



2025 China Merchants Securities Co., Ltd.
Sustainability Report

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About this Report

This report is the 10th consecutive Sustainability Report released by China Merchants Securities Co., Ltd. (hereinafter referred to as CMS, the Company, or we) since 2017 (previously titled "Environmental, Social, and Governance Report"). It aims to disclose to all stakeholders the actions taken and results achieved by the Company in fulfilling its environmental, social, and governance responsibilities and its commitment to sustainable development.

Reporting Scope

Scope: The report covers the headquarters of CMS, 14 branch offices, 265 securities brokerage offices, and 5 wholly-owned subsidiaries.

Period: January 1, 2025, to December 31, 2025 (with some content appropriately traced back or forward-looking).

Frequency: This is an annual report.

Basis of Preparation

This report is prepared with reference to the *Shanghai Stock Exchange Self-Regulatory Guidance No. 14 – Sustainability Reports (Trial)* (hereinafter referred to as the Guidance), the *Shanghai Stock Exchange Listed Companies Self-Regulatory Guide No. 4 – Preparation of Sustainability Reports* (hereinafter referred to as the Guide) issued by the Shanghai Stock Exchange (hereinafter referred to as SSE), Appendix C2, *Environmental, Social and Governance Reporting Code*, of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (hereinafter referred to as HKEX), and the *Shenzhen Guidelines on Environmental Information Disclosure for Financial Institutions* issued by the Shenzhen Local Financial Supervision and Administration Bureau. It also references the relevant requirements of the *Special Report on ESG for SOE-controlled Listed Companies* by the State-owned Assets Supervision and Administration Commission.

Reporting Principles

In accordance with the principle of materiality, this report identifies and responds to key ESG issues impacting the Company's sustainable development through data analysis and assessment, with the specific process and results disclosed in Section "1.2 Identification and Analysis of Material Issues."

In accordance with the principle of quantifiability, the Company has disclosed its key ESG quantitative performance indicators within this report, and detailed data can be found in Appendix I: Quantitative Performance Table.

In accordance with the principle of consistency, this report maintains consistent indicators across different reporting periods to the greatest extent possible to ensure an accurate reflection of performance trends.

For performance indicators requiring calculation, the relevant underlying logic and reference standards have been specified within this report.

In accordance with the principle of balance, the content of this report reflects objective facts and provides a balanced disclosure of both positive and negative indicators.

Data Description

The data in this report is primarily sourced from the Company's actual operational statistics. Unless otherwise specified, financial data is denominated in RMB.

Assurance of Authenticity

All information and data disclosed in this report have been reviewed and approved by the Company's Board of Directors. The Company publicly commits to the authenticity and reliability of the report. This report is self-published and will be submitted for third-party verification at an appropriate time.

Access to this Report

Electronic versions of this report are available on:

SSE website (<http://www.sse.com.cn>)

HKEX website (<http://www.hkexnews.hk>)

The Company's official website (<http://www.cmschina.com>)

Statement of the Board of Directors

As the largest securities company within the system of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) and a core financial enterprise under the century-old China Merchants Group, CMS has always firmly believed that the sustainable development of an enterprise is not only the fulfillment of social responsibility but also the cornerstone of long-term value creation. In 2025, the Company adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implemented the spirit of the 20th National Congress of the Communist Party of China (CPC) and its plenary sessions, and earnestly executed the spirit of the Central Economic Work Conference and the Central Financial Work Conference, as well as the requirements of the "New Nine National Rules" policy series. We actively responded to changes in the internal and external operating environments, steadfastly advanced the "five major areas" of finance, and served the construction of a strong financial nation through the high-quality development of our securities business.

The Company has formulated a specialized ESG strategy with four major ESG missions: creating sustainable capital, supporting low-carbon transition, strengthening technological empowerment, and enhancing people's well-being. We focus on sustainable finance, climate change response, digital transformation, and social value creation. In 2025, the Company comprehensively promoted the implementation of the ESG strategy, continuously carried out various ESG practical explorations and innovations, and reviewed the progress of annual goals in conjunction with the four mission directions involved in the strategic planning.

○ Creating Sustainable Capital

Based on its own characteristic advantages, CMS builds a sustainable financial business model. In terms of serving the real economy, the Company helps the transformation and upgrading of the economic structure and promotes real enterprises to become stronger and better by providing various high-quality investment banking services and capital market solutions. In terms of practicing green finance, the Company continues to promote green and low-carbon transition with diversified financial tools, building a green financial system of "investment and financing + product innovation + industrial service" to support the implementation of the national "dual carbon" strategy. In terms of responsible investment, the investment business-related departments and subsidiaries of the Company have all established dedicated teams responsible for promoting the integration of ESG into the entire investment process, formulating targeted responsible investment strategies based on asset classes, and striving to achieve sustainable returns.

○ Supporting Low-Carbon Transition

CMS attaches great importance to climate risks and opportunities in business development and daily operations. Every year, we carry out identification of climate risks and opportunities, evaluate the transition risks faced by investment and financing businesses through climate scenario analysis, and continuously optimize climate strategies. The Company has established an ESG risk management mechanism to comprehensively control the ESG risks of investment banking and credit businesses. The Company actively practices low-carbon operations, deeply tapping into energy-saving and environmental protection potential from the levels of daily office work and procurement, organizing a variety of environmental-themed activities, and promoting low-carbon transition and development in an all-round way.

○ Strengthening Technological Empowerment

Guided by the strategy of serving the national scientific and technological innovation, CMS focuses on key industries and regional layouts to accelerate the construction of core competitiveness in technology finance. The Company actively responds to China Merchants Group's "AI + Finance" strategic layout, clearly proposing the strategic direction of building an "AI-driven securities firm." We comprehensively promote AI construction and application around five major application areas and three major middle platforms to improve service quality and efficiency. The Company continuously consolidates the foundation of information security management, improving the information security management system from aspects such as system construction, technological innovation, awareness enhancement, and audit supervision, serving as a solid backing for the Company's AI transformation.

○ Enhancing People's Well-being

CMS takes the creation of social value as its own responsibility and actively responds to the expectations and demands of different stakeholders. The Company is committed to maintaining customer rights and interests and enhancing service experience throughout the full service cycle, for which we continuously improve investor suitability management and optimize service models. The Company adheres to the "Talent-Strengthened Enterprise" strategy, committed to providing employees with an inclusive and healthy working environment and a fair and broad development platform. Adhering to the core corporate cultural values of "National Identity, Responsibility of the Times; Pursuit for Innovation and Strength, Commitment to Practice", the Company continues to assist rural development, empower community construction, and actively carry out charitable activities. The Company has built an inclusive finance product system of "public offering + insurance + fund investment advisory" to enrich product supply; it fully leverages the advantages of public offering fund licenses and wealth management professional services to provide full-life-cycle companionship services for elderly customers.

Looking ahead, CMS will continue to lead its ESG initiatives with higher standards. We are committed to translating the philosophy of sustainable development and our promises to stakeholders into concrete actions and innovative practices. By continuously enhancing our ESG management and building high-quality development as a core competency, we strive to achieve our own high-quality growth while serving the broader high-quality development of economy and society.

This report details the management and practical progress of CMS on various material ESG issues in 2025, which was reviewed and approved by the Board of Directors in March 2026.



About the Company

Overview

As a securities firm under the century-old China Merchants Group, CMS inherits the Group's long-standing spirit of innovation, market-oriented management philosophy, international operation model, and prudent management style. After more than 30 years of development, CMS has evolved into a first-class domestic securities firm with full licenses for securities market business.

The Company launched its initial public offering IPO of A shares and was listed on the Main Board of the Shanghai Stock Exchange (SSE: 600999) in November 2009. In October 2016, CMS launched its IPO of H shares and was listed on the Main Board of the Stock Exchange of Hong Kong (HKEX: 06099).

CMS demonstrates stable and sustainable profitability, a rigorous and well-structured risk management framework, and comprehensive, professional service capabilities. The Company maintains multi-tiered customer service channels, consisting of 14 branch offices and 265 brokerage branches across Mainland China, alongside subsidiaries in Hong Kong and South Korea. It wholly owns China Merchants Securities International Company Limited (hereinafter referred to as CMSI), China Merchants Futures Co., Limited (hereinafter referred to as CMF), China Merchants Securities Asset Management Co., Ltd. (hereinafter referred to as CMS Asset Management), China Merchants Securities Zhiyuan Capital Investment Co., Ltd. (hereinafter referred to as CMS Zhiyuan Capital), and China Merchants Securities Investment Co., Ltd. (hereinafter referred to as CMS Investment). It also holds stakes in Bosera Asset Management Co., Limited and China Merchants Fund Management Co., Ltd., building a comprehensive securities service platform that integrates domestic and international business.

With the mission of "serving the nation's technological self-reliance and strengthening and helping to preserve and increase the value of social wealth", CMS abides by the core values of "National Identity, Responsibility of the Times; Pursuit for Innovation and Strength, Commitment to Practice" and is committed to building "the leading investment bank in China with distinctive features, innovation and leadership, quality first, and excellent contribution". The Company will achieve customer value growth with excellent financial services, promote the progress of the securities industry, and strive to become an outstanding enterprise with customer trust, employee pride, shareholder satisfaction and social respect.

Core Business and Services

Overview of CMS' Main Businesses



- Acting as an agent for clients in trading stocks, funds, bonds, futures, and derivative financial instruments, and providing value-added services such as investment consulting, investment portfolio advice, product sales, account diagnostics, and asset allocation.
- Providing capital intermediary services to clients (including margin financing and securities lending, and stock pledge-style repo).
- Providing investment research, sales and trading, and prime brokerage services to various institutional clients such as funds and insurance companies.



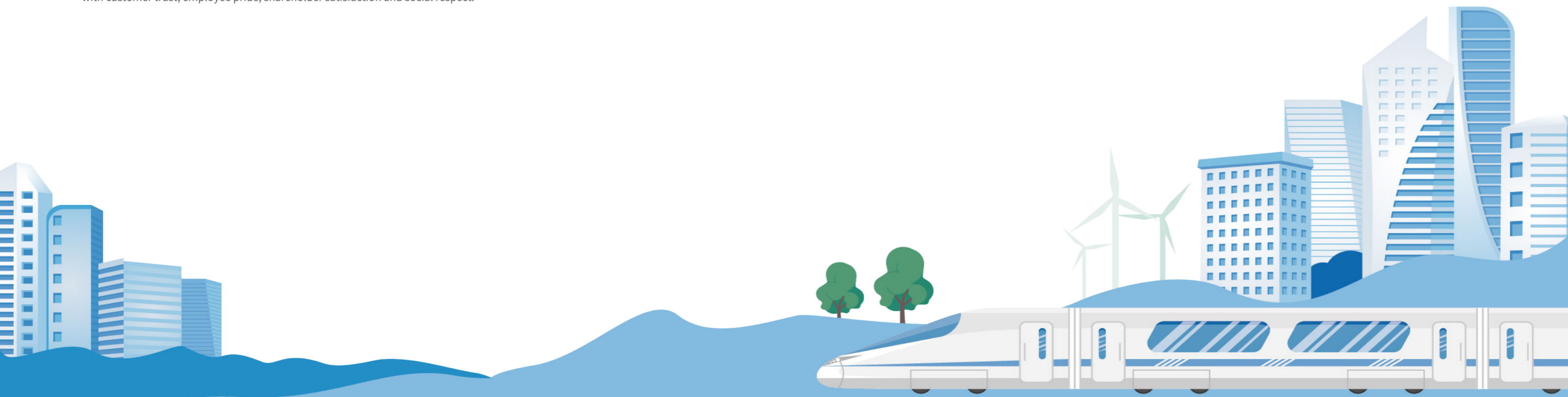
- Providing one-stop domestic and overseas investment banking services for corporate clients, including equity financing, debt financing, structured financing, New Third Board listing, and financial advisory services.



- Providing services such as collective asset management, single asset management, special asset management, public fund management, and equity investment fund management.



- Conducting trading and market-making of equity securities, fixed-income securities, commodities, foreign exchange, alternative investments, and derivative financial instruments with proprietary funds (including trading and market-making of over-the-counter financial products).



Annual ESG Highlights

Environmental

Total gasoline consumption decreased year-on-year	34.73%
Total consumption of ink and toner cartridges decreased year-on-year	16.99%
The underwriting volume of green bonds increased year-on-year	9%

Social

R&D investment (information technology investment, Parent Company basis) RMB	1.908 billion
Online and offline investor education coverage	44,393,228 person-times
Employee training coverage rate	100%
Overall customer satisfaction rate	99.78%
Number of companies included in the Gazelle Incubator Project	665
Assisting enterprises in the real economy to complete equity or debt financing	-Issuance volume: RMB 574.746 billion
	-Underwriting volume: RMB 127.813 billion



Awards and Honors

Award/honor	Awarding unit
2025 Listed Company Sustainable Development Best Practice Case	China Association for Public Companies
2025 Listed Company Board of Directors Excellent Practice Case	China Association for Public Companies
"2025 Golden Tripod Award" for "Pioneer in Securities ESG"	National Business Daily
ESG Finance Annual Award	Cailian Press
2025 Annual ESG Best Practice Institution	Tonghuashun
Best ESG Financial Services Institution Award	Hong Kong Ta Kung Wen Wei Media Group
"Golden Kunpeng" for "Best ESG Financial Services Institution"	Hong Kong Commercial Daily
2025 Annual Sustainable Development Research Contribution Institution	Securities Times, New Fortune
China's Financial Industry's Response to the "Five Major Areas" Honorary Award	Securities Times
2025 Best ESG Practice Investment Bank	New Fortune
2025 Securities Company Golden Bull Award	China Securities Journal
2025 Securities Company Corporate Culture Construction Golden Bull Award	China Securities Journal
2025 China Listed Company Brand Value List - Top 30 Securities Listed Companies	National Business Daily
"Leading the Tide for the Party, Finance Takes the Lead in Shenzhen" Party Building Innovation Case Excellence Award	Shenzhen Municipal Committee of the CPC Financial Work Committee
2025 Asset Management Industry Yinghua Typical Case - Securities Industry Typical Case: ESG Development Asset Management Institution (CMS Asset Management)	China Fund News
ESG Excellent Investment Value Securities Company (CMSI)	Hong Kong Commercial Daily
Hong Kong Green and Sustainable Finance Awards 2025—Mentor Pioneer Award for ESG Connect (CMSI)	Hong Kong Quality Assurance Agency
Excellent Financial Services Institution (CMSI)	Hong Kong Economic Journal
Green Financial Services Outstanding Contribution Award (CMF)	Futures Daily
2025 Financial Support for Agriculture and Green Finance Typical Case (CMF)	China Rural Credit Cooperative News
Capital Market Inclusive Finance Leadership Award (CMF)	China Institute for Inclusive Finance
Annual Green Finance Pioneer (CMF)	NetEase



01

Sustainable Development Governance

- Stakeholder Identification and Communication
- Identification and Analysis of Material Issues
- Sustainable Development Governance
- Sustainable Development Strategy
- ESG Risks and Opportunities Management






1.1 Stakeholder Identification and Communication

The Company identifies and analyzes its stakeholders based on six dimensions: "Responsibility," "Influence," "Proximity," "Dependence," "Representation," and "Policy or Strategy." The Company has identified its main stakeholders as the government, regulatory agencies, shareholders and investors, customers, employees, suppliers and partners, and the community.

Stakeholder Identification Dimensions

Responsibility	Stakeholders to whom the Company has or may have legal, economic, or operational responsibilities, now or in the future.
Influence	Stakeholders who can influence the Company or have decision-making power.
Proximity	Stakeholders with whom the Company interacts most frequently.
Dependence	Stakeholders who directly or indirectly depend on the Company's activities and operations.
Representation	Stakeholders who can legally claim to represent a certain group according to regulations, customs, or culture.
Policy or Strategy	Stakeholders who are directly or indirectly related to the Company's policies or value strategies.

The Company has always valued communication with its stakeholders and has established a comprehensive stakeholder service and communication system. It has formulated corresponding key performance indicators for the concerns of stakeholders and has adopted effective communication methods and action measures. The Company regularly adjusts the list of stakeholders and their corresponding expectations, demands, communication channels, and response topics based on business changes, policy adjustments, and emerging trends.

Stakeholder group	Expectations and demands	Communication channels	Response topics
 Government and Regulatory Agencies	<ul style="list-style-type: none"> • Tax payment in accordance with the law • Sound and compliant operations • Transparent information disclosure • Support for national strategies 	<ul style="list-style-type: none"> • Meetings and training with government and regulatory departments • Cooperation on local government and enterprise projects • Regular reports 	<ul style="list-style-type: none"> • Corporate governance • Serving the real economy • Green finance
 Shareholders and Investors	<ul style="list-style-type: none"> • Corporate governance • Risk management • Business ethics • Protection of the rights and interests of minority shareholders 	<ul style="list-style-type: none"> • Official website of the stock exchange and other designated media • Investor relations section on the official website • Shareholders' General Meeting • Investor briefings • Investor research • IR E-mail 	<ul style="list-style-type: none"> • Corporate governance • Risk and compliance management
 Customers	<ul style="list-style-type: none"> • Privacy and information security • Improved service experience • Diversified products and services • Practice of responsible investment • Investor education 	<ul style="list-style-type: none"> • 95565 customer service hotline • Customer needs research • Customer satisfaction surveys • Official website, official WeChat, CMS App/PC and other channels • Investor education activities 	<ul style="list-style-type: none"> • Risk and compliance management • Product and service safety and quality • Information security and privacy protection • Innovation-driven (digital finance)
 Employees	<ul style="list-style-type: none"> • Protection of employee rights and interests • Equal and diversified employment • Career training and development • Work-life balance • Physical and mental health 	<ul style="list-style-type: none"> • Corporate WeChat • Labor union • Mobile office APP • Corporate OA platform • Corporate E-learning platform 	<ul style="list-style-type: none"> • Employee rights and interests protection • Occupational health and safety • Employee training and development
 Suppliers or Partners	<ul style="list-style-type: none"> • Integrity and compliance • Win-win cooperation 	<ul style="list-style-type: none"> • Procurement and supplier management • Industry exchange meetings 	<ul style="list-style-type: none"> • Innovation-driven • Supply chain management
 Community	<ul style="list-style-type: none"> • Addressing climate change • Supporting community building • Carrying out public welfare and charitable activities 	<ul style="list-style-type: none"> • Public welfare activity projects • Community research and training 	<ul style="list-style-type: none"> • Environment-related issues • Rural revitalization • Social contribution

1.2 Identification and Analysis of Material Issues

In accordance with the requirements of the *Guidance* and with reference to the methods provided in the *Guide*, the Company has established a corporate issue library based on its industry characteristics, development stage, business model, and value chain position. The Company conducted a financial materiality and impact materiality analysis of each issue to determine the material issues in the issue library. These issues are disclosed in accordance with the disclosure requirements of the SSE and the HKEX to respond to stakeholder concerns about the Company's sustainable development.

CMS' materiality issue identification process

Company Situation Analysis

- ▶ **Understand the Company's activities and business relationships:** Analyze the Company's business plans, strategies, and financial statements, as well as other investor information; examine the Company's activities, products, services, and their geographical locations; map the Company's business relationships, covering the upstream and downstream value chains and relationship types.
- ▶ **Understand the external objective environment:** Analyze relevant laws and regulatory policies; review public documents such as media reports, industry standards, and research reports.

Issue Library Identification

- ▶ **Policy analysis:** Analyze relevant national macro policies, industry policies, and industry hot topics.
- ▶ **Benchmarking against rules and standards:** Based on the issue lists set by the SSE and the HKEX, while also incorporating key issues of concern to mainstream ESG rating agencies.
- ▶ **Peer analysis:** Refer to the materiality issue lists of four peers with long-term excellent ESG performance to screen out issues worthy of attention.

Issue Materiality Assessment and Confirmation

- ▶ Obtain information on the financial materiality assessment of issues through surveys of managers and experts in relevant internal departments of the Company.
- ▶ Collect feedback on the degree of impact materiality of each issue from stakeholders in the form of questionnaires.
- ▶ Based on the survey results, the Company reviews and refines the prioritization of material issues.

Review and Disclosure of Materiality Issues

- ▶ The Board of Directors reviews the annual ESG materiality issues to confirm that the identified materiality issues accurately reflect the current status and future trends of the Company's business management and sustainable development.
- ▶ Disclose the analysis process and results of the issue materiality.

Impact materiality issue assessment process

Determine the factors and rating scale for impact materiality assessment

- ▶ **Assessment factors:** Impact, scale (the magnitude of the impact), scope (the breadth of the impact), likelihood (the probability of the impact occurring), and irremediability (the difficulty of offsetting or remedying the harm).
- ▶ **Rating scale:** 1-5 (very small to large).

Conduct stakeholder surveys

- ▶ Conduct surveys in the form of questionnaires to obtain the impact materiality score for each issue

Set the impact materiality determination threshold

- ▶ **Threshold:** 3 (medium).

Formulate the impact materiality assessment conclusion

- ▶ Compare the score of each issue with the threshold to obtain preliminary results.
- ▶ The Company confirms the impact materiality issues.

Financial materiality issue assessment process

Determine the factors and rating scale for financial materiality assessment

- ▶ **Assessment factors:** The likelihood and degree of impact on the Company's operating income.
- ▶ **Scoring range:**
Likelihood: Rare-Unlikely-Likely-Highly likely-Almost certain
Impact degree: Minimal (<2%)-Small (2% ≤ impact degree <4%)-Moderate (4% ≤ impact degree <6%)-Large (6% ≤ impact degree <8%)-Very large (≥ 8%)

Conduct stakeholder surveys

- ▶ Determine the financial materiality through internal research and analysis.

Set the financial materiality determination threshold

- ▶ **Threshold setting:** [Possible, Large]

Formulate the financial materiality assessment conclusion

- ▶ Compare the score of each issue with the threshold to obtain preliminary results.
- ▶ The Company confirms the financial materiality issues.

Assessment results for material issues of the Company

2025 Materiality issue assessment results

<p>Double materiality issues</p> <ul style="list-style-type: none"> ▶ Product and service safety and quality (Protecting customer rights) ▶ Data security and customer privacy protection 	<p>Disclosures are made based on the four core elements of "Governance, Strategy, Impact, Risk and Opportunity Management, and Metrics and Targets," as well as the specific issue requirements of the Guidelines.</p>
<p>Issues with financial materiality only</p> <p>None</p>	<p>/</p>
<p>Issues with impact materiality only</p> <ul style="list-style-type: none"> ▶ Stakeholder engagement ▶ Due diligence ▶ Responsible investment ▶ Innovation-driven (Digital finance) ▶ Climate change response ▶ Green finance ▶ Environmental compliance management ▶ Serving the real economy ▶ Inclusive finance ▶ Pension finance ▶ Technology finance ▶ Rural revitalization ▶ Social contribution ▶ Employee rights protection ▶ Occupational health and safety ▶ Employee training and development ▶ Corporate governance ▶ Risk and compliance management ▶ Anti-bribery and anti-corruption ▶ Anti-unfair competition 	<p>For issues required by the Guidelines, disclosures are made in accordance with the specific thematic requirements set forth therein.</p> <p>For other issues identified independently by the Company, we provide full disclosure on the relevant sustainability impacts and our management approach.</p>
<p>Non-material issues</p> <ul style="list-style-type: none"> ▶ Energy utilization ▶ Water resources utilization ▶ Circular economy ▶ Pollutant discharge ▶ Waste management ▶ Ecosystem and biodiversity protection ▶ Supply chain security ▶ Equal treatment of SMEs ▶ Technology ethics 	<p>Disclosure of the Company's basic standing on relevant issues.</p>

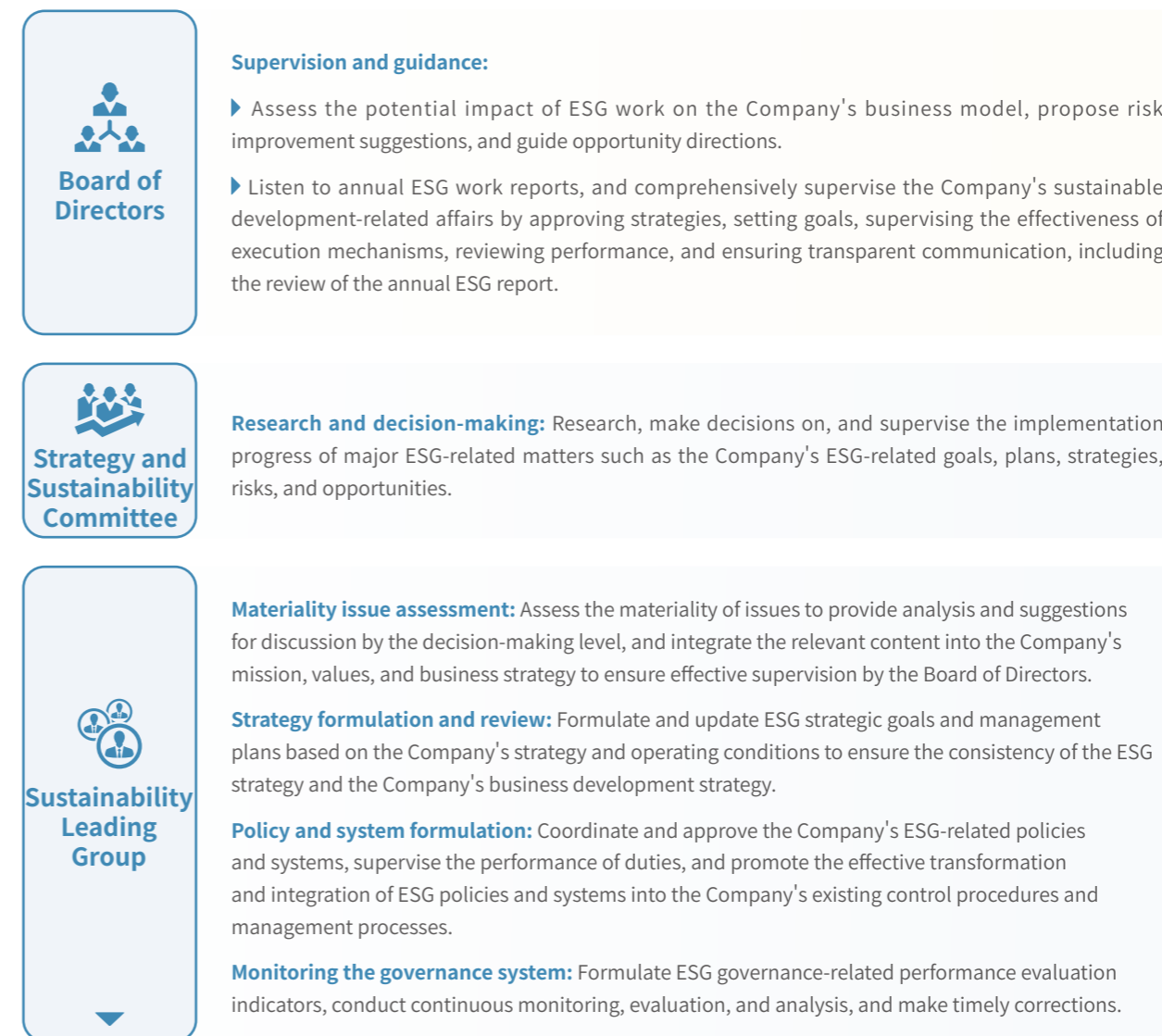
Disclosure method

1.3 Sustainable Development Governance

ESG governance structure

The Company has always placed great importance on ESG governance and has established a dedicated sustainable development governance structure responsible for the establishment, implementation, maintenance, and improvement of the ESG management system. The Company continuously improves its sustainable development governance structure, integrating the ESG concept into its business management processes, and promoting the deep integration of the sustainable development concept with the Company's business development and daily operations. Through sound internal systems and control measures, the Company effectively promotes the implementation of various ESG action plans.

Currently, the Company has formed a top-down ESG work mechanism of "Board of Directors decides on ESG strategy, the management coordinates implementation, and all departments and subsidiaries collaborate to advance," continuously promoting the realization of the Company's sustainable development goals and various work plans.





Decision-making on resource investment: Determine and manage the costs and resources allocated to identify, respond to, and monitor sustainable-related impacts, risks, and opportunities.

Annual disclosure: Coordinate and lead sustainable-related information disclosure matters.



Coordinated execution: Led by the deputy general manager of the CMS Office, with the heads of various headquarters departments and wholly-owned subsidiaries as members, and an office established under it. Based on the authorization of the Board of Directors and the ESG strategic goals and management plans formulated by the Sustainability Leading Group, it coordinates and allocates resources to promote specific work.

Work assessment: Clarify the responsibilities for various ESG-related management work, and coordinate and urge all departments and wholly-owned subsidiaries to implement relevant work.

Daily work: Formulate stakeholder communication plans, conduct materiality assessments of sustainable development issues, coordinate the preparation of sustainable development reports, be responsible for the statistics and analysis of ESG-related data, and communicate with investors and rating agencies on ESG-related matters.

Training and publicity: Organize internal training on ESG topics and publicity on sustainable development-related matters.



Functional integration: Integrate ESG-related work involving the unit into the unit's functions and clarify the ESG work liaison.

Work implementation: Implement various ESG tasks under the overall organization of the Sustainable Development Working Group and report on the work regularly.

Data governance: Implement a normalized ESG data collection mechanism, and cooperate with the collection, sorting, and reporting of ESG data required for the preparation of the annual sustainable development report.

External participation: Actively join ESG-related external organizational initiatives, and participate in exchange activities such as ESG-related forums and industry innovation seminars.

The Company's Sustainability Task Force holds meetings irregularly to organize various headquarters departments and wholly-owned subsidiaries to report on the phased results of ESG work and review goals, review major matters involving ESG, and clarify the focus and specific arrangements for the next stage of ESG work. In addition, organizations at all levels within the Company's sustainability governance structure convene one to two meetings annually to communicate on the overall status of ESG governance.

ESG capability building

As an important participant in the capital market, CMS deeply understands that ESG management and performance have become important dimensions for evaluating a Company's core competitiveness and sustainability. The Company's various business departments and wholly-owned subsidiaries actively organize various ESG-themed training to strengthen employees' professional application capabilities of ESG in their business activities.

The Company's internal online learning platform, "CMS Academy," includes a series of ESG-related courses for all employees to learn from on a daily basis.

During the year, the Company organized about 40 internal and external training and exchange activities on the themes of public welfare wealth management and corporate ESG, covering about 2,000 employees, customers, and partners. On the one hand, it cultivates composite talents with both financial and charitable consulting capabilities through business training; on the other hand, it has in-depth discussions with charitable organizations, ESG consulting and rating agencies on the development of public welfare wealth management products and cross-border cooperation.

In April 2025, the Company organized employees to participate in the 2nd Financial Leasing Asset Securitization High-Quality Development Conference - Leasing Enterprise Sustainable Development ESG Practice Experience Sharing Forum to strengthen their understanding of the high-quality transformation of the leasing industry's ESG.

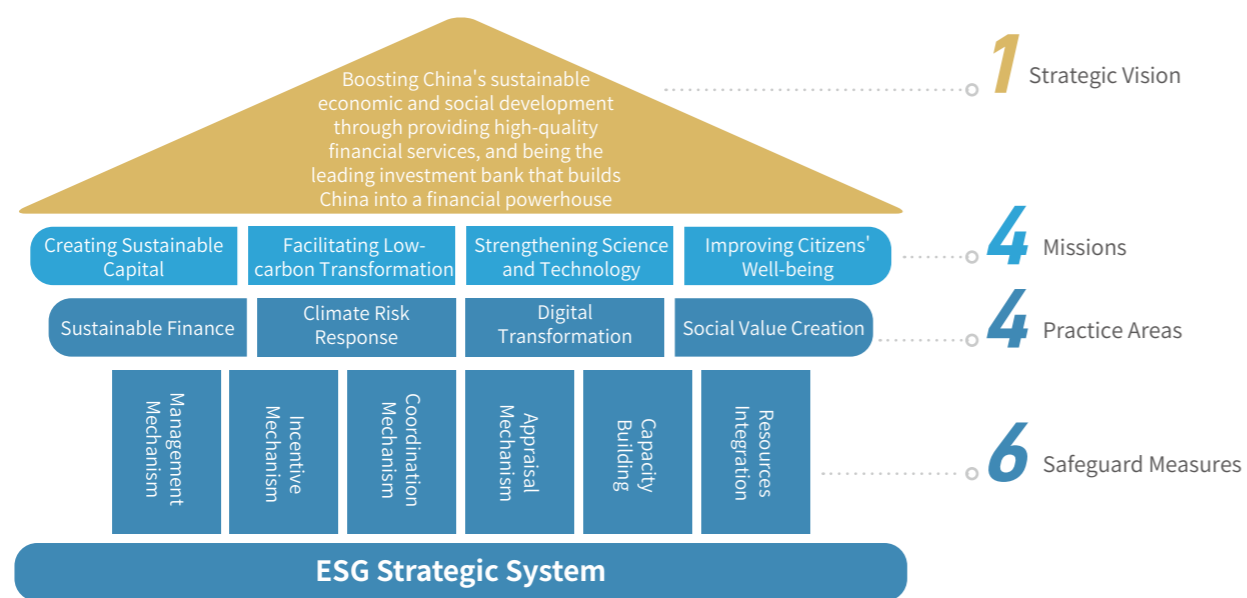
In 2025, the Company carried out a series of internal and external training and empowerment activities related to green finance. For details, please see the "3.2.3 Green finance capacity building" section.

ESG performance appraisal

CMS has incorporated ESG-related indicators such as the "five major areas" of finance (technology finance, green finance, inclusive finance, pension finance, and digital finance), safe production, energy conservation and environmental protection, and risk management into the annual and term assessments of the Company's management members, clarifying the strategic orientation of sustainable development.

1.4 Sustainable Development Strategy

CMS has formulated a corporate ESG strategy aimed at "boosting China's sustainable economic and social development through providing high-quality financial services, and being the leading investment bank that builds China into a financial powerhouse." This strategy clarifies the four missions of "creating sustainable capital, facilitating low-carbon transformation, strengthening science and technology, and improving citizens' well-being," and focuses on the four practice areas of "sustainable finance," "climate risk response," "digital transformation," and "social value creation." The Company has formulated management, incentive, coordination, and appraisal mechanisms, supported by corresponding capacity building and resource integration, to fully promote the implementation of the ESG strategy.



The Company maps the 4 practice areas to 13 materiality issues and has identified 16 core tasks. The Company assigns these tasks to relevant departments for continuous implementation, supporting the realization of the United Nations Sustainable Development Goals (SDGs).



1.5 ESG Risks and Opportunities Management

CMS' business activities and value chain involve various ESG issues, which present both risks and opportunities for the Company's sustainable development. Each year, the Company identifies and analyzes materiality issues to determine the annual financial and impact materiality issues (see section "1.2 Identification and Analysis of Material Issues" for details). Based on different time frames, the Company formulates a sustainable development strategy system, clarifies core tasks (see section "1.4 Sustainable Development Strategy" for details), and promotes the effective response to ESG risks and the exploration and capture of ESG opportunities.

ESG risk management

CMS places great importance on ESG risk management in its business and continuously improves its ESG risk management system. It has formulated the *China Merchants Securities ESG Risk Management Policy Statement* to effectively control ESG risks in its investment and financing businesses. The Company has formed a multi-level ESG risk management system from top to bottom, with each level having its own responsibilities:

- The Board of Directors' Strategy and Sustainability Committee is responsible for researching, making decisions on, and supervising major ESG risk management matters of the Company.
- The Sustainability Leading Group, led by the Chairman, guides the establishment of the ESG risk management system and process, assesses major ESG risk hazards of the Company, and supervises and inspects the ESG risk management of various businesses.
- The Risk Management Department is responsible for comprehensive risk management and fully incorporates ESG factors into credit risk assessment.
- Business departments and subsidiaries are responsible for specifically implementing the Company's ESG risk management system and process in their investment and financing activities and regularly reporting on their implementation.

ESG risk management for credit-related businesses

The Company's main credit-related business as a securities firm is stock pledge. In its stock pledge business, the Company pays special attention to environmentally sensitive industries such as agriculture, energy, mining, and oil and gas in its due diligence and review processes to avoid projects that may have a large potential negative impact on the environment. The due diligence system explicitly stipulates that stock pledge funds "shall not be invested in projects that are included in the elimination category issued by relevant national ministries and commissions, or that violate national macro-control policies and environmental protection policies."

The Company considers ESG risk as an important part of its overall credit risk management and adopts the following process:

- In the due diligence stage**
01 understand the use of project funds and whether they involve restricted or prohibited industries; understand major public opinions and announcements about the listed Company's environmental impact assessment, government supervision, and penalties that affect project access.
- In the business review stage**
02 projects involving eliminated industries will not be approved in accordance with the *Guiding Catalogue for Industrial Structure Adjustment (2019 Version)* of the State Council; negative information about the listed Company's environmental impact assessment will be treated as key information.
- In the post-loan tracking stage**
03 regularly track public announcements or related negative public opinions about the listed Company's social responsibility and other aspects of the pledged underlying securities. If there are related major negative events, report and assess the related risks in a timely manner.

During the stock pledge repo period, for different levels of ESG-related events occurring in the underlying securities, the Company will conduct in-depth risk assessments. Based on the assessment results, we will take measures such as requiring customers to rectify, negotiating with customers for early repo of existing business, or rejecting new business of the relevant underlying securities.

ESG risk management for investment banking businesses

The Company has formulated the *Investment Banking Committee ESG Risk Management Guidelines*, which require key attention to be paid to environmentally sensitive and high-pollution, high-emission industries in project initiation, due diligence, and project review to avoid projects with a large negative impact on the environment and control the concentration of high-risk industries.

- During the project initiation stage, we implement prudent project approval through restrictive business policies, strictly controlling the entry of projects in industries characterized by high pollution, high emissions, and overcapacity.
- During the project due diligence stage, the Company formulated the *Due Diligence Guidelines for High-Energy-Consuming and High-Emission Industries (Sponsorship Work Memorandum No. 18)*. These guidelines assist project teams in fully understanding regulatory policies and due diligence requirements for "two-high" projects, thereby enhancing verification sensitivity and procedural compliance regarding products and production processes in these sectors. Concurrently, the Company established the *Working Paper Guidelines for Enterprise Asset-Backed Securitization and the Working Paper Guidelines for Corporate Bond Lead Underwriting*. These require supplementary due diligence documentation for major debtors or credit enhancement institutions in industries with overcapacity, while specifying dedicated verification requirements for enterprises in sectors such as coal and steel.
- During the project review process, we focus on whether sponsored projects align with national industrial policies and whether the issuer's completed or ongoing projects have fulfilled environmental impact assessment procedures. Particular attention is paid to whether the issuer has incurred administrative penalties in the environmental sector within the last 36 months and whether such instances constitute material violations. For corporate bonds and asset-backed securitization businesses, we prioritize reviewing the mitigation of overcapacity.

The ESG special due diligence for investment banking business focuses on reviewing the issuer's environmental protection policies and qualifications, production and internal control, negative environmental public opinions and penalties, product quality, and labor relations. The Company will continuously monitor the issuer's negative environmental and social public opinions and penalties, and will adopt an event escalation and handling mechanism when necessary.

For the specific ESG risk management mechanisms of the Company's investment banking and credit-related businesses, please refer to the *CMS ESG Risk Management Policy Statement* on the Company's official website.

Responsible Investment

ESG presents both risks and development opportunities for enterprises. Leveraging its investment-related businesses, CMS is constructing a comprehensive responsible investment framework by conducting in-depth research into responsible investment principles and integrating the "five major areas" of finance with China's industrial policies and strategic development trends.

The Company has established the Strategy and Sustainability Committee under the Board of Directors, a Sustainability Leading Group at the management level, and a Sustainability Task Force at the execution level, to promote the integration of ESG into investment management, asset management, and other investment-related businesses.

The relevant departments and subsidiaries of the Company involved in investment business have established dedicated teams responsible for ESG-related analysis and integration in the investment process, under the unified supervision of the Sustainability Task Force. Boseru Funds and China Merchants Fund, in which the Company holds stakes, are signatories to the United Nations Principles for Responsible Investment (PRI) and actively implement their commitments.



The Company has developed corresponding responsible investment strategies for different asset classes involved in the investment activities of relevant departments and subsidiaries:

Department/subsidiary	Asset class	Investment strategy
Financial Market Investment Headquarters	<ul style="list-style-type: none"> Listed Company equity Fixed-income assets 	<ul style="list-style-type: none"> ESG integration Negative screening
	<ul style="list-style-type: none"> Derivatives or other alternative assets 	<ul style="list-style-type: none"> Impact investing
CMS Asset Management	<ul style="list-style-type: none"> Listed Company equity Fixed-income assets Asset management products 	<ul style="list-style-type: none"> ESG integration Negative screening
CMS Zhiyuan Capital	<ul style="list-style-type: none"> Private equity 	<ul style="list-style-type: none"> Thematic investing ESG integration Corporate engagement
CMS Investment	<ul style="list-style-type: none"> Equity investment 	<ul style="list-style-type: none"> Thematic investing ESG integration Corporate engagement
CMF	<ul style="list-style-type: none"> Derivatives or other alternative assets 	<ul style="list-style-type: none"> Impact investing
	<ul style="list-style-type: none"> Listed Company equity Fixed-income assets Asset management products 	<ul style="list-style-type: none"> ESG integration Negative screening
CMSI	<ul style="list-style-type: none"> Listed Company equity Fixed-income assets Asset management products 	<ul style="list-style-type: none"> ESG integration
	<ul style="list-style-type: none"> Equity investment 	<ul style="list-style-type: none"> Impact investing ESG integration

For details regarding the Company's specific management system, strategies, and processes for Responsible Investment, please refer to the *CMS Responsible Investment Policy Statement* on the Company's official website.



02

Achieving Customer Value

- Digital Finance Empowerment
- Protecting Clients' Rights and Interests
- Information Security and Privacy Protection

2.1 Digital Finance Empowerment

CMS adapts to internal and external trends, deeply recognizing that developing digital finance and leveraging financial technology to create new quality productivity is an inherent requirement and an important focus for promoting the high-quality development of the Company's business.

2.1.1 Financial technology innovation

CMS actively responds to the China Merchants Group's "AI + Finance" strategic layout, clearly proposing the strategic direction of building an "AI-driven securities firm." It has upgraded its "Digitalization Plan" to a "Digital Intelligence Plan" to fully embrace AI technology. In 2025, the Company focused on five major application areas—large wealth management, large institutions, large investment banking, large investment, and large operations—and three major middle platforms (business, data, and technology) to carry out the construction of an "AI-powered securities firm" in terms of application agents, models, data, and computing power, promoting a comprehensive AI transformation of its business development model, customer service model, operational management mechanism, and technology platform architecture.

During the reporting period, the Company obtained the Quantified Management Level (Level 4) of the China Data Management Capability Maturity Assessment (DCMM), providing a guarantee for the implementation of the "AI-driven securities firm" strategy with its industry-leading data management level.

Large wealth management

The Company actively explores the construction of a new wealth management ecosystem with AI at its core, deeply integrating high-frequency scenarios such as market data, information, asset allocation, investor education, and customer service to create an AI APP for C-end customers. It launched the AI assistant "Zhao Xiao Gu" for wealth advisors, which supports intelligent Q&A in areas such as grasping market hotspots, assisting in product research, asset allocation services, and investor education, thereby improving service quality and efficiency.

Large institutions

The institutional business has created a unified institutional service brand, "CMS · Ji Zhi," and launched the Ji Zhi platform assistant and an AI toolbox for institutional account managers, improving the full-process intelligent service system for institutional clients. At the same time, it has created distinctive event brands such as "Ji Zhi · Xun Xing" to discover high-quality managers and facilitate efficient matching between capital providers and asset managers. The research business is building an "AI Research Institute," actively exploring innovative practices of generative AI in scenarios such as financial report interpretation, research report writing, and researcher assistants. The one-stop intelligent research workbench covers the entire process of "search, read, write, and review" for analysts' research content production.

Large investment banking

The Company is building an intelligent investment banking operation system, embedding AI applications such as intelligent review, intelligent writing of investment banking documents, and bank statement recognition. It implements the management requirements for corporate account managers and has created a new industrial chain map application. It is tackling the intelligent underwriting platform, has launched an operation support platform to increase marketing success rates, project underwriting efficiency, and integrated management levels. It has built a merger and acquisition database and a matchmaking platform to manage and automatically match M&A information online, improving the efficiency of M&A matchmaking. It uses digital means to explore potential business opportunities for enterprises and has launched functions for corporate credit account opening, corporate annuities, and foreign exchange client business opportunity mining.

Large investment

The Company continues to enhance the trading and market-making capabilities of its investment and research platform and improve its business categories. In the direction of convertible bonds and REITs, it has achieved stable improvement in factor returns through reinforcement learning and knowledge graph enhancement. In the direction of on-exchange bond and ETF market-making, it is exploring the application of time-series foundation models in high-frequency quantitative scenarios. In the direction of ETF investment, it is building six major intelligent agents (including fundamentals, technicals, decision-making, factors, strategies, and evaluation) to explore the autonomous discovery of arbitrage opportunities in unstructured and complex environments.

Large operations

The Company is exploring a new one-stop intelligent office model, creating an OA smart portal, and has launched functions such as semantic search and AI-powered application finding. With over 5,400 monthly active users and an average of 56,000 searches per month, it has initially achieved "one portal, full enterprise service." It has launched the AI assistant platform "Zhao Xiao Ju" based on the Company's private large model capabilities. This platform covers a series of general capabilities required for daily office work, such as multi-domain intelligent Q&A, business trip applications, intelligent recommendation and booking of flights and hotels, and credit hour inquiries. The compensation system has achieved a closed loop of business processes and deep data value mining, with online closed-loop management from reporting and calculation to approval and submission.



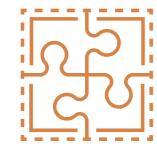
Business middle platform

The Company has comprehensively advanced the intelligent transformation of its business middle platform, continuously empowering both branch offices and headquarters staff. Regarding campaign operations, we launched the Activity Q&A and Configuration Assistant 1.0, supporting 170 campaigns across multiple business lines and reaching 12.72 million users. In terms of strategic marketing, over 1,000 operational strategies were implemented throughout the year, resulting in more than 3.5 million tactical responses and conversions, further expanding customer outreach channels. For loyalty marketing, we facilitated the implementation of the Member Plus grading system for APP users. In social marketing services, we established tiered management capabilities for the Social Marketing Center and standardized external contact permissions for Enterprise WeChat. Regarding content service capacity, we enhanced marketing and content operational efficiency by continuously promoting AIGC-based content creation. In content production, we deployed AI poster-making agents, producing over 2,700 posters and web pages annually, while adding analytical capabilities for industry and ETF market volatility. For content management, we created a repository of over 2.8 million pieces of content across 10 major and 36 minor categories, successfully integrating content from external public fund institutions.



Data middle platform

The Company is deepening the construction of high-quality dashboard data products and building proactive push service capabilities. It has fully promoted the retail battle report to branch offices, with over 450 monthly active users among branch management personnel. It has implemented proactive push services for wealth management and institutional business operation analysis battle reports, reaching all relevant department heads.



Technology middle platform

The Company has built the industry's first core trading system based on a cloud-native architecture, constructing a stable digital foundation for financial technology. It has built an intelligent operation and maintenance system, strengthened architecture governance and quality control, and strictly adhered to the bottom line of safe operation. It has built a technology platform that is "stability-first, with both stability and agility," improving R&D quality and efficiency.



Case Launch of the Company's AI intelligent assistants

To comprehensively promote the deep embrace of AI technology by all employees, at the Company Day ceremony on August 8, 2025, three new "partners" of CMS—the intelligent assistants "Zhao Xiao Gu," "Zhao Xiao Shu," and "Zhao Xiao Ju"—met with all employees through holographic projection. The demonstration of the three intelligent assistants further consolidated the AI consensus among all employees and promoted the gradual formation of a digital work ecosystem where "everyone uses AI, everyone understands AI."



Case Holding the 5th 1024 Digital Culture Festival

On October 24, 2025, the Company's 5th "1024 Digital Culture Festival," with the theme "AI CMS, the Future is Here," was successfully held. The on-site activities included robot dance performances, user sharing of AI application cases, and a vision of the future of human-machine collaboration, creating a strong digital atmosphere and fully igniting the enthusiasm of all employees for AI applications.



The Company actively combines the strategic direction of an "AI-driven securities firm" to improve its digital product manager training system. Based on the current status and needs of the relevant personnel's AI product capabilities, it has formulated a training plan that includes themed courses such as "Overview and Application Trends of AI in the Financial and Securities Industry," "Application of AI in Deep Analysis and Predictive Modeling of Customer Behavior," and "Development of Intelligent Agent Applications and Restructuring of Financial Business Processes." In 2025, all digital product managers from 14 units of the Company participated in the training, totaling nearly 200 person-times.



AI training for digital product managers

2025 Innovation management performance

Indicator	Unit	Data
R&D investment (information technology investment, Parent Company basis)	RMB 100 million	19.08
R&D investment (information technology investment, Parent Company basis) as a percentage of operating revenue	%	7.64
Number of R&D personnel (information technology personnel)	Person	2,156
Percentage of R&D personnel (information technology personnel)	%	16.85

2025 Digital finance related honors and awards

Award/honor	Awarding unit
Second Prize of the 2024 Financial Technology Development Award (awarded in 2025) (Construction and Comprehensive Application of the Tianqi Large Model System)	People's Bank of China
Third Prize of the 2025 Shenzhen Financial Innovation Competition (CMS Distributed Cloud-Native (New Generation) Core Trading System)	Shenzhen Local Financial Regulatory Bureau
First Prize of the 2024 Research Project of the Financial Technology Committee (Research on High Availability and Fault Recovery Capability Evaluation of Securities Company Core Trading Systems)	Shenzhen Capital Market Financial Technology Committee
2025 Cloud Eagle Project - Highest Achievement Project ("CMS Ji Zhi" Institutional Comprehensive Financial Service Platform)	Cloud Application Branch of China Computer Federation

Award/honor	Awarding unit
2025 Cloud Eagle Project - Excellent Project (Securities Market-Making System Based on EDA Architecture)	Cloud Application Branch of China Computer Federation
2025 Cloud Eagle Project - Excellent Project (Integrated Compliance Monitoring and Intelligent Disposal Platform Project)	Cloud Application Branch of China Computer Federation
5th (2025) "Golden Letter and Communication" Financial Technology Innovation Application "Intelligent Leadership" Case - Pioneer Exploration Category (Brokerage Quality Control Intelligent Review System Driven by Intelligent Review Matrix and Large Models)	China Academy of Information and Communications Technology
2025 China Securities Industry APP Pioneer Junding Award	Securities Times
2025 Securities Company Financial Technology Golden Bull Award	China Securities Journal
Excellent Brokerage Financial Technology Demonstration Institution	China Fund News

2.1.2 Intellectual property management

CMS has formulated and timely improved the *China Merchants Securities Co., Ltd. Intellectual Property Management Measures* to regulate, manage, coordinate, and supervise the creation, application, maintenance, use, and protection of intellectual property generated in the Company's business management activities, continuously adapting to business management needs and effectively safeguarding the Company's legitimate rights and interests. The Company implements the principle of unified management of intellectual property, with various departments collaborating and each taking responsibility. Among them, the Legal and Compliance Department is responsible for the overall management of the Company's intellectual property, guiding and coordinating the intellectual property management work of all units of the Company; the Office is the relevant intellectual property authority for trademarks and network domain names; the Financial Technology Center is the relevant intellectual property authority for patent rights and software copyrights; and other intellectual property management responsibilities are fulfilled by the specific creation, application, or use departments.

In terms of IT system intellectual property protection, the Company continues to carry out copyright registration and application for its own software systems (Apps), strengthening copyright management and implementing intellectual property protection. The Company uniformly manages the legalization of all purchased software and systems, preventing infringement risks through standardized lists and blacklist management, building a software store, integrating internal download channels, continuously purchasing and expanding software, and building a safe and controllable software ecosystem. In the contracts signed for purchased systems, the Company puts forward clear intellectual property requirements for information technology service providers. Through these measures, the Company effectively protects its own intellectual property while providing a legal guarantee for financial technology innovation, promoting the Company's steady development in its digital transformation.

2025 Intellectual property performance

Number of valid patents	Number of new patent applications	Number of new patent grants	Number of software copyrights
13 Items	8 Items	1 Item	29 Items

2.2 Protecting Clients' Rights and Interests

CMS is committed to comprehensively protecting customer rights throughout the entire service cycle. To this end, it has built an investor suitability management system, actively carries out investor education, continuously optimizes service models, and attaches great importance to customer feedback, maintaining a high level of customer satisfaction for many consecutive years.

2.2.1 Governance

The Company's customer rights governance system is derived from its overall ESG governance framework, maintaining consistency in both governance structure and operational mechanisms. At the functional management level, the Wealth Management Department is responsible for establishing unified customer service standards and conducting investor education programs. The Legal and Compliance Department is tasked with constructing the investor suitability management system and the customer complaint management system. The Retail Customer Department handles the development and maintenance of marketing and service platforms for retail clients, while individual business departments are specifically responsible for servicing their respective client segments.

In accordance with laws and regulations such as the *Securities Law of the People's Republic of China*, the *Regulations on the Supervision and Administration of Securities Companies*, the *Measures for the Administration of Suitability of Securities and Futures Investors*, and the *Measures for the Administration of Securities Brokerage Business*, the Company has formulated the *China Merchants Securities Co., Ltd. Measures for the Administration of Investor Suitability*, which establishes the core principles of comprehensively understanding investors, fully disclosing risks, and accurately matching products and services, as the overall specification for carrying out investor suitability management work. On this basis, the Company has formulated management implementation rules for specific businesses, such as the *Measures for the Administration of Investor Suitability in Securities Brokerage Business* and the *Measures for the Administration of Investor Suitability in Bond Sales Business of the Investment Banking Committee*, covering different business scenarios and protecting the legitimate rights and interests of customers.

2.2.2 Strategy

○ Responsible marketing and investor suitability management

Due to the complexity of financial products, differences in customer needs, and possible information asymmetry or improper behavior in the marketing process, securities institutions may face compliance, legal, and reputational risks in the design and sales of products and services. In the event of a violation or dispute, the Company may face regulatory penalties, customer claims, and damage to its reputation, which in turn will have a negative impact on operating income and net profit.

As an important participant in the capital market, CMS adheres to the concept of responsible marketing, strictly builds and improves the investor suitability management system in accordance with the requirements of regulatory agencies, and follows the principle of "seller due diligence, buyer beware." It requires all business units of the Company to perform their duties diligently when selling financial products or providing services, comprehensively assess the risk tolerance of investors and the risk level of products, scientifically match and fully disclose risks, and ensure that investors make independent decisions with full knowledge.

The Company's investor suitability management process mainly includes the following links:



Investor and product information verification

Comprehensively collect and analyze investor identity, financial status, investment experience, risk preference, and other information, while conducting in-depth research on the risk characteristics, investment targets, and return structure of financial products/services.



Risk disclosure and confirmation

Implement differentiated record-keeping management for the risk warning link of ordinary investors participating in products/services to ensure the effectiveness of risk warnings.



Suitability matching and service

Based on the investor's risk tolerance and the product's risk level, issue clear matching opinions and only sell or provide corresponding products/services to qualified investors.

To combat illegal securities activities conducted by fraudsters impersonating CMS and its employees, the Company has strengthened proactive monitoring and effectively addressed related customer complaints. "Important Announcements on Guarding Against Illegal Financial Activities by Impersonators of CMS" have been prominently pinned on official channels, including the Company's website and WeChat official account, to alert investors to potential scams. Furthermore, the Company consistently reports spoofing accounts to regulatory authorities and internet platforms. In 2025, a total of 187 illegal websites were reported and shut down, and 147 cases of personnel impersonation were addressed.

○ Investor education

The Company actively fulfills its responsibilities and obligations in investor education. During the reporting period, guided by the core philosophy of "hierarchical and classified, ondemand supply," the Company systematically promoted investor education work, covering various groups such as teenagers, new and old investors, and the middle-aged and elderly. Furthermore, the Company launched the first online public course, *A-Share Mandatory Course*, to achieve precise and normalized investor education services, ensuring the effective operation of the investor suitability management system.

In terms of cultivating the financial literacy of young people

The Company has deepened school-enterprise collaboration and promoted the integration of investor education into national education. The Company has established in-depth cooperation with many universities such as Southern University of Science and Technology and Jinan University, jointly developing nearly 30 financial practice courses and continuously compiling the annual textbook *Capital Market Practice*. The Company has carried out the "Wealth Navigator" financial literacy enlightenment activity for primary and secondary school students, and organized activities such as "Investor Education into a Hundred Schools." In 2025, it conducted a total of more than 210 campus lectures and research and study activities, covering 14,000 students.

In terms of improving the capabilities of new and old investors

The Company promotes the improvement of their financial literacy by popularizing financial knowledge. The Company has launched introductory guides such as *Tips for New Investors* and *Interpreting Financial Reports* for new investors, and produced in-depth courses such as *Playing with ETFs* and *Understanding Options in Seconds* for mature investors. During the reporting period, it released over 2,000 types of investor education content online, covering more than 30 million person-times. The Company upgraded the "ETF Investment One-stop" online quiz activity, attracting 1.42 million participants; jointly held more than 50 ETF investor education activities such as "ETF Lecture Hall" and "Walking with Big Shots" with the SSE and fund companies, covering 8.41 million person-times; and organized investors to visit more than 10 listed companies, covering more than 1.8 million investors, guiding investors to establish a value investment philosophy.

In terms of anti-fraud publicity for the middle-aged and elderly in the community

The Company has adopted a strategy of co-building community cooperation mechanisms and protecting property safety. The Company has established a long-term cooperation mechanism of "investor education + public welfare" with surrounding communities, integrating anti-fraud publicity into community services. Focusing on the need to prevent pension fraud, the Company has produced micro-dramas and a series of comic articles such as *The Vanished Him*. During important periods such as the "May 15th National Investor Protection Publicity Day" and the "Month for Preventing Illegal Financial Activities Publicity" in the reporting period, the Company conducted a total of more than 620 community activities, covering nearly 700,000 residents.

The Company independently developed the securities industry's first systematic investor education course, *A-share Compulsory Course*, which covers 6 modules and more than 30 courses, providing the public with accessible and easy-to-understand financial knowledge in a digital way. As of December 2025, the course has served over 1.5 million investors, with a readership of over 7 million. Through systematic and scenario-based design, the course effectively solves the problem of fragmented financial knowledge and enhances investors' independent decision-making ability.

Furthermore, the Company actively innovates its investor education models. In November 2025, supported by China Merchants Financial Holdings and organized by CMS and CMF, the "2025 Shenzhen Shekou Community Innovative Financial Investor Education Event" was successfully held. Featuring an innovative "Immersive & Seamless" model, the initiative integrated financial knowledge into daily scenarios—such as school breaks, coffee shop socializing, teahouse conversations, and park fitness—to enhance residents' comprehensive financial literacy and strengthen their awareness and ability to prevent financial risks.

Customer service and satisfaction

Continuously providing customers with a good service experience is the key for CMS to maintain customer stickiness and long-term competitive advantage, helping the Company achieve sustainable financial growth.

The Company has always adhered to the "customer-centric" service concept, actively strengthening the construction of its service team and improving its professional level. In 2025, the Company held 40 various hierarchical empowerment training sessions, competitions, and other activities for its wealth advisor team, with over 25,000 participants. Through monthly regular meetings on wealth management and customer service, special training on customer service quality, and other methods, it conducted training for the marketing service team on topics including business process management, warning cases of service quality-related complaints, investor suitability management, and customer complaint handling skills. A total of 14 sessions were held, covering approximately 19,300 front-line marketing service personnel in branch offices.

The Company is committed to promoting the inclusiveness and personalization of customer services while fostering fairness and shared growth, achieving a transformation in service models from "seller-side sales" to "buyer-side companionship." In 2025, the Company expanded its service radius through the "N+1" online-to-offline integrated model. We offered free access to

five premium information products, such as SSE Early Morning Express, and 11 professional trading tools, including Magic Nine Turns, serving a cumulative total of over 2.97 million users by the end of the reporting period. By meticulously operating events such as Wealth Management Morning Briefings, CMS Private Sharing Sessions, and Visiting Listed Companies, the Company facilitated the downward extension of high-end investment research resources, ensuring that various types of investors can access high-quality services tailored to their specific needs.

The Company is actively exploring AI empowerment in the customer service field. In 2025, focusing on the "AI-driven securities firm" strategy, the Company focused on promoting the systematic construction of the CMS App intelligent assistant "Xiao Zhao," and has completed the construction of a multi-agent basic framework covering core scenarios such as investment advisory, information, and customer service.

The Company has effectively implemented a customer service evaluation and feedback mechanism, collecting satisfaction ratings and suggestions via phone, SMS, and the App both during and after the service process. In 2025, this mechanism covered over 500,000 participants, achieving a comprehensive satisfaction rate of 99.78% (compared to 99.74% in the previous year). According to Qianfan.tech statistics, the monthly active users of the CMS App consistently ranked among the top five in the industry, while its average daily usage time retained the top spot among securities applications, reflecting continuous and high recognition from customers.

Customer complaint management

The Company adheres to the original intention of "finance for the people" and actively responds to the guiding spirit of regulatory agencies on deepening investor protection and source governance of disputes. Through strategies such as improving systems, optimizing processes, and strengthening personnel training, it systematically promotes customer complaint management work.

The Company has formulated and continuously improved customer complaint-related management systems such as the *China Merchants Securities Co., Ltd. Customer Complaint Handling Management Measures* and the *China Merchants Securities Co., Ltd. Branch Office Customer Complaint Handling Work Guidelines*. With the goal of improving the quality and efficiency of complaint handling, it has formed a full closed-loop management of "complaint reception - verification and handling - feedback and follow-up - rectification and accountability - summary and archiving." To ensure that complaint channels are smooth and convenient, the Company has publicized complaint hotlines, faxes, email addresses, and other acceptance methods in prominent positions on its official website, official WeChat, client terminals, and business offices. The Company's 95565 customer service hotline, as the complaint acceptance unit, has set up a complaint acceptance post. After receiving a customer complaint, it is immediately transferred to the responsible unit, and a rapid response is made through special posts in business offices and cross-departmental collaborative verification to ensure that the Company's complaint handling work is timely and completed within a time limit in all links such as receiving, transferring, and handling.

During the reporting period, the Company further refined its requirements for record-keeping and document retention standards across all stages of complaint handling, ensuring that processes are traceable and responsibilities are enforceable. By optimizing complaint earlywarning and response procedures, the Company strengthened full-process tracking and aging control for complaint cases, effectively preventing disputes from escalating due to delays or improper handling. Regular complaint handling supervision meetings were convened to oversee and urge progress. Furthermore, the Company attaches great importance to the professional competence and compliance awareness of its complaint handling team. Through dedicated training sessions, the Company focuses on the interpretation of complaint handling protocols, record-keeping requirements, and platform operational rules to enhance the professional capabilities of relevant personnel.

In 2025, customer complaints were primarily concentrated in business areas such as commissions and fees, trading orders, accounts and permissions, as well as trading systems and software. The Company has established a long-term mechanism for complaint handling, continuously supervising and following up on resolution progress to effectively respond to customer demands. In 2025, the response rate for customer complaint handling reached 100%, while the completion rate, settlement rate, and customer satisfaction all achieved steady improvements.

2.2.3 Impact, risk, and opportunity management

CMS assesses the overall situation of protecting customer rights through the annual identification and analysis of material issues, and formulates targeted response strategies and implements corresponding management and control measures based on this.

The Company has established a relatively complete management system for protecting customer rights, including modules such as responsible marketing, investor suitability management, customer service, and customer complaint management. By formulating and implementing relevant management systems, it clarifies the management requirements of each link and ensures that relevant risks are effectively identified and controlled.

The Company actively applies the latest digital achievements to empower customer service, and uses the power of technology to improve service efficiency and customer experience. For relevant management mechanisms, please refer to the "2.1.1 Financial technology innovation" section.

2.2.4 Metrics and targets

In the field of protecting customer rights, CMS' main management goal is to maintain a high level of customer satisfaction. The Company monitors and evaluates the management goals and their implementation process through key performance indicators.

2025 Protecting customer rights performance



2025 Investor education and customer service honors and awards

Award/honor	Awarding unit
Outstanding Contribution Unit for Investor Education (CMS)	Shenzhen Securities Association
Excellent Investor Education Base (CMS Investor Education Base)	Shenzhen Securities Association
2025 Most Influential Brokerage Physical Investor Education Base	National Business Daily
Cailian Star Guide Cup Financial Education Annual Selection "2025 Innovative Physical Investor Education Base Award"	Cailian Press
2025 China Securities Industry APP Pioneer Junding Award	Securities Times
Excellent Brokerage APP Demonstration Case Award	China Fund News

2.3 Information Security and Privacy Protection

CMS continuously strengthens its information security management foundation by continuously improving its system, strengthening technical support, promoting full participation, and combining it with an audit and supervision mechanism, effectively supporting the Company's digital transformation process and strengthening customer trust.

2.3.1 Governance

CMS has established a top-down, clear-responsibility information security and privacy protection governance structure, consisting of a decision-making level, a management level, an execution level, and a supervision level, with the following responsibilities:

The Company has established an Information Technology Governance Committee, which is responsible for reviewing information security and privacy protection management policies, strategies, and principles, and for reviewing and making decisions on major and difficult-to-coordinate matters related to information security and privacy protection management.

Decision-making level

A special work leading group for the protection of investors' personal information has been established, which is responsible for the overall coordination, task assignment, and work guidance of information security and privacy protection work, as well as the coordination of related major matters.

Management level

The Financial Technology Center is responsible for formulating and implementing security technical prevention and control requirements for systems and individuals in data activities; the special working group for the protection of investors' personal information is responsible for organizing and carrying out the review of the system, process, and system construction for the protection of investors' personal information, as well as related training and self-inspection; and all departments of the Company are responsible for the security management and compliance supervision of the entire life cycle of their own data.

Execution level

The Company's Audit Department, Legal and Compliance Department, and Risk Management Department are responsible for inspecting and evaluating the management situation and effectiveness of information security and privacy protection, and for supervising and urging rectification.

Supervision level

In accordance with laws and regulations such as the *Securities Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Measures for the Administration of Information Technology of Securities and Fund Operating Institutions*, and the *Technical Specifications for the Protection of Personal Financial Information*, the Company has established and continuously updated its information security and privacy protection system, which is mainly composed of the *China Merchants Securities Co., Ltd. Data Security Management Measures*, the *China Merchants Securities Co., Ltd. Data Classification and Grading Management Measures*, the *China Merchants Securities Co., Ltd. Network Security Management Measures*, the *China Merchants Securities Co., Ltd. Investor Personal Information Protection Management Measures*, and the *CMS Mobile Application Security Development Management Specifications*, and is applicable to all departments, branch offices, and subsidiaries.

2.3.2 Strategy

Information security

The information security risks faced by securities institutions mainly come from the professionalization and profit-driven nature of network attacks, such as deep lurking using unknown vulnerabilities, and the triple threat of ransomware "encryption + data leakage + DDoS," which may have a certain impact on the Company's market reputation, thereby affecting operating income and operating costs.

To effectively manage risks, ensure the stable operation of the Company's network systems, and reduce the possibility of related incidents and their adverse impact on its reputation, CMS has formulated three major information security management strategies and implemented a series of management measures:

Compliance-driven technology upgrades

The Company complies with the *Three-Year Improvement Plan for Network and Information Security of Securities Companies (2023-2025)* issued by the Securities Association of China, and implements tools such as code security monitoring throughout the entire life cycle of system development to achieve closed-loop management from system to execution.

AI-powered network security situational awareness

The Company actively applies AI technology in network security management, analyzing massive traffic logs through large models to improve its ability to identify complex threats such as APT attacks, hidden Trojans, and ransomware, strengthen its rapid response capabilities to abnormal behaviors, and promote the shift from "passive defense" to "active early warning."

Accelerating the implementation of the "zero trust" system

(i.e., never trust, always verify)

By continuously verifying identities and implementing least privilege management, the Company strengthens its ability to defend against phishing attacks and internal threats.

In 2025, the Company continued to deepen its network security management practices in multiple dimensions such as security assurance, classified protection certification, and security training. The Company focused on promoting the comprehensive expansion and architectural transformation of its internet security facilities to meet the capacity requirements of regulatory authorities; promoted the "three unifications" of development security (unified scanning rules, unified access control, and unified release gates) to achieve mandatory control of self-developed system release versions and improve code security and quality specifications; and successfully completed the security assurance work for important periods such as the 15th National Games.

The Company regularly conducts information system classified protection assessments every year. As of the end of the reporting period, the Company has had 7 important systems certified and filed as Level 3 systems, and 6 systems certified and filed as Level 2 systems.

The Company's *China Merchants Securities Co., Ltd. Network Security Management Measures* clearly require training in security awareness, security skills, and other aspects. During the reporting period, the Company organized information security awareness training and special training on office terminal software security, mainly in the form of online courses. The key topics included the prevention and disposal of "Silver Fox" virus attacks. The training covered 6,778 person-times throughout the year.

Privacy protection

Securities institutions need to continuously process a large amount of personal information and other sensitive private data of investors in their daily operations. Privacy protection is an important foundation for the Company to carry out its various businesses steadily. Any negligence in related management or execution links may have an adverse impact on the Company's reputation and trigger compliance risks, which in turn will have a negative impact on the Company's operating income and net profit.

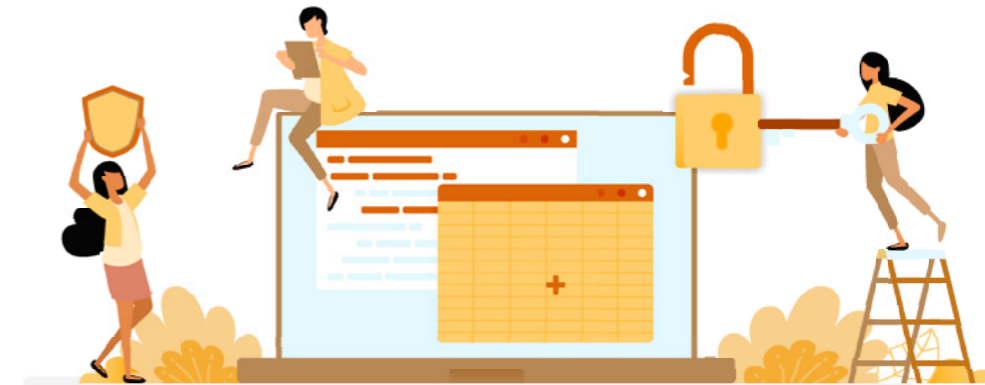
CMS actively responds to regulatory requirements by comprehensively refining its internal control system for privacy protection. By strengthening technical safeguards and enhancing user experience, the Company is committed to building a more trustworthy digital financial service environment grounded in compliance.

In response to the *Announcement on the 2025 Special Action Series for Personal Information Protection* jointly issued by the four ministries and commissions, the Company launched a special optimization action in April 2025, focusing on self-inspection and rectification of key links such as third-party SDK data sharing, user withdrawal of consent mechanism, and data encryption and de-identification processing. It completed and launched 3 targeted optimizations to further ensure the legality and transparency of user information processing. The Company added relevant instructions on behavioral security risk control mechanisms, regular security detection frequency requirements, and mini-program security management to the *Mobile Application Security Development Management Specifications*, incorporating privacy protection into the entire process management from the development source.

During the reporting period, the Company implemented a "dual-institution rotation inspection" mechanism, introducing two professional security institutions to conduct third-party inspections alternately to enhance the independence and coverage of security inspections. On this basis, the CMS App successfully passed the annual inspection of the securities and futures industry App security certification, and the institutional version of the App, "CMS Ji Zhi," was also included in the certification system, achieving a unified standard for security management of personal and institutional customer products.

The Company continues to optimize the App's privacy prompts, permission management, and user agreement display methods, providing functions such as privacy policy summaries and withdrawal of consent to privacy policies to ensure that users can understand and manage their personal data more clearly and conveniently. In promoting the compliance of the business ecosystem, the Company has established a detailed list of third parties sharing personal information, incorporating partners and third-party components into unified security management to ensure that the data sharing process is safe and controllable.

In 2025, the Company routinely conducted training on the protection of investors' personal information, covering 1,490 person-times.



CMS has published the *CMS Information Security and Customer Privacy Protection Management Policy Statement* on its official website, the main contents of which include:



2.3.3 Impact, risk, and opportunity management

CMS assesses the overall situation of information security and privacy protection through the annual identification and analysis of material issues, and formulates targeted response strategies and implements corresponding management and control measures based on this.

The Company has established a relatively complete management system in the field of information security and privacy protection. By systematically formulating and effectively implementing relevant management systems, control measures, and emergency plans, it clarifies and standardizes the management requirements of each link, forming a risk prevention and control mechanism that covers pre-event, in-event, and post-event, ensuring that relevant risks are continuously identified, effectively responded to, and controlled.

At the same time, the Company implements an information security audit system. Combined with the annual special audit of information technology management and the third-party audit conducted every three years, it evaluates the effectiveness of the information security management system, continuously promotes system optimization, and ensures its effective operation.

2.3.4 Metrics and targets

In the field of information security and privacy protection, CMS' main management goals are to ensure the normal operation of its business and ensure compliance. The Company monitors and evaluates the management goals and their implementation process through key performance indicators.

2025 Information security and privacy protection performance





03

Practicing Green Development

- Response to Climate Risks
- Developing Green Finance
- Practicing Green Operations

3.1 Response to Climate Risks

To effectively manage climate risks and seize climate opportunities in its business operations, CMS actively identifies, assesses, and responds to climate risks, continuously improving its climate risk management level.

3.1.1 Governance

The climate-related governance system of CMS is inherited from the Company's ESG governance system and is consistent in its governance structure and working mechanism. In terms of responsibilities, the Strategy and Sustainability Committee under the Company's Board of Directors is responsible for researching, making decisions on, and supervising the implementation progress of major matters such as climate-related risks. Other matters are arranged in accordance with the powers and responsibilities of the sustainable development governance structure.

As investors' attention to climate-related risks and opportunities increases, the Company will continue to strengthen the professional assessment and analysis capabilities of relevant institutions and personnel on climate impacts, risks, and opportunities.

3.1.2 Strategy

CMS identifies the risks and opportunities facing the Company from three major categories: physical risks, transition risks, and opportunities, and further assesses their impacts.

Identification and response to physical climate risks

Risk type	Risk description	Risk impact	Response measures
Acute physical risk	Acute physical risks mainly refer to the severe economic losses caused by the increased frequency and severity of climate change and extreme weather events.	<p>Short-term impact:</p> <ul style="list-style-type: none"> "Acute" physical risks can damage the Company's physical business outlets and online business service back-ends, affect employee attendance, and thus impact the Company's business continuity, undermine financial stability, and increase the Company's operating costs. <p>Mid-term impact:</p> <ul style="list-style-type: none"> "Acute" physical risks may have an adverse impact on the business operations of some of the Company's customers and investment targets, and may even lead to risks such as corporate bankruptcy. 	<ul style="list-style-type: none"> Improve the risk management system: The Company has formulated the <i>China Merchants Securities Co., Ltd. Emergency Management Measures for Unexpected Events</i>, which covers response measures for natural environmental disasters such as meteorological, seismic, and geological disasters. On this basis, the Company will gradually improve its environmental and climate risk emergency management system, strengthen its attention to weather forecasts, and continuously enhance its ability to resist the physical risks of climate change. Consider climate factors in business development: Fully consider the impact of physical risks on customers and investment targets. Formulate climate emergency plans: Formulate risk emergency plans, conduct climate emergency drills and training, etc., to improve emergency disaster response capabilities.

Chronic physical risk	Chronic physical risks mainly refer to the economic losses such as accelerated asset depreciation and loss of land and capital stock due to gradual temperature increases and sea-level rise.	<p>Long-term impact:</p> <ul style="list-style-type: none"> "Chronic" physical risks can damage the Company's physical business outlets and online business service back-ends, affect employee attendance, and the deterioration of the environment such as global warming will affect the comfort of employees' work. Sea-level rise may bring asset impairment losses to the Company. "Chronic" physical risks may have an adverse impact on the business operations of some of the Company's customers and investment targets, and will affect the Company's strategic positioning and business direction. 	<ul style="list-style-type: none"> Implement energy management: Continuously pay attention to the energy structure of the operating areas, promote electricity-saving measures, apply energy-saving and emission-reduction technologies, improve the energy efficiency of office buildings, and reduce operating costs. Strengthen environmental risk management in investment and financing business: Fully incorporate environmental and climate-related factors into the investment process to enhance asset volatility sensitivity.
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Identification and response to transition climate risks

Risk type	Risk description	Risk impact	Response measures
Policy and legal risk	<p>Since the proposal of China's carbon peak and carbon neutrality goals, China has successively issued policies, laws, and regulations and related standards to address climate change. If the Company fails to strictly comply with and implement climate risk management and related information disclosure requirements, it may face risks of being ordered to rectify, fined, or sued by regulatory authorities.</p> <p>China is promoting the establishment of a "1+N" policy system for carbon peaking and carbon neutrality, and the Company's customers and investment targets are also subject to the constraints of "dual carbon" policies, laws, and regulations.</p>	<p>Mid- to long-term impact:</p> <ul style="list-style-type: none"> The Company itself may face the risk of increased operating costs. The Company's customers and investment targets may also face regulatory penalties and financial losses due to stricter policies, which will increase the Company's management costs for them. 	<ul style="list-style-type: none"> Continuously track policies, laws, and regulations: Closely follow the policies and regulatory requirements of the state and regulatory agencies regarding the "dual carbon" goals, and comprehensively study the content of laws and regulations related to climate change and green finance. Develop green finance: Implement the spirit of the Central Economic Work Conference, formulate a low-carbon special strategic plan, provide high-quality financial services for green and low-carbon projects, and effectively do a good job in the major area of green finance. Strengthen information disclosure: Closely follow policies, regularly conduct environmental information disclosure, and improve the quality of environmental information disclosure.

Market risk	To achieve the "dual carbon" goal, China is promoting energy conservation and carbon reduction and green transformation through energy efficiency constraints, and resolutely curbing the blind development of "two highs" projects. This may affect the views of investors and consumers, leading to a decline in demand for high-carbon products and services, and an increase in the cost of some raw materials and services.	<p>Mid- to long-term impact:</p> <ul style="list-style-type: none"> Some customers will be more inclined to services and products with environmental attributes. Some of the Company's investment targets may face an uncertain market environment, with increased production and operating costs and asset depreciation, leading to default and other risks, which are transmitted to the Company through the business chain. This risk factor will affect the Company's business development strategy and risk management system. 	<ul style="list-style-type: none"> Increase investment in green industries: The Company fully considers market risks when making investment decisions, increases investment in green industries, and gradually reduces financial support for high-carbon industries. Strengthen risk prevention for high-energy-consumption and high-carbon enterprises: pursued regular reviewing and monitoring on highly emitted sectors.
Technology risk	Some cutting-edge technologies and disruptive technologies may face the risk of investment failure. The rapid iteration of some technologies may lead to cost reduction and enterprise elimination. Some of the Company's customers and investment targets may face the problem of upgrading energy-saving and environmental protection technologies during the technological transformation process.	<p>Mid- to long-term impact:</p> <ul style="list-style-type: none"> Digital transformation may increase the Company's operating costs, such as short-term human resource training costs, and the cost of using energy-saving and emission-reduction technologies in data centers. Technology upgrades will bring about an increase in the operating costs of some of the Company's customers and investment targets. 	<ul style="list-style-type: none"> Increase investment in technology research and development: The Company increases investment in the digital transformation of its business, uses advanced low-carbon and digital technologies, and timely controls the process of business digital transformation. Timely pay attention to industry technology updates: Focus on supporting enterprises with high R&D investment, strong technology R&D and iteration capabilities, and keen market sense, and consider the technical risks of low-carbon transformation of investment targets when making investment decisions.
Reputation risk	Institutional misconduct, employee behavior, or external events may give rise to negative perceptions of the Company among stakeholders, the general public, and media outlets, thereby impairing the Company's brand value, disrupting normal business operations, and potentially destabilizing market conditions.	<p>Mid- to long-term impact:</p> <p>Under the prevailing low-carbon transition trend, an increasing number of clients are inclined to engage with enterprises that demonstrate a stronger environmental profile. Failure to effectively manage climate-related risks may damage the Company's reputation and diminish its appeal to such clients, consequently affecting business development and market capitalization management.</p>	<ul style="list-style-type: none"> Actively participate in ESG-related events: To enhance disclosure to clients regarding the Company's investments and performance in the ESG domain, with a view to establishing and maintaining the Company's green image and positive corporate reputation. Establish a reputational risk monitoring and public sentiment response mechanism: To proactively monitor negative public sentiment and potential risks pertaining to the Company's environmental conduct, establish a timely public opinion response mechanism, and actively engage in communication with relevant stakeholders.

Identification and response to climate opportunities

Opportunity type	Opportunity description	Opportunity impact	Response measures
Resource efficiency	The Company and its investment targets can reduce operating costs by improving the energy efficiency of office spaces, data centers, etc., and by reducing resource waste through efficient operation and maintenance management.	<p>Short-term impact:</p> <ul style="list-style-type: none"> The Company's operating costs are reduced. The operating costs of the Company's investment targets are reduced. 	<ul style="list-style-type: none"> Practice green operations: Encourage employees to operate in a low-carbon manner, advocate for green offices, and reduce greenhouse gas emissions. Improve the environmental benefits of investment and financing: When making investment decisions, consider the low-carbon operation of investment targets.
Green finance products and services	As a national strategic emerging industry, the green industry has diverse and personalized financial needs. Continuously and steadily promoting the innovation of green financial products is conducive to enhancing the adaptability of the Company's financial service system and service capabilities.	<p>Mid-term impact:</p> <p>With the continuous development of green enterprises and the continuous improvement of the market, the increase in demand for green products and services will bring revenue growth.</p>	<ul style="list-style-type: none"> Vigorously develop green financial services: Increase investment and financing services for climate-friendly enterprises, empowering the high-quality development of energy-saving and carbon-reducing industries while obtaining investment returns. Innovate green financial products: Research and capture innovative business opportunities such as ESG funds, carbon emissions, electricity, and weather derivatives.
Green industry market opportunities	In the context of the global economy's low-carbon transition, low-carbon economy-related enterprises have significant growth potential.	<p>Mid-term impact:</p> <p>The Company's investment-related businesses seize the first-mover advantage of the green and low-carbon industry, and grasp market opportunities and shares.</p>	<ul style="list-style-type: none"> Strengthen participation in green-related industry investment, and actively carry out research and analysis of green-related industries to enhance investment capabilities.

Climate resilience

To assess the Company's adaptability in future different climate change scenarios and identify the potential impact of climate risks on the Company's operations, CMS conducted a climate risk scenario analysis. The Company referred to the scenario analysis framework of the Network for Greening the Financial System (NGFS) and selected the "Nationally Determined Contributions (NDCs)" and "Below 2° C" scenarios. The "NDCs" scenario assumes that countries take action based on their current commitments, while the "Below 2° C" scenario is set to implement stricter climate policies. These scenarios are important references for climate risk analysis by international financial institutions and regulatory authorities, covering a variety of possibilities from orderly transition to a hothouse world. CMS sets relevant assumptions based on these scenarios to assess the potential impact of climate risks on the Company's business.

Climate risk analysis scenario categories and related assumptions

Scenario category	Related assumptions
Nationally Determined Contributions (NDCs)	Countries implement their respective committed climate policies, with relatively moderate policy intensity. Global carbon emissions continue to grow and may lead to a global temperature increase of 2.3° C or higher compared to pre-industrial levels.
Below 2° C	Global climate policies are gradually strengthened and effectively implemented, with a 67% probability of limiting the long-term global temperature increase to below 2° C compared to pre-industrial levels.

In climate risk scenario analysis, considering that the direct potential impact of physical risks on the Company is relatively small, the analysis primarily focuses on transition risks faced by the Company's investment and financing businesses. The assessment prioritizes key emitting industries¹ and risk entities affected by factors such as future climate-related policy adjustments, technological shifts, and market or reputational changes. These factors may lead to the widening of bond spreads or credit rating downgrades for relevant entities, subsequently resulting in a decrease in the market value of assets held by the Company and exposure to credit default risks. Key assumptions include a stable future macroeconomic environment, unchanged climate-related investment and financing strategies and proportions, and the absence of significant technological breakthroughs related to climate change mitigation by the risk entities.

Based on the parent company's investment and financing positions during the reporting period, the Company conducted a comprehensive climate risk scenario analysis. This process integrated quantitative and qualitative assessments, referencing global financial asset statistics under various climate scenarios—such as bond spread fluctuations and credit rating changes in high-carbon sectors, as well as carbon emission trading prices. The analysis results are as follows:

Item	NGFS Nationally Determined Contributions Scenario			NGFS Below 2° C Scenario		
	Short-term (10Y)	Mid-term (20Y)	Long-Term (30Y)	Short-term (10Y)	Mid-term (20Y)	Long-Term (30Y)
Potential loss from climate risk in investment and financing in key emission industries as a percentage of net assets	0% ~ 0.1%	0% ~ 0.1%	0.1% ~ 0.3%	0% ~ 0.1%	0.1% ~ 0.3%	0.3% ~ 0.5%

Results of the climate risk scenario analysis indicate that the overall impact of climate risk on the Company's investment and financing business remains low. Potential losses across all scenarios represent a minimal percentage of net assets, confirming that climate risks are generally manageable. Through scenario analysis, the Company has enhanced its ability to identify and evaluate climate risks, allowing for the gradual optimization of climate-related investment strategies and maintaining strong resilience against climate change.

3.1.3 Impact, risk, and opportunity management

CMS has taken a series of active measures in climate risk management, incorporating climate risk into the overall risk management framework for investment banking and credit businesses. For details, please refer to the "ESG Risks and Opportunities Management" section and the *CMS ESG Risk Management Policy Statement* on the Company's official website.

1. Key emission industries refer to the *Notice on Doing a Good Job in the 2019 Carbon Emission Report and Verification and the Submission of the List of Key Emission Units in the Power Generation Industry* issued by the Ministry of Ecology and Environment, including petrochemical, chemical, building materials, steel, non-ferrous metals, papermaking, power, and aviation industries.

3.1.4 Metrics and targets

To respond to climate-related impacts, risks, and opportunities, CMS focuses on the actual business needs and business calculation feedback of various departments in the process of strategy formulation and major decision-making, and formulates corresponding strategic goals, plans, and measurement indicators based on the assessment results.

At the business level, the Company is deeply involved in green finance, serving the green transformation of society, actively responding to the national "3060" dual-carbon strategic goals, incorporating the green development concept into the Company's medium and long-term development strategy, prospectively laying out important technology tracks such as new energy, and establishing professional teams in multiple business departments to provide high-quality financial services for green and low-carbon projects.

At the operational level, the Company is committed to promoting a continuous reduction in operational energy consumption by setting low-carbon targets. With 2019 as the base year, the Company aimed to achieve a 2% reduction in per capita electricity consumption and a 2% reduction in per capita water consumption at its headquarters, the CMS Building, by 2025. According to statistical results, the Company successfully achieved these targets in 2025 (see table below).

CMS low-carbon operation targets

	Per capita electricity consumption at the CMS Building	Per capita water consumption at the CMS Building
Base year (2019)	7,012.40 kWh/person	27.65 m ³ /person
Target year (2025)	4,399.71 kWh/person	26.78 m ³ /person
Target reduction	2%	2%
Actual reduction	37.26%	3.13%
	✓ Target achieved	✓ Target achieved

2025 Greenhouse gas emission performance

Indicator	Unit	Data
Total greenhouse gas emissions (Scope 1 and Scope 2)	tCO ₂ e	22,750.61
Per capita greenhouse gas emissions (Scope 1 and Scope 2)	tCO ₂ e/person	1.78
Scope 1 greenhouse gas emissions	tCO ₂ e	451.83
Scope 2 greenhouse gas emissions	tCO ₂ e	22,298.78
Scope 3 greenhouse gas emissions	tCO ₂ e	5,795

3.2 Developing Green Finance

3.2.1 Green finance strategy

CMS actively implements the Group's "dual carbon" action system. In the *China Merchants Securities Co., Ltd. Medium and Long-Term Development Strategy and 2024-2028 Development Plan*, it clearly incorporates the green development concept into its medium and long-term development goals, proposing to be guided by the new development concept of "innovation, coordination, green, openness, and sharing," accelerate the construction of a green financial system, and promote sustainable high-quality development.

The Company actively responds to the spirit of the Central Financial Work Conference, taking the "five major areas" of finance as an important starting point for achieving the vision of "building a leading Chinese investment bank." The Company prospectively lays out green technology tracks such as optical storage and charging, lithium batteries, hydrogen energy, and smart grids, strengthens green finance assessment and incentives, and guides various business departments to expand green finance-related businesses through strategic guidance and performance assessment. Among them, the Company's Investment Banking Committee has conducted assessments and incentives for green and dual-carbon businesses, and green finance-related indicators have also been included in the annual and term assessments of the Company's management.

In the future, the Company will continue to deepen green financial services, play the role of an industrial and capital intermediary, introduce strategic emerging industries into traditional industrial scenarios, and help the Group build "two curves." The Company will explore the innovative application of green finance, promote the high-quality development of green finance, and contribute to the low-carbon transformation of the real economy by increasing green investment and financing, innovating green financial products, strengthening green research, participating in industry seminars, and reflecting a green orientation in performance assessments.

3.2.2 Green finance business

CMS deeply integrates "dual carbon" into its overall business development strategic planning, providing comprehensive financial services for green enterprises to support their strategic layout optimization, business development, and industrial upgrading. The Company will continue to increase the scale of green investment and financing and promote green finance innovation.

Investment banking business

In 2025, the Company underwrote green bonds amounting to RMB 18.114 billion (total project financing of RMB 179.944 billion), a year-on-year increase of 9%. In terms of equity business, the investment banking segment completed 3 green industry equity financing projects with a total financing amount of RMB 8.256 billion, and the Company's underwriting amount was RMB 4.50 billion.

Case

Assisting in the refinancing of Cathay Biotech, the first listed Company in the domestic synthetic biology field

In March 2025, CMS assisted Cathay Biotech Inc. (hereinafter referred to as Cathay Biotech), the first listed Company in the domestic synthetic biology field, in issuing A-shares to specific objects, raising a total of RMB 5.926 billion (the Company's underwriting amount was RMB 2.170 billion). This issuance will help Cathay Biotech continue to promote the development of a series of bio-based polyamides and their composite materials into bio-based cornerstone materials in the dual-carbon era, and promote the green development of new industrialization.

Case

Assisting MarcoPolo, a leading enterprise in building ceramics, to be listed on the main board in Shenzhen

In October 2025, CMS assisted MarcoPolo Holdings Co., Ltd. (hereinafter referred to as MarcoPolo), a leading enterprise in building ceramics, to be listed on the main board of the Shenzhen Stock Exchange, raising a total of RMB 1.643 billion. The funds raised will be used to invest in a number of green and intelligent manufacturing upgrading and transformation projects to improve MarcoPolo's green, high-end, and intelligent production level.

Case

Assisting in the issuance of the first low-carbon transition corporate bond for a shipping enterprise

In January 2025, CMS assisted in the successful issuance of the first phase of the 2025 Science and Technology Innovation Low-Carbon Transition Corporate Bond of COSCO SHIPPING Development Co., Ltd., with an issuance scale of RMB 1 billion and the Company's underwriting amount of RMB 350 million. This issuance is the first low-carbon transition corporate bond for a shipping enterprise and was enthusiastically subscribed by the market.



Investment management business

Securities company asset management (CMS Asset Management)

CMS Asset Management actively practices the ESG concept. As of the end of the reporting period, CMS Asset Management had invested approximately RMB 1.908 billion in green bonds through asset management products, involving 44 investment targets, supporting the debt financing of green projects of relevant entities.

Private equity fund management (CMS Zhiyuan Capital)

In 2025, CMS Zhiyuan Capital established 5 new ESG/green-related investment funds with a subscribed scale of RMB 4 billion, mainly investing in high-end equipment, new energy, new materials, smart cars and new energy vehicle industry chains, synthetic biology, and other fields. It added 6 new green field project investments with an investment amount of RMB 499 million, mainly investing in new energy, new materials, new energy vehicle industry chains, and other fields. As of the end of the reporting period, the investment balance of CMS Zhiyuan Capital in the green field was RMB 2.154 billion.

The Company, in accordance with standards such as the *Technical Guidelines for Carbon Accounting of Financial Institutions (Trial)* and the *Global GHG Accounting and Reporting Standard for the Financial Industry of the Partnership for Carbon Accounting Financials (PCAF)*, has calculated the carbon emissions of some of the equity investment businesses of CMS Zhiyuan Capital to assess the environmental impact of its investment and financing activities.

Carbon emission of investment and financing business

Carbon emissions from investment and financing activities

249.53 tCO₂e

Carbon emission intensity of investment and financing activities

18.95 tCO₂e/million RMB

Note: As of the release date of this report (end of March 2026), the Company can only obtain the 2024 greenhouse gas emission data and the third-quarter financial data of 2025 for the relevant invested enterprises. Therefore, the above table is calculated based on these data. The calculation method for carbon emissions from investment and financing activities is as follows:

$$\text{Carbon emissions from investment and financing activities} = \sum \text{Allocation factor}_i \times \text{Enterprise greenhouse gas emissions}_i$$

Within this framework, the allocation factor is defined as the ratio of the investment and financing balance to the enterprise value. The investment and financing balance represents the ending balance of equity holdings, while the enterprise value is calculated as the Enterprise Value Including Cash (EVIC). Greenhouse gas emission data for the entities is sourced from publicly disclosed ESG reports or environmental information disclosure reports issued by the respective companies.

Investment and trading business

CMS' proprietary investment business actively allocates high-quality green assets. As of the end of 2025, the number of green bond financing entities held by the Company increased by 3 compared with the end of the previous year, and the scale of green bond investment reached RMB 4 billion, an increase of RMB 1.2 billion from the end of the previous year. During the reporting period, the Company carried out 30 market-making projects involving ESG and green-themed funds, with a holding scale of over RMB 100 million; participated in 17 green bond distributions with a distribution amount of RMB 921 million.

In terms of alternative investment business, CMS Investment continued to increase its research investment in the green and low-carbon field, and investigated and reviewed a number of green and low-carbon projects. As of the end of the reporting period, the investment balance of CMS Investment in the green and low-carbon field was approximately RMB 550 million, of which about RMB 50 million was newly added in 2025.

Wealth management and institutional business

CMS has always regarded the exploration and layout of high-quality ESG/green-themed funds as an important direction, continuously optimizing product supply and creating long-term, stable, and sustainable value for investors. As of the end of 2025, the Company distributed 296 ESG funds with a holding scale of approximately RMB 1.6 billion; the total number of ESG fund investment advisory portfolios was 5, and the total signed scale of ESG portfolios exceeded RMB 1.1 billion.

In 2025, CMS continued to promote its ESG-themed fund custody and outsourcing business. Notably, the Company provided operational outsourcing services for the Fidelity Low-Carbon Growth Mixed Securities Investment Fund, which primarily invests in high-quality enterprises related to low-carbon themes.



3.2.3 Green finance capacity building

Strengthening green finance capacity training

CMS is committed to promoting the widespread dissemination of green finance concepts and professional knowledge, and actively carries out internal and external training and exchange activities to strengthen the understanding and awareness of green finance and ESG risks among the Company's employees, customers, and the public.

➤ In April 2025, the Company's Financial Market Investment Headquarters held a "Symposium on Serving the High-Quality Development of Green Investment and Financing" to discuss with partners the specific ideas for using ESG in the future bond market.

➤ In June 2025, CMS Zhiyuan Capital held a special training on "Sharing of Investment Opportunities in the Primary Market of Biomedicine and Synthetic Biology," with 73 employees participating.

➤ In 2025, CMF held 8 green finance-related training sessions, focusing on the practice of green finance in futures and the application of weather derivatives. Participating units included enterprises under the China Merchants Group, universities such as Harbin Institute of Technology, Sun Yat-sen University, and Southern University of Science and Technology, as well as partners and customers, with a total of 820 participants.

➤ CMS Asset Management organized employees to participate in the "Interpretation and Practical Analysis of Environmental Information Disclosure Standards for Financial Institutions" sharing session organized by the Shenzhen Green Finance Association, and the "Climate Risk Management and Low-Carbon Investment Practice" special lecture held by the Shenzhen Special Economic Zone Financial Society.



The Company holds a "Symposium on Serving the High-Quality Development of Green Investment and Financing"

Deepening green finance research

In 2025, the quantitative research team of the CMS Research and Development Center published a total of 25 research reports on the theme of ESG, including 5 in-depth reports, covering in-depth interpretations of major domestic and foreign ESG policies and investment opportunities in green finance. The environmental protection and public utility research team deeply tracked and studied the construction of clean energy industry chains such as wind power and photovoltaics and the carbon market, and released a special report on the sustainable aviation fuel (SAF) industry, an in-depth report on the gas industry, and initial coverage reports on companies such as China Resources Power and Jiufeng Energy, and tracked and commented on the latest policies on new energy and the carbon market. The power equipment and new energy research team conducted research on green and low-carbon topics such as solid-state batteries, all-tab technology for lithium batteries, and domestic and overseas large-scale energy storage, which received widespread market attention.

CMF participated in the 3rd China Carbon Finance Conference in 2025 hosted by the Carbon Neutrality Professional Committee of the China Energy Conservation Association, and co-edited and jointly released the *Carbon Market and Carbon Finance Development Report*. CMF actively strengthened external organizational collaboration, and promoted the China Futures Association's project *Feasibility Study on the Listing of Electricity Futures in the Context of Electricity Market-oriented Reform* with units such as The Chinese University of Hong Kong, Shenzhen, to carry out research on green futures-related scenarios.

Actively promoting the development of climate finance

Relying on the futures business scenario, the Company carries out research projects while promoting the implementation of business pilots. During the reporting period, China Merchants Futures, together with the Maoming Municipal People's Government, the Guangdong Provincial Meteorological Bureau, the Guangdong Provincial Department of Agriculture and Rural Affairs, the Guangdong Branch of PICC Property and Casualty Insurance Company Limited, and the National Meteorological Information Center, jointly signed the *Cooperation Agreement on Empowering the High-Quality Development of the Lychee Industry with Financial and Meteorological Science and Technology*, promoting the Maoming Lychee Financial and Meteorological Science and Technology Project, and jointly compiled the Feasibility Study Report on the Innovation Project of Comprehensive Financial Solutions for Maoming Lychee Climate Risk with units such as the Guangdong Climate Center and Fudan University. It also jointly declared the Zhengzhou Commodity Exchange's cooperation project *Application Scenario Project of Temperature Index Derivatives* with the Guangdong Power Exchange Center and the Guangdong Provincial Meteorological Center, and carried out pilots of over-the-counter options for the Pearl River Delta cooling index.

In 2025, CMF joined the Financial Meteorology Professional Committee of the Chinese Meteorological Society, participated in a number of research projects, and gave a keynote speech on weather derivatives at the first academic annual meeting of the Chinese Meteorological Society. In addition, CMF has long maintained close interaction with institutions such as green exchanges, green finance associations, and carbon asset management companies, and has conducted in-depth exchanges on green finance businesses such as weather derivatives, carbon emissions, and electricity.

2025 Green finance related honors and awards



3.3 Practicing Green Operations

CMS strictly abides by laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Work Safety Law of the People's Republic of China*, and the *Fire Protection Law of the People's Republic of China*. It actively implements the *China Merchants Group Energy Conservation and Environmental Protection Management Regulations*, advocates for low-carbon and environmentally friendly operation and work methods, and has formulated internal policies such as the *China Merchants Securities Co., Ltd. Fire Safety Management Regulations* and the *China Merchants Securities Co., Ltd. Supplier Management Rules* to align its own practices with national and industry green development strategies.

In 2025, the Company continued to integrate the green and low-carbon development concept into the entire process of operation and management, tapping into the potential for energy conservation and environmental protection at the daily office and procurement levels, organizing a variety of environmental-themed activities, and posting energy-saving and environmental protection promotional posters and playing promotional videos in office spaces. During the reporting period, the Company had no major environmental violations.

3.3.1 Energy and water utilization

Office space

Electricity is the main type of energy consumed in the operations of CMS. The Company is committed to continuously improving the efficiency of its green and low-carbon operations and has implemented a series of energy-saving and emission-reduction measures in its main office areas, mainly including:

Implement zoning lighting control, post different colored signs for different functional areas, and adjust the regional supplementary lighting according to the number of users and weather conditions.

Lighting zoning management

Air conditioning system optimization

Reasonably set the office air conditioning temperature, and appropriately adjust the number of air conditioning units turned on, the operating time, and the cooling temperature according to seasonal changes and climate temperature to reduce energy consumption.

Lighting system optimization

Air conditioning ice storage for consumption reduction

Transform the switches in the restroom corridors of the workplace to achieve local manual adjustment of lighting; replace the garage lighting system with low-energy-consumption LED lamps.

Use the off-peak period at night for air conditioning ice storage, and melt the ice for cooling during the day to reduce the overall energy consumption of the air conditioning during the day.

In terms of water conservation, the Company uses water-saving faucets in newly renovated office floors, adjusts the water output to reduce water waste. The Company also posts reminder signs at sinks, water dispensers, and other locations to remind employees to save water.

Data center

The Company's self-owned Weixin Data Center covers an area of over 9,000 square meters and is the core infrastructure supporting the Company's digital strategy. It is also the main source of energy and water consumption besides office spaces. The design and construction of the data center meet the national Class A data center standards, with a PUE value of approximately 1.5.

To improve energy efficiency, the Company has implemented a number of energy-saving measures in the infrastructure design and operation of the Weixin Data Center, including implementing overall building insulation, adopting high-frequency UPS power supply systems and intelligent lighting technology. In 2025, the Company added row-level cooling air conditioners in some cabinet row areas with high power density to shorten the wind circulation path and reduce the power loss of the air conditioner fans.

In response to the pain points of large water consumption and wastewater discharge generated daily by the cooling water system of the data center's chillers, the Company investigated an innovative solution for the closed-loop utilization of cooling water wastewater in 2025. It plans to achieve an organic linkage between the cooling water and the office area's sanitary facilities through pipeline transformation, converting the discharge water originally used for anti-scaling into public sanitary water resources, thereby realizing the reuse of wastewater resources.

2025 Energy and water resource utilization performance

Total energy consumption

5,953 tce

Electricity consumption

46,660,792 kWh

Water withdrawal

180,952 ton

To continuously promote the reduction of operational energy consumption, the Company has established low-carbon operational targets. With 2019 as the base year, the Company aimed to achieve a 2% reduction in per capita electricity consumption and a 2% reduction in per capita water consumption at its headquarters, the CMS Building, by 2025. According to statistical results, the Company successfully achieved these targets in 2025 (for details, please refer to Section "3.1.4 Metrics and targets").



3.3.2 Circular economy and waste management

CMS actively practices the concept of a circular economy, focusing on reducing the consumption of office and daily necessities in its daily operations, increasing the use of recyclable and renewable products, and standardizing the disposal of waste and pollutants. The main measures implemented by the Company include:

- Encouraging electronic office work, strengthening the management of office supplies, and standardizing the allocation, procurement, and collection of office supplies.
- Setting up a waste paper recycling area to sort and recycle waste paper materials.
- For hazardous waste, such as toner cartridges, ink cartridges, lamps, and batteries, regularly contact the urban management department for recycling and keep formal receipts.
- The staff canteen no longer provides disposable tableware, meal boxes, or food bags. Employees are encouraged to bring their own lunch boxes and containers and pack meals only as needed.
- The staff canteen has installed two oil-water separation devices to achieve dry and wet separation of kitchen waste.
- Recyclable waste bins are placed in the tea rooms of the office space, and garbage classification knowledge is publicized on the public area screens to guide employees to correctly classify garbage.
- "Smart recycling bins" are placed in the office space. Employees can dispose of old items according to the recycling classification and can exchange them for WeChat cash incentives through a mini-program.

Case Holding a "Waste-Free Market" to give new life to idle items

In July 2025, the Company held a "Waste-Free Market" old item exchange activity at the CMS Building. Employees actively sorted out long-idle items at home such as insulated water cups, tableware and kitchenware, books and magazines, and dumbbell fitness equipment for on-site exchange, giving new life to idle items in the hands of others. While realizing the recycling of resources, it also created a good atmosphere of sharing and mutual assistance.



Case CMSI recognized as "Hong Kong Green Organisation"

CMSI has been committed to optimizing its energy management system. In 2024, it introduced a carbon management platform system to monitor and analyze energy use and carbon emissions in order to accurately formulate energy-saving strategies. It vigorously promotes the use of energy-saving equipment and adopts high-efficiency and energy-saving office equipment and lighting systems to reduce energy consumption and carbon emissions.

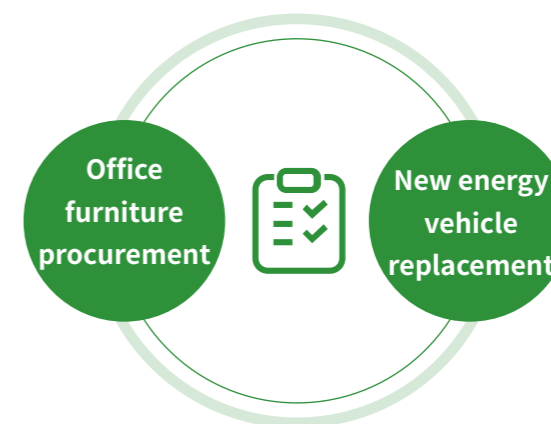
In April 2025, the Central and Kwun Tong offices of CMSI were recognized as the "Hong Kong Green Organisation" certification, demonstrating CMSI's outstanding performance in multiple environmental protection areas. The "Hong Kong Green Organisation" certification is jointly organized by the Hong Kong Environmental Campaign Committee, the Environment and Ecology Bureau of the Hong Kong SAR Government, and nine other organizations, aiming to promote environmental performance in public and private organizations in Hong Kong.



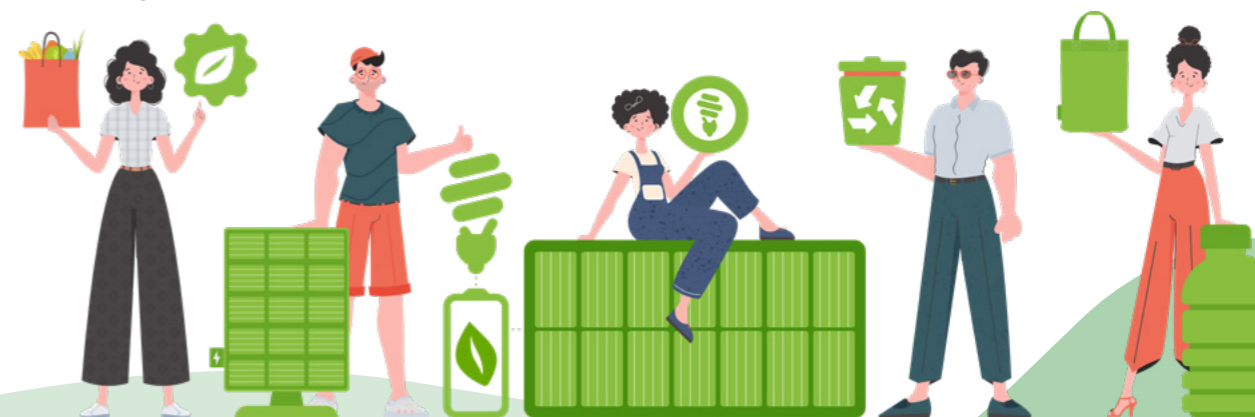
3.3.3 Green procurement

CMS actively practices the concept of green procurement and puts forward environmental-related requirements for major purchased items and suppliers.

Suppliers are required to hold the China Environmental Labelling certification (the "Ten-Ring Certification") and have passed the ISO 9000 series quality management system certification. Furthermore, both finished products and raw materials must comply with national environmental protection standards and meet the national E1 grade under the latest testing standards.



Dispose of fuel vehicles that have reached the scrapping standard and purchase domestically produced new energy vehicles for replacement.



3.3.4 Ecosystem protection

CMS organizes a series of environmental public welfare activities every year, actively practicing ecosystem and biodiversity protection in addition to its business activities, bringing positive environmental impacts.

Case "Working Together, Beach Cleaning Action"

CMSI continues to pay attention to the environmental protection issues of Hong Kong's beaches, which are easily overlooked by the public. In July 2025, CMSI cooperated with a local non-profit organization in Hong Kong that focuses on marine ecology to organize volunteers to go to Mui Wo, Hong Kong to collect beach garbage, including more than 170 kilograms of various debris such as plastic bottles, fishing nets, and glass bottles. After careful classification and registration, it was transported to a government-designated garbage collection point for disposal.



Case "Oyster Reef Restoration" Action

In October 2025, CMSI once again joined hands with a Hong Kong marine ecological environmental protection organization to carry out the "Oyster Reef Restoration" action, organizing volunteer colleagues and their families to clean up old oyster farms and build oyster reefs under the guidance of professionals, creating new small habitats for small animals, helping to maintain Hong Kong's biodiversity, and enhancing the coast's ability to defend against storms.





04

Taking Social Responsibility

- Creating Social Value
- Practicing Public Welfare and Charity

4.1 Creating Social Value

As the largest securities company within the SASAC system of the State Council, CMS takes "serving the country's scientific and technological self-reliance and helping to preserve and increase the value of social wealth" as its corporate mission. In the process of serving the national strategy and the development of the real economy, it actively plays the role of a capital market intermediary and practices the mission of a "strong financial nation."

4.1.1 Serving the real economy

CMS actively fulfills its mission to build China into a financial powerhouse. Committed to the core principle of serving the real economy, the Company provides physical enterprises with premium investment banking services and comprehensive capital market solutions. We are dedicated to facilitating economic structural transformation, enhancing the quality and strength of the real economy, and supporting the development of a modern, integrated transportation system.

Assisting in industrial transformation and upgrading

In 2025, the Company, as a sponsor and lead underwriter, provided equity sponsorship and underwriting, bond underwriting, and other investment banking services to a total of 171 real economy enterprises, assisting in raising a total of RMB 574.746 billion, with an underwriting amount of RMB 127.813 billion.

Case Assisting in the refinancing of Huatong Meat, a listed Company with an integrated livestock and poultry industry chain

In May 2025, CMS assisted Zhejiang Huatong Meat Products Co., Ltd. (hereinafter referred to as Huatong Meat), a listed Company with an integrated livestock and poultry industry chain, in completing a non-public offering of shares, raising a total of RMB 1.6 billion. The funds raised will be mainly used for the construction of pig breeding projects and feed processing projects, promoting the integrated construction of the pig industry chain, and achieving self-sufficiency in feed and cost control.

Case Assisