance operated stably and were improved in both quality and efficiency. Technological breakthroughs boosted confidence, the risk appetite in the domestic capital market continued to improve, and major indices showed an upward trend. The interest rates of domestic bonds fluctuated within a historically low range in the first half of the year. The ChinaBond Composite Wealth Index recorded an annualized rise of 2.12%, slightly lower than the average of the past ten years. The Chinese dollar bond investment-grade index recorded an annualized rise of 7.30%.

***Actions and Achievements***

In terms of equity business, the Company actively improved the investment research system, focusing on absolute returns and exploring diverse investment strategies in a balanced manner. It actively responded to the Securities, Funds and Insurance companies Swap Facility (SFISF) policy. The Company also closely followed the macroeconomic trends and national policies, adhered to long-term industrial development trends, and invested in selected industry leaders. During the Reporting Period, the investment return rate of the Company outperformed CSI 300 and other main indices.

For equity derivatives business, the Company vigorously developed capital-based intermediary trading business, including derivatives market making, securities market making and OTC derivatives, and expanded quantitative strategies and other market-neutral investment business. For listed derivatives market making, the Company deepened the application of AI, enhanced fundamental research, and continued to improve price discovery and risk management capabilities. As of the end of June 2025, the number of market making qualifications for listed derivatives of the Company increased to 115, ranking first among securities companies. Various options varieties of the Company were granted the comprehensive AA rating from the SSE in 2024. For securities market making business, the Company continued to expand market making projects, with the number of fund market making projects and the number of market making projects on the STAR Market reaching 570 and 39 respectively, maintaining a leading position in the market in terms of competitiveness in market making. The Company was granted the comprehensive AA rating by the SSE and SZSE in 2024, and won a number of honors in the fields of fund market making and stock market making on the STAR Market. For OTC derivatives, the Company always adheres to a business philosophy of "compliance first, risk neutral". During the Reporting Period, the Company operated strictly in accordance with regulatory policies and guidelines, continuously improved trading service capabilities to meet customer needs, improved OTC derivatives infrastructure, and fully leveraged internal synergies. As a result, the Company maintained stable business development and further enhanced service capabilities for institutional clients.

For fixed-income investment, taking solid macro market research as the foundation, the Company strengthened investment capabilities, enriched domestic and foreign investment and trading strategies, and promoted the investment in various innovative products with a focus on REITs, continuously exploring new profit growth drivers. The Company sped up the iteration of quantitative system, effectively improving the quality and efficiency of strategy development, execution, and management. The Company maintained a leading position in the industry in terms of market making, actively explored innovative market making models, and further expanded the scope of market making business, thus effectively enhancing the revenue-generating capability in the business. As one of the first pilot securities companies for sci-tech innovation bonds, the Company issued RMB3.0 billion of sci-tech innovation bonds, establishing itself as a securities company with the largest issuance scale among the inaugural batch of sci-tech innovation bonds on the SSE and SZSE. It fully promoted the investment and financing of the "sci-tech board" in the bond market, launched the "CMS Manufacturing Enterprise Sci-Tech Innovation Bond Basket" (招商證券製造業企業科創債籃子) in the China Interbank Market Trading System in the first half of 2025, and subscribed for the first data asset ABS in China, injecting new impetus into market development.

For foreign exchange, the Company continued to deeply cultivate the onshore and global foreign exchange markets, diversified proprietary trading strategies; and further advanced foreign exchange client-driven business, and effectively managed its exchange rate risk.

For alternative investment, CMS Investment continued to carefully select and prioritize investment projects and focus on key sectors. During the Reporting Period, CMS Investment made additional investment of RMB110 million. Meanwhile, CMS Investment optimized the management of existing projects, and actively explored diversified exit channels, with a project exit amount of RMB179 million.

***Outlook for the second half of 2025***

The Company will continue to enhance its capability to address the changes in external environment and market volatility, reasonably control its progress on investment, and make flexible adjustments to investment scale, thereby effectively improving the gain on investment and stability. For equity investment, the Company will keep leveraging the synergy, continuously optimize the investment layout, actively seize structural opportunities, and strictly control risks while pursuing returns. For equity derivatives, the Company will continue to innovate and optimize the business model, deepen the application of AI in derivatives market making. For securities market making business, the Company will continue to enhance the ability of services for institutional clients. For OTC derivatives, the Company will build a comprehensive derivatives financial service platform that is driven by customer needs, and promote stable business development. For fixed-income investment, the Company will enhance forward-looking macro market research and judgement to capitalize on swing trading and arbitrage opportunities, expand the investment coverage of innovative varieties, and arrange for cross-border investment opportunities to broaden income sources in multiple channels. CMS Investment will continue to develop high-quality projects through multiple channels, strengthen interaction and cooperation with China Merchants Group and industrial funds, continuously optimize investment strategies, and moderately accelerate the investment pace. CMS Investment will also strive for better investment returns by innovating and developing exit paths.

## III. 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.

### (1) 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 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.

### (2) 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.

### (3) 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. As of the end of June 2025, the Company has 265 securities branches and 14 branches in China, and business agencies in Hong Kong (SAR), South Korea and other places, with its service network covering major capital markets around the world. The Company 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.

### (4) Growing financial technology capabilities

The Company attaches great importance to financial technology, actively advances the construction of an "AI-driven Securities Company" 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 and intelligent transformation and continuously enhance digital and intelligent thinking and culture, accelerated the application of large model technology and enhanced the empowerment ability of digital and intelligent technologies in business development, product innovation, client service, operation management, etc., so as to realize the transformation from supporting business to leading business development.

### (5) 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 continuously improving 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.

## IV. Implementation of the Corporate Value and Return Enhancement Action Plan

The Company has thoroughly implemented the decisions and arrangements of the CPC Central Committee regarding financial work, earnestly carried out the State Council's Opinions on Further Improving the Quality of Listed Companies (《關於進一步提高上市公司質量的意見》) and the Initiative on Carrying out the Corporate Value and Return Enhancement Special Action by Companies Listed on the SSE (《關於開展滬市公司「提質增效重回報專項行動」的倡議》) issued by the Shanghai Stock Exchange, and on August 19, 2024, the Company released the Corporate Value and Return Enhancement Action Plan. The Company has actively advanced relevant initiatives, and hereby reports the implementation progress and evaluation results for the first half of 2025 as follows:

### (I) Focus on strengthening core businesses and continuously enhance quality and efficiency

The year 2025 marks the concluding year of the "14th Five-Year Plan" of the Company and a critical juncture for fully advancing its five-year strategic plan from 2024 to 2028. During the Reporting Period, the Company actively responded to new changes in the external operating environment, fully implemented its new five-year strategic plan, and achieved steady performance with qualitative progress. In the first half of the year, the Company recorded total revenue, other income and gains of RMB15.079 billion and profit for the period attributable to shareholders of the Company of RMB5.186 billion, representing year-on-year growth of 4.99% and 9.23%, respectively. Core businesses continued to develop steadily, and cost-control advantages were maintained. Meanwhile, the Company further strengthened its collaborative core competitiveness by optimizing collaborative organization, mechanisms, systems, and culture, continuously enhancing its collaboration capabilities; it also improved its comprehensive risk management system, reinforced forward-looking research and judgment on risks, and optimized various risk control measures. Overall, the risks were measurable, controllable, and tolerable.

### (II) Optimize shareholder returns and achieve sustained elevation of investor returns

The Company attaches great importance to providing reasonable investment returns to investors. Since its A shares listing in 2009, it has distributed an accumulated cash dividend of RMB36.634 billion and repurchased shares worth RMB664 million, with a cumulative cash dividend payout ratio of nearly 38%.

The Company's 2024 annual general meeting approved the 2024 profit distribution plan, with a dividend payout of RMB3.279 billion, the 2024 interim dividend of RMB878 million, totaling RMB4.157 billion (tax inclusive) in cash dividends in 2024, representing a dividend ratio of 40%. In August 2025, under the authorization of the shareholders' general meeting, the Board approved an interim dividend plan of RMB1.19 (tax inclusive) for every 10 shares. Going forward, the Company will continue, under the premise of complying with relevant laws, regulations, and the Articles of Association, to balance long-term development, business performance, and shareholder returns, taking into account both immediate and long-term interests of shareholders, and share the results of its development with investors in a reasonable manner based on actual business conditions.

### (III) Advance the "five key areas" to strengthen support for new quality productive forces

The Company has centered its work on serving the development of new-quality productive forces, with technology finance as the guiding force, and comprehensively enhanced its capabilities in green finance, inclusive finance, pension finance and digital finance. In technology finance, leveraging the "investment, research and investment banking" linkage, the Company has focused on three major sectors—digital intelligent technology, green technology, and life sciences—continuously building its technology investment banking brand, accelerating the development of specialized technology investment capabilities, and promoting a virtuous cycle integrating technology, industry, and finance. During the Reporting Period, the Company underwrote RMB4.266 billion in equity offerings and RMB24.332 billion in bonds for tech enterprises, and invested RMB390 million in equity of unlisted tech companies.

In green finance, the Company embedded green finance services into the transformation of traditional industries, promoted investments in energy storage technology, solid-state batteries, virtual power plants, and smart grids, continuously injecting momentum into the green transformation of the economy and society. During the Reporting Period, total financing of green bonds reached RMB91.164 billion, with an underwriting amount of RMB12.295 billion; two investment projects in the green and low-carbon sector were completed, totaling RMB260 million. In inclusive finance, the Company continued to promote mechanism innovation, product optimization, and service penetration, enriching the supply of inclusive financial products and services. As of the end of the Reporting Period, 593 SMEs in the technology and innovation sector have been selected into the "Gazelle Incubator Project" company database, with investments completed in over 60 of them, totaling RMB2.623 billion. In pension finance, the Company established a pension finance service system of "products + services + investor education". During the Reporting Period, its wealth management business launched an individual pension index fund product, while its fund advisory business introduced the pension public-benefit portfolios "Anxiang Monetary+" (安享貨幣+) and "Anxiang Bond Fund" (安享債基). In digital finance, the Company accelerated the development of an "AI-driven Securities Company", with new AI application scenarios and functions in core business and management areas continually launched, driving deeper integration of "AI + finance". Its new generation core trading system was successfully and fully deployed, enabling operations of all branches, businesses, and clients on the new system, and becoming the industry's first cloud-native distributed core trading system, laying a digital foundation for the Company's high-quality development.

### (IV) Strengthen investor communication and continuously deepen value management

The Company strictly complies with relevant laws, regulations and regulatory requirements regarding information disclosure obligations, ensuring that information is disclosed truthfully, accurately, completely, timely, and fairly, so that investors can promptly and accurately understand the Company's operating results, financial conditions, development strategies, and significant matters. Focusing on investor needs, the Company timely and systematically conveys information that is of high concern to the capital markets, ensuring clarity, simplicity, and ease of understanding, thereby enhancing the relevance and effectiveness of information disclosure. The Company continuously strengthens market value management centered around corporate value and promotes a reasonable reflection of the Company's quality through its investment value.

During the Reporting Period, the Company actively participated in the group results briefings of listed subsidiaries of China Merchants Group, and held the analyst teleconferences and online performance briefings. The Company interpreted its performance through visualized forms such as short videos and WeChat briefings. In addition, through attending sell-side investment strategy meetings or investment forums, receiving analyst inquiries, responding to investor questions on the SSE e-Interactive platform, and attentively answering investors' phone calls, the Company continued to strengthen communication with investors and continuously implemented and improved investor protection mechanisms. By the end of the Reporting Period, the Company ranked 6th in terms of total A+H market capitalization among listed securities firms.

### (V) Adhere to standardized operation and continuously improve governance efficiency

The Company continues to improve its governance structure and internal governance system, establishing a clear responsibility and authority system, and a standardized operational decision-making mechanism, which is strictly implemented.

During the Reporting Period, the Company held two shareholders' general meetings, all conducted as on-site meetings combined with online voting. These meetings featured dedicated Q&A sessions for shareholders and disclosed voting results of minority investors on matters affecting minority shareholders' interests, thereby enhancing investors' engagement and sense of participation. The Company held 7 meetings of the Board, considered 37 proposals and listened to 9 reports. The committees of the Board held 12 meetings, considered 33 proposals and listened to 1 report. 1 special meeting of independent Directors was held to consider 1 proposal. The Supervisory Committee held 4 meetings and considered 10 proposals. At the same time, in response to the CSRC's announcement of the transition period arrangements for the new Company Law and its related supporting system rules, the Company actively promoted the cancellation of the Supervisory Committee and comprehensive review and amendment of the Company's governance systems, such as the Articles of Association.

### (VI) Strengthen the responsibilities of Directors, Supervisors and senior management, and further unleash the endogenous driving force to improve quality and efficiency

The Company attaches great importance to the core role of Directors, Supervisors and senior management in corporate governance and value creation, continually strengthening their sense of responsibility and performance effectiveness. Through a combination of institutional building, supervisory constraints, and incentive guidance, the Company strives to ensure that Directors, Supervisors and senior management effectively lead by example, becoming key forces in improving operational quality and enhancing return capabilities. First, the Company has improved the responsibility implementation mechanism, incorporating corporate value and return enhancement targets into senior management's performance evaluation system, reinforcing goal orientation and accountability for results. Second, the Company has strengthened job performance supervision, with the remuneration and appraisal committee of the Board assessing the senior management's performance, focusing on their efforts in creating value, compliance and risk control, and executing dividend policies. Third, the Company has emphasized education and training and compliance awareness, actively organizing training for Directors, Supervisors and senior management on corporate governance, capital market regulations, and information disclosure, improving their professional competence and compliance awareness, preventing decision-making errors and moral risks. Additionally, the Company has enhanced its incentive mechanisms, consistently implementing the principles of prudent business operations, ensuring compliance with basic standards, promoting positive incentives, and enhancing long-term value. It has established a sound compensation system to guide senior management to focus on the long-term value of the Company rather than short-term performance fluctuations. Through these measures, the sense of responsibility among the Company's Directors, Supervisors and senior management has been significantly strengthened, and the scientific nature of decision-making, the effectiveness of implementation, and the proactive approach to investor returns have notably improved, providing a solid guarantee for the implementation and results of the Corporate Value and Return Enhancement Action Plan.

## V. Operations of Principal Businesses during the Reporting Period

### (I) Analysis of principal businesses

#### *1. Analysis of financial statement*

#### 1.1 Analysis of the profitability of the Company during the Reporting Period

In the first half of 2025, the Company's total revenue, other income and gains amounted to RMB15.079 billion, representing a year-on-year increase of 4.99%; and profit for the period attributable to shareholders of the Company amounted to RMB5.186 billion, representing a year-on-year increase of 9.23%.

Unit: RMB'000

| | Current Period | | Previous Period | | Change | |
|---|---|---|---|---|---|---|
| **Items** | **Amount** | **Percentage** | **Amount** | **Percentage** | **Amount** | **Percentage** |
| Fee and commission income | 6,272,266 | 41.59% | 4,453,006 | 31.00% | 1,819,260 | 40.85% |
| Interest income | 4,534,211 | 30.07% | 5,031,862 | 35.03% | -497,651 | -9.89% |
| Investment gains, net | 4,123,562 | 27.35% | 4,753,132 | 33.09% | -629,570 | -13.25% |
| Other income and gains, net | 149,355 | 0.99% | 124,394 | 0.87% | 24,961 | 20.07% |
| **Total revenue, other income and gains** | **15,079,394** | **100.00%** | **14,362,394** | **100.00%** | **717,000** | **4.99%** |

Fee and commission income amounted to RMB6.272 billion, representing a year-on-year increase of 40.85%. Among which, the income from securities and futures brokerage business amounted to RMB5.09 billion, representing a year-on-year increase of 45.70%, mainly attributable to the year-on-year increase in net fee income from agency trading of securities of the Company as a result of the general increase in the trading volume of stocks and funds in A share and H share markets; the income from underwriting and sponsorship business amounted to RMB377 million, representing a year-on-year increase of 45.49%, among which, fee income from IPOs and from underwriting bonds of the Company both recorded year-on-year increase; and the income from asset management and fund management business amounted to RMB447 million, representing a year-on-year increase of 28.88%, mainly attributable to the year-on-year increase in income from asset management business of CMS Asset Management, a subsidiary of the Company.

Interest income amounted to RMB4.534 billion, representing a year-on-year decrease of 9.89%, among which, interest income from exchanges and financial institutions balances, deposits and clearing settlement funds decreased by 15.35% on a year-on-year basis, interest income from debt instruments at fair value through other comprehensive income decreased by 21.32% on a year-on-year basis, and interest income from stock pledge repo decreased by 32.41% on a year-on-year basis.

Investment gains, net amounted to RMB4.124 billion, representing a year-on-year decrease of 13.25%, mainly attributable to a year-on-year decrease in revenue from fixed-income investments.

Other income and gains, net amounted to RMB149 million, representing a year-on-year increase of 20.07%.

Unit: RMB'000

| | Current Period | | Previous Period | | Change | |
|---|---|---|---|---|---|---|
| **Items** | **Amount** | **Percentage** | **Amount** | **Percentage** | **Amount** | **Percentage** |
| Depreciation and amortization | 448,508 | 4.43% | 422,275 | 4.16% | 26,233 | 6.21% |
| Staff costs | 3,317,686 | 32.78% | 3,113,689 | 30.69% | 203,997 | 6.55% |
| Fee and commission expenses | 1,380,514 | 13.64% | 945,118 | 9.32% | 435,396 | 46.07% |
| Interest expenses | 3,904,192 | 38.57% | 4,564,829 | 44.99% | -660,637 | -14.47% |
| Tax and surcharges | 61,293 | 0.61% | 49,626 | 0.49% | 11,667 | 23.51% |
| Other operating expenses | 1,025,000 | 10.13% | 1,012,274 | 9.98% | 12,726 | 1.26% |
| Impairment losses under expected credit loss model, net of reversal | -15,764 | -0.16% | 37,692 | 0.37% | -53,456 | -141.82% |
| **Total expenses** | **10,121,429** | **100.00%** | **10,145,503** | **100.00%** | **-24,074** | **-0.24%** |

In the first half of 2025, the total expenses of the Company amounted to RMB10.121 billion, representing a year-on-year decrease of 0.24%, among which:

Fee and commission expenses amounted to RMB1.381 billion, representing a year-on-year increase of 46.07%, mainly attributable to the year-on-year increase in fee and commission expenses of the securities and futures brokerage business.

Interest expenses amounted to RMB3.904 billion, representing a year-on-year decrease of 14.47%, mainly attributable to the year-on-year decrease in interest expenses on placements from banks and other financial institutions, interest expenses on accounts payables to brokerage clients and interest expenses on bonds payable.

Staff costs amounted to RMB3.318 billion, representing a year-on-year increase of 6.55%.

Other operating expenses amounted to RMB1.025 billion, representing a year-on-year increase of 1.26%, mainly attributable to a year-on-year increase in business promotion expenses, and the year-on-year decrease in electronic equipment operation expenses, general and administrative expenses, business travel expenses, etc.

Impairment losses under expected credit loss model, net of reversal amounted to a deficit of RMB16 million, representing a year-on-year decrease of 141.82%, among which, impairment losses of financial assets held under resale agreements and of advances to customers were recorded reversal.

Other expenses included depreciation and amortization, tax and surcharges.

### 1.2 Analysis of segment revenues, other incomes and gains

Unit: RMB'000

| Business segment | Current Period | | Previous Period | | Percentage change |
|---|---|---|---|---|---|
| | Amount | Percentage | Amount | Percentage | |
| Wealth management and institutional business | 8,922,208 | 59.17% | 7,432,796 | 51.75% | Increased by 7.42 percentage points |
| Investment banking | 420,761 | 2.79% | 301,677 | 2.10% | Increased by 0.69 percentage point |
| Investment management | 562,506 | 3.73% | 513,994 | 3.58% | Increased by 0.15 percentage point |
| Investment and trading | 4,817,938 | 31.95% | 5,647,794 | 39.32% | Decreased by 7.37 percentage points |
| Other business | 361,600 | 2.40% | 496,794 | 3.46% | Decreased by 1.06 percentage points |

Segment total revenue, other income and gains from the wealth management and institutional business amounted to RMB8.922 billion, representing a year-on-year increase of 20.04%; segment total revenue, other income and gains from the investment banking business amounted to RMB421 million, representing a year-on-year increase of 39.47%; segment total revenue, other income and gains from the investment management business amounted to RMB563 million, representing a year-on-year increase of 9.44%; segment total revenue, other income and gains from the investment and trading business amounted to RMB4.818 billion, representing a year-on-year decrease of 14.69%; and segment total revenue, other income and gains from other businesses amounted to RMB362 million, representing a year-on-year decrease of 27.21%.

In terms of revenue composition, the proportion of the wealth management and institutional business, the investment banking business and the investment management business increased by 7.42 percentage points, 0.69 percentage point and 0.15 percentage point, respectively, and the proportion of the investment and trading business and other businesses decreased by 7.37 percentage points and 1.06 percentage points, respectively.

### 1.3 Analysis of assets and liabilities

As at the end of June 2025, the Company's total assets amounted to RMB672.86 billion, representing a decrease of RMB48.301 billion, or 6.70%, as compared to the end of 2024. Excluding the accounts payable to brokerage clients, total assets amounted to RMB539.826 billion, representing a decrease of RMB29.724 billion, or 5.22%, as compared to the end of 2024, among which, cash and bank balances and clearing settlement funds decreased by RMB25.189 billion as compared to the end of 2024, financial assets[1] decreased by RMB17.023 billion as compared to the end of 2024, and advances to customers and financial assets held under resale agreements decreased by RMB7.27 billion as compared to the end of 2024.

The Company's asset quality and liquidity remained sound, and its net current assets amounted to RMB128.140 billion. The Company's cash and bank balances and clearing settlement funds, financial assets, advances to customers and financial assets held under resale agreements, and interests in associates and joint ventures accounted for 22.64%, 53.77%, 17.86% and 1.89% 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, and interests in associates and joint ventures decreased by 1.98 percentage points, increased by 1.24 percentage points, increased by 0.19 percentage point and increased by 0.13 percentage point, respectively.

As at the end of June 2025, the Company's total liabilities amounted to RMB541.387 billion, representing a decrease of RMB49.521 billion, or 8.38%, as compared to the end of 2024. Excluding accounts payable to brokerage clients, total liabilities amounted to RMB408.353 billion, representing a decrease of RMB30.944 billion, or 7.04%, as compared to the end of 2024. Among which, bonds payable decreased by RMB18.246 billion as compared to the end of 2024, short-term debt instruments decreased by RMB12.698 billion as compared to the end of 2024, and the financial liabilities at fair value through profit or loss and derivative financial liabilities decreased by RMB14.492 billion as compared to the end of 2024.

The Company's liabilities are mainly denominated in RMB, HKD and USD. For details of the Company's borrowing rates, please refer to Note 33 "Short-term borrowings", Note 34 "Short-term debt instruments", Note 35 "Placements from banks and other financial institutions", Note 42 "Long-term borrowings due within one year", Note 43 "Long-term borrowings", Note 48 "Bonds payables due within one year" and Note 49 "Bonds payables" to the consolidated financial statements of this report.

Among total liabilities, the Company's financial assets sold under repurchase agreements, short-term borrowings and placements from banks and other financial institutions accounted for 33.03%; accounts payable to brokerage clients accounted for 24.57%; bonds payable accounted for 17.87%; short-term debt instruments accounted for 8.25%; and financial liabilities at fair value through profit or loss and derivative financial liabilities accounted for 8.20%. As compared to the end of last year, the proportion of financial assets sold under repurchase agreements, short-term borrowings and placements from banks and other financial institutions increased by 4.16 percentage points; the proportion of accounts payable to brokerage clients decreased by 1.08 percentage points; the proportion of bonds payable decreased by 1.59 percentage points; the proportion of short-term debt instruments decreased by 1.46 percentage points; and the proportion of financial liabilities at fair value through profit or loss and derivative financial liabilities decreased by 1.77 percentage points.

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

As at the end of June 2025, excluding accounts payable to brokerage clients, the gearing ratio of the Company was 75.65%, representing a decrease of 1.48 percentage points as compared to the end of 2024.

As at the end of June 2025, equity attributable to shareholders of the Company amounted to RMB131.397 billion, representing an increase of RMB1.218 billion as compared to the end of 2024. Among which, profit for the period attributable to shareholders of the Company amounted to RMB5.186 billion; dividends recognized as distribution amounted to RMB3.279 billion; and distribution to holders of other equity instruments amounted to RMB592 million.

### 1.4 Cash flows

Unit: RMB'000

| Items | Current Period | Previous Period | Change | Percentage change |
|---|---|---|---|---|
| Net cash generated from operating activities | 17,042,752 | 44,085,990 | -27,043,238 | -61.34% |
| Net cash generated from/(used in) investing activities | 13,613,406 | -10,628,298 | 24,241,704 | 228.09% |
| Net cash used in financing activities | -34,210,943 | -35,330,742 | 1,119,799 | 3.17% |
| Net decrease in cash and cash equivalents | -3,554,785 | -1,873,050 | -1,681,735 | -89.79% |

In the first half of 2025, excluding the impact of changes in cash held on behalf of customers, the Company's cash and cash equivalents amounted to RMB23.996 billion, among which cash and cash equivalents denominated in RMB accounted for 72.42%. The Company's cash and cash equivalents are mainly denominated in RMB, HKD and USD.

In the first half of 2025, the Company's net decrease in cash and cash equivalents amounted to RMB3.555 billion. Among which, net cash from operating activities amounted to RMB17.043 billion; net cash from investing activities amounted to RMB13.613 billion; and net cash used in financing activities amounted to RMB34.211 billion.

Net cash from operating activities decreased by RMB27.043 billion as compared to the first half of 2024, mainly attributable to the decrease of RMB47.431 billion in net cash from financial assets/liabilities at fair value through profit or loss, partially offset by the increase of RMB14.637 billion in net cash from placements from banks and other financial institutions.

Net cash from investing activities increased by RMB24.242 billion as compared to the first half of 2024, mainly attributable to the increase of RMB24.26 billion in net purchase or proceeds from disposals or purchases of financial instruments at fair value through other comprehensive income.

Net cash from financing activities increased by RMB1.12 billion as compared to the first half of 2024, mainly attributable to the increase of RMB899 million in net proceeds from issuance of perpetual bonds.

### *2. Overseas assets*

Overseas assets amounted to RMB51.161 billion, accounting for 7.60% of total assets.

### *3. Main restrictions on assets as at the end of the Reporting Period*

For details, please refer to "Chapter 8: Financial Report" of this report.

## (II) Analysis of investment

### *1. General analysis of external equity investments*

During the Reporting Period, the Company had new external equity investments of USD3 million. For details, please refer to "Interests in associates and joint ventures" in "Chapter 8: Financial Report" of this report.

### *2. Financial assets measured at fair value*

Unit: 10,000 Yuan Currency: RMB

| Asset class | Opening amount | Profit or loss from changes in fair value for the Current Period | Cumulative changes in fair value included in equity | Impairment provision for the Current Period | Purchase amount for the Current Period | Disposal/ redemption amount for the Current Period | Other changes | Closing amount |
|---|---|---|---|---|---|---|---|---|
| Bonds | 28,751,891.34 | -191,820.06 | -93,664.37 | 110.97 | 73,238,569.38 | 75,559,583.48 | -49,656.84 | 26,095,735.97 |
| Funds | 3,787,573.91 | 29,421.18 | 15,906.35 | – | 55,348,773.96 | 54,615,984.43 | -863.00 | 4,564,827.97 |
| Stocks | 2,642,816.77 | 114,397.65 | -6,063.87 | – | 17,932,584.03 | 17,441,797.78 | -15,717.93 | 3,226,218.87 |
| Derivatives | -57,211.42 | -144,009.30 | – | – | – | – | -26,033.50 | -227,254.22 |
| Others | 2,097,212.44 | -34,871.18 | – | – | 1,763,777.45 | 1,692,822.52 | 1,320.15 | 2,134,616.34 |
| **Total** | **37,222,283.04** | **-226,881.71** | **-83,821.89** | **110.97** | **148,283,704.82** | **149,310,188.21** | **-90,951.12** | **35,794,144.93** |

*Explanation of 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 8: 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

*Details of principal subsidiaries and non-controlling companies*

Unit: 100 Million Yuan Currency: RMB

| Company name | Type | Principal activities | Registered capital | Total assets | Net assets | operating income | Operating profit | Net profit |
|---|---|---|---|---|---|---|---|---|
| China Merchants Securities Asset Management Co., Ltd. | A subsidiary | It is principally engaged in securities asset management and publicly offered security investment funds management. | 10.00 | 58.16 | 54.33 | 4.76 | 2.03 | 1.54 |
| China Merchants Securities International Company Limited | A subsidiary | Through its subsidiaries, it is principally engaged in securities and futures contracts brokerage, listing sponsorship, financial advisory, corporate finance, investment management, asset management, market research and other businesses as permitted by regulatory rules of the places where its subsidiaries operate. | 53.86 | 511.61 | 91.84 | 4.77 | 1.33 | 1.28 |
| China Merchants Futures Co., Limited | A subsidiary | Its principal businesses include commodity futures brokerage, financial futures brokerage, futures investment consultation and asset management. | 35.98 | 299.79 | 52.88 | 3.15 | 1.78 | 1.35 |
| China Merchants Zhiyuan Capital Investment Co., Ltd. | A subsidiary | It is principally engaged in private equity investment funds and related consultancy and advisory services and other businesses as permitted by regulatory authorities. | 21.00 | 39.18 | 22.07 | 0.50 | 0.19 | 0.15 |
| China Merchants Securities Investment Co., Ltd. | A subsidiary | It is principally engaged in alternative investment businesses such as financial products and equity investment other than those listed in the List of Securities Investments for Proprietary Trading of Securities Companies (《證券公司證券自營投資品種清單》). | 101.00 | 97.80 | 93.22 | 0.87 | 0.74 | 0.62 |
| Bosera Asset Management Co., Limited | A non-controlling company | Its business scope includes fund raising, sales of funds, asset management and other businesses permitted by the CSRC. | 2.50 | 132.57 | 101.44 | 23.56 | 10.05 | 7.63 |
| China Merchants Fund Management Co., Ltd. | A non-controlling company | Its business scope includes fund management, promotion and establishment of funds and other businesses approved by the CSRC. | 13.10 | 153.91 | 105.65 | 25.61 | 10.40 | 7.89 |

### (IV) Structured entities controlled by the Company

As of June 30, 2025, the Group consolidated 84 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 June 30, 2025, the total assets of the consolidated structured entities amounted to RMB46.507 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 June 2025, total liabilities of the Company amounted to RMB541.387 billion. Excluding the accounts payable to brokerage clients, total liabilities amounted to RMB408.353 billion. Among which, as of the end of June 2025, bonds payable amounted to RMB96.726 billion, accounting for 23.69% of liabilities; short-term debt instruments amounted to RMB44.686 billion, accounting for 10.94% of liabilities; long-term borrowings amounted to RMB3.548 billion, accounting for 0.87% of liabilities; financial assets sold under repurchase agreements amounted to RMB159.301 billion, accounting for 39.01% of liabilities; short-term borrowings amounted to RMB8.407 billion, accounting for 2.06% of liabilities; and placements from banks and other financial institutions amounted to RMB11.114 billion, accounting for 2.72% of liabilities. The Company had stable operation, good profitability, abundant liquidity replenishment channels and excellent asset quality, which provide a strong protection for the Company's solvency.

### *3. Liquidity management*

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

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

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

## VI. Other Disclosures

### (I) Potential Risks

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

### *1. Risk management*

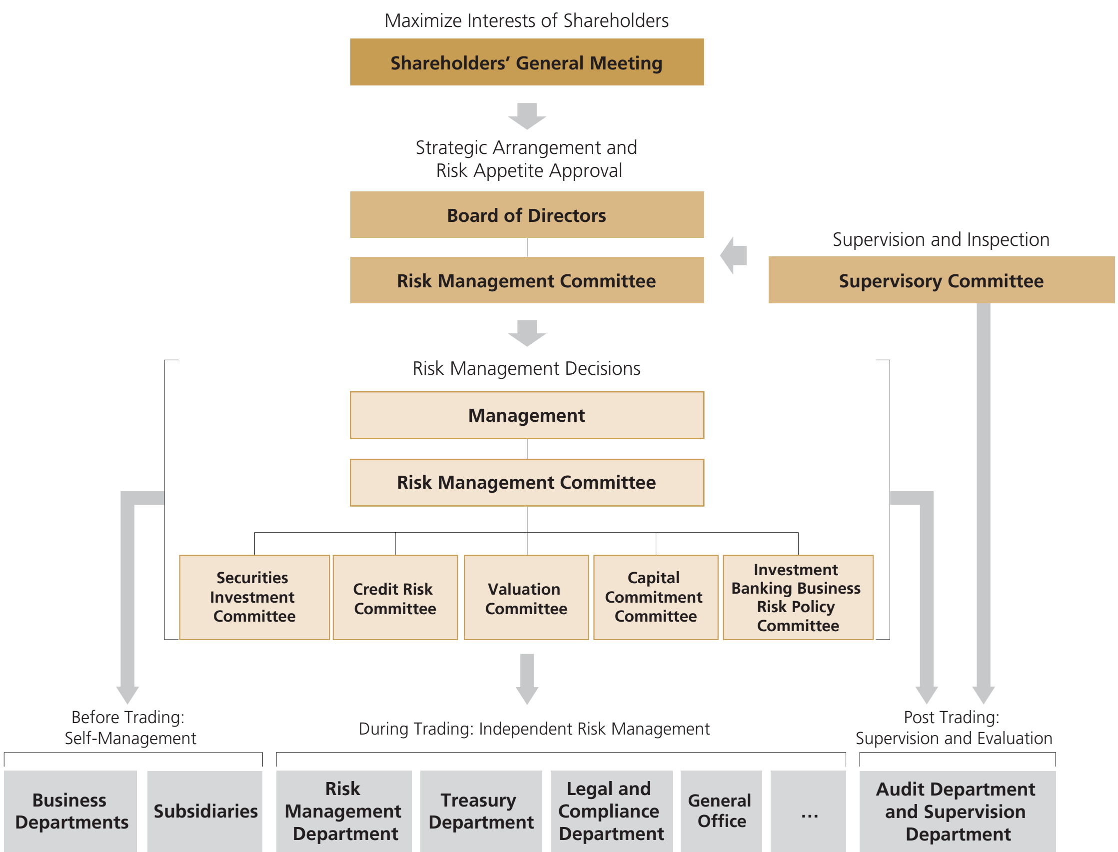
#### (1) Risk management structure

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

In accordance with the Guidelines for Internal Control of Securities Companies (《證券公司內部控制指引》) and the Norms for the Overall Risk Management of Securities Companies (《證券公司全面風險管理規範》), and taking into account its operational needs, the Company has taken the lead in establishing a modern five-level risk management structure, consisting of strategic arrangements of the Board, supervision and inspection of the 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**



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

① The Board and its Risk Management Committee are responsible for reviewing and approving the 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.

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.

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

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

**(4) Risk management culture**

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

**(5) Risk management IT system**

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

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

In the future, the intelligent integrated risk management platform will strengthen the embedded application of various intelligent tools such as risk calculation and risk warning based on sustained risk data governance, significantly improving the efficiency of risk management and the digital capabilities of risk control, 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.

**(2) Market risk management approaches**

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

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

② generic and specific market risk management methods.

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

**(3) Responsibilities for managing market risk**

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

**(4) Measurement of market risk**

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

① *VaR*

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

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

② *Stress test*

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

③ *Sensitivity analysis*

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

**(5) Market risk limit management system**

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

***3. Credit risks and corresponding measures***

**(1) Overview**

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

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

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

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

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

### (2) Credit risk management approaches

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

① prudent and proactive credit risk management culture;

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

③ industry-leading credit risk management quantitative tools;

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

⑤ full coverage of the substantive assessment of credit risk.

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

① *Credit risk limit*

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

② *Internal credit rating*

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

③ *Quantitative management of collaterals*

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

④ *Credit risk measurement model*

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

**(3) Responsibilities for managing credit risk**

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

**(4) Credit risk management on principal businesses**

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

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

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

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

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

Unit: RMB10,000

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| **Onshore bonds** | | |
| PRC sovereign bonds | 15,747,544 | 16,372,962 |
| AAA | 9,118,024 | 10,960,057 |
| AA+ | 381,078 | 509,503 |
| AA | 118,670 | 65,058 |
| AA– | 6,391 | – |
| Below AA– | 292 | 153 |
| Non-rated | 6,094 | 7,558 |
| **Sub-total** | **25,378,093** | **27,915,291** |
| **Offshore bonds** | | |
| PRC sovereign bonds | 55 | 14,708 |
| A | 329,536 | 681,912 |
| B | 373,586 | 263,435 |
| Non-rated | 14,466 | 14,559 |
| **Sub-total** | **717,643** | **974,614** |
| **Total** | **26,095,736** | **28,889,905** |

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

Note 2: PRC sovereign bonds represent the rating of bonds issued by the government of the PRC. AAA~AA- and below AA- represent debt ratings. If there is no debt rating, issuer's rating would be used instead, where AAA is the highest rating, 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.

### *4. Operational risks and corresponding measures*

#### (1) Overview

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

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

#### (2) Operational risk management

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

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

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

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

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

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

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

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

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

### *5. Liquidity risks and corresponding measures*

#### (1) Overview

The Company's exposure to liquidity risks arises from failure to obtain sufficient funds at reasonable costs and in a timely manner to repay due debts, perform other payment obligations and satisfy 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, or its operation experiences unusual changes, it may not be able to repay the principal of, or interest on, relevant debts in full when due.

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

#### (2) Responsibilities for managing liquidity risks

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

**(3) Liquidity risk management approaches**

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

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

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

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

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

***6. Reputational risks and corresponding measures***

**(1) Overview**

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

**(2) Reputational risk management**

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

### *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 RMB82.847 billion.

# 03

## Corporate Governance

# Chapter 4

# Corporate Governance, Environment, and Society

## I. Changes in Directors, Supervisors and Senior Management of the Company

| Name | Position | Change | Date of Change | Reason |
|---|---|---|---|---|
| HUO Da (霍達) | Chief Information Officer | Resigned | March 27, 2025 | Resigned upon expiration of term of office |
| LIU Weiwu (劉威武) | Non-executive Director | Resigned | April 7, 2025 | Resigned due to retirement |
| LUO Li (羅立) | Non-executive Director | Elected | April 7, 2025 | Elected at the shareholders' general meeting |
| MA Yunchun (馬蘊春) | Shareholder representative Supervisor | Resigned | April 7, 2025 | Resigned due to change in work arrangement |
| HUANG Zheng (黃崢) | Shareholder representative Supervisor | Elected | April 7, 2025 | Elected at the shareholders' general meeting |
| WU Zongmin (吳宗敏) | President | Resigned | May 6, 2025 | Resigned due to retirement |
| ZHANG Haochuan (張浩川) | Vice President | Resigned | May 12, 2025 | Resigned due to personal reasons |
| ZHANG Xing (張興) | Vice President | Appointed | May 26, 2025 | Appointed by the Board |
| WANG Zhijian (王治鑒) | Vice President | Appointed | May 26, 2025 | Appointed by the Board |
| ZHU Jiangtao (朱江濤) | President | Appointed | June 3, 2025 | Appointed by the Board |
| WU Zongmin (吳宗敏) | Executive Director | Resigned | June 26, 2025 | Resigned due to retirement |
| ZHU Jiangtao (朱江濤) | Executive Director | Elected | June 26, 2025 | Elected at the shareholders' general meeting |

For details, please refer to the relevant announcements published by the Company on the Hong Kong Stock Exchange website on March 13, March 17, April 7, May 6, May 12, May 26, June 3, June 26, 2025.

**Details of changes in Directors, Supervisors and senior management of the Company**

During the Reporting Period, a total of four Directors, Supervisors and senior management of the Company resigned, accounting for 15.38% of the total number of Directors, Supervisors and senior management as at the beginning of the Reporting Period.

Other changes in positions of Directors, Supervisors and senior management of the Company from the date of disclosure of the Company's Annual Report for the year 2024 to the date of this report were as follows:

CHEN Xin (陳欣), a Director, has served as the independent director of China Pacific Insurance (Group) Co., Ltd. (中國太平洋保險(集團)股份有限公司) (a company listed on the SSE, stock code: 601601; a company listed on the Hong Kong Stock Exchange, stock code: 02601) since April 2025;

LI Xiaofei (李曉霏), a Director, has ceased to serve as the director of China Merchants Hoi Tung Trading Company Limited (招商局海通貿易有限公司) since June 2025;

DING Lusha (丁璐莎), a Director, has ceased to serve as the 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 2025;

HUANG Zheng (黃崢), a Supervisor, has served as 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) since April 2025;

LIU Rui (劉鋭), a vice president, has ceased to serve as the chairman of the board of directors of China Merchants Securities International Company Limited (招商證券國際有限公司) since March 2025; has ceased to serve as the chairman of the board of directors of China Merchants Futures Co., Limited (招商期貨有限公司) since April 2025; and has served as the general manager of China Merchants Zhiyuan Capital Investment Co., Ltd. (招商致遠資本投資有限公司) since June 2025;

LIU Bo (劉波), a vice president, has served as the chairman of the board of directors of China Merchants Securities International Company Limited since March 2025;

ZHANG Xing (張興), the vice president and Chief Compliance Officer, has ceased to serve as the supervisor of China Merchants Securities Asset Management Co., Ltd. (招商證券資產管理有限公司) since March 2025; has ceased to serve as the supervisor of China Merchants Futures Co., Limited since April 2025; and has ceased to serve as the head of risk management of China Merchants Securities International Company Limited since June 2025.

Save as disclosed above, as of the date of this report, as confirmed by the Directors, Supervisors and chief executive of the Company, there is no information that is required to be disclosed under Rule 13.51B(1) of the Hong Kong Listing Rules.

## II. Basic Information of Directors, Supervisors and Senior Management of the Company

As of the date of this report, the names and positions of all Directors, Supervisors and senior management of the Company are as follows:

| Name | Position(s) |
|---|---|
| HUO Da (霍達) | Chairman of the Board, Executive Director |
| LUO Li (羅立) | Non-executive Director |
| LIU Zhenhua (劉振華) | Non-executive Director |
| LIU Hui (劉輝) | Non-executive Director |
| ZHU Jiangtao (朱江濤) | Executive Director, President, and Authorized Representative |
| LI Delin (李德林) | Non-executive Director |
| LI Xiaofei (李曉霏) | Non-executive Director |
| HUANG Jian (黃堅) | Non-executive Director |
| ZHANG Mingwen (張銘文) | Non-executive Director |
| DING Lusha (丁璐莎) | Non-executive Director |
| YIP, Ying Chi Benjamin (葉熒志) | Independent non-executive Director |
| ZHANG Ruijun (張瑞君) | Independent non-executive Director |
| CHEN Xin (陳欣) | Independent non-executive Director |
| CAO Xiao (曹嘯) | Independent non-executive Director |
| FENG Jinhua (豐金華) | Independent non-executive Director |
| ZHU Eric Liwei (朱立偉) | Shareholder representative Supervisor |
| SUN Xian (孫獻) | Shareholder representative Supervisor |
| HUANG Zheng (黃崢) | Shareholder representative Supervisor |
| PENG Luqiang (彭陸強) | Shareholder representative Supervisor |
| YIN Hongyan (尹虹艷) | Employee representative Supervisor |
| CHEN Jun (陳鋆) | Employee representative Supervisor |

| Name | Position(s) |
| --- | --- |
| LIU Jie (劉傑) | Vice President (chief financial officer), Secretary to the Board, Joint Company Secretary, and Authorized Representative |
| LIU Rui (劉銳) | Vice President |
| LIU Bo (劉波) | Vice President |
| ZHANG Xing (張興) | Vice President, Chief Compliance Officer, and Chief Risk Officer |
| WANG Zhijian (王治鑒) | Vice President |

## III. Employees of the Parent Company and Major Subsidiaries

### (I) Employees

Unit: person

| | |
| --- | --- |
| Number of employees of the parent company | 11,116 |
| Number of employees of major subsidiaries | 1,053 |
| Total number of employees | 12,169 |
| Number of resigned and retired employees with expenses borne by the parent company and major subsidiaries | 45 |

### (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, and strives to build a strong core talent team. In the first half of 2025, the Company implemented training programs for employees in various forms, including online and offline, internal and outsourced training programs, and organized nearly 300 internal and external training programs, covering a total of 170,000 training hours and a total of 140,000 person-times. The training focused on political awareness, macroeconomics, industrial culture, compliance and risk control, integrity education, wealth management, investment and research skills, leadership, cutting-edge technology, etc., which has effectively facilitated the improvement of employee capabilities. At the same time, the Company promoted the resource construction of the mobile learning platform, and launched 146 new online courses to support the flexible and independent learning needs of employees.

## IV. Proposals on Profit Distribution or Conversion of Capital Reserve

**Proposals on profit distribution and conversion of capital reserve for the semi-annual period**

| | |
|---|---|
| Whether to distribute or convert | Yes |
| Number of bonus shares for every 10 shares | 0 |
| Dividends for every 10 shares (RMB) (tax inclusive) | 1.19 |
| Number of shares converted for every 10 shares | 0 |

| Explanation of proposals on profit distribution or conversion of capital reserve |
|---|
| The Company will not allocate profit to the statutory reserve in the interim period of 2025. Based on the total share capital registered on the equity registration date for equity distribution, a cash dividend of RMB1.19 (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.<br><br>Based on the total number of shares of the Company of 8,696,526,806 shares as of June 30, 2025, the total distributed profit is RMB1,034,886,689.91. 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.<br><br>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 twenty-second meeting of the eighth session of the Board.<br><br>Pursuant to the authorization granted at the 2024 annual general meeting of the Company, the Company's 2025 interim profit distribution plan shall take effect upon consideration and approval by the twenty-second meeting of the eighth session of the Board. The Company will distribute the 2025 interim cash dividend before October 28, 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, the period of closure of register of members.<br><br>The profit distribution policy adopted by the Company is in compliance with laws and regulations as well as stipulations of the Plan on Shareholders' Returns of China Merchants Securities Co., Ltd. (2024-2026) and the Articles of Association. The dividend distribution basis and ratio were specific and clear, and the relevant decision-making procedures and arrangement were complete. The independent Directors have fully performed their responsibilities in the course of making decisions on profit distribution and the legitimate rights and interests of minority shareholders were safeguarded. |

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

### Employee stock ownership scheme

| Summary of event | Reference |
|---|---|
| The "Plan for Repurchasing A Shares of the Company by Centralized Bidding Transactions" was considered and approved at the 17th meeting of the sixth session of the Board, the 2019 first extraordinary general meeting, the 2019 first A Shareholders class meeting and the 2019 first H Shareholders class meeting of the Company. The Company intended to use all of the A Shares repurchased this time for the employee stock ownership scheme. The "Proposal for Employee Stock Ownership Scheme (Draft) of China Merchants Securities Co., Ltd. and its Summary" was considered and approved at the 25th meeting of the sixth session of the Board and the 2020 first extraordinary general meeting of the Company. The "Proposal on the Advanced Completion of A Share Repurchase of the Company" and the "Proposal on Defining the Price and Scale of Purchasing the Repurchased Shares of the Company's Employee Stock Ownership Scheme" were considered and approved at the 28th meeting of the sixth session of the Board and the 2020 first extraordinary general meeting of the Company, and the "Employee Stock Ownership Scheme (Draft) of China Merchants Securities Co., Ltd." and its summary were accordingly revised.<br><br>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.<br><br>On January 21, 2020, the Company held the first meeting of holders of employee stock ownership scheme, and considered and approved the "Proposal on the Establishment of Employee Stock Ownership Scheme Management Committee of the Company" and the "Proposal on the Election of Members of the Employee Stock Ownership Scheme Management Committee of the Company". | The relevant announcements published by the Company on the Hong Kong Stock Exchange website on March 12, March 13, April 11, May 20, October 15, November 8, December 26, 2019, January 14, January 15, January 22, March 5, July 6, August 18, 2020. |

| Summary of event | Reference |
|---|---|
| The participants of the employee stock ownership scheme are Directors, Supervisors, senior management, personnel at D-tier and above and other key employees who have entered into labor contracts with the Company and its wholly-owned subsidiaries. Upon the implementation of the employee stock ownership scheme, the total number of A Shares held under the employee stock ownership scheme shall not exceed 10% of the total share capital of the Company, and the total number of A Shares held by any individual holder under the employee stock ownership scheme shall not exceed 1% of the total share capital of the Company.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>As of the date of this report, there were 227 holders of the employee stock ownership scheme of the Company, holding a total of 8,729,373 A Shares of the Company, representing 0.10% of the total issued share capital of the Company. As of June 30, 2025, none of the shares under the employee stock ownership scheme were outstanding. The remaining term of the employee stock ownership scheme is approximately 4.4 years. | |

As at the date of this report, shares under the employee stock ownership scheme were sold nine times, with a total of 43,297,008 shares sold, 8,729,373 shares unsold and 227 holders, In addition, in the first half of 2025, none of the shares were granted, exercised, lapsed or cancelled. As at the date of this report, details of the shares 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 other employees | 8,096,007 |

## VI. Corporate Governance

### (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 senior management. The Board inspects 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 strictly complied with the applicable requirements under the Model Code and 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 "Interests and short positions in shares, underlying shares or debentures of the Company and its associated corporations of the Directors, Supervisors and chief executive" in "Chapter 6: Changes in Shares and Shareholders" of this report.

### (II) Relevant information on corporate governance

As an A+H share listed securities company, 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, the Company has established a corporate governance mechanism consisting of the shareholders' general meeting, the Board, the Supervisory Committee and the management with clear authority and accountability, coordinated functioning and proper checks and balances in order to maintain its regulated operation. There is no material difference between the actual corporate governance and the requirements of the laws, regulations, the regulatory authorities and self-regulatory organizations of the places where the Company's shares are listed.

During the Reporting Period, the Company fully complied with the Corporate Governance Code under Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Company satisfied the requirements of most of the recommended best practices under the Corporate Governance Code.

### (III) 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 other than director and supervisor in the controlling shareholder and its subsidiaries.

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

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

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

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

### (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. According to the statistics from Wind, in the first half of 2025, the Company participated in the issuance of totally 9 bond products related to the themes of "rural revitalization" and "Three Rural Issues" as a lead underwriter, with a total issuance amount of RMB43.8 billion, among which the underwriting amount of China Merchants Securities was RMB5.696 billion.

### (II) Poverty alleviation through charity

1. The Company donated student mattresses, water heaters, computers and other supplies worth RMB94,200 to Nimalong Wanquan Primary School (尼瑪龍完全小學) in Xiahe County. This improved the accommodation and office conditions for teachers and students at the school, providing a safer and more comfortable learning and living environment for the children, and helping them focus on their studies and grow up healthily.

2. The Company donated RMB150,000 to the Shenzhen Ageing Development Foundation, specifically for the "Anti-Falling Pack Public Welfare Project" (防跌包公益項目). Through the "Anti-Falling Pack + Community Education" model, more than 280 elderly families in Kashgar, Xinjiang and Guangdong Province (excluding Shenzhen) received "Anti-Falling Packs", creating an elderly-friendly bathroom space for the elderly and their families and a community environment that cared about falling prevention.

3. The Company continued the education support activity among youth volunteers. In May 2025, four young employees from the 9th batch of the Company's youth teaching group went to Pingtang Primary School (平塘小學) in Yongle Town, Youjiang District, Baise City, Guangxi Zhuang Autonomous Region, to conduct a month-long educational support program. On the occasion of International Children's Day, they donated storytelling machines worth RMB56,941 to the students of the school as festival gifts, taking practical actions to support the development of rural education.

# Chapter 5

# Major Events

## I. Performance of Undertakings

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

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

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

### There were no material litigations or arbitrations during the Reporting Period

Regarding the disputes over the right of recovery between the Company and parties such as China Security Co., Ltd. (中安科股份有限公司) (hereinafter referred to as "China Security"), China Security & Fire Technology Co., Limited (中安消技術有限公司), 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, the case has been accepted by the Shanghai Financial Court but has not yet been formally heard; regarding the service contract dispute case between China Security and the Company, the Shanghai Financial Court formally commenced trial proceedings in June 2025, but has not yet made a first-instance judgment.

## III. 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

The Company and its Directors, Supervisors, senior management, controlling shareholders, and de facto controller are not suspected of any violations of laws and regulations, nor have they been subject to any punishments and remedial measures.

## IV. 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.

## V. Material Contracts and their Performance

### (I) Material guarantees performed and outstanding during the Reporting Period

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 | Principal debt | Collateral (if any) | Whether the guarantee has been fulfilled | Whether the guarantee is overdue | Outstanding amount of guarantee overdue | Counter guarantee | Whether it is a guarantee for related parties | Relationship |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total guarantees provided during the Reporting Period (excluding guarantees for subsidiaries) | | | | | | | | | | | | | | | – |
| Total balance of guarantees as at the end of the Reporting Period (A) (excluding guarantees for subsidiaries) | | | | | | | | | | | | | | | – |
| **Guarantees for subsidiaries by the Company** | | | | | | | | | | | | | | | |
| Total guarantees for subsidiaries during the Reporting Period | | | | | | | | | | | | | | | -3.21 |
| Total balance of guarantees for subsidiaries as at the end of the Reporting Period (B) | | | | | | | | | | | | | | | 16.97 |

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| Total guarantees of the Company (including guarantees for subsidiaries) | |
|---|---|
| Total guarantees (A+B) | 16.97 |
| Ratio of total guarantees to net assets of the Company (%) | 1.29 |
| 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) | 11.97 |
| Amount of guarantees in excess of 50% of the net assets (E) | – |
| Total amount of the above three types of guarantees (C+D+E) | 11.97 |
| 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.<br>2. In June 2025, at the 2024 annual general meeting of the Company, it was considered and approved that the total amount of guarantees provided by CMS International and its wholly-owned subsidiaries in favor of the guaranteed parties within the term of authorization shall not exceed HK$68 billion equivalent, of which, financing guarantees shall not exceed HK$3.7 billion equivalent. As at the end of the Reporting Period, the agreed amount of guarantees provided by CMS International and its wholly-owned subsidiaries was approximately RMB39.523 billion in total (with financing guarantees of approximately RMB1.912 billion). The balance of guarantees utilized and traded was approximately RMB1.197 billion in total. |

## VI. Investor Relations Activities during the Reporting Period

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

During the Reporting Period, the Chairman of the Board, President, Vice President (Chief Financial Officer) and the secretary to the Board, and independent non-executive Directors of the Company participated in the "Collective Results Briefings of Listed Subsidiaries of China Merchants Group on 'Driven by innovation, Striving for excellence' (創新驅動，創建一流)". More than 100 domestic and overseas analysts and institutional investors from CICC, Shenwan Hongyuan and other organizations and over 20 media including Xinhua News Agency, China Media Group, China Securities Journal, 21st Century Business Herald, and National Business Daily participated in the briefings. The results briefings were presented in a "zero-carbon" form and were live-streamed, with a total of nearly 200,000 people attending online. Moreover, the Company organized the analyst and investor conference call on 2024 annual results. The Company made continuous and in-depth communications with a total of more than 100 person-times through various means such as the SSE e-Interaction platform, attendance at strategy meetings of securities companies, reception of researchers, investor hotlines and e-mail.

## VII. Purchase, Sale or Redemption of Securities of the Company

During the Reporting Period, neither the Company nor any of its controlled subsidiaries have purchased, sold or redeemed any securities of the Company (including sales of treasury shares (as defined in the Hong Kong Listing Rules)).

As at the end of Reporting Period, the Company did not hold any treasury shares.

## VIII. Major Events after the Reporting Period

For details, please refer to those in "Events after the reporting period" under "Chapter 8: Financial Report" of this report.

## IX. Review of Interim Results

The Audit Committee of the Company has reviewed the interim results announcement for the six months ended June 30, 2025, the 2025 interim report and the unaudited interim financial information for the six months ended June 30, 2025 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 unaudited interim financial information for the six months ended June 30, 2025 in accordance with International Standard on Review Engagements 2410.

## X. Material Acquisitions and Disposals

During the Reporting Period, the Group did not make any material acquisitions or disposals of any subsidiaries, associates and joint ventures.

# Chapter 6

# Changes in Shares and Shareholders

## I. Changes in Share Capital

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

## II. Shareholders

### (I) Total number of shareholders:

| | |
|---|---|
| Total number of holders of ordinary shares as of the end of the Reporting Period | 142,828 |

**(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 | -48,315 | 1,274,223,837 | 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 | 1,808,843 | 229,055,186 | 2.63 | – | Nil | – | Overseas legal person |
| CCCC Capital Holdings Co., Ltd. (中交資本控股有限公司) | – | 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 |

| 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 | 1,274,223,837 | Overseas listed foreign shares | 1,274,223,837 |
| 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 | 229,055,186 | RMB ordinary shares | 229,055,186 |
| 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 | 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;<br>2. China Ocean Shipping Company Limited and COSCO Shipping (Guangzhou) Co., Ltd. are both subsidiaries of China COSCO Shipping Corporation Limited. | | |

Notes: 1. HKSCC Nominees Limited is the nominee holder of the shares held by the non-registered H Shareholders of the Company;

2. Hong Kong Securities Clearing Company Limited is the nominee holder of the shares of the Company under the Northbound Trading Link of the Shanghai-Hong Kong Stock Connect;

3. Given the fact that the shares of the Company could be used as underlying securities for margin financing and securities lending, the shareholding of the shareholders is calculated based on the aggregate of shares and interests held in their ordinary securities accounts and credit securities accounts.

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

As at June 30, 2025, 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 | CM Financial Holdings | 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 | Jisheng Investment | 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 |

| 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 |
|---|---|---|---|---|---|---|---|
| 7 | China Ocean Shipping | A Shares | Beneficial owner | 544,632,418 | 6.26 | 7.34 | Long position |
| 8 | COSCO SHIPPING Investment Holdings Co., Limited | H Shares | Beneficial owner | 207,797,720 | 2.39 | 16.30 | Long position |
| 9 | Hebei Port Group Co., Ltd. (河北港口集團有限公司) | A Shares | Beneficial owner | 343,282,732 | 3.95 | 4.63 | Long position |
| | | H Shares | Beneficial owner | 90,674,260 | 1.04 | 7.11 | Long position |
| 10 | PICC Life Insurance Company Limited (中國人民人壽保險股份有限公司) | H Shares | Beneficial owner | 433,290,000 | 4.98 | 34.00 | Long position |
| 11 | The People's Insurance Company (Group) of China Limited (中國人民保險集團股份有限公司) | H Shares | Interest held by controlled corporations[6] | 433,290,000 | 4.98 | 34.00 | Long position |

1. China Merchants Group 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. (1.26%), a wholly-owned subsidiary of China Shipping Group Co., Ltd., COSCO SHIPPING Investment Holdings Co., Limited (0.10%), a wholly-owned subsidiary of China Shipping Group Co., Ltd., and Guangzhou Sanding Oil Products Transport Co., Ltd. (廣州市三鼎油品運輸有限公司) (0.01%), a controlled subsidiary of China Shipping Group Co., Ltd., are interested in under the SFO.

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

6. The People's Insurance Company (Group) of China Limited directly and indirectly holds 80% of the equity interest in PICC Life Insurance Company Limited, and is deemed to be interested in the same number of H Shares which PICC Life Insurance Company Limited (4.98%) 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 June 30, 2025, 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.

## III. Directors, Supervisors and Chief Executive

**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 June 30, 2025, 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:

| Name | Position | Class of shares | Nature of interest | Number of shares held (shares) | 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 (霍達) | Chairman of the Board, Executive Director | A Shares | Beneficial owner | 531,210 | 0.006 | 0.007 | Long position |
| CHEN Jun (陳鋆) | Employee representative Supervisor | A Shares | Beneficial owner | 102,156 | 0.001 | 0.001 | Long position |

## IV. Description of Restrictions on Equity or Assets and Credit Status of Controlling Shareholder or De Facto Controller

The controlling shareholder of the Company is China Merchants Financial Holdings Co., Ltd., which directly and indirectly holds 44.17% of the shares of the Company, and is not subject to major restrictions. Other major assets of China Merchants Financial Holdings Co., Ltd. are equity investment. There are no major restrictions, and it has good credit standing.

The de facto controller of the Company is China Merchants Group Limited, which indirectly holds 44.17% of the shares of the Company, and is not subject to major restrictions. Other major assets of China Merchants Group Limited are cash and bank balances, inventory and long-term equity investment. There are no major restrictions, and it is granted AAA credit rating with good credit standing.

# Chapter 7

# 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 August 31, 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 Three Corporate Bonds (fifth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司面向專業投資者公開發行2021年公司債券(第五期)(品種三)) | 21 China Merchants Securities 10 (21招證10) | 188568.SH | August 11, 2021 | August 12, 2021 | - | August 12, 2026 | 20.00 | 3.41 | Payment of interest annually, and payment of principal 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 2021 Type Two Subordinated Bonds (sixth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2021年面向專業投資者公開發行次級債券(第六期)(品種二)) | 21 China Merchants Securities C8 (21招證C8) | 188998.SH | November 10, 2021 | November 11, 2021 | - | November 11, 2026 | 10.00 | 3.70 | Payment of interest annually, and payment of principal upon expiry | SSE | Ping An Securities | Ping An 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 August 31, 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 Perpetual Subordinated Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2022年面向專業投資者公開發行永續次級債券(第一期))[Note 1] | 22 China Merchants Securities Y1 (22招證Y1) | 185584.SH | March 23, 2022 | March 24, 2022 | – | – | 43.00 | 3.95 | Payment of interest annually if the option of deferring payment of interest is not exercised | SSE | GF Securities | GF Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| The 2022 Perpetual Subordinated Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2022年面向專業投資者公開發行永續次級債券(第二期))[Note 1] | 22 China Merchants Securities Y2 (22招證Y2) | 185697.SH | April 18, 2022 | April 19, 2022 | – | – | 47.00 | 3.77 | Payment of interest annually if the option of deferring payment of interest is not exercised | SSE | GF Securities | GF Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| The 2022 Perpetual Subordinated Bonds (third tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2022年面向專業投資者公開發行永續次級債券(第三期))[Note 1] | 22 China Merchants Securities Y3 (22招證Y3) | 185739.SH | April 25, 2022 | April 26, 2022 | – | – | 40.00 | 3.77 | Payment of interest annually if the option of deferring payment of interest is not exercised | SSE | GF Securities | GF Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| The 2022 Perpetual Subordinated Bonds (fourth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2022年面向專業投資者公開發行永續次級債券(第四期))[Note 1] | 22 China Merchants Securities Y4 (22招證Y4) | 185831.SH | June 7, 2022 | June 8, 2022 | – | – | 20.00 | 3.72 | Payment of interest annually if the option of deferring payment of interest is not exercised | SSE | GF Securities | GF Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| 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 | 14.00 | 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 | 8.00 | 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 |

| Name | Abbreviation | Code | Date of issuance | Value date | Latest sell-back date after August 31, 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 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 | 17.00 | 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 |
| The 2023 Type Two Corporate Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司面向專業投資者公開發行2023年公司債券(第一期)(品種二)) | 23 China Merchants Securities G2 (23招證G2) | 115252.SH | April 14, 2023 | April 17, 2023 | – | April 17, 2026 | 40.00 | 3.03 | Payment of interest annually, and payment of principal upon expiry | SSE | CITIC Securities, Galaxy Securities, Everbright Securities and Ping An Securities | CITIC Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| The 2023 Type Two Subordinated Bonds (third tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行次級債券(第三期)(品種二)) | 23 China Merchants Securities C6 (23招證C6) | 115286.SH | April 18, 2023 | April 19, 2023 | – | April 19, 2026 | 33.00 | 3.30 | Payment of interest annually, and payment of principal upon expiry | SSE | Ping An Securities | Ping An Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| The 2023 Type One Corporate Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司面向專業投資者公開發行2023年公司債券(第二期)(品種一)) | 23 China Merchants Securities G3 (23招證G3) | 115314.SH | April 24, 2023 | April 25, 2023 | – | May 14, 2026 | 28.00 | 3.03 | Payment of interest annually in the first two interest-bearing years, and payment of interest for the remaining term together with the payment of principal upon expiry | SSE | CITIC Securities, Galaxy Securities, Everbright Securities and Ping An Securities | CITIC Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| The 2023 Type Two Corporate Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司面向專業投資者公開發行2023年公司債券(第二期)(品種二)) | 23 China Merchants Securities G4 (23招證G4) | 115315.SH | April 24, 2023 | April 25, 2023 | – | April 25, 2028 | 22.00 | 3.17 | Payment of interest annually, and payment of principal 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 (fourth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行次級債券(第四期)(品種一)) | 23 China Merchants Securities C7 (23招證C7) | 115379.SH | May 19, 2023 | May 22, 2023 | – | May 22, 2026 | 10.00 | 3.13 | Payment of interest annually, and payment of principal upon expiry | SSE | Ping An Securities | Ping An 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 August 31, 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 Subordinated Bonds (fourth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行次級債券(第四期)(品種二)) | 23 China Merchants Securities C8 (23招證C8) | 115380.SH | May 19, 2023 | May 22, 2023 | – | May 22, 2028 | 10.00 | 3.39 | Payment of interest annually, and payment of principal upon expiry | SSE | Ping An Securities | Ping An Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| The 2023 Type Two Corporate Bonds (third tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行公司債券(第三期)(品種二)) | 23 China Merchants Securities G6 (23招證G6) | 115648.SH | July 12, 2023 | July 13, 2023 | – | July 13, 2026 | 34.00 | 2.72 | Payment of interest annually, and payment of principal upon expiry | SSE | GF Securities, CITIC Securities, Galaxy Securities, Everbright Securities and Ping An Securities | GF Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| The 2023 Type Two Corporate Bonds (fourth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行公司債券(第四期)(品種二)) | 23 China Merchants Securities G8 (23招證G8) | 115703.SH | July 21, 2023 | July 24, 2023 | – | June 18, 2026 | 35.00 | 2.70 | Payment of interest annually, and payment of principal upon expiry | SSE | GF Securities, CITIC Securities, Galaxy Securities, Everbright Securities and Ping An Securities | GF Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| The 2023 Type Two Corporate Bonds (fifth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行公司債券(第五期)(品種二)) | 23 China Merchants Securities 10 (23招證10) | 115790.SH | August 10, 2023 | August 11, 2023 | – | August 11, 2026 | 40.00 | 2.74 | Payment of interest annually, and payment of principal 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 | 20.00 | 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C10) | 240166.SH | October 27, 2023 | October 30, 2023 | – | October 30, 2028 | 15.00 | 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 |

| Name | Abbreviation | Code | Date of issuance | Value date | Latest sell-back date after August 31, 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 Corporate Bonds (sixth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2023年面向專業投資者公開發行公司債券(第六期)) | 23 China Merchants Securities 11 (23招證11) | 240335.SH | November 23, 2023 | November 24, 2023 | – | November 24, 2026 | 30.00 | 2.88 | Payment of interest annually, and payment of principal 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 (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 | 20.00 | 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 | 30.00 | 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 | 9.00 | 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 | 17.00 | 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 | 20.00 | 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 |

| Name | Abbreviation | Code | Date of issuance | Value date | Latest sell-back date after August 31, 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 Subordinated Bonds (third tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行次級債券(第三期)(品種二)) | 24 China Merchants Securities C6 (24招證C6) | 241180.SH | June 26, 2024 | June 27, 2024 | – | June 27, 2029 | 20.00 | 2.32 | Payment of interest annually, and payment of principal upon expiry | SSE | Huatai United Securities, CITIC Securities and Zhongtai Securities | Huatai United Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| The 2024 Type One Corporate Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行公司債券(第二期)(品種一)) | 24 China Merchants Securities G2 (24招證G2) | 241189.SH | June 27, 2024 | July 1, 2024 | – | July 1, 2027 | 10.00 | 2.15 | Payment of interest annually, and payment of principal upon expiry | SSE | GF Securities, CITIC Securities, Galaxy Securities, Everbright Securities and Ping An Securities | GF Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| The 2024 Type Two Corporate Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者公開發行公司債券(第二期)(品種二)) | 24 China Merchants Securities G3 (24招證G3) | 241190.SH | June 27, 2024 | July 1, 2024 | – | July 1, 2028 | 60.00 | 2.25 | Payment of interest annually, and payment of principal 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 | 30.00 | 2.12 | 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 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 | 17.00 | 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 | 20.00 | 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 |

| Name | Abbreviation | Code | Date of issuance | Value date | Latest sell-back date after August 31, 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 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 | 25.00 | 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 |
| 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S30) | 241920.SH | November 7, 2024 | November 11, 2024 | – | September 18, 2025 | 20.00 | 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 | 10.00 | 2.12 | Payment of interest annually, and payment of principal upon expiry | SSE | Huatai United Securities, CITIC Securities, GF Securities and Everbright Securities | Huatai United Securities | Offering to professional institutional investors | Click-to-trade, quote request, auction and negotiation | No |
| The 2024 Type Two Corporate Bonds (first tranche) non-publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者非公開發行公司債券(第一期)(品種二)) | 24 China Merchants Securities F2 (24招證F2) | 256615.SH | November 22, 2024 | November 25, 2024 | – | December 10, 2026 | 25.00 | 2.15 | Payment of interest annually, and payment of principal 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 Three Corporate Bonds (first tranche) non-publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2024年面向專業投資者非公開發行公司債券(第一期)(品種三)) | 24 China Merchants Securities F3 (24招證F3) | 256616.SH | November 22, 2024 | November 25, 2024 | – | March 11, 2027 | 25.00 | 2.14 | Payment of interest annually, and payment of principal 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 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 | 50.00 | 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 |

| Name | Abbreviation | Code | Date of issuance | Value date | Latest sell-back date after August 31, 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 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 | 30.00 | 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 | 14.00 | 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 | 43.00 | 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 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 | 34.00 | 2.08 | Payment of principal and interest upon expiry | SSE | Huatai United Securities, Guotai Haitong Securities, Shenwan Hongyuan Securities and Ping An Securities | Huatai United Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| The 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 | 32.00 | 2.06 | Payment of principal and interest upon expiry | SSE | Huatai United Securities, Guotai Haitong Securities, Shenwan Hongyuan Securities and Ping An Securities | Huatai United Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| The 2025 Type Two Short-term Corporate Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行短期公司債券(第二期)(品種二))Note 3 | 25 China Merchants Securities S5 (25招證S5) | 242681.SH | April 3, 2025 | April 7, 2025 | - | November 20, 2025 | 42.00 | 1.87 | Payment of principal and interest upon expiry | SSE | Huatai United Securities and Ping An Securities | Huatai United Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |

| Name | Abbreviation | Code | Date of issuance | Value date | Latest sell-back date after August 31, 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 Three Short-term Corporate Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行短期公司債券(第二期)(品種三)) | 25 China Merchants Securities S6 (25招證S6) | 242682.SH | April 3, 2025 | April 7, 2025 | – | February 12, 2026 | 18.00 | 1.88 | Payment of principal and interest upon expiry | SSE | Huatai United 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 Perpetual Subordinated Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行永續次級債券(第一期))[Note 2] | 25 China Merchants Securities Y1 (25招證Y1) | 242920.SH | April 24, 2025 | April 25, 2025 | – | – | 9.00 | 2.21 | Payment of interest annually if the option of deferring payment of interest is not exercised | SSE | GF Securities and CITIC Securities | GF Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| The 2025 Type One Sci-Tech Innovation Corporate Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行科技創新公司債券(第一期)(品種一)) | 25 China Merchants Securities K1 (25招證K1) | 242603.SH | May 12, 2025 | May 13, 2025 | – | May 13, 2027 | 20.00 | 1.75 | Payment of interest annually, and payment of principal upon expiry | SSE | Huatai United Securities, Galaxy Securities, Everbright Securities and Ping An Securities | Huatai United Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| The 2025 Type Two Sci-Tech Innovation Corporate Bonds (first tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行科技創新公司債券(第一期)(品種二)) | 25 China Merchants Securities K2 (25招證K2) | 242604.SH | May 12, 2025 | May 13, 2025 | – | May 13, 2028 | 10.00 | 1.75 | Payment of interest annually, and payment of principal upon expiry | SSE | Huatai United Securities, Galaxy Securities, Everbright Securities and Ping An Securities | Huatai United Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| The 2025 Sci-Tech Innovation Short-term Corporate Bonds (first tranche) non-publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者非公開發行科技創新短期公司債券(第一期)) | 25 China Merchants Securities KD1 (25招證KD1) | 134266.SZ | May 15, 2025 | May 16, 2025 | – | May 15, 2026 | 20.00 | 1.69 | Payment of principal and interest upon expiry | SZSE | GF Securities | GF Securities | Offering to professional institutional investors | Click-to-trade, quote request, auction and negotiation | No |
| The 2025 Type One Short-term Corporate Bonds (third tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行短期公司債券 (第三期) (品種一)) | 25 China Merchants Securities S7 (25招證S7) | 243206.SH | June 20, 2025 | June 23, 2025 | – | October 16, 2025 | 25.00 | 1.62 | Payment of principal and interest upon expiry | SSE | Huatai United Securities, Guotai Haitong Securities and Ping An Securities | Huatai United Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |

| Name | Abbreviation | Code | Date of issuance | Value date | Latest sell-back date after August 31, 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 Perpetual Subordinated Bonds (second tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行永續次級債券(第二期))[Note 2] | 25 China Merchants Securities Y2 (25招證Y2) | 243324.SH | July 11, 2025 | July 14, 2025 | – | – | 11.00 | 2.05 | Payment of interest annually if the option of deferring payment of interest is not exercised | SSE | GF Securities and CITIC Securities | GF Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| The 2025 Type One Short-term Corporate Bonds (forth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行短期公司債券(第四期)(品種一)) | 25 China Merchants Securities S9 (25招證S9) | 243420.SH | July 23, 2025 | July 24, 2025 | – | February 11, 2026 | 64.50 | 1.62 | Payment of principal and interest upon expiry | SSE | Huatai United Securities, Guotai Haitong Securities and Ping An Securities | Huatai United Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| The 2025 Type Two Short-term Corporate Bonds (forth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行短期公司債券(第四期)(品種二))[Note 3] | 25 China Merchants Securities S10 (25招S10) | 243421.SH | July 23, 2025 | July 24, 2025 | – | July 16, 2026 | 70.50 | 1.62 | Payment of principal and interest upon expiry | SSE | Huatai United Securities, Guotai Haitong Securities and Ping An Securities | Huatai United Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| The 2025 Type 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2025年面向專業投資者公開發行短期公司債券(第五期)(品種一)) | 25 China Merchants Securities S11 (25招S11) | 243642.SH | August 20, 2025 | August 21, 2025 | – | January 9, 2026 | 16.00 | 1.68 | Payment of principal and interest upon expiry | SSE | Huatai United Securities, Guotai Haitong Securities and Ping An Securities | Huatai United Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |
| The 2025 Type Two Short-term Corporate Bonds (fifth tranche) publicly issued by China Merchants Securities Co., Ltd. to professional investors (招商證券股份有限公司2025年面向專業投資者公開發行短期公司債券(第五期)(品種二)) | 25 China Merchants Securities S12 (25招S12) | 243643.SH | August 20, 2025 | August 21, 2025 | – | August 6, 2026 | 34.00 | 1.75 | Payment of principal and interest upon expiry | SSE | Huatai United Securities, Guotai Haitong Securities and Ping An Securities | Huatai United Securities | Offering to professional institutional investors | Matching, click-to-trade, quote request, auction and negotiation | No |

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

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

Note 3: The 25 China Merchants Securities S5 were issued on April 7, 2025, and a follow-up tap issuance was completed on June 4, 2025, with the aggregate principal amount of RMB2.7 billion and RMB1.5 billion, respectively; the 25 China Merchants Securities S10 were issued on July 24, 2025, and a follow-up tap issuance was completed on August 15, 2025, with the aggregate principal amount of RMB1.05 billion and RMB6 billion, respectively. Both tap-issued and existing bonds will be merged for joint listing, trading, and custody.

### 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), (when specific conditions are met) issuer's option of redemption and option of deferring payment of interest are available for "22 China Merchants Securities Y1", "22 China Merchants Securities Y2", "22 China Merchants Securities Y3" and "22 China Merchants Securities Y4" of the Company. The above bonds have not reached the exercise date of right of redemption, and have not triggered the exercise of (when specific conditions are met) issuer's option of redemption.

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

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

Some of bonds issued by the Company contain investor protection clauses. During the Reporting Period, such investor protection clauses have not been triggered. The Company has undertaken that, according to the consolidated financial statements, the unrestricted cash and bank balances at the end of each semi-annual period during the duration of the above bonds shall not be less than RMB5 billion. As of the end of June 2025, the Company's own cash and bank balances amounted to RMB18.09 billion, and the unrestricted cash and bank balances amounted to RMB17.536 billion, which met the undertaken amount.

### 3. *Execution of and changes in 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 |

## (II) Proceeds from Corporate Bonds

Unit: 100 Million Yuan Currency: RMB

| Bond code | Bond abbreviation | Total proceeds | Balance of proceeds as at the end of the Reporting Period | Use of proceeds according to the commitments in the prospectus | Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment) | Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change) |
|---|---|---|---|---|---|---|
| 188568.SH | 21 China Merchants Securities 10 (21招證10) | 20.00 | 0.00 | Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company | Supplementing the working capital of the Company | Yes |
| 188998.SH | 21 China Merchants Securities C8 (21招證C8) | 10.00 | 0.00 | Repaying due corporate bonds | Repaying due corporate bonds | Yes |
| 185393.SH | 22 China Merchants Securities G2 (22招證G2) | 40.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 137654.SH | 22 China Merchants Securities G4 (22招證G4) | 50.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 185584.SH | 22 China Merchants Securities Y1 (22招證Y1) | 43.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |

| Bond code | Bond abbreviation | Total proceeds | Balance of proceeds as at the end of the Reporting Period | Use of proceeds according to the commitments in the prospectus | Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment) | Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change) |
|---|---|---|---|---|---|---|
| 185697.SH | 22 China Merchants Securities Y2 (22招證Y2) | 47.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 185739.SH | 22 China Merchants Securities Y3 (22招證Y3) | 40.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 185831.SH | 22 China Merchants Securities Y4 (22招證Y4) | 20.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 115252.SH | 23 China Merchants Securities G2 (23招證G2) | 40.00 | 0.00 | Supplementing the working capital of the Company | Supplementing the working capital of the Company | Yes |
| 115314.SH | 23 China Merchants Securities G3 (23招證G3) | 28.00 | 0.00 | Supplementing the working capital of the Company | Supplementing the working capital of the Company | Yes |
| 115315.SH | 23 China Merchants Securities G4 (23招證G4) | 22.00 | 0.00 | Supplementing the working capital of the Company | Supplementing the working capital of the Company | Yes |
| 115647.SH | 23 China Merchants Securities G5 (23招證G5) | 16.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 115648.SH | 23 China Merchants Securities G6 (23招證G6) | 34.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 115703.SH | 23 China Merchants Securities G8 (23招證G8) | 35.00 | 0.00 | Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company | Repaying the principal of due corporate bonds | Yes |
| 115790.SH | 23 China Merchants Securities 10 (23招證10) | 40.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 240335.SH | 23 China Merchants Securities 11 (23招證11) | 30.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 240424.SH | 23 China Merchants Securities 13 (23招證13) | 20.00 | 0.00 | Supplementing the working capital of the Company | Supplementing the working capital of the Company | Yes |
| 138979.SH | 23 China Merchants Securities C1 (23招證C1) | 14.00 | 0.00 | Repaying due corporate bonds | Repaying due corporate bonds | Yes |
| 138980.SH | 23 China Merchants Securities C2 (23招證C2) | 8.00 | 0.00 | Repaying due corporate bonds | Repaying due corporate bonds | Yes |
| 115087.SH | 23 China Merchants Securities C4 (23招證C4) | 17.00 | 0.00 | Repaying due corporate bonds | Repaying due corporate bonds | Yes |
| 115286.SH | 23 China Merchants Securities C6 (23招證C6) | 33.00 | 0.00 | Repaying due corporate bonds | Repaying due corporate bonds | Yes |

| Bond code | Bond abbreviation | Total proceeds | Balance of proceeds as at the end of the Reporting Period | Use of proceeds according to the commitments in the prospectus | Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment) | Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change) |
|---|---|---|---|---|---|---|
| 115379.SH | 23 China Merchants Securities C7 (23招證C7) | 10.00 | 0.00 | Repaying due corporate bonds | Repaying due corporate bonds | Yes |
| 115380.SH | 23 China Merchants Securities C8 (23招證C8) | 10.00 | 0.00 | Repaying due corporate bonds | Repaying due corporate bonds | Yes |
| 240165.SH | 23 China Merchants Securities C9 (23招證C9) | 20.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 240166.SH | 23 China Merchants Securities C10 (23招C10) | 15.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 240506.SH | 24 China Merchants Securities G1 (24招證G1) | 30.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 241189.SH | 24 China Merchants Securities G2 (24招證G2) | 10.00 | 0.00 | Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company | Repaying the principal of due corporate bonds | Yes |
| 241190.SH | 24 China Merchants Securities G3 (24招證G3) | 60.00 | 0.00 | Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company | RMB0.5 billion for repaying the principal of due corporate bonds, and RMB5.5 billion for supplementing the working capital of the Company | Yes |
| 241759.SH | 24 China Merchants Securities G4 (24招證G4) | 20.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 240739.SH | 24 China Merchants Securities C1 (24招證C1) | 9.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 240740.SH | 24 China Merchants Securities C2 (24招證C2) | 17.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 240922.SH | 24 China Merchants Securities C4 (24招證C4) | 20.00 | 0.00 | Supplementing the working capital of the Company | Supplementing the working capital of the Company | Yes |
| 241180.SH | 24 China Merchants Securities C6 (24招證C6) | 20.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 241412.SH | 24 China Merchants Securities C8 (24招證C8) | 30.00 | 0.00 | Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company | RMB1.9 billion for repaying the principal of due corporate bonds, and RMB1.1 billion for supplementing the working capital of the Company | Yes |

| Bond code | Bond abbreviation | Total proceeds | Balance of proceeds as at the end of the Reporting Period | Use of proceeds according to the commitments in the prospectus | Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment) | Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change) |
|---|---|---|---|---|---|---|
| 241719.SH | 24 China Merchants Securities S24 (24招S24) | 17.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 241755.SH | 24 China Merchants Securities S27 (24招S27) | 25.00 | 0.00 | Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company | Supplementing the working capital of the Company | Yes |
| 241920.SH | 24 China Merchants Securities S30 (24招S30) | 20.00 | 0.00 | Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company | Supplementing the working capital of the Company | Yes |
| 256614.SH | 24 China Merchants Securities F1 (24招證F1) | 10.00 | 0.00 | Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company | Supplementing the working capital of the Company | Yes |
| 256615.SH | 24 China Merchants Securities F2 (24招證F2) | 25.00 | 0.00 | Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company | RMB2 billion for repaying the principal of due corporate bonds, and RMB0.5 billion for supplementing the working capital of the Company | Yes |
| 256616.SH | 24 China Merchants Securities F3 (24招證F3) | 25.00 | 0.00 | Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company | Supplementing the working capital of the Company | Yes |
| 256933.SH | 24 China Merchants Securities F4 (24招證F4) | 50.00 | 0.00 | Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company | RMB1.5 billion for repaying the principal of due corporate bonds, and RMB3.5 billion for supplementing the working capital of the Company | Yes |
| 256934.SH | 24 China Merchants Securities F5 (24招證F5) | 30.00 | 0.00 | Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company | Supplementing the working capital of the Company | Yes |

| Bond code | Bond abbreviation | Total proceeds | Balance of proceeds as at the end of the Reporting Period | Use of proceeds according to the commitments in the prospectus | Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment) | Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change) |
|---|---|---|---|---|---|---|
| 242603.SH | 25 China Merchants Securities K1 (25招證K1) | 20.00 | 0.00 | Investments that comply with the requirements of the capital market, including but not limited to fund investments in sci-tech innovation sector | RMB1.4 billion for specifically supporting businesses in sci-tech innovation sector through bonds, fund investments and other forms, and RMB0.6 billion for supplementing the working capital of the Company | Yes |
| 242604.SH | 25 China Merchants Securities K2 (25招證K2) | 10.00 | 3.25 | Investments that comply with the requirements of the capital market, including but not limited to fund investments in sci-tech innovation sector | RMB375 million for specifically supporting businesses in sci-tech innovation sector through equity, fund investments and other forms, and RMB0.3 billion for supplementing the working capital of the Company | Yes |
| 242574.SH | 25 China Merchants Securities S1 (25招證S1) | 14.00 | 0.00 | Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company | RMB0.4 billion for repaying the principal of due corporate bonds, and RMB1.0 billion for supplementing the working capital of the Company | Yes |
| 242575.SH | 25 China Merchants Securities S2 (25招證S2) | 34.00 | 0.00 | Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company | RMB2.4 billion for repaying the principal of due corporate bonds, and RMB1.0 billion for repaying due debts | Yes |
| 242579.SH | 25 China Merchants Securities S3 (25招證S3) | 32.00 | 0.00 | Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company | Repaying the principal of due corporate bonds | Yes |
| 242681.SH | 25 China Merchants Securities S5 (25招證S5) | 42.00 | 0.00 | Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company | RMB3.8 billion for repaying the principal of due corporate bonds, and RMB0.4 billion for supplementing the working capital of the Company | Yes |

| Bond code | Bond abbreviation | Total proceeds | Balance of proceeds as at the end of the Reporting Period | Use of proceeds according to the commitments in the prospectus | Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment) | Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after compliance change) |
|---|---|---|---|---|---|---|
| 242682.SH | 25 China Merchants Securities S6 (25招證S6) | 18.00 | 0.00 | Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company | Repaying the principal of due corporate bonds | Yes |
| 243206.SH | 25 China Merchants Securities S7 (25招證S7) | 25.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 243420.SH | 25 China Merchants Securities S9 (25招證S9) | 64.5 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 243421.SH | 25 China Merchants Securities S10 (25招S10) | 70.50 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 243642.SH | 25 China Merchants Securities S11 (25招S11) | 16.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 243643.SH | 25 China Merchants Securities S12 (25招S12) | 34.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 257433.SH | 25 China Merchants Securities F2 (25招證F2) | 14.00 | 0.00 | Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company | RMB1.2 billion for repaying the principal of due corporate bonds, and RMB0.2 billion for supplementing the working capital of the Company | Yes |
| 257434.SH | 25 China Merchants Securities F3 (25招證F3) | 43.00 | 0.00 | Meeting the needs of business operations, adjusting the debt structure, repaying due debts, and supplementing the working capital of the Company | Supplementing the working capital of the Company | Yes |
| 134266.SZ | 25 China Merchants Securities KD1 (25招證KD1) | 20.00 | 0.00 | Investments that comply with the requirements of the capital market, including but not limited to investments in sci-tech innovation sector | RMB1.4 billion for specifically supporting businesses in sci-tech innovation sector through bond investments and other forms, and RMB0.6 billion for supplementing the working capital of the Company | Yes |
| 242920.SH | 25 China Merchants Securities Y1 (25招證Y1) | 9.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |
| 243324.SH | 25 China Merchants Securities Y2 (25招證Y2) | 11.00 | 0.00 | Repaying the principal of due corporate bonds | Repaying the principal of due corporate bonds | Yes |

## (III) Other matters to be disclosed in respect of certain types of bonds

### *1. The Company is the issuer of renewable corporate bonds*

Unit: 100 Million Yuan Currency: RMB

| **Bond code** | 185584.SH | 185697.SH | 185739.SH | 185831.SH | 242920.SH | 243324.SH |
|---|---|---|---|---|---|---|
| **Bond abbreviation** | 22 China Merchants Securities Y1 | 22 China Merchants Securities Y2 | 22 China Merchants Securities Y3 | 22 China Merchants Securities Y4 | 25 China Merchants Securities Y1 | 25 China Merchants Securities Y2 |
| **Remaining balance** | 43 | 47 | 40 | 20 | 9 | 11 |
| **Renewal** | Nil | Nil | Nil | Nil | Nil | Nil |
| **Interest step-up** | Nil | Nil | Nil | Nil | Nil | Nil |
| **Interest deferral** | The Company has fully paid the interest of the bonds | | | | No interest payment date due | |
| **Mandatory interest payment** | The issuer distributes dividends within 12 months prior to the interest payment date, which is a mandatory interest payment. | | | | | |
| **Whether they are still included in equity and corresponding accounting treatment or not** | Yes | Yes | Yes | Yes | Yes | Yes |
| **Other matters** | Nil | Nil | Nil | Nil | Nil | Nil |

2. *The Company is the issuer of Sci-Tech innovation corporate bonds or innovation and entrepreneurship corporate bonds*

Unit: 100 Million Yuan Currency: RMB

| | | | |
|---|---|---|---|
| **Applicable entity category for the issuer of this bond** | Financial institutions | | |
| **Bond code** | 242603.SH | 242604.SH | 134266.SZ |
| **Bond abbreviation** | 25 China Merchants Securities K1 | 25 China Merchants Securities K2 | 25 China Merchants Securities KD1 |
| **Remaining balance** | 20 | 10 | 20 |
| **Progress of Sci-Tech innovation projects** | The proceeds from this bond will primarily be used for sci-tech innovation equities, bonds, and fund investments, as well as market-making business for sci-tech innovation bonds and STAR Market ETF funds | | The proceeds from this bond will primarily be used for the investment in sci-tech innovation bonds and market-making business |
| **Effectiveness in promoting development of Sci-Tech innovation** | Through investments in equities, bonds, funds, and market-making business, we provide specialized support for businesses in sci-tech innovation sector. This initiative aims to provide financing for sci-tech enterprises, enhance the liquidity of sci-tech financial products, stimulate market allocation vitality in sci-tech innovation sector, effectively channel social capital toward national strategies, and contribute to scientific and technological self-reliance and industrial upgrading. | | Through bond investments and market-making business, we provide specialized support for businesses in sci-tech innovation sector, helping to channel funds into this field. This enhances the liquidity and stability of the market for sci-tech innovation bonds, thereby creating a more favorable market environment for scientific and technological development. |
| **Operation of fund products (if any)** | N/A | The fund operates normally, with invested projects covering sectors such as new energy, integrated circuits, and advanced manufacturing | N/A |
| **Other matters** | Nil | Nil | Nil |



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## (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.

#### (2). The details of non-operating intercourse funds and fund lending

As at the end of the Reporting Period, the proportion of uncollected non-operating intercourse funds and fund lending on a consolidated basis to the consolidated net assets of the Company was 0%, not exceeding 10% of the consolidated net assets.

*2. Liabilities*

**(1). Interest-bearing liabilities and changes therein**

*1.1 Debt structure of the Company*

As of the beginning and the end of the Reporting Period, the balance of the Company's interest-bearing liabilities (on a non-consolidated basis) amounted to RMB325.208 billion and RMB306.109 billion, respectively, and the balance of the interest-bearing liabilities recorded a year-on-year decrease of 5.87% 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 | – | 720.56 | 496.50 | 1,217.06 | 39.76 |
| Bank loans | – | – | – | – | – |
| Non-standard financing | – | 186.32 | 0.67 | 186.99 | 6.11 |
| Loans from non-bank financial institutions | – | – | – | – | – |
| Other interest-bearing liabilities | – | 1,657.05 | – | 1,657.05 | 54.13 |
| Of which: Placements from banks and other financial institutions | – | 110.91 | – | 110.91 | 3.62 |
| Financial assets sold under repurchase agreements | – | 1,546.14 | – | 1,546.14 | 50.51 |
| Total | – | 2,563.92 | 497.17 | 3,061.09 | – |

Note: As of the beginning and the end of the Reporting Period, the perpetual subordinated bonds of issuer's parent company amounted to RMB15 billion and RMB15.9 billion, respectively, which are classified as equity instruments and are not included in interest-bearing liabilities. For details, please see "Other equity instruments" in "Chapter 8: 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 RMB121.706 billion, the outstanding balance of enterprise bonds was RMB0 billion, and the outstanding balance of offshore bonds was RMB0 billion.

*1.2 Interest-bearing liabilities structure of the Company's consolidated accounts*

As of the beginning and the end of the Reporting Period, the balance of the Company's interest-bearing liabilities within the scope of the Company's consolidated statements amounted to RMB346.566 billion and RMB323.782 billion, respectively, and the balance of the Company's interest-bearing liabilities recorded a year-on-year decrease of 6.57% 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 | – | 720.65 | 506.48 | 1,227.13 | 37.90 |
| Bank loans | – | 89.58 | 29.97 | 119.55 | 3.69 |
| Non-standard financing | – | 186.32 | 0.67 | 186.99 | 5.78 |
| Loans from non-bank financial institutions | – | – | – | – | – |
| Other interest-bearing liabilities | – | 1,704.15 | – | 1,704.15 | 52.63 |
| Of which: Placements from banks and other financial institutions | – | 111.14 | – | 111.14 | 3.43 |
| Financial assets sold under repurchase agreements | – | 1,593.01 | – | 1,593.01 | 49.20 |
| Total | – | 2,700.70 | 537.11 | 3,237.82 | – |

Note: As of the beginning and the end of the Reporting Period, the perpetual subordinated bonds in the issuer's consolidated statements amounted to RMB15 billion and RMB15.9 billion, respectively, which are classified as equity instruments and are not included in interest-bearing liabilities. For details, please see "Other equity instruments" in "Chapter 8: 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 RMB121.706 billion, the outstanding balance of enterprise bonds was RMB0 billion, and the outstanding balance of offshore bonds was RMB1.007 billion.

*1.3 Offshore bonds*

As of the end of the Reporting Period, the balance of offshore bonds issued within the scope of consolidated statements of the Company amounted to RMB1.007 billion, of which the principal amount due within one year (inclusive) was RMB0 billion.

### (IV) Key accounting data and financial indicators

Unit: 100 Million Yuan Currency: RMB

| Key indicators | As at the end of the Reporting Period | As at the end of last year | Change (%) | Reason for the change |
|---|---|---|---|---|
| Current ratio | 1.36 | 1.38 | -1.45 | – |
| Quick ratio | 1.36 | 1.38 | -1.45 | – |
| Gearing ratio (%) | 75.65 | 77.13 | Decreased by 1.48 percentage points | – |

| | The Reporting Period (January – June) | The Previous Period | Change (%) | Reason for the change |
|---|---|---|---|---|
| Net profit after deduction of non-recurring profit or loss | 51.78 | 47.50 | 9.00 | – |
| EBITDA/debt ratio | 2.67 | 2.54 | 5.12 | – |
| Interest coverage ratio | 2.52 | 2.17 | 16.13 | – |
| Cash interest coverage ratio | 5.04 | 10.16 | -50.39 | Attributable to decrease in net cash flows generated from operating activities |
| EBITDA/interest coverage ratio | 2.64 | 2.26 | 16.81 | – |
| 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).

# 04

## Financial Report

**Review report to the Board of Directors of China Merchants Securities Co., Ltd.**
*(Incorporated in the People's Republic of China with limited liability)*

## Introduction

We have reviewed the accompanying interim financial report set out on pages 123 to 208, which comprises the condensed consolidated statement of financial position of China Merchants Securities Co., Ltd. (the "Company") and its subsidiaries (collectively the "Group") as at June 30, 2025, the related condensed consolidated statement of profit or loss, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and IAS 34 *Interim Financial Reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of interim financial report in accordance with IAS 34 *Interim Financial Reporting*.

Our responsibility is to express a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of the interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial report as at June 30, 2025 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

**KPMG**

*Certified Public Accountants*
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

28 August, 2025

## Condensed Consolidated Statement of Profit or Loss

For The Six Months Ended June 30, 2025
(Expressed in thousands of Renminbi, unless otherwise stated)

| | | Six months ended June 30 | |
|---|---|---|---|
| | | 2025 | 2024 |
| | Note | (Unaudited) | (Unaudited) |
| Fee and commission income | 4 | 6,272,266 | 4,453,006 |
| Interest income | 5 | 4,534,211 | 5,031,862 |
| Investment gains or losses, net | 6 | 4,123,562 | 4,753,132 |
| Other income and gains or losses, net | 7 | 149,355 | 124,394 |
| **Total revenue, other income and gains** | | **15,079,394** | **14,362,394** |
| Depreciation and amortization | 8 | (448,508) | (422,275) |
| Staff costs | 9 | (3,317,686) | (3,113,689) |
| Fee and commission expenses | 10 | (1,380,514) | (945,118) |
| Interest expenses | 11 | (3,904,192) | (4,564,829) |
| Tax and surcharges | | (61,293) | (49,626) |
| Other operating expenses | 12 | (1,025,000) | (1,012,274) |
| Impairment losses under expected credit loss model, net of reversal | 13 | 15,764 | (37,692) |
| **Total expenses** | | **(10,121,429)** | **(10,145,503)** |
| Share of results of associates and joint ventures | | 725,944 | 751,389 |
| **Profit before income tax** | | **5,683,909** | **4,968,280** |
| Income tax expenses | 14 | (495,960) | (218,318) |
| **Profit for the period** | | **5,187,949** | **4,749,962** |
| Attributable to: | | | |
| Shareholders of the Company | | 5,185,896 | 4,747,695 |
| Non-controlling interests | | 2,053 | 2,267 |
| **Total** | | **5,187,949** | **4,749,962** |
| **Earnings per share attributable to shareholders of the Company (Expressed in RMB per share)** | | | |
| **– Basic and diluted** | **15** | **0.56** | **0.51** |

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

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For The Six Months Ended June 30, 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

| | Six months ended June 30 | |
|---|---|---|
| | **2025** | **2024** |
| | **(Unaudited)** | **(Unaudited)** |
| **Profit for the period** | **5,187,949** | **4,749,962** |
| **Other comprehensive (expense) income:** | | |
| **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 period | (254,575) | (102,132) |
| Income tax impact | (3,338) | 6,065 |
| Subtotal | (257,913) | (96,067) |
| Share of other comprehensive income of associates, net of related income tax | (295) | – |
| **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 period | (243,152) | 1,063,111 |
| Reclassification adjustment to profit or loss | (624,554) | (356,184) |
| Impairment losses under expected credit loss model, net of reversal | 1,110 | 4,531 |
| Income tax impact | 226,199 | (176,256) |
| Subtotal | (640,397) | 535,202 |
| Share of other comprehensive income of associates, net of related income tax | (6,091) | 29,176 |
| Exchange differences arising from translation of foreign operations | (91,420) | 38,048 |
| **Other comprehensive income for the period (net of tax)** | **(996,116)** | **506,359** |
| **Total comprehensive income for the period (net of tax)** | **4,191,833** | **5,256,321** |
| Attributable to: | | |
| Shareholders of the Company | 4,189,780 | 5,254,054 |
| Non-controlling interests | 2,053 | 2,267 |
| **Total** | **4,191,833** | **5,256,321** |

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

## Condensed Consolidated Statement of Financial Position

As at June 30, 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

| | Note | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|---|
| **Non-current assets** | | | |
| Property and equipment | 16 | 1,558,372 | 1,664,813 |
| Right-of-use assets | 17 | 1,230,451 | 1,198,810 |
| Goodwill | | 9,671 | 9,671 |
| Other intangible assets | | 651,596 | 656,493 |
| Interests in associates and joint ventures | 18 | 12,703,911 | 12,706,426 |
| Equity instruments at fair value through other comprehensive income | 19 | 33,427,862 | 38,980,021 |
| Financial assets held under resale agreements | 21 | 668,725 | 608,187 |
| Financial assets at fair value through profit or loss | 27 | 8,594,388 | 8,038,679 |
| Deferred tax assets | 22 | 409,017 | 575,628 |
| Other non-current assets | 23 | 294,527 | 350,243 |
| **Total non-current assets** | | **59,548,520** | **64,788,971** |
| **Current assets** | | | |
| Advances to customers | 24 | 95,315,235 | 95,572,702 |
| Current tax assets | | 255,131 | 290,360 |
| Accounts and other receivables | 25 | 6,428,843 | 6,431,873 |
| Debt instruments at fair value through other comprehensive income | 26 | 63,154,568 | 68,351,202 |
| Debt instruments at amortized cost | 20 | – | 1,380,138 |
| Financial assets held under resale agreements | 21 | 24,163,706 | 31,236,933 |
| Financial assets at fair value through profit or loss | 27 | 255,037,173 | 257,425,043 |
| Derivative financial assets | 28 | 1,585,711 | 4,647,396 |
| Other current assets | | 341,910 | 367,434 |
| Deposits with exchanges and non-bank financial institutions | 29 | 14,663,885 | 13,113,733 |
| Clearing settlement funds | 30 | 22,753,769 | 33,232,276 |
| Cash and bank balances | 31 | 129,611,331 | 144,322,270 |
| **Total current assets** | | **613,311,262** | **656,371,360** |
| **Total assets** | | **672,859,782** | **721,160,331** |

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

## Condensed Consolidated Statement of Financial Position (Continued)

As at June 30, 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

| | Note | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|---|
| **Current liabilities** | | | |
| Short-term borrowings | 33 | 8,407,016 | 9,711,063 |
| Short-term debt instruments | 34 | 44,686,030 | 57,384,139 |
| Placements from banks and other financial institutions | 35 | 11,113,735 | 9,979,675 |
| Accounts payables to brokerage clients | 36 | 133,034,108 | 151,610,717 |
| Accrued staff costs | 37 | 6,188,954 | 5,413,225 |
| Other payables and accrued charges | 38 | 32,429,492 | 26,822,690 |
| Current tax liabilities | | 55,540 | 147,701 |
| Financial liabilities at fair value through profit or loss | 39 | 39,206,004 | 52,344,882 |
| Derivative financial liabilities | 28 | 3,858,253 | 5,219,511 |
| Financial assets sold under repurchase agreements | 40 | 159,301,388 | 150,931,020 |
| Lease liabilities | 41 | 290,440 | 273,090 |
| Contract liabilities | | 38,292 | 33,158 |
| Long-term borrowings due within one year | 42 | 551,124 | 564,863 |
| Bonds payables due within one year | 48 | 46,010,894 | 45,781,740 |
| **Total current liabilities** | | **485,171,270** | **516,217,474** |
| **Net current assets** | | **128,139,992** | **140,153,886** |
| **Total assets less current liabilities** | | **187,688,512** | **204,942,857** |

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

## Condensed Consolidated Statement of Financial Position (Continued)

As at June 30, 2025
(Expressed in thousands of Renminbi, unless otherwise stated)

| | Note | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|---|
| **Equity** | | | |
| Share capital | 44 | 8,696,526 | 8,696,526 |
| Other equity instruments | 45 | 15,900,000 | 15,000,000 |
| Capital reserves | | 40,362,125 | 40,362,974 |
| Investment revaluation reserve of financial assets at fair value through other comprehensive income | 46 | 824,702 | 1,445,336 |
| Translation reserve | | 355,349 | 446,769 |
| General reserves | 47 | 25,908,460 | 25,881,942 |
| Retained profits | | 39,349,677 | 38,345,082 |
| Equity attributable to shareholders of the Company | | 131,396,839 | 130,178,629 |
| Non-controlling interests | | 75,657 | 73,604 |
| **Total equity** | | **131,472,496** | **130,252,233** |
| **Non-current liabilities** | | | |
| Deferred tax liabilities | 22 | 445,186 | 438,307 |
| Financial liabilities at fair value through profit or loss | 39 | 1,311,613 | 1,303,238 |
| Deferred income | | 100,089 | 101,610 |
| Lease liabilities | 41 | 647,786 | 633,482 |
| Long-term borrowings | 43 | 2,996,506 | 3,024,422 |
| Bonds payables | 49 | 50,714,836 | 69,189,565 |
| **Total non-current liabilities** | | **56,216,016** | **74,690,624** |
| **Total equity and non-current liabilities** | | **187,688,512** | **204,942,857** |

Approved and authorized for issue by the Board of Directors on 28 August 2025 and signed on its behalf by:

**HUO Da**
*Executive Director, Chairman*

**ZHU Jiangtao**
*Executive Director, President*

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

## Condensed Consolidated Statement of Changes in Equity

For The Six Months Ended June 30, 2025
(Expressed in thousands of Renminbi, unless otherwise stated)

| | Equity attributable to shareholders of the Company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital (Note 44) | Other equity instruments (Note 45) | Capital reserves | Investment revaluation reserve of financial assets at fair value through other comprehensive income (Note 46) | Translation reserve | General reserves (Note 47) | Retained profits | Subtotal | Non-controlling interests | Total |
| **At January 1, 2025 (Audited)** | **8,696,526** | **15,000,000** | **40,362,974** | **1,445,336** | **446,769** | **25,881,942** | **38,345,082** | **130,178,629** | **73,604** | **130,252,233** |
| Profit for the period | – | – | – | – | – | – | 5,185,896 | 5,185,896 | 2,053 | 5,187,949 |
| Other comprehensive income for the period | – | – | – | (904,696) | (91,420) | – | – | (996,116) | – | (996,116) |
| **Total comprehensive income for the period** | **–** | **–** | **–** | **(904,696)** | **(91,420)** | **–** | **5,185,896** | **4,189,780** | **2,053** | **4,191,833** |
| **Capital invested/(reduced) by shareholders** | | | | | | | | | | |
| – Capital invested by holders of other equity instruments | – | 900,000 | (849) | – | – | – | – | 899,151 | – | 899,151 |
| Appropriation to general reserves | – | – | – | – | – | 26,518 | (26,518) | – | – | – |
| Distribution to holders of other equity instruments (Note 50) | – | – | – | – | – | – | (592,130) | (592,130) | – | (592,130) |
| Dividends recognized as distribution (Note 50) | – | – | – | – | – | – | (3,278,591) | (3,278,591) | – | (3,278,591) |
| Transfer to retained profits for cumulative fair value change of FVTOCI upon disposal (Note 46) | – | – | – | 284,062 | – | – | (284,062) | – | – | – |
| **At June 30, 2025 (Unaudited)** | **8,696,526** | **15,900,000** | **40,362,125** | **824,702** | **355,349** | **25,908,460** | **39,349,677** | **131,396,839** | **75,657** | **131,472,496** |

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

## Condensed Consolidated Statement of Changes in Equity (Continued)

For The Six Months Ended June 30, 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

| | Equity attributable to shareholders of the Company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Other equity instruments | Capital reserves | Investment revaluation reserve of financial assets at fair value through other comprehensive income | Translation reserve | General reserves | Retained profits | Subtotal | Non-controlling interests | Total |
| **At January 1, 2024 (Audited)** | **8,696,526** | **15,000,000** | **40,362,974** | **183,476** | **321,141** | **23,903,793** | **33,493,518** | **121,961,428** | **75,505** | **122,036,933** |
| Profit for the period | – | – | – | – | – | – | 4,747,695 | 4,747,695 | 2,267 | 4,749,962 |
| Other comprehensive income for the period | – | – | – | 468,311 | 38,048 | – | – | 506,359 | – | 506,359 |
| **Total comprehensive income for the period** | **–** | **–** | **–** | **468,311** | **38,048** | **–** | **4,747,695** | **5,254,054** | **2,267** | **5,256,321** |
| Appropriation to general reserves | – | – | – | – | – | 17,792 | (17,792) | – | – | – |
| Distribution to holders of other equity instruments | – | – | – | – | – | – | (572,240) | (572,240) | – | (572,240) |
| Dividends recognized as distribution | – | – | – | – | – | – | (2,191,525) | (2,191,525) | – | (2,191,525) |
| Transfer to retained profits for cumulative fair value change of FVTOCI upon disposal | – | – | – | 99,480 | – | – | (99,480) | – | – | – |
| **At June 30, 2024 (Unaudited)** | **8,696,526** | **15,000,000** | **40,362,974** | **751,267** | **359,189** | **23,921,585** | **35,360,176** | **124,451,717** | **77,772** | **124,529,489** |

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

## Condensed Consolidated Statement of Cash Flows

For The Six Months Ended June 30, 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

| | Six months ended June 30 | |
|---|---|---|
| | **2025** | **2024** |
| | **(Unaudited)** | **(Unaudited)** |
| **Operating activities** | | |
| Profit before income tax | 5,683,909 | 4,968,280 |
| **Adjustments for:** | | |
| Interest expenses | 3,904,192 | 4,564,829 |
| Share of results of associates and joint ventures | (725,944) | (751,389) |
| Depreciation and amortization | 448,508 | 422,275 |
| Impairment losses under expected credit loss model, net of reversal and other impairment losses, net | (15,764) | 37,692 |
| Gains on disposal of property and equipment, other intangible assets and other non-current assets, net | (1,088) | (89) |
| Foreign exchange gains (losses), net | 43,343 | (10,395) |
| Net realized gains from disposal of financial assets at fair value through other comprehensive income | (624,554) | (356,184) |
| Dividend income and interest income on financial assets at fair value through other comprehensive income and debt instrument at amortized cost | (1,477,557) | (1,430,094) |
| Unrealized fair value changes in financial instruments at fair value through profit or loss | 253,936 | (1,303,853) |
| Unrealized fair value changes in derivative financial instruments | 1,711,969 | (2,847,457) |
| **Operating cash flows before movements in working capital** | **9,200,950** | **3,293,615** |

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

## Condensed Consolidated Statement of Cash Flows (Continued)

For The Six Months Ended June 30, 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

| | Six months ended June 30 | |
|---|---|---|
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| **Operating activities (continued)** | | |
| Decrease in advances to customers | 301,973 | 5,080,612 |
| (Increase) Decrease in other current assets | (118,131) | 1,100,603 |
| Decrease in financial assets held under resale agreements | 7,037,193 | 14,135,794 |
| (Increase) Decrease in financial instruments at fair value through profit or loss, net | (11,988,874) | 35,442,008 |
| (Increase) Decrease in deposits with exchanges and non-bank financial institutions | (1,553,778) | 2,202,714 |
| Decrease in pledged and restricted bank deposits | 196,041 | 217,891 |
| Decrease in clearing settlement funds | 7,813,440 | 6,602,722 |
| Decrease in cash held on behalf of customers | 13,454,579 | 20,039,741 |
| Decrease in accounts payables to brokerage clients | (18,450,050) | (26,416,794) |
| Increase in accrued staff costs | 781,059 | 423,441 |
| Increase (Decrease) in other current liabilities | 2,682,438 | (5,266,290) |
| Increase in financial assets sold under repurchase agreements | 8,393,119 | 2,783,199 |
| Increase (Decrease) in placements from banks and other financial institutions | 1,124,616 | (13,512,536) |
| **Net cash from operations** | **18,874,575** | **46,126,720** |
| Income taxes (paid) received | (156,001) | 153,909 |
| Interest paid | (1,675,822) | (2,194,639) |
| **Net cash from operating activities** | **17,042,752** | **44,085,990** |
| **Investing activities** | | |
| Dividends and interest received from investments | 2,192,025 | 2,009,238 |
| Purchases of property and equipment, other intangible assets and other non-current assets | (107,811) | (159,554) |
| Proceeds from disposals of property and equipment, other intangible assets and other non-current assets | 1,380 | 272 |
| Cash paid for investments in a joint venture | (21,515) | – |
| Net purchase or proceeds from disposals or purchases of financial instruments at fair value through other comprehensive income | 11,549,327 | (12,710,507) |
| Net purchase or proceeds from purchases or disposals of debt instruments at amortized cost | – | 232,253 |
| **Net cash from (used in) investing activities** | **13,613,406** | **(10,628,298)** |

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

## Condensed Consolidated Statement of Cash Flows (Continued)

For The Six Months Ended June 30, 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

| | Six months ended June 30 | |
|---|---|---|
| | **2025** | **2024** |
| | **(Unaudited)** | **(Unaudited)** |
| **Financing activities** | | |
| Dividends paid to shareholders and other equity instruments holders | (572,240) | (572,240) |
| Interest payment of bonds and short-term debt instruments | (1,967,308) | (2,794,814) |
| Interest payment of borrowings | (217,695) | (207,644) |
| Interest payment of lease liabilities | (11,045) | (17,759) |
| Repayment of bonds and short-term debt instruments | (69,609,653) | (89,206,209) |
| Repayment of lease liabilities | (159,741) | (170,049) |
| Net proceeds from issuance of perpetual bonds | 899,151 | – |
| Proceeds from bonds and short-term debt instruments | 38,685,102 | 57,943,322 |
| Net repayment of short-term borrowings | (1,257,514) | (500,695) |
| Proceeds from long-term borrowings | – | 195,346 |
| **Net cash used in financing activities** | **(34,210,943)** | **(35,330,742)** |
| **Net decrease in cash and cash equivalents** | **(3,554,785)** | **(1,873,050)** |
| **Cash and cash equivalents at the beginning of the period** | **27,559,062** | **29,781,625** |
| Effect of foreign exchange rate changes | (8,108) | 57,835 |
| **Cash and cash equivalents at the end of the period** | **23,996,169** | **27,966,410** |
| **Net cash flows from operating activities including: interest received** | **3,773,386** | **4,675,565** |

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

## 1 Corporate information

China Merchants Securities Co., Ltd. (the "Company") was formerly established as a securities department of China Merchants Bank Co., Ltd.. On August 1, 1993, with the approval of People's Bank of China (Shenzhen branch) and Shenzhen Administration for Industry and Commerce, the Company was duly established as the Securities Department of China Merchants Bank Co., Ltd. (招商銀行證券業務部). On August 26, 1994, the Securities Department of China Merchants Bank Co., Ltd. was renamed as Shenzhen CMB Securities Company (深圳招銀證券公司). On September 28, 1994, Shenzhen CMB Securities Company (深圳招銀證券公司) further changed its name to CMB Securities Company (招銀證券公司). On November 6, 1998, with the approval of People's Bank of China and China Securities Regulatory Commission, CMB Securities Company (招銀證券公司) increased its paid-in capital and changed its name to Guotong Securities Limited Liability Company (國通證券有限責任公司).

After the completion of registration with Shenzhen Administration for Industry and Commerce, Guotong Securities Limited Liability Company (國通證券有限責任公司) restructured and changed its name to Guotong Securities Co., Ltd. (國通證券股份有限公司) on December 26, 2001 in accordance with The Approval to The Resolution about Managing The State-owned Shares of Guotong Securities Co., Ltd. (國通證券股份有限公司) (Cai Qi [2001] No. 723) issued by the Ministry of Finance of the People's Republic of China ("PRC"), The Approval for Changing the Name of Guotong Securities Co., Ltd. (國通證券股份有限公司) (Zheng Jian Ji Gou Zi [2001] No. 285) issued by the China Securities Regulatory Commission, and The Approval for Equity Restructuring of Guotong Securities Co., Ltd. (國通證券股份有限公司) (Shen Fu Gu [2001] No. 49) issued by the Municipal Government of Shenzhen. On June 28, 2002, Guotong Securities Co., Ltd. (國通證券股份有限公司) was renamed as China Merchants Securities Co., Ltd. (招商證券股份有限公司).

On November 2, 2009, with the approval by China Securities Regulatory Commission ([2009] No. 1132), the Company launched its initial public offering of 358,546,141 A shares. On November 17, 2009, the Company started to be listed on the Shanghai Stock Exchange.

The Company's ultimate holding company is China Merchants Group Limited ("CMG"). CMG is a PRC enterprise regulated and directly managed by the State-Owned Assets Supervision and Administration Commission of the State Council. CMG is owned and controlled by the PRC Government.

On October 7, 2016, with the approval by China Securities Regulatory Commission ([2016] No. 1735), the Company issued 891,273,800 H Shares, which were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

On July 20, 2020 and August 20, 2020, with the approval by China Securities Regulatory Commission ([2019] No. 1946 and [2020] No. 723), the Company completed the rights issue of A Share and H Share by issuing 1,702,997,123 A Shares and 294,120,354 H Shares, which were listed on the Shanghai Stock Exchange and the Main Board of The Hong Kong Stock Exchanges, respectively.

## 1 Corporate information (continued)

As at June 30, 2025, the Company's registered capital was RMB8,696,526,806 and the Company has a total of 8,696,526,806 issued shares of RMB1 each.

The address of the registered office and principal place of business of the Company is No.111, 1st Fuhua Road, Futian District, Shenzhen, Guangdong, the PRC. The Company and its subsidiaries (collectively the "Group") are principally engaged in securities brokerage, securities financial advisory, financial advisory services relating to securities trading and investment activities, securities underwriting and sponsorship, proprietary trading, asset management, margin financing and securities lending, securities investment fund distribution, agency sales of financial products, securities investment management, stock options market-making business, listed securities market-making business, commodity futures brokerage, financial futures brokerage, futures investment consulting and other business approved by China Securities Regulatory Commission ("CSRC").

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is the same as functional currency of the Company. All condensed consolidated financial statements and notes to the condensed consolidated financial statements are presented in RMB and has been rounded to the nearest thousands, except when otherwise indicates.

## 2 Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* ("IAS 34"), issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of this condensed consolidated interim financial statements, in accordance with IAS 34, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and income and expenses. Actual results may differ from these estimates.

The condensed consolidated interim financial statements does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024.

(Expressed in thousands of Renminbi, unless otherwise stated)

## 3 Change in accounting policy

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2024.

The Group has applied the amendments to IAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability issued by the International Auditing and Assurance Standards Board to this interim financial report for the current accounting period. The amendments do not have a significant impact on the Group's financial information as the Group had not entered any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

## 4 Fee and commission income

| | Six months ended June 30 | |
|---|---|---|
| | **2025** | **2024** |
| | **(Unaudited)** | **(Unaudited)** |
| Securities and futures brokerage business | 5,089,587 | 3,493,282 |
| Asset management and fund management business | 446,660 | 346,575 |
| Underwriting and sponsorship business | 377,310 | 259,329 |
| Financial advisory business | 39,276 | 47,541 |
| Investment advisory business | 26,629 | 22,011 |
| Other business | 292,804 | 284,268 |
| **Total** | **6,272,266** | **4,453,006** |

## 5 Interest income

| | Six months ended June 30 | |
|---|---|---|
| | **2025** | **2024** |
| | **(Unaudited)** | **(Unaudited)** |
| Advances to customers and securities lending | 2,338,462 | 2,258,352 |
| Exchanges and financial institutions balances, deposits and clearing settlement funds | 1,165,918 | 1,377,266 |
| Debt instruments at fair value through other comprehensive income ("FVTOCI") | 698,583 | 887,877 |
| Financial assets held under securities back-lending resale agreements | 250,587 | 370,755 |
| Other financial assets held under resale agreements | 70,751 | 115,951 |
| Debt instruments at amortized cost | 9,910 | 21,661 |
| **Total** | **4,534,211** | **5,031,862** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 6 Investment gains or losses, net

| | Six months ended June 30 | |
|---|---|---|
| | **2025** | **2024** |
| | **(Unaudited)** | **(Unaudited)** |
| Dividend and interest income from financial assets at FVTPL | 2,549,655 | 2,877,628 |
| Net gains (losses) from financial assets at FVTPL | 3,113,765 | (1,180,706) |
| Dividend from financial assets at FVTOCI | 767,516 | 520,554 |
| Net gains from disposals of debt instruments measured at FVTOCI | 624,554 | 356,184 |
| Net (losses) gains from derivative financial instruments | (2,399,729) | 3,825,500 |
| Net losses from financial liabilities at FVTPL | (533,748) | (1,646,028) |
| Others | 1,549 | – |
| **Total** | **4,123,562** | **4,753,132** |

## 7 Other income and gains or losses, net

| | Six months ended June 30 | |
|---|---|---|
| | **2025** | **2024** |
| | **(Unaudited)** | **(Unaudited)** |
| Refund from tax withholding and remittance | 24,933 | 44,996 |
| Foreign exchange (losses) gains, net | (9,698) | 17,970 |
| Rental income | 8,040 | 9,396 |
| Government grants | 11,295 | 883 |
| Others | 114,785 | 51,149 |
| **Total** | **149,355** | **124,394** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 8 Depreciation and amortization

| | Six months ended June 30 | |
|---|---|---|
| | **2025** | **2024** |
| | **(Unaudited)** | **(Unaudited)** |
| Depreciation of right-of-use assets | 158,531 | 176,704 |
| Depreciation of property and equipment | 147,620 | 115,526 |
| Amortization of other non-current assets | 58,305 | 88,004 |
| Amortization of other intangible assets | 84,052 | 42,041 |
| **Total** | **448,508** | **422,275** |

## 9 Staff costs

| | Six months ended June 30 | |
|---|---|---|
| | **2025** | **2024** |
| | **(Unaudited)** | **(Unaudited)** |
| Salaries, bonus and allowances | 2,631,226 | 2,526,032 |
| Contributions to retirement benefits | 346,369 | 306,677 |
| Other social welfare | 251,553 | 209,570 |
| Others | 88,538 | 71,410 |
| **Total** | **3,317,686** | **3,113,689** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 10 Fee and commission expenses

| | Six months ended June 30 | |
|---|---|---|
| | **2025** | **2024** |
| | **(Unaudited)** | **(Unaudited)** |
| Securities and futures brokerage business | 1,356,350 | 916,144 |
| Underwriting and sponsorship business | 11,715 | 14,569 |
| Financial advisory business | 2,599 | 7,709 |
| Asset management and fund management business | 6,772 | 6,289 |
| Investment advisory business | 3,078 | 407 |
| **Total** | **1,380,514** | **945,118** |

## 11 Interest expenses

| | Six months ended June 30 | |
|---|---|---|
| | **2025** | **2024** |
| | **(Unaudited)** | **(Unaudited)** |
| Bonds payables | 1,446,536 | 1,663,289 |
| Financial assets sold under repurchase agreements | 1,385,063 | 1,443,241 |
| Short-term debt instruments | 502,054 | 550,397 |
| Placements from banks and other financial institutions | 171,912 | 381,028 |
| Accounts payables to brokerage clients | 171,635 | 301,772 |
| Borrowings | 215,614 | 205,506 |
| Lease liabilities | 11,045 | 17,759 |
| Others | 333 | 1,837 |
| **Total** | **3,904,192** | **4,564,829** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 12 Other operating expenses

| | Six months ended June 30 | |
|---|---|---|
| | **2025** | **2024** |
| | **(Unaudited)** | **(Unaudited)** |
| Electronic equipment operation expenses | 209,944 | 248,583 |
| Business promotion expenses | 176,070 | 125,707 |
| Member fees of stock exchange | 137,025 | 123,619 |
| Clearing fee | 130,715 | 132,112 |
| Postal and communications expenses | 93,504 | 88,332 |
| Business travel expenses | 53,634 | 54,575 |
| Securities and futures investor protection funds | 49,689 | 41,626 |
| Rental and property management expenses | 44,857 | 42,793 |
| General and administrative expenses | 24,160 | 40,744 |
| Others | 105,402 | 114,183 |
| **Total** | **1,025,000** | **1,012,274** |

## 13 Impairment losses under expected credit loss model, net of reversal

| | Six months ended June 30 | |
|---|---|---|
| | **2025** | **2024** |
| | **(Unaudited)** | **(Unaudited)** |
| (Reversal of) Impairment loss on financial assets held under resale agreements (Note 21) | (4,782) | 16,023 |
| (Reversal of) Impairment loss on debt instruments at amortized cost (Note 20) | (374) | 103 |
| Reversal of loss on accounts and other receivables | (2,689) | (1,258) |
| (Reversal of) Impairment loss on advances to customers (Note 24) | (9,029) | 18,293 |
| Impairment loss on debt instruments at FVTOCI (Note 26) | 1,110 | 4,531 |
| **Total** | **(15,764)** | **37,692** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 14 Income tax expenses

| | Six months ended June 30 | |
|---|---|---|
| | **2025** | **2024** |
| | **(Unaudited)** | **(Unaudited)** |
| **Current tax:** | | |
| – PRC Enterprise Income Tax | 81,731 | 127,193 |
| – Hong Kong Profits Tax | 1,793 | 541 |
| Subtotal | 83,524 | 127,734 |
| **Under(over) provision in respect of prior periods:** | | |
| – PRC Enterprise Income Tax | 15,847 | 9,626 |
| – Hong Kong Profits Tax | (2) | (2,403) |
| Subtotal | 15,845 | 7,223 |
| **Deferred taxation:** | | |
| – Origination and reversal of temporary differences (Note 22) | 396,591 | 83,361 |
| **Total** | **495,960** | **218,318** |

The Group operates in multiple jurisdictions, and some jurisdictions have implemented the Pillar Two Model Rules (also referred to as the Global Anti-Base Erosion), as published by the Organization for Economic Co-operation and Development.

The Group has assessed the current implication arising from Pillar Two income taxes and the exposure to future Pillar Two income taxes, and determined it is not material.

(Expressed in thousands of Renminbi, unless otherwise stated)

## 15 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:

| | Six months ended June 30 | |
|---|---|---|
| | **2025** | **2024** |
| | **(Unaudited)** | **(Unaudited)** |
| **Earnings for the purpose of basic earnings per share:** | | |
| Profit attributable to shareholders of the Company | 5,185,896 | 4,747,695 |
| Less: Profit attributable to holders of perpetual subordinated bonds | (287,419) | (285,336) |
| **Total** | **4,898,477** | **4,462,359** |
| **Number of shares:** | | |
| Weighted average number of ordinary shares (thousand) | 8,696,526 | 8,696,526 |
| **Earnings per share:** | | |
| Earnings per share (in RMB yuan) | 0.56 | 0.51 |

Note: For the six months ended June 30, 2025 and 2024, there were no dilutive shares. Therefore, diluted earning per share is not presented.

(Expressed in thousands of Renminbi, unless otherwise stated)

## 16 Property and equipment

| | Leasehold land and buildings | Motor vehicles | Electronic and communication equipment | Office equipment | Construction in progress | Total |
|---|---|---|---|---|---|---|
| **Unaudited** | | | | | | |
| **Cost** | | | | | | |
| As at January 1, 2025 | 1,242,144 | 64,188 | 1,455,966 | 225,670 | 38,576 | 3,026,544 |
| Additions | – | 499 | 30,568 | 509 | 15,852 | 47,428 |
| Other transfer | – | – | – | 17,366 | – | 17,366 |
| Disposals | – | (7,943) | (276) | (3,446) | – | (11,665) |
| Transfer | – | – | – | – | (22,443) | (22,443) |
| Exchange differences | – | (20) | (748) | (480) | (442) | (1,690) |
| As at June 30, 2025 | 1,242,144 | 56,724 | 1,485,510 | 239,619 | 31,543 | 3,055,540 |
| **Accumulated depreciation and impairment** | | | | | | |
| As at January 1, 2025 | 401,724 | 45,176 | 808,791 | 106,040 | – | 1,361,731 |
| Charge for the period | 15,578 | 2,237 | 102,977 | 26,828 | – | 147,620 |
| Disposals | – | (7,546) | (263) | (3,423) | – | (11,232) |
| Exchange differences | – | (20) | (468) | (463) | – | (951) |
| As at June 30, 2025 | 417,302 | 39,847 | 911,037 | 128,982 | – | 1,497,168 |
| **Carrying values** | | | | | | |
| **As at June 30, 2025** | **824,842** | **16,877** | **574,473** | **110,637** | **31,543** | **1,558,372** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 16 Property and equipment (continued)

| | Leasehold land and buildings | Motor vehicles | Electronic and communication equipment | Office equipment | Construction in progress | Total |
|---|---|---|---|---|---|---|
| **Audited** | | | | | | |
| **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** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 17 Right-of-use assets

| | Land and buildings | Leasehold land | Total |
|---|---|---|---|
| **Unaudited** | | | |
| **Cost** | | | |
| As at January 1, 2025 | 2,726,549 | 411,766 | 3,138,315 |
| Additions | 192,871 | – | 192,871 |
| Disposals | (16,763) | – | (16,763) |
| Exchange differences | (2,649) | – | (2,649) |
| As at June 30, 2025 | 2,900,008 | 411,766 | 3,311,774 |
| **Accumulated depreciation** | | | |
| As at January 1, 2025 | 1,875,956 | 63,549 | 1,939,505 |
| Charge for the period | 153,308 | 5,223 | 158,531 |
| Disposals | (14,136) | – | (14,136) |
| Exchange differences | (2,577) | – | (2,577) |
| As at June 30, 2025 | 2,012,551 | 68,772 | 2,081,323 |
| **Carrying values** | | | |
| **As at June 30, 2025** | **887,457** | **342,994** | **1,230,451** |
| **Audited** | | | |
| **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** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 18 Interests in associates and joint ventures

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| Cost of unlisted investments in associates | 4,576,535 | 4,576,535 |
| Cost of unlisted investments in joint ventures (i) | 27,652 | 6,469 |
| Share of post-acquisition profits and other comprehensive income, net of dividends received | 8,768,874 | 8,792,572 |
| Subtotal | 13,373,061 | 13,375,576 |
| Less: Impairment loss | (669,150) | (669,150) |
| **Total** | **12,703,911** | **12,706,426** |

The following list contains only the particulars of associates and joint ventures using the equity method in the condensed consolidated financial statements:

| Name of associates and joint ventures | Place of incorporation/ establishment | Equity interest held by the Group: As at June 30, 2025 | Equity interest held by the Group: As at December 31, 2024 | Principal Activities |
|---|---|---|---|---|
| Bosera Asset Management Co., Ltd. | PRC | 49.00% | 49.00% | Fund management |
| China Merchants Fund Management Limited | PRC | 45.00% | 45.00% | Fund management |
| Guangdong Equity Exchange Center Co., Ltd. (ii) | PRC | 12.02% | 12.02% | Transaction settlement services |
| Twenty-first Century Technology Investment Co., Ltd. (iii) | PRC | 23.88% | 23.88% | Investment |
| Twin Bays Investments Limited | PRC | 40.00% | 40.00% | Investment management |
| Guolian Zhaozheng Science and Technology Innovation Fund Phase I Limited Partnership Fund | PRC | 37.50% | 37.50% | Investment management |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 18 Interests in associates and joint ventures (continued)

* English name translation is for identification purpose only.

(i) As at June 30, 2025, the Group has made an additional investment of RMB21,515 thousand in the Guolian Zhaozheng Science and Technology Innovation Fund Phase I Limited Partnership Fund, which is an investment in a joint venture.

(ii) Guangdong Equity Exchange Center Co., Ltd. was recognized as an associate as the Group has rights to participate in its financial and operational decision making.

(iii) This associate has been undergoing liquidation, and impairment losses have been fully recognized and written off.

## 19 Equity instruments at fair value through other comprehensive income

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| Non-tradable equity instruments | 33,427,862 | 38,980,021 |

(i) The non-tradable equity instruments mainly refers to stocks, perpetual bonds, which are held by the Group for strategic investment and securities lending. The Group does not hold such equity instruments for trading purposes. In this case, they are classified as financial assets designated as at fair value through other comprehensive income.

(ii) As of June 30, 2025, the gains or losses on equity instruments at fair value through other comprehensive income recognized in the current period, and the amount transferred from other comprehensive income to retained earnings due to disposal, are presented in Note 46. Due to the Company's changes in strategy, the Group disposed of these investments.

(iii) As at June 30, 2025, the equity instruments at fair value through other comprehensive income with restricted sales period or commitment conditions were RMB23,810,623 thousand (December 31, 2024:RMB32,051,883 thousand).

(Expressed in thousands of Renminbi, unless otherwise stated)

## 20 Debt instruments at amortized cost

### (1) Analyzed by nature

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| **Current** | | |
| Bonds | – | 1,380,514 |
| Less: Expected credit losses | – | (376) |
| **Total** | **–** | **1,380,138** |

### (2) Movements of expected credit losses are as follows

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| At the beginning of the period/year | 376 | 317 |
| Expected credit losses recognized | (374) | 51 |
| Exchange differences | (2) | 8 |
| **At the end of the period/year** | **–** | **376** |

| | As at June 30, 2025 (Unaudited) | | | |
|---|---|---|---|---|
| | 12 months (stage 1) | Life time (stage 2) | Life time (stage 3) | Total |
| Principal and interest | – | – | – | – |
| Expected credit losses | – | – | – | – |

| | As at December 31, 2024 (Audited) | | | |
|---|---|---|---|---|
| | 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 |

During the period ended June 30, 2025, there was no transfer between the stages of expected credit losses. (2024: there was no transfer between the stages of expected credit losses)

(Expressed in thousands of Renminbi, unless otherwise stated)

## 21 Financial assets held under resale agreements

### (1) Analyzed by collateral type and market of financial assets held under resale agreements

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| **Non-current** | | |
| **Analyzed by collateral type:** | | |
| Listed equity investments (i) | 671,670 | 609,000 |
| **Analyzed by market:** | | |
| Stock exchanges | 671,670 | 609,000 |
| Less: Expected credit losses | (2,945) | (813) |
| **Total** | **668,725** | **608,187** |
| **Current** | | |
| **Analyzed by collateral type:** | | |
| Listed equity investments (i) | 14,540,827 | 14,063,665 |
| Bonds | 10,507,927 | 18,065,230 |
| Subtotal | 25,048,754 | 32,128,895 |
| **Analyzed by market:** | | |
| Stock exchanges | 14,959,666 | 15,670,034 |
| Interbank bond market | 10,089,088 | 16,458,861 |
| Subtotal | 25,048,754 | 32,128,895 |
| Less: Expected credit losses | (885,048) | (891,962) |
| **Total** | **24,163,706** | **31,236,933** |

(i) Financial assets (pledged by stocks) held under resale agreements and securities back-lending are resale agreements entered into by the Group with qualified investors with a commitment to purchasing the specified securities at a future date with an agreed price.

As at June 30, 2025, the Group received collateral amounted to RMB56,950 million (2024: RMB62,825 million) in connection with its reverse resale agreements and securities back-lending.

(Expressed in thousands of Renminbi, unless otherwise stated)

## 21 Financial assets held under resale agreements (continued)

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

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| At the beginning of the period/year | 892,775 | 1,003,011 |
| Reversal of expected credit losses | (4,782) | (10,236) |
| Write-offs | – | (100,000) |
| **At the end of the period/year** | **887,993** | **892,775** |

Details of expected credit losses and the fair value of the collateral of the repurchase agreements related to stocks are as follows:

| | As at June 30, 2025 (Unaudited) | | | |
|---|---|---|---|---|
| | 12 months (stage 1) | Life time (stage 2) | Life time (stage 3) | Total |
| Principal and interest | 14,347,344 | – | 865,153 | 15,212,497 |
| Expected credit losses | 22,840 | – | 865,153 | 887,993 |
| Collateral | 45,083,173 | – | – | 45,083,173 |

| | As at December 31, 2024 (Audited) | | | |
|---|---|---|---|---|
| | 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 |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 22 Deferred tax assets (liabilities)

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

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| Deferred tax assets | 409,017 | 575,628 |
| Deferred tax liabilities | (445,186) | (438,307) |
| **Total** | **(36,169)** | **137,321** |

The following are the major deferred tax assets (liabilities) recognized and movements thereon in the period/year:

| | Financial instruments at fair value through profit and loss/ derivatives | Accrued staff costs | Deferred income | Impairment allowances | Financial instruments at fair value through other comprehensive income | Property and equipment | Others | Total |
|---|---|---|---|---|---|---|---|---|
| At January 1, 2024 | (797,272) | 1,142,058 | 26,113 | 278,432 | (48,008) | (3,639) | 427,675 | 1,025,359 |
| (Charge) Credit to profit or loss | (831,662) | (84,344) | (761) | (49,199) | – | (75) | 468,340 | (497,701) |
| Charge to other comprehensive income | – | – | – | – | (389,154) | – | – | (389,154) |
| Exchange differences | – | – | – | – | – | – | (1,183) | (1,183) |
| **At December 31, 2024** | **(1,628,934)** | **1,057,714** | **25,352** | **229,233** | **(437,162)** | **(3,714)** | **894,832** | **137,321** |
| At January 1, 2025 | (1,628,934) | 1,057,714 | 25,352 | 229,233 | (437,162) | (3,714) | 894,832 | 137,321 |
| (Charge) Credit to profit or loss | (116,264) | 134,281 | (380) | (3,400) | – | (2,503) | (408,325) | (396,591) |
| Credit to other comprehensive income | – | – | – | – | 222,402 | – | – | 222,402 |
| Exchange differences | – | – | – | – | 2 | – | 697 | 699 |
| **At June 30, 2025 (Unaudited)** | **(1,745,198)** | **1,191,995** | **24,972** | **225,833** | **(214,758)** | **(6,217)** | **487,204** | **(36,169)** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 23 Other non-current assets

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| Deferred expenses | 175,667 | 231,361 |
| Others | 119,886 | 119,909 |
| Less: Allowances for impairment | (1,026) | (1,027) |
| **Total** | **294,527** | **350,243** |

## 24 Advances to customers

### (1) Analyzed by nature

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| Advances to customers | 95,488,002 | 95,755,050 |
| Less: Expected credit losses | (172,767) | (182,348) |
| **Total** | **95,315,235** | **95,572,702** |

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 the underlying pledged securities and cash collateral 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 up the balance.

(Expressed in thousands of Renminbi, unless otherwise stated)

## 24 Advances to customers (continued)

### (2) Analyzed by fair value of collateral of margin financing and securities lending business

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| Collateral measured at fair value: | | |
| Equity securities | 243,116,755 | 230,019,358 |
| Funds | 6,566,656 | 7,028,789 |
| Cash | 5,983,989 | 5,954,832 |
| Bonds | 192,224 | 243,185 |
| **Total** | **255,859,624** | **243,246,164** |

### (3) Movements of expected credit losses are as follows

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| At the beginning of the period/year | 182,348 | 289,699 |
| Reversal of expected credit losses | (9,029) | (108,350) |
| Exchange differences | (552) | 999 |
| **At the end of the period/year** | **172,767** | **182,348** |

| | As at June 30, 2025 (Unaudited) | | | |
|---|---|---|---|---|
| | 12 months (stage 1) | Life time (stage 2) | Life time (stage 3) | Total |
| Principal and interest | 95,186,097 | 2,725 | 299,180 | 95,488,002 |
| Expected credit losses | 29,483 | 48 | 143,236 | 172,767 |

| | As at December 31, 2024 (Audited) | | | |
|---|---|---|---|---|
| | 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 |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 25 Accounts and other receivables

### (1) Analyzed by nature

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| Accounts and other receivables from/related to: | | |
| Clearing houses, brokers and dealers | 4,776,671 | 2,927,398 |
| Deposits of OTC derivative business | 979,916 | 2,629,113 |
| Fee and commission income | 552,901 | 589,025 |
| Other receivables | 51,454 | 33,909 |
| Dividends receivable | 47,830 | 8,425 |
| Others | 98,406 | 325,197 |
| Subtotal | 6,507,178 | 6,513,067 |
| Less: Expected credit losses of accounts and other receivables | (78,335) | (81,194) |
| **Total** | **6,428,843** | **6,431,873** |

### (2) Analyzed by ageing

As at the end of the period/year, the ageing analysis based on transaction dates of accounts and other receivables, is as follows:

| | As at June 30, 2025 (Unaudited) | | As at December 31, 2024 (Audited) | |
|---|---|---|---|---|
| | Amount | Expected credit losses | Amount | Expected credit losses |
| Within 1 year | 6,246,868 | (47) | 2,682,358 | (104) |
| Between 1 and 2 years | 146,813 | (10,285) | 1,095,999 | (10,302) |
| Between 2 and 3 years | 18,547 | (1,153) | 2,633,480 | (490) |
| Over 3 years | 94,950 | (66,850) | 101,230 | (70,298) |
| **Total** | **6,507,178** | **(78,335)** | **6,513,067** | **(81,194)** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 Debt instruments at fair value through other comprehensive income

### (1) Analyzed by type

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| **Current** | | |
| Government bonds | 39,190,224 | 37,212,346 |
| Bonds issued by policy banks | 10,298 | 344,919 |
| Bonds issued by commercial banks and other financial institutions | 10,003,208 | 12,658,095 |
| Others | 13,950,838 | 18,135,842 |
| **Total** | **63,154,568** | **68,351,202** |

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

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| At the beginning of the period/year | 13,147 | 8,967 |
| Expected credit losses | 1,110 | 4,144 |
| Exchange differences | (59) | 36 |
| **At the end of the period/year** | **14,198** | **13,147** |

| | As at June 30, 2025 (Unaudited) | | | |
|---|---|---|---|---|
| | 12 months (stage 1) | Life time (stage 2) | Life time (stage 3) | Total |
| Principal and interset | 63,154,568 | – | – | 63,154,568 |
| Expected credit losses | 14,198 | – | – | 14,198 |

| | As at December 31, 2024 (Audited) | | | |
|---|---|---|---|---|
| | 12 months (stage 1) | Life time (stage 2) | Life time (stage 3) | Total |
| Principal and interset | 68,351,202 | – | – | 68,351,202 |
| Expected credit losses | 13,147 | – | – | 13,147 |

During the six months ended June 30, 2025 and the year ended December 31, 2024, there was no material transfer between the stages of expected credit losses.

(Expressed in thousands of Renminbi, unless otherwise stated)

## 27 Financial assets at fair value through profit or loss

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| **Current** | | |
| Debt securities | 170,940,783 | 185,330,835 |
| Funds | 44,475,852 | 37,244,712 |
| Equity investments (i) | 26,867,502 | 23,192,334 |
| Others (ii) | 12,753,036 | 11,657,162 |
| **Subtotal** | **255,037,173** | **257,425,043** |
| **Non-current** | | |
| Equity investments (i) | 3,876,834 | 1,902,476 |
| Others(ii) | 4,717,554 | 6,136,203 |
| **Subtotal** | **8,594,388** | **8,038,679** |

(i) Equity investments comprise of unlisted equity investments.

(ii) Others mainly represent investments in collective asset management schemes, wealth management products, trusts and investments in limited partnerships.

Fair value of the Group's financial assets at fair value through profit or loss are determined as described in note 56.

As at June 30, 2025, debt securities of RMB1,918,768 thousand (December 31, 2024: RMB2,110,400 thousand), RMB26,882,943 thousand (December 31, 2024: RMB27,713,758 thousand) and RMB104,810,406 thousand (December 31, 2024: RMB109,433,878 thousand) classified as FVTPL were pledged as collateral for certain derivative transactions and securities borrowing and financial assets sold under repurchase agreements, respectively. Additionally, the carrying value of financial assets classified as FVTPL with restricted sales period or commitment conditions, excluding debt securities, is RMB1,095,011 thousand (December 31, 2024: RMB903,466 thousand).

(Expressed in thousands of Renminbi, unless otherwise stated)

## 28 Derivative financial instruments

| | As at June 30, 2025 | | | As at December 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Non-hedging instruments | | | Non-hedging instruments | | |
| | Notional Principal amounts | Fair Value | | Notional Principal amounts | Fair Value | |
| | | Assets | Liabilities | | Assets | Liabilities |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| Interest derivative instrument | 449,418,942 | 70,642 | 176,984 | 719,007,781 | 40,477 | 9,457 |
| Equity derivative instrument | 87,051,306 | 1,041,053 | 3,132,188 | 109,167,286 | 4,243,783 | 4,766,108 |
| Currency derivative instrument | 142,074,614 | 11,000 | 25,903 | 115,663,626 | 25,554 | 36,940 |
| Credit derivative instrument | 1,275,627 | 10 | 19,444 | 313,768 | 333 | 1,261 |
| Other derivative instrument | 64,075,657 | 463,006 | 503,734 | 51,050,998 | 337,249 | 405,745 |
| **Total** | **743,896,146** | **1,585,711** | **3,858,253** | **995,203,459** | **4,647,396** | **5,219,511** |

Under a daily mark-to-market and settlement arrangement, any gains or losses of the Group's position in the PRC futures contracts, interest rate swap contracts and bond forward contracts traded in the National Interbank Funding Center and foreign exchange contracts traded in the China Foreign Exchange Trade System are settled daily and the corresponding receipts and payments are included in "clearing settlement funds". Accordingly, these contracts are presented after netting of their settlements at the end of the reporting period.

## 29 Deposits with exchanges and non-bank financial institutions

| | As at June 30, 2025 | As at December 31, 2024 |
|---|---|---|
| | (Unaudited) | (Audited) |
| **Deposits with stock exchanges and clearing houses:** | | |
| Shanghai Clearing House | 1,452,784 | 1,312,078 |
| China Securities Depository and Clearing Corporation Limited | 775,449 | 530,961 |
| Hong Kong Exchanges and Clearing Limited | 109,332 | 132,296 |
| **Deposits with futures and commodity exchanges and financial institutions:** | | |
| China Financial Futures Exchange | 6,195,579 | 5,973,303 |
| Shanghai Futures Exchange | 2,599,851 | 1,672,776 |
| Dalian Commodity Exchange | 937,375 | 786,957 |
| Others | 2,593,515 | 2,705,362 |
| **Total** | **14,663,885** | **13,113,733** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 30 Clearing settlement funds

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| **Clearing settlement funds held with clearing houses for:** | | |
| House accounts | 6,495,225 | 9,158,603 |
| Clients | 16,258,544 | 24,073,673 |
| **Total** | **22,753,769** | **33,232,276** |

## 31 Cash and bank balances

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| **Bank balances – house accounts** | 18,090,009 | 19,192,096 |
| House accounts | 17,536,462 | 18,442,508 |
| Pledged and restricted bank deposits | | |
| – Restricted bank deposit for purchase of bond, stock and as risk reserve and credit (Note 32) | 553,547 | 749,588 |
| **Cash held on behalf of customers** | 111,521,322 | 125,130,174 |
| **Total** | **129,611,331** | **144,322,270** |

## 32 Cash and cash equivalents

Cash and cash equivalents comprise the followings:

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| Bank balances – house accounts | 18,054,500 | 19,150,084 |
| Clearing settlement funds – house accounts | 6,495,216 | 9,158,566 |
| Less: Pledged and restricted bank deposits (Note 31) | (553,547) | (749,588) |
| **Total** | **23,996,169** | **27,559,062** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 33 Short-term borrowings

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| **Current** | | |
| Unsecured bank borrowings [(i)] | 8,386,898 | 9,693,769 |
| Interests accrued | 20,118 | 17,294 |
| **Total** | **8,407,016** | **9,711,063** |

(i) As at June 30, 2025, the floating interest rates of Group's short-term unsecured bank borrowings ranged from 0.55% to 5.21% (December 31, 2024: 0.90% to 6.16%) per annum and the fixed interest rates of Group's short-term unsecured bank borrowings ranged from 0.80% to 3.99% (December 31, 2024: 3.10% to 4.84%) per annum.

## 34 Short-term debt instruments

| | Coupon rate as at June 30, 2025 (Unaudited) | As at January 1, 2025 | Issuance/Other Transfer | Redemption/ Exchange difference | As at June 30, 2025 (Unaudited) |
|---|---|---|---|---|---|
| Short-term bond payables | 1.62% to 2.19% | 38,000,000 | 24,200,000 | 31,800,000 | 30,400,000 |
| Principals of income certificates | 0.00% to 4.74%/ Floated rates | 19,110,760 | 10,441,809 | 15,594,243 | 13,958,326 |
| Interest accrued | | 273,379 | 471,822 | 417,497 | 327,704 |
| **Total** | | **57,384,139** | **35,113,631** | **47,811,740** | **44,686,030** |

| | Coupon rate as at December 31, 2024 (Audited) | As at January 1, 2024 | Issuance/Other Transfer | Redemption/ Exchange difference | As at December 31, 2024 (Audited) |
|---|---|---|---|---|---|
| Short-term bond payables | 1.65% to 2.95% | 35,400,000 | 73,900,000 | 71,300,000 | 38,000,000 |
| Principals of income certificates | 0.50% to 6.30%/ Floated rates | 21,389,959 | 33,550,890 | 35,830,089 | 19,110,760 |
| Interest accrued | | 235,776 | 957,663 | 920,060 | 273,379 |
| **Total** | | **57,025,735** | **108,408,553** | **108,050,149** | **57,384,139** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 35 Placements from banks and other financial institutions

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| Placement from banks (i) | 11,095,844 | 9,977,270 |
| Interest accrued | 17,891 | 2,405 |
| **Total** | **11,113,735** | **9,979,675** |

(i) As at June 30, 2025, the interest rates due to banks ranged from 1.42% to 5.00% (December 31, 2024: 1.40% to 5.00%) per annum.

## 36 Accounts payables to brokerage clients

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| Clients' deposits for margin financing and securities lending | 11,788,802 | 12,177,116 |
| Clients' deposits for other brokerage business | 121,245,306 | 139,433,601 |
| **Total** | **133,034,108** | **151,610,717** |

Accounts payables 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 payables to brokerage clients are interest-bearing at the prevailing interest rate.

The majority of the accounts payable balances are repayable on demand except for certain accounts payables 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.

(Expressed in thousands of Renminbi, unless otherwise stated)

## 37 Accrued staff costs

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| **Current** | | |
| Salaries, bonus and allowances | 5,975,227 | 5,358,276 |
| Short-term social welfare | 38 | 46 |
| Defined contribution plans | 156,971 | 1,039 |
| Others | 56,718 | 53,864 |
| **Total** | **6,188,954** | **5,413,225** |

## 38 Other payables and accrued charges

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| Deposits of equity return swaps (i) | 19,944,467 | 18,374,991 |
| Settlement payables to brokers and clearing houses | 7,201,417 | 6,315,950 |
| Dividends payables to holders of ordinary shares and other equity instruments | 3,870,721 | 572,240 |
| Other tax payables | 523,255 | 671,372 |
| Futures risk reserve | 193,570 | 184,671 |
| Commission and handling fee payables | 88,174 | 100,613 |
| Others | 607,888 | 602,853 |
| **Total** | **32,429,492** | **26,822,690** |

(i) As at June 30, 2025 and December 31, 2024, the balance mainly represents deposits received from investors on equity return swaps and over-the-counter options 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.

(Expressed in thousands of Renminbi, unless otherwise stated)

## 39 Financial liabilities at fair value through profit or loss

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| **Non-current** | | |
| **Financial liabilities designated at fair value through profit or loss** | | |
| – Structured entities (i) | 1,311,613 | 1,303,238 |
| **Subtotal** | **1,311,613** | **1,303,238** |
| **Current** | | |
| **Financial liabilities held for trading** | | |
| – Equity securities | 1,415,899 | 711,389 |
| – Debt securities | 34,584,653 | 49,819,523 |
| – Structured notes | 1,146,462 | 1,113,786 |
| – Others | 639,230 | 458,770 |
| **Financial liabilities designated at fair value through profit or loss** | | |
| – Structured entities (i) | 1,419,760 | 241,414 |
| **Subtotal** | **39,206,004** | **52,344,882** |

(i) In the condensed 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.

(Expressed in thousands of Renminbi, unless otherwise stated)

## 40 Financial assets sold under repurchase agreements

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| **Current** | | |
| **Analyzed by collateral type:** | | |
| Bonds | 142,502,503 | 130,194,132 |
| Others | 16,798,885 | 20,736,888 |
| **Subtotal** | **159,301,388** | **150,931,020** |
| **Analyzed by market:** | | |
| Stock exchanges | 40,565,997 | 34,514,477 |
| Interbank bond market | 114,511,449 | 109,833,148 |
| Over-the-counter | 4,223,942 | 6,583,395 |
| **Subtotal** | **159,301,388** | **150,931,020** |

## 41 Lease liabilities

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| Within 1 year | 290,440 | 273,090 |
| Within a period of more than 1 year but not more than 2 years | 210,736 | 212,155 |
| Within a period of more than 2 years but not more than 5 years | 152,831 | 298,423 |
| Within a period of more than 5 years | 284,219 | 122,904 |
| **Subtotal** | **938,226** | **906,572** |
| Less: Amount due for settlement within 1 year shown under current liabilities | (290,440) | (273,090) |
| Amount due for settlement after 12 months shown under non-current liabilities | 647,786 | 633,482 |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 42 Long-term borrowings due within one year

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| Unsecured bank borrowings | 547,170 | 555,624 |
| Interest accrued | 3,954 | 9,239 |
| **Total** | **551,124** | **564,863** |

As at June 30, 2025, the Group's long-term borrowings due within one year bore interest rates ranging from 1.927% to 2.753% (December 31, 2024: 5.731% to 5.793%) per annum.

## 43 Long-term borrowings

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| Unsecured bank borrowings | 2,996,506 | 3,024,422 |
| **Analyzed by maturity:** | | |
| 1 to 2 years | 652,836 | 463,020 |
| 2 to 5 years | 2,343,670 | 2,561,402 |
| **Total** | **2,996,506** | **3,024,422** |

As at June 30, 2025, the Group's long-term borrowings bore floating interest rates ranging from 1.774% to 5.421% (December 31, 2024: 5.297% to 5.731%) per annum.

(Expressed in thousands of Renminbi, unless otherwise stated)

## 44 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 June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| **Registered, issued and fully paid ordinary shares of RMB1 each:** | | |
| At the beginning and at the end of the period | | |
| – Domestic shares | 7,422,006 | 7,422,006 |
| – Foreign invested shares | 1,274,520 | 1,274,520 |
| **Total** | **8,696,526** | **8,696,526** |

## 45 Other equity instruments

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| Perpetual subordinated bonds | 15,900,000 | 15,000,000 |

The 2019 Annual General Meeting of Shareholders convened by the Company on 19 May 2020 passed the Proposal on the General Authorization of the Company's Debt Financing Instruments, and approved the Bond Issuance Plan and related matters at the 35th General Meeting of Presidents' Office held on October 25, 2021 within the scope of the authorization of the General Meeting of Shareholders and the Board of Directors.

On 26 January 2022, the China Securities Regulatory Commission issued the Approval of China Merchants Securities Co., Ltd. to Publicly Issue Perpetual Subordinated Corporate Bonds Registration to Professional Investors (CSRC Permit [2022] No. 222), agreeing to the Company's application for publicly issuing perpetual subordinate corporate bonds with a total face value of not more than RMB15 billion to professional investors.

On March 24, April 19, April 26 and June 8, 2022, the Company publicly issued the first, second, third and fourth tranche of 2022 perpetual subordinated bonds. The aggregate principal amount of which is RMB4,300,000,000, RMB4,700,000,000, RMB4,000,000,000 and 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% per annum.

## 45 Other equity instruments (continued)

The 28th meeting of the 7th Board of Directors convened by the Company on 24 March 2023 passed the Proposal on the General Authorization of the Company's Debt Financing Instruments and approved the Proposal on the General Authorization of the Company's Debt Financing Instruments held on June 30, 2023, within the 2022 Annual General Meeting of Shareholders.

On 19 March 2025, the China Securities Regulatory Commission issued the Approval of China Merchants Securities Co., Ltd. to Publicly Issue Perpetual Subordinated Corporate Bonds Registration to Professional Investors (CSRC Permit [2025] No. 529), agreeing to the Company's application for publicly issuing perpetual subordinate corporate bonds with a total face value of not more than RMB6 billion to professional investors.

On April 21, 2025, the Company publicly issued the first tranche of 2025 perpetual subordinated bond RMB900,000,000, respectively, with a cumulative issuance amount of RMB0.9 billion. And the interest rate of above perpetual subordinated bond is 2.21% per annum.

The Company shall have the right of redemption attached to the above bonds, and on the 5th and subsequent coupon payment days of the 2022 perpetual subordinated 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 for the current year as well as all interest and accreted interest already deferred resulting from exercising the option to defer interest payments, to the next payment date, without being subject to any limitation with respect to the number of deferrals. Of which, mandatory interest payment events are limited to profit distributions to ordinary shareholders of the Company from the issuer and reductions of registered capital.

The perpetual subordinated bonds in 2025 will have a pricing cycle of every 5 interest bearing years, setting with an issuer renewal option. At the end of each pricing cycle, the Company has the right to choose to extend the bond term by 1 pricing cycle (i.e. extending for 5 years) or fully redeem the bond; the Company also has the option to defer interest payments, except in the event of mandatory interest payments, so that at each interest payment date, the Company may choose to defer the interest payment for the current year as well as all interest and accreted interest already deferred resulting from exercising the option to defer interest payments, to the next payment date, without being subject to any limitation with respect to the number of deferrals. Of which, mandatory interest payment events are limited to profit distributions to ordinary shareholders of the Company from the issuer and reductions of registered capital.

The perpetual subordinated bonds issued by the Company are classified and presented as equity instruments in the consolidated statement of financial position.

(Expressed in thousands of Renminbi, unless otherwise stated)

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

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| At the beginning of the period/year | 1,445,336 | 183,476 |
| **Debt instruments at FVTOCI** | | |
| Net changes in fair value for the period/year | (243,152) | 1,916,505 |
| Reclassification to profit or loss | (624,554) | (704,149) |
| Income tax impact | 225,740 | (300,098) |
| **Expected credit losses of debt instruments at FVTOCI** | | |
| Net changes in profit or loss for ECL reclassification adjustment | 1,110 | 4,144 |
| Income tax impact | 459 | (823) |
| **Equity instruments at FVTOCI** | | |
| Net changes in fair value for the period/year | (254,575) | 472,908 |
| Transfer to retained profits | 284,062 | (85,955) |
| Income tax impact | (3,338) | (89,056) |
| **Share of other comprehensive income of associates** | | |
| Share of other comprehensive income that will be reclassified subsequently to profit or loss | (6,091) | 48,130 |
| Share of other comprehensive income that will not be reclassified subsequently to profit or loss | (295) | 254 |
| **At the end of the period/year** | **824,702** | **1,445,336** |

## 47 General reserves

General reserves includes 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 of June 30, 2025, and December 31, 2024, the accumulated surplus reserve has reached 50% of the Company's registered capital and therefore no further allocation is required for this period.

In accordance with the "Financial Rules for Financial Enterprises" (Order of the Ministry of Finance [2006] No.42) and the application guidance of Financial Rules for Financial Enterprises (Cai Jin [2007] No. 23) issued by the Ministry of Finance People's Republic of China ("MOF"), the Company, China Merchants Securities Asset Management Co., Ltd. and China Merchants Futures Co., Ltd. are required to appropriate 10% of net profit derived in accordance with the People's Republic of China Generally Accepted Accounting Principles ("PRC GAAP") before distribution to shareholders as general risk reserve from retained profits.

In accordance with the "Interim Measures for the Supervision and Administration of Risk Reserves of Publicly Offered Securities Investment Funds (CSRC Order No. 94)" and the requirements of the guidance of CSRC about regulating financial institutions in the asset management business for collective asset management business of securities (CSRC Announcement [2018] No. 39), the Company is required to appropriate 10% of its management fees and 2.5% of its custody fees earned from public offering products and large-size collective assets management business as general risk reserve.

The Company and China Merchants Securities Asset Management Co., Ltd. appropriate 10% of net profit derived in accordance with PRC GAAP before distribution to shareholders as transaction risk reserve from retained profits.

The movements of the general reserves are presented in this condensed consolidated statement of changes in equity for the six months ended June 30, 2025.

(Expressed in thousands of Renminbi, unless otherwise stated)

## 48 Bonds payables due within one year

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| Non-convertible bonds [(1)] | 31,881,728 | 37,580,948 |
| Subordinated bonds [(2)] | 8,198,242 | 2,899,629 |
| Income certificates | 4,492,435 | 3,779,463 |
| Interest accrued | 1,438,489 | 1,521,700 |
| **Total** | **46,010,894** | **45,781,740** |

**(1) The details of non-convertible bonds as at June 30, 2025 are as follows:**

| Name | Currency | Issue amount | Issue date | Maturity date | Coupon rate |
|---|---|---|---|---|---|
| 22CMG2 | CNY | 4,000,000 | 2022/07/26 | 2025/07/26 | 2.70% |
| 22CMG4 | CNY | 5,000,000 | 2022/08/11 | 2025/08/11 | 2.59% |
| 23CMG2 | CNY | 4,000,000 | 2023/04/17 | 2026/04/17 | 3.03% |
| 23CMG3 | CNY | 2,800,000 | 2023/04/25 | 2026/05/14 | 3.03% |
| 23CMG5 | CNY | 1,600,000 | 2023/07/13 | 2025/07/13 | 2.58% |
| 23CMG8 | CNY | 3,500,000 | 2023/07/24 | 2026/06/18 | 2.70% |
| 23CM13 | CNY | 2,000,000 | 2023/12/19 | 2025/12/19 | 2.81% |
| 24CMF1 | CNY | 1,000,000 | 2024/11/25 | 2026/06/25 | 2.12% |
| 24CMF4 | CNY | 5,000,000 | 2024/12/18 | 2025/12/19 | 1.73% |
| 24CMF5 | CNY | 3,000,000 | 2024/12/18 | 2026/01/08 | 1.73% |

**(2) The details of subordinated bonds as at June 30, 2025 are as follows:**

| Name | Currency | Issue amount | Issue date | Maturity date | Coupon rate |
|---|---|---|---|---|---|
| 23CMC1 | CNY | 1,400,000 | 2023/03/01 | 2025/09/11 | 3.45% |
| 23CMC2 | CNY | 800,000 | 2023/03/01 | 2026/03/01 | 3.55% |
| 23CMC4 | CNY | 1,700,000 | 2023/03/17 | 2026/03/17 | 3.40% |
| 23CMC6 | CNY | 3,300,000 | 2023/04/19 | 2026/04/19 | 3.30% |
| 23CMC7 | CNY | 1,000,000 | 2023/05/22 | 2026/05/22 | 3.13% |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 49 Bonds payables

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| Non-convertible bonds [(1)] | 35,559,818 | 46,834,710 |
| Subordinated bonds [(2)] | 15,087,963 | 21,883,352 |
| Income certificates | 67,055 | 471,503 |
| **Total** | **50,714,836** | **69,189,565** |

(1) **The details of non-convertible bonds as at June 30, 2025 are as follows:**

| Name | Currency | Issue amount | Issue date | Maturity date | Coupon rate |
|---|---|---|---|---|---|
| 21CM10 | CNY | 2,000,000 | 2021/08/12 | 2026/08/12 | 3.41% |
| 23CMG4 | CNY | 2,200,000 | 2023/04/25 | 2028/04/25 | 3.17% |
| 23CMG6 | CNY | 3,400,000 | 2023/07/13 | 2026/07/13 | 2.72% |
| 23CM10 | 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% |
| 23CM11 | CNY | 3,000,000 | 2023/11/24 | 2026/11/24 | 2.88% |
| 24CMG1 | CNY | 3,000,000 | 2024/01/18 | 2027/01/18 | 2.74% |
| 24CMG2 | CNY | 1,000,000 | 2024/07/01 | 2027/07/01 | 2.15% |
| 24CMG3 | CNY | 6,000,000 | 2024/07/01 | 2028/07/01 | 2.25% |
| 24CMG4 | CNY | 2,000,000 | 2024/10/18 | 2027/10/18 | 2.15% |
| 24CMF2 | CNY | 2,500,000 | 2024/11/25 | 2026/12/10 | 2.15% |
| 24CMF3 | CNY | 2,500,000 | 2024/11/25 | 2027/03/11 | 2.14% |
| 25CMK1 | CNY | 2,000,000 | 2025/05/13 | 2027/05/13 | 1.75% |
| 25CMK2 | CNY | 1,000,000 | 2025/05/13 | 2028/05/13 | 1.75% |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 49 Bonds payables (continued)

**(2) The details of subordinated bonds as at June 30, 2025 are as follows:**

| Name | Currency | Issue amount | Issue date | Maturity date | Coupon rate |
|---|---|---|---|---|---|
| 21CMC8 | CNY | 1,000,000 | 2021/11/11 | 2026/11/11 | 3.70% |
| 23CMC8 | CNY | 1,000,000 | 2023/05/22 | 2028/05/22 | 3.39% |
| 23CMC9 | CNY | 2,000,000 | 2023/10/30 | 2026/10/30 | 3.20% |
| 23CMC10 | CNY | 1,500,000 | 2023/10/30 | 2028/10/30 | 3.45% |
| 24CMC1 | CNY | 900,000 | 2024/03/20 | 2027/03/20 | 2.64% |
| 24CMC2 | CNY | 1,700,000 | 2024/03/20 | 2029/03/20 | 2.77% |
| 24CMC4 | CNY | 2,000,000 | 2024/04/19 | 2029/04/19 | 2.55% |
| 24CMC6 | CNY | 2,000,000 | 2024/06/27 | 2029/06/27 | 2.32% |
| 24CMC8 | CNY | 3,000,000 | 2024/08/08 | 2029/08/08 | 2.12% |

## 50 Dividends

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| Dividends recognized as distribution | 3,278,591 | 3,069,874 |
| Distribution to holders of other equity instruments | 592,130 | 572,240 |

Pursuant to a resolution of the shareholder's meeting held on June 26, 2025, the Company declared cash dividends of RMB3.77 (tax inclusive) for per 10 shares based on 8,696,526,806 shares held and the aggregate amount was RMB3,278,591 thousand for the year ended December 31, 2024.

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 (tax inclusive) 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 thousand.

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

## 51 Interests in consolidated structured entities

Structured entities consolidated by the Group include asset management schemes, limited partnership and investment funds where the Group involves as a manager or as an investor. The Group assesses whether, as a whole, 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 June 30, 2025, the Group consolidated 84 structured entities (December 31, 2024: 75). The total assets of the consolidated structured entities were RMB46,506,608 thousand (December 31, 2024: RMB39,373,414 thousand).

## 52 Interests in unconsolidated structured entities

The Group is principally involved in unconsolidated structured entities through 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 below:

### (1) Structured entities sponsored by the Group

Unconsolidated structured entities sponsored by the Group mainly include asset management schemes and limited partnership. 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 unconsolidated structured entities are mainly management and performance fees collected by the Group.

As at June 30, 2025, total assets of these unconsolidated structured entities managed by the Group amounted to RMB287,670,466 thousand (December 31, 2024: RMB323,334,960 thousand).

Fee income derived from these unconsolidated structured entities managed by the Group are detailed in note 4.

### (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 returns from managing assets on behalf of investors. These vehicles are financed through issue of units to investors.

(Expressed in thousands of Renminbi, unless otherwise stated)

## 52 Interests in unconsolidated structured entities (continued)

### (2) Structured entities sponsored by third party institutions (continued)

The carrying amount of these structured entities held by the Group in the condensed consolidated statement of financial position is the maximum exposure to the Group as at June 30, 2025 and December 31, 2024, which are listed below:

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| | Financial assets at fair value through profit or loss | |
| Funds | 42,370,524 | 37,266,371 |
| Wealth management products | 4,740,447 | 3,232,585 |
| Trust schemes | 32,779 | 681,104 |
| Others | 16,728,509 | 17,181,680 |
| **Total** | **63,872,259** | **58,361,740** |

## 53 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 June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| 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% |

## 53 Significant related party transactions (continued)

### (1) Relationship of related parties (continued)

#### *b Associates and joint ventures of the Group*

The details of the Group's associates and joint ventures is set out in note 18.

#### *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.

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 Investment Promotion Real Estate Management Co.,Ltd. | Fellow subsidiary of the de facto controller |
| Shenzhen Merchants Daojiahui Technology Co., Ltd.* | Fellow subsidiary of the de facto controller |
| China Merchants Real Estate (Shenzhen) Co., Ltd. | Fellow subsidiary of the de facto controller |
| Shenzhen Huiqin Property Management Co., Ltd.* | Fellow subsidiary of the de facto controller |
| Shengao Lande Environmental Protection Technology Group Co., Ltd. * | Significant influence by the de facto controller |
| China Everbright Bank Co., Ltd. (i) | Enterprises in which director serve each other |
| China Merchants Daojiahui Technology (Zhejiang) Co., Ltd.* | Fellow subsidiary of the de facto controller |
| CMB Wealth Management Co., Ltd. | Significant influence by the de facto controller |

(i) China Everbright Bank Co., Ltd. has been a related party of the Group since October 2024.

* English name translated is for identification purpose only.

(Expressed in thousands of Renminbi, unless otherwise stated)

## 53 Significant related party transactions (continued)

### (2) Related parties transaction and balances

*a* ***During the period, the Group's major transactions and balances with its associate are as follows***

Transactions between the Group and an associate:

| | Six months ended June 30 | |
|---|---|---|
| | **2025** | **2024** |
| | **(Unaudited)** | **(Unaudited)** |
| **Fee and commission income** | | |
| – Funds managed by Bosera Asset Management Co., Ltd. and China Merchants Fund Management Limited | 36,612 | 70,950 |

Balance between the Group and the associates:

| | As at June 30, 2025 | As at December 31, 2024 |
|---|---|---|
| | **(Unaudited)** | **(Audited)** |
| **Accounts and other receivables** | | |
| – Funds managed by Bosera Asset Management Co., Ltd. and China Merchants Fund Management Limited | 12,422 | 32,481 |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 53 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 below*

Transactions between the Group and other related parties:

| | Six months ended June 30 | |
|---|---|---|
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| **Fee and commission income** | | |
| – China Merchants Bank Co., Ltd. | 992 | 3,421 |
| **Interest income** | | |
| – China Merchants Bank Co., Ltd. | 281,668 | 212,391 |
| – China Everbright Bank Co., Ltd. | 26,329 | Not applicable |
| **Investment gains or losses, net** | | |
| – China Merchants Bank Co., Ltd. | 22,700 | 32,748 |
| – China Everbright Bank Co., Ltd. | 15,084 | Not applicable |
| **Other income and gains or losses, net** | | |
| – Shengao Lande Environmental Protection Technology Group Co., Ltd. * | 2,679 | 2,779 |
| **Fee and commission expenses** | | |
| – China Merchants Bank Co., Ltd. | 34,396 | 24,036 |
| **Interest expenses of placement and borrowings from banks** | | |
| – China Merchants Bank Co., Ltd. | 2,276 | 4,290 |
| – China Everbright Bank Co., Ltd. | 6,881 | Not applicable |
| **Other operating expenses** | | |
| – Shenzhen Investment Promotion Real Estate Management Co.,Ltd. | 16,565 | 15,540 |
| – Shenzhen Huiqin Property Management Co., Ltd.* | 17,366 | 14,477 |
| – Shenzhen Merchants Real Estate Co. Ltd.* | – | 5,773 |
| – China Merchants Bank Co., Ltd. | 6,819 | 165 |
| **Purchase of office supplies** | | |
| – Shenzhen Merchants Daojiahui Technology Co., Ltd.* | 6,615 | 8,376 |
| – China Merchants Daojiahui Technology (Zhejiang) Co., Ltd.* | 4,288 | – |
| **Interest expenses of lease liabilities** | | |
| – China Merchants Bank Co., Ltd. | 1,991 | 7,481 |
| **Interest expenses of repurchase agreements business** | | |
| – China Merchants Bank Co., Ltd. | 6,030 | 3,127 |
| – CMB Wealth Management Co., Ltd. | 3,794 | – |

* English name translated is for identification purpose only.

(Expressed in thousands of Renminbi, unless otherwise stated)

## 53 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 below (continued)*

The Group also has the following balances with its other related parties:

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| **Cash and bank balances** | | |
| – China Merchants Bank Co., Ltd. | 38,282,305 | 30,824,922 |
| – China Everbright Bank Co., Ltd. | 3,537,420 | 966,092 |
| **Bonds, securitizations, structured deposits and certificates of deposit** | | |
| – China Merchants Bank Co., Ltd. | 50,479 | 559,328 |
| – China Everbright Bank Co., Ltd. | 1,798,997 | 1,975,893 |
| **Short-term borrowings** | | |
| – China Merchants Bank Co., Ltd. | – | 371,395 |
| – China Everbright Bank Co., Ltd. | 457,595 | 461,597 |
| **Lease liabilities** | | |
| – China Merchants Bank Co., Ltd. | 235,374 | 248,466 |

* English name translated is for identification purpose only.

### (3) Key management personnel

As at June 30, 2025, the key management personnel compensation of the Group amounted to RMB4,981.9 thousand.

## 54 Segment information

### (1) Business segment

For management purposes, the Group's operating businesses are structured and managed separately according to the nature of their operations and 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:

a. 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;

b. Investment banking segment provides investment banking services to the Group's institutional clients, including financial advisory, equity underwriting, debt underwriting and sponsorship;

c. Investment management segment primarily engages in assets management, investing advisory and deal execution services. Moreover, investment income from private equity investment management and alternative investments are included in this segment.

d. Investment and trading segment engages in trading equity securities, fixed-income securities, derivatives, other financial products and market maker service and alternative investments; and

e. Others segment primarily includes head office operations, investment holding as well as interest income and 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.

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## 54 Segment information (continued)

### (1) Business segment (continued)

The operating and reportable segment information provided to the chief operating decision makers (hereinafter refer as "CODM") for the six months ended June 30, 2025 and 2024 is as follows:

| | Wealth management and institutional business | Investment banking | Investment management | Investment and trading | Others | Elimination | Total |
|---|---|---|---|---|---|---|---|
| **Unaudited** | | | | | | | |
| **For the six months ended June 30, 2025** | | | | | | | |
| **Segment revenue and results** | | | | | | | |
| – Segment revenue | 8,920,146 | 420,761 | 561,963 | 4,817,800 | 214,988 | (5,619) | 14,930,039 |
| – Segment other income and gains or losses, net | 2,062 | – | 543 | 138 | 146,612 | – | 149,355 |
| Segment total revenue, other income and gains | 8,922,208 | 420,761 | 562,506 | 4,817,938 | 361,600 | (5,619) | 15,079,394 |
| Segment expenses | (5,937,186) | (290,210) | (182,111) | (3,106,087) | (611,454) | 5,619 | (10,121,429) |
| Segment result | 2,985,022 | 130,551 | 380,395 | 1,711,851 | (249,854) | – | 4,957,965 |
| Share of results of associates and joint ventures | – | – | (921) | – | 726,865 | – | 725,944 |
| Profit before income tax | 2,985,022 | 130,551 | 379,474 | 1,711,851 | 477,011 | – | 5,683,909 |
| **Unaudited** | | | | | | | |
| **As at June 30, 2025** | | | | | | | |
| **Segment assets and liabilities** | | | | | | | |
| Segment assets | 254,253,170 | 606,218 | 9,863,049 | 383,567,346 | 31,016,735 | (6,446,736) | 672,859,782 |
| Segment liabilities | (200,917,940) | (430,555) | (3,793,745) | (326,334,688) | (16,357,094) | 6,446,736 | (541,387,286) |
| **For the six months ended June 30, 2025** | | | | | | | |
| **Other segment information** | | | | | | | |
| Amounts included in the measurement of segment profit or loss or segment assets: | | | | | | | |
| Interest income | 3,475,321 | 4,175 | 23,212 | 785,010 | 252,112 | (5,619) | 4,534,211 |
| Interest expenses | (1,607,779) | (3,703) | (34,962) | (2,259,201) | (4,166) | 5,619 | (3,904,192) |
| Capital expenditure | (87,252) | (2,847) | (5,720) | (2,348) | (9,644) | – | (107,811) |
| Depreciation and amortization | (230,716) | (29,588) | (7,185) | (19,110) | (161,909) | – | (448,508) |
| Impairment losses, net of reversal | 15,764 | – | 729 | (729) | – | – | 15,764 |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 54 Segment information (continued)

### (1) Business segment (continued)

| | Wealth management and institutional business | Investment banking | Investment management | Investment and trading | Others | Elimination | Total |
|---|---|---|---|---|---|---|---|
| **Unaudited** | | | | | | | |
| **For the six months ended June 30, 2024** | | | | | | | |
| **Segment revenue and results** | | | | | | | |
| – Segment revenue | 7,432,289 | 301,677 | 507,886 | 5,645,617 | 381,192 | (30,661) | 14,238,000 |
| – Segment other income and gains or losses, net | 507 | – | 6,108 | 2,177 | 115,602 | – | 124,394 |
| Segment total revenue, other income and gains | 7,432,796 | 301,677 | 513,994 | 5,647,794 | 496,794 | (30,661) | 14,362,394 |
| Segment expenses | (5,478,459) | (314,380) | (190,735) | (3,503,249) | (689,341) | 30,661 | (10,145,503) |
| Segment result | 1,954,337 | (12,703) | 323,259 | 2,144,545 | (192,547) | – | 4,216,891 |
| Share of results of associates and joint ventures | – | – | – | – | 751,389 | – | 751,389 |
| Profit before income tax | 1,954,337 | (12,703) | 323,259 | 2,144,545 | 558,842 | – | 4,968,280 |
| **Unaudited** | | | | | | | |
| **As at June 30, 2024** | | | | | | | |
| **Segment assets and liabilities** | | | | | | | |
| Segment assets | 204,242,645 | 599,985 | 10,035,383 | 399,116,283 | 31,247,854 | (6,112,623) | 639,129,527 |
| Segment liabilities | (160,197,526) | (464,831) | (2,804,872) | (344,514,883) | (12,730,549) | 6,112,623 | (514,600,038) |
| **For the six months ended June 30, 2024** | | | | | | | |
| **Other segment information** | | | | | | | |
| Amounts included in the segment profit or loss or segment assets: | | | | | | | |
| Interest income | 3,632,728 | – | 34,773 | 1,013,829 | 381,193 | (30,661) | 5,031,862 |
| Interest expenses | (1,983,060) | (5,976) | (24,585) | (2,575,328) | (6,541) | 30,661 | (4,564,829) |
| Capital expenditure | (120,568) | (3,364) | (112) | (2,609) | (32,900) | – | (159,553) |
| Depreciation and amortization | (223,209) | (30,299) | (7,860) | (17,847) | (143,060) | – | (422,275) |
| Impairment losses, net of reversal | (33,513) | – | 454 | (4,633) | – | – | (37,692) |

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## 54 Segment information (continued)

### (2) Geographical information

The Group has two major geographical operations in the PRC, namely Mainland China and Hong Kong, where the Group's revenue is 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, 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 six months ended June 30, 2025 (Unaudited)** | | | |
| **Segment revenue and results** | | | |
| Revenue | 13,886,085 | 1,043,954 | 14,930,039 |
| Other income and gains or losses, net | 201,343 | (51,988) | 149,355 |
| **Total** | **14,087,428** | **991,966** | **15,079,394** |
| **For the six months ended June 30, 2024 (Unaudited)** | | | |
| **Segment revenue and results** | | | |
| Revenue | 13,157,306 | 1,080,694 | 14,238,000 |
| Other income and gains or losses, net | 156,526 | (32,132) | 124,394 |
| **Total** | **13,313,832** | **1,048,562** | **14,362,394** |

*Specified non-current assets*

| | Mainland China | Outside Mainland China | Total |
|---|---|---|---|
| **As at June 30, 2025 (Unaudited)** | | | |
| Specified non-current assets | 16,289,701 | 158,827 | 16,448,528 |
| **As at December 31, 2024 (Audited)** | | | |
| Specified non-current assets | 16,426,292 | 160,164 | 16,586,456 |

## 54 Segment information (continued)

### (3) Information about major customers

There were no customers for each of the six months period ended June 30, 2025 and 2024 contributed over 10% of the total revenue of the Group.

## 55 Financial risk management

### (1) Risk management structure

Since its establishment, the Group has been developing an all-around, deep in the business, forward-looking, holistic, effective and fit-for-purpose risk management system that aligns with its overall development strategy. 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.

The overall risk management duties of the five levels in the risk management organization structure are as follows:

(i) the Board of Directors and the Risk Management Committee are responsible for considering and approving the Company's 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.

## 55 Financial risk management (continued)

### (1) Risk management structure (continued)

(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 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.

### (2) Credit risk

The Group's exposure to credit risk represents the Group's 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.

## 55 Financial risk management (continued)

### (2) Credit risk (continued)

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 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. Regarding 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.

***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.

## 55 Financial risk management (continued)

### (2) Credit risk (continued)

***Expected credit loss (ECL) measurement (continued)***

- 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, or where the customer's credit rating has deteriorated but the principals are not yet 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.

- 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, or where the customer's credit rating has deteriorated but the principals are not yet due, 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.

## 55 Financial risk management (continued)

### (2) Credit risk (continued)

***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.

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, 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.

PD will be adjusted in light of the specific situation of bonds and determined after having incorporated adjustment factors and duration of specific bonds. The adjustment factors in respect of bonds depend on different industries, specific bonds and risk mitigation measures, which will be adjusted based on different situations or changes. The duration of specific bonds should be appropriately recognized in accordance with an applicable accounting standard or determined based on the residual term of contract if it cannot be reliably estimated.

LGD is estimated based on historical data.

Corresponding loss rates for the Group's credit business under the 3 stages were as follows:

Stage 1: According to the margin maintenance ratio, concentration and conditions of restrictions on trading, the loss rates on advances to customers range from 0.0018% to 2.6514% (2024: 0.0018% to 2.6514%), the loss rates on financial assets under resale agreements range from 0.1032% to 5.2298% (2024: 0.1032% to 5.2298%).

Stage 2 and Stage 3: Loss rate is determined based on the estimated future cash flows associated with the financial assets.

## 55 Financial risk management (continued)

### (2) Credit risk (continued)

***SICR***

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.

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;
- 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;
- If overdue for more than 30 days, unless there is reasonable evidence that the credit risk has not significantly increased;
- Other significant important events identified by the Group.

In addition, in view of the financial assets under resale agreements, the Group considers that if collateral coverage ratio is lower than the forced liquidation thresholds or with overdue interest, it indicates that its credit risk has significantly increased. While the Group would fully consider the financing entity's credit status, contract period, the industry of the collateral, liquidity, restriction on sales, concentration, volatility, performance protection and issuer's operation performance factors, and then establishes different warning lines and forced liquidation thresholds for different financing entities.

(Expressed in thousands of Renminbi, unless otherwise stated)

## 55 Financial risk management (continued)

### (2) Credit risk (continued)

*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:

*a* ***Maximum credit risk exposure***

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| Financial assets at FVTPL (i) | 171,638,214 | 186,588,076 |
| Derivative financial assets | 1,585,711 | 4,647,396 |
| Advances to customers | 95,315,235 | 95,572,702 |
| Financial assets held under resale agreements | 24,832,431 | 31,845,120 |
| Accounts and other receivables | 6,395,968 | 6,412,013 |
| Deposits with exchanges and non-bank financial institutions | 14,663,885 | 13,113,733 |
| Clearing settlement funds | 22,753,769 | 33,232,276 |
| Cash and bank balances | 129,611,331 | 144,322,270 |
| Debt instruments at amortized cost | – | 1,380,138 |
| Debt instruments at FVTOCI | 63,154,568 | 68,351,202 |
| Equity instruments at FVTOCI (ii) | 12 | 12 |
| Other non-current assets | 118,858 | 118,883 |
| Other current assets | 312,015 | 337,093 |
| **Maximum credit risk exposure** | **530,381,997** | **585,920,914** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 55 Financial risk management (continued)

### (2) Credit risk (continued)

#### *a Maximum credit risk exposure (continued)*

(i) Financial assets at fair value through profit or loss represent the investments 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.

#### *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 June 30, 2025 (Unaudited) | | |
|---|---|---|---|
| | **Mainland China** | **Outside Mainland China** | **Total** |
| Financial assets at FVTPL | 167,696,352 | 3,941,862 | 171,638,214 |
| Derivative financial assets | 1,282,285 | 303,426 | 1,585,711 |
| Advances to customers | 92,353,885 | 2,961,350 | 95,315,235 |
| Financial assets held under resale agreements | 24,832,431 | – | 24,832,431 |
| Accounts and other receivables | 2,039,960 | 4,356,008 | 6,395,968 |
| Deposits with exchanges and non-bank financial institutions | 14,401,500 | 262,385 | 14,663,885 |
| Clearing settlement funds | 22,322,631 | 431,138 | 22,753,769 |
| Cash and bank balances | 115,304,207 | 14,307,124 | 129,611,331 |
| Debt instruments at FVTOCI | 59,248,654 | 3,905,914 | 63,154,568 |
| Equity instruments at FVTOCI | 12 | – | 12 |
| Other non-current assets | 109,759 | 9,099 | 118,858 |
| Other current assets | 308,195 | 3,820 | 312,015 |
| **Maximum credit risk exposure** | **499,899,871** | **30,482,126** | **530,381,997** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 55 Financial risk management (continued)

### (2) Credit risk (continued)

*b Risk concentration (continued)*

| | As at December 31, 2024 (Audited) | | |
|---|---|---|---|
| | 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** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 55 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 June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| **Rating** | | |
| **Issuers in Mainland China** | | |
| – PRC sovereign bonds (i) | 157,475,440 | 163,729,615 |
| – AAA | 91,180,242 | 109,600,570 |
| – AA+ | 3,810,778 | 5,095,035 |
| – AA | 1,186,696 | 650,577 |
| – AA– | 63,909 | 2 |
| – AA- below | 2,919 | 1,533 |
| – A-1 | – | – |
| – Non-rated | 60,941 | 75,576 |
| Subtotal | 253,780,925 | 279,152,908 |
| **Issuers in Hong Kong and other regions (ii)** | | |
| – PRC sovereign bonds (i) | 552 | 147,079 |
| – A | 3,295,358 | 6,819,123 |
| – B | 3,735,863 | 2,634,351 |
| – Non-rated | 144,663 | 145,591 |
| Subtotal | 7,176,436 | 9,746,144 |
| **Total** | **260,957,361** | **288,899,052** |

## 55 Financial risk management (continued)

### (2) Credit risk (continued)

#### *c Credit rating analysis of financial assets (continued)*

(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 bonds rated Baa1~B3 by Moody, BBB+~B- by S&P and BBB+~B- by Fitch; C rating are 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.

### (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.

(Expressed in thousands of Renminbi, unless otherwise stated)

## 55 Financial risk management (continued)

### (3) Liquidity risk (continued)

#### *b Undiscounted cash flows by contractual maturities*

| | At June 30, 2025 (Unaudited) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 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 | 11,954,646 | – | 4,128,318 | 2,425,710 | 2,488,939 | 3,130,221 | – | 12,173,188 |
| Short-term debt instruments | 44,686,030 | – | 3,761,835 | 8,160,563 | 33,145,360 | – | – | 45,067,758 |
| Placements from banks and other financial institutions | 11,113,735 | 16,109 | 10,510,048 | – | 601,720 | – | – | 11,127,877 |
| Bonds payables | 96,725,730 | – | 6,193,777 | 6,826,092 | 34,141,152 | 53,128,004 | – | 100,289,025 |
| Financial assets sold under repurchase agreements | 159,301,388 | – | 154,081,789 | 1,614,672 | 4,008,221 | – | – | 159,704,682 |
| Financial liabilities at fair value through profit or loss | 40,517,617 | 39,205,396 | – | – | 608 | 29,599 | 1,282,014 | 40,517,617 |
| Accounts payables to brokerage clients | 133,034,108 | 133,034,108 | – | – | – | – | – | 133,034,108 |
| Other payables and accrued charges | 31,553,419 | 31,553,419 | – | – | – | – | – | 31,553,419 |
| Lease liabilities | 938,226 | – | 30,139 | 59,481 | 218,213 | 561,491 | 115,736 | 985,060 |
| Subtotal | 529,824,899 | 203,809,032 | 178,705,906 | 19,086,518 | 74,604,213 | 56,849,315 | 1,397,750 | 534,452,734 |
| Derivative financial liabilities – net settlement | 3,858,253 | 499,389 | 336,197 | 676,119 | 1,465,290 | 881,258 | – | 3,858,253 |
| **Total** | **533,683,152** | **204,308,421** | **179,042,103** | **19,762,637** | **76,069,503** | **57,730,573** | **1,397,750** | **538,310,987** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 55 Financial risk management (continued)

### (3) Liquidity risk (continued)

#### *b Undiscounted cash flows by contractual maturities (continued)*

| | At December 31, 2024 (Audited) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 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 |
| Subtotal | 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** |

## 55 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, 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, forward 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. Risk Management Department also communicates directly with the business unit/line team on an ongoing basis to discuss the latest market conditions, current risk exposures, and possible extreme stress scenarios.

(Expressed in thousands of Renminbi, unless otherwise stated)

## 55 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:

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| Market risk of equity price | 96,984 | 96,371 |
| Market risk of interest rate | 102,279 | 100,898 |
| Market risk of commodity price | 17,838 | 11,013 |
| Market risk of foreign exchange | 2,616 | 213 |
| **Total portfolio** | **142,894** | **141,169** |

#### *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.

(Expressed in thousands of Renminbi, unless otherwise stated)

## 55 Financial risk management (continued)

### (4) Market risk (continued)

#### c *Interest rate risk (continued)*

| | At June 30, 2025 (Unaudited) | | | | | | |
|---|---|---|---|---|---|---|---|
| | 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- interest bearing | Total |
| **Financial assets** | | | | | | | |
| Equity instruments at fair value through other comprehensive income | – | – | – | – | – | 33,427,862 | 33,427,862 |
| Debt instruments at fair value through other comprehensive income | 191,499 | 315,856 | 7,812,225 | 45,496,607 | 9,338,381 | – | 63,154,568 |
| Financial assets at fair value through profit or loss | 1,394,127 | 2,867,424 | 24,001,890 | 102,316,743 | 40,359,561 | 92,691,816 | 263,631,561 |
| Derivative financial assets | 828 | 6,398 | 714 | – | – | 1,577,771 | 1,585,711 |
| Advances to customers | 7,539,584 | 19,088,295 | 68,687,356 | – | – | – | 95,315,235 |
| Financial assets held under resale agreements | 10,816,434 | 2,329,789 | 11,017,483 | 668,725 | – | – | 24,832,431 |
| Accounts and other receivables | – | – | 4,183 | – | – | 6,424,660 | 6,428,843 |
| Other non-current assets | – | – | – | 17,584 | 19,099 | 49,299 | 85,982 |
| Deposits with exchanges and non-bank financial institutions | 4,237,990 | – | – | – | – | 10,425,895 | 14,663,885 |
| Clearing settlement funds | 22,751,369 | – | – | – | – | 2,400 | 22,753,769 |
| Cash and bank balances | 126,361,649 | 2,517,951 | 731,731 | – | – | – | 129,611,331 |
| **Subtotal** | **173,293,480** | **27,125,713** | **112,255,582** | **148,499,659** | **49,717,041** | **144,599,703** | **655,491,178** |
| **Financial liabilities** | | | | | | | |
| Borrowings | 4,100,277 | 2,479,560 | 2,378,303 | 2,996,506 | – | – | 11,954,646 |
| Short-term debt instruments | 3,703,260 | 8,031,940 | 32,623,126 | – | – | 327,704 | 44,686,030 |
| Placements from banks and other financial institutions | 10,541,047 | – | 572,688 | – | – | – | 11,113,735 |
| Bonds payables | 5,695,430 | 6,400,000 | 32,329,450 | 50,700,000 | – | 1,600,850 | 96,725,730 |
| Financial assets sold under repurchase agreements | 153,757,868 | 1,614,672 | 3,928,848 | – | – | – | 159,301,388 |
| Derivative financial liabilities | 2,659 | 153 | 44,041 | – | – | 3,811,400 | 3,858,253 |
| Financial liabilities at fair value through profit or loss | 34,584,653 | – | – | – | – | 5,932,964 | 40,517,617 |
| Accounts payables to brokerage clients | 118,345,839 | – | – | – | – | 14,688,269 | 133,034,108 |
| Other payables and accrued charges | – | – | – | – | – | 31,553,419 | 31,553,419 |
| Lease liabilities | 28,382 | 56,156 | 205,902 | 534,827 | 112,959 | – | 938,226 |
| **Subtotal** | **330,759,415** | **18,582,481** | **72,082,358** | **54,231,333** | **112,959** | **57,914,606** | **533,683,152** |
| **Net position** | **(157,465,935)** | **8,543,232** | **40,173,224** | **94,268,326** | **49,604,082** | **86,685,097** | **121,808,026** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 55 Financial risk management (continued)

### (4) Market risk (continued)

#### c *Interest rate risk (continued)*

| | At December 31, 2024 (Audited) | | | | | | |
|---|---|---|---|---|---|---|---|
| | 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- interest bearing | Total |
| **Financial assets** | | | | | | | |
| Equity instruments at fair value through other comprehensive income | – | – | – | – | – | 38,980,021 | 38,980,021 |
| Debt instruments at fair value through other comprehensive income | 113,968 | 477,826 | 7,861,704 | 48,645,441 | 11,252,263 | – | 68,351,202 |
| Financial assets at fair value through profit or loss | 527,180 | 2,031,407 | 36,531,050 | 112,328,379 | 33,795,837 | 80,249,869 | 265,463,722 |
| Derivative financial assets | – | 8,014 | 13,507 | – | – | 4,625,875 | 4,647,396 |
| Advances to customers | 6,958,454 | 10,696,494 | 77,917,754 | – | – | – | 95,572,702 |
| Financial assets held under resale agreements | 19,075,700 | 1,274,448 | 10,886,786 | 608,186 | – | – | 31,845,120 |
| Debt instruments at amortized cost | 215,568 | 987,555 | 177,015 | – | – | – | 1,380,138 |
| Accounts and other receivables | – | – | 4,183 | – | – | 6,427,690 | 6,431,873 |
| Other non-current assets | – | – | – | 17,584 | 19,099 | 62,341 | 99,024 |
| Deposits with exchanges and non-bank financial institutions | 4,003,923 | – | – | – | – | 9,109,810 | 13,113,733 |
| Clearing settlement funds | 33,231,178 | – | – | – | – | 1,098 | 33,232,276 |
| Cash and bank balances | 140,263,951 | 4,013,460 | 44,859 | – | – | – | 144,322,270 |
| **Subtotal** | **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 |
| **Subtotal** | **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** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 55 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 to profit**

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| **Change in basis points** | | |
| Increase by 100bps | (4,541,638) | (2,795,865) |
| Decrease by 100bps | 4,800,682 | 2,744,396 |

**Sensitivity to equity**

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| **Change in basis points** | | |
| Increase by 100bps | (6,371,588) | (5,052,542) |
| Decrease by 100bps | 6,743,996 | 5,158,117 |

## 55 Financial risk management (continued)

### (4) Market risk (continued)

#### *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.

**Sensitivity analysis of exchange rate**

| | As at June 30, 2025 (Unaudited) | As at December 31, 2024 (Audited) |
|---|---|---|
| **Change in exchange rate** | | |
| Depreciation of USD by 3% | (14,910) | (68,640) |
| Depreciation of HKD by 3% | 76,710 | (43,700) |

The table above indicates the impacts on the equity of a depreciation of 3% in USD and HKD against Renminbi. There will be an opposite impact with the same amount as shown in the above table if the above exchange rates appreciate by the same percentage.

### (5) Operational risk

The Group's operational risks arise from imperfect or problematic internal processes, people and systems or external events. The operational risk factors of the Group are summarized into seven categories, including: internal fraud, external fraud, employee policies and workplace safety, clients, products and business activities, physical property damage, business interruption and IT system failures, execution, settlement and process management.

The Group emphasize balance of business scale, profitability and risk tolerance level, adhering to carrying out various operations with prudence, and will not sacrifice operational risk management and controls. During the current interim period, 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, self-assessment of operational risk control, operational risk key risk indicators and 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.

## 56 Fair value of financial instruments

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: Inputs are quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

### (1) Fair value of the financial assets and financial liabilities that are not measured on a recurring basis

The fair value of financial assets and financial liabilities not measured at fair value on a recurring basis is estimated using discounted cash flow method.

The directors of the Company consider that the carrying amounts of the financial assets and financial liabilities not measured at fair value on a recurring basis (including financial liabilities included in the condensed consolidated statement of financial position of the Group at amortized cost) approximate their fair values as of June 30, 2025 and December 31, 2024.

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

The Group will use financial instruments, such as stocks, bonds and funds listed in the centralised trading system, whose unadjusted quoted prices in active markets are observable at the measurement date for identical assets or liabilities, as items for fair value measurement categorised within Level 1, and the fair value is determined by the closing price or settlement price published by related trading venue or clearing institution. Active markets are markets where the transaction volume and frequency of relevant assets or liabilities are sufficient to persistently provide pricing information.

For recurring fair value measurements categorised within Level 2, debt instruments whose value is available on quotation of related bond depository and clearing institution on the valuation date is measured using the latest valuation results published by related bond depository and clearing institution. For debt instruments, equity instruments and structured entities whose value is not available in public market, the fair value is determined by valuation technique. The inputs of those valuation techniques include but not limited to yield curve, investee's market price, and pre-suspension price, which are all observable. For derivative financial assets and liabilities, the fair value is determined by various valuation techniques. The fair value of interest rate swaps, foreign exchange contracts, and credit swaps is determined by discounting future cash flows using forward interest rates, exchange rates, or discounting rates. The fair value of equity swaps and commodity swaps is determined by using the publicly quoted prices in the relevant market. The fair value of options business is determined through the option pricing model, and the volatility of the underlying reflects the observable input value of the corresponding option.

(Expressed in thousands of Renminbi, unless otherwise stated)

## 56 Fair value of financial instruments (continued)

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

The fair value hierarchy, valuation techniques and input used in the fair value measurements of Level 3 financial instruments are as set out below

| Financial assets/ financial liabilities | Fair value as at June 30, 2025 (Unaudited) | Fair value as at December 31, 2024 (Audited) | Fair value hierarchy | Valuation technique(s) and key input(s) | Significant unobservable inputs | Relationship of unobservable input to fair value |
|---|---|---|---|---|---|---|
| **1) Financial assets at fair value through profit or loss** | | | | | | |
| **Debt securities** | | | | | | |
| – Bonds with no active market | 1,037 | 127,038 | Level 3 | Discounted cash flow method. Estimated cash flows discounted at unobservable yield curve reflecting credit risk of counterparties. | Estimated future cash flows. Discount rates that reflect the risks of counterparties. | The higher the estimated future cash flows, the higher the fair value. The lower the discount rate, the higher the fair value. |
| **Equity investments** | | | | | | |
| – Traded on stock exchanges (restricted) | 319,465 | 293,186 | Level 3 | Market prices adjusted by option pricing model for liquidity. | Liquidity discount. | The higher the discount, the lower the fair value. |
| – Traded on stock exchanges (delisted and long-term suspended) | 389 | – | Level 3 | Adjusted net asset value of the investee company. | The fair value of underlying assets/Liquidity discount. | The higher the underlying assets valuation, the higher the fair value.The higher the discount, the lower the fair value. |
| – Unlisted Equity | 100,000 | 101,749 | Level 3 | Net asset value based on the fair value of the underlying investments. | The fair value of underlying assets. | The higher the underlying assets valuation, the higher the fair value. |
| – Unlisted Equity | 1,332,505 | 422,170 | Level 3 | Comparable companies valuation, adjusted by liquidity discount. | Valuation multiples e.g. P/E or P/B./Liquidity discount. | The higher the valuation multiples, the higher the fair value.The higher the discount, the lower the fair value. |
| – Unlisted Equity | 36,102 | 336,945 | Level 3 | Discounted cash flow method. Estimated cash flows discounted at unobservable yield curve reflecting credit risk of counterparties. | Estimated future cash flows. Discount rates that reflect the risks of counterparties. | The higher the estimated future cash flows, the higher the fair value. The lower the discount rate, the higher the fair value. |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 56 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 June 30, 2025 (Unaudited) | Fair value as at December 31, 2024 (Audited) | Fair value hierarchy | Valuation technique(s) and key input(s) | Significant unobservable inputs | Relationship of unobservable input to fair value |
|---|---|---|---|---|---|---|
| **1) Financial assets at fair value through profit or loss (continued)** | | | | | | |
| – Unlisted Equity | 2,446,888 | 2,369,683 | Level 3 | Latest transaction price adjusted by option pricing model for liquidity. | Latest transactions prices adjusted by differences in rights of equity interest holders using option pricing models. Historical volatilities. | The higher the historical volatilities, the higher the fair value |
| **Funds** | | | | | | |
| – Traded on stock exchanges (restricted) | 59,520 | 26,816 | Level 3 | Market prices adjusted by option pricing model for liquidity. | Liquidity discount. | The higher the discount, the lower the fair value. |
| **Other investments** | | | | | | |
| – Partnership enterprise | 5,222,490 | 6,577,653 | Level 3 | Comparable companies valuation, adjusted by liquidity discount. | Valuation multiples e.g. P/E or P/B./Liquidity discount. | The higher the valuation multiples, the higher the fair value.The higher the discount, the lower the fair value. |
| **2) Equity instruments at fair value through other comprehensive income** | | | | | | |
| **Equity investments** | | | | | | |
| – Traded on stock exchanges (delisted and long-term suspended) | 7 | – | Level 3 | Adjusted net asset value of the investee company. | The fair value of underlying assets/Liquidity discount. | The higher the underlying assets valuation, the higher the fair value; the higher the discount, the lower the fair value. |
| – Others | 1,400 | 1,400 | Level 3 | Market approach | Liquidity discount. | The higher the discount, the lower the fair value. |
| – Traded on stock exchanges (restricted) | 193,580 | 88,345 | Level 3 | Market prices adjusted by option pricing model for liquidity. | Liquidity discount. | The higher the discount, the lower the fair value. |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 56 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 June 30, 2025 (Unaudited) | Fair value as at December 31, 2024 (Audited) | Fair value hierarchy | Valuation technique(s) and key input(s) | Significant unobservable inputs | Relationship of unobservable input to fair value |
|---|---|---|---|---|---|---|
| **3) Derivative financial instruments** | | | | | | |
| – Over-the-counter option – assets | 109,953 | 757,111 | Level 3 | Option pricing model. | Historical volatility of the share prices of the securities. | The higher the historical volatility, the higher the fair value. |
| – Over-the-counter option – liabilities | 910,061 | 717,851 | Level 3 | Option pricing model. | Historical volatility of the share prices of the securities. | The higher the historical volatility, the higher the fair value. |
| – Credit default swap – assets | 10 | 333 | Level 3 | Discounted cash flows with future cash flows that are estimated based on the difference of agreed return and expected market return. | The agreed return rate. | The higher the agreed return rate, the higher the fair value. |
| – Credit default swap – liabilities | – | 11 | Level 3 | Discounted cash flows with future cash flows that are estimated based on the difference of agreed return and expected market return. | The agreed return rate. | The higher the agreed return rate, the higher the fair value. |
| – Bond forward contracts – liabilities | 420 | 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. |
| **4) Financial liabilities at fair value through profit or loss** | | | | | | |
| – Income right | 65,573 | 67,914 | Level 3 | Net asset value based on the fair value of the underlying investments. | The fair value of underlying assets. | The higher the underlying assets valuation, the higher the fair value. |

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

(Expressed in thousands of Renminbi, unless otherwise stated)

## 56 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 current interim period and at December 31, 2024, by level in the fair value hierarchy into which the fair value measurement is categorized as follows:

| | As at June 30, 2025 (Unaudited) | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial assets** | | | | |
| Financial assets at fair value through profit or loss | 37,921,455 | 216,191,710 | 9,518,396 | 263,631,561 |
| – Debt securities | 480,442 | 170,459,304 | 1,037 | 170,940,783 |
| – Equity investments | 26,353,063 | 155,924 | 4,235,349 | 30,744,336 |
| – Funds | 11,087,950 | 33,328,382 | 59,520 | 44,475,852 |
| – Others | – | 12,248,100 | 5,222,490 | 17,470,590 |
| Derivative financial assets | 733,790 | 741,958 | 109,963 | 1,585,711 |
| Debt instruments at fair value through other comprehensive income | – | 63,154,568 | – | 63,154,568 |
| Equity instruments at fair value through other comprehensive income | 5,410,073 | 27,822,802 | 194,987 | 33,427,862 |
| **Subtotal** | **44,065,318** | **307,911,038** | **9,823,346** | **361,799,702** |
| **Financial liabilities** | | | | |
| Financial liabilities at fair value through profit or loss | 1,450,073 | 39,001,971 | 65,573 | 40,517,617 |
| Derivative financial liabilities | 1,052,058 | 1,895,714 | 910,481 | 3,858,253 |
| **Subtotal** | **2,502,131** | **40,897,685** | **976,054** | **44,375,870** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 56 Fair value of financial instruments (continued)

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

| | As at December 31, 2024 (Audited) | | | |
|---|---|---|---|---|
| | **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 |
| **Subtotal** | **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 |
| **Subtotal** | **1,883,720** | **56,197,851** | **786,060** | **58,867,631** |

(Expressed in thousands of Renminbi, unless otherwise stated)

## 56 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 (Unaudited) | Financial liabilities (Unaudited) |
|---|---|---|
| As at January 1, 2025 | 11,102,429 | 786,060 |
| Gain or losses for the period | (954,265) | 142,057 |
| Additions | 519,813 | 493,953 |
| Sales and settlements | (878,893) | (446,016) |
| Transfers into Level 3 | 34,362 | – |
| Transfers out Level 3 | (100) | – |
| **As at June 30, 2025** | **9,823,346** | **976,054** |
| Total gains or losses for the period included in profit or loss for assets/liabilities held at the end of the reporting period | (1,127,572) | 129,647 |

| | Financial assets (Audited) | Financial liabilities (Audited) |
|---|---|---|
| As at January 1, 2024 | 13,756,254 | 1,041,697 |
| Gain 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) |

## 56 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)***

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 first half year of 2025 and the year of 2024, the Group had equity investments that were transferred from Level 3 to Level 1, because these investments had been regained liquidity and their fair values were determined based on an active market. In addition, there were also some investments that were transferred between Level 2 and Level 3 in the first half of 2025. The reason for transfers from Level 2 to Level 3 was that the valuation technique had changed to valuation technique based on significant unobservable inputs used for these investments.

## 57 Events after the reporting period

### (1) Bond issue

On July 14, 2025, the Company publicly issued the second tranche of perpetual subordinated bonds to professional investors. This bond is named as "25 China Merchants Securities Y2" (25招證Y2), the aggregate principal amount of which is RMB1.1 billion, and the interest rate is 2.05% per annum. This bond is repriced every 5 interest-accruing years, and at the end of the repricing cycle, the Company has the option to extend the bonds for another repricing cycle (another five years) or redeem them in full.

On July 24, 2025, the Company publicly issued the fourth tranche of short-term corporate bonds to professional investors. Type I is named as "25 China Merchants Securities S9"(25招證S9), the aggregate principal amount of which is RMB6.45 billion, its duration is 202 days, and the interest rate is 1.62% per annum. Type II is named as "25 China Merchants Securities S10"(25招S10), the aggregate principal amount of which is RMB1.05 billion, its duration is 357 days, and the interest rate is 1.62% per annum.

On August 15, 2025, the Company publicly issued the fourth tranche of short-term corporate bonds to professional investors (reopened bond). Type II is named as "25 China Merchants Securities S10" (25招S10), the aggregate principal amount of which is RMB6 billion, its issue price is RMB100.051.

On August 21, 2025, the Company publicly issued the fifth tranche of short-term corporate bonds to professional investors. Type I is named as "25 China Merchants Securities S11" (25招S11), the aggregate principal amount of which is RMB1.6 billion, its duration is 141 days, and the interest rate is 1.68% per annum. Type II is named as "25 China Merchants Securities S12" (25招S12), the aggregate principal amount of which is RMB3.4 billion, its duration is 350 days, and the interest rate is 1.75% per annum.

On August 27, 2025, the Company completed the BookBuilding progress for the public issuing of the first tranche of corporate bonds to professional investors, with a maximum issuance size of RMB10 billion (inclusive). Type I is named as "25 China Merchants Securities G1" (25招證G1), its duration is 378 days, and the interest rate is 1.75% per annum. Type II is named as "25 China Merchants Securities G2" (25招證G2), its duration is 3 years, and the interest rate is 1.92% per annum.

## 57 Events after the reporting period (continued)

### (2) Profit distribution

The Group's 2024 Annual General Meeting authorized the Board of Directors to determine the 2025 interim profit distribution plan, which is based on the Company's profitability and capital requirements and subject to the following relevant conditions: (i) the dividend cap the interim period of the 2025 shall not exceed the 2024 interim dividends; and (ii) the dividend payout ratio shall not exceed 40% of the net profit attributable to the Company's shareholders for the corresponding period. The 2025 interim profit distribution plan has been considered approved by the 22nd meeting of the 8th Board of Directors on August 28, 2025. The Company has proposed a cash dividend of RMB1.19 (tax inclusive) for every 10 shares to be distributed to all shareholders, based on the total share capital registered on the equity record date for equity distribution. No bonus shares will be distributed; and no capital reserve will be converted to share capital.

## 58 Capital commitments and contingencies

### (1) Capital commitment

As of June 30, 2025, the Group did not have securities underwriting commitments that had been contracted but not disbursed, and investments associates of RMB186,839 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 June 30, 2025, the Company had paid a total of RMB286 million in compensation to 7,830 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, the 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, the Company received the acceptance notice (Case No. (2024) Hu 74 Min Chu No. 942) from the Shanghai Financial Court.

In addition, in October 2024, China Security has initiated legal proceedings against the Company, asserting that the Company failed to fulfill its responsibilities as a financial advisor with due diligence and care as stipulated in the relevant agreements and demanded that the company compensate it for the relevant losses totaling RMB1.5 billion. The case was brought to trial in June 2025 and the first-instance judgment has not yet been rendered as the date of issuance of this report. 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 June 30, 2025, the Company has not made any provisions for estimated liabilities in respect of the above-mentioned lawsuit.

CMS 招商证券

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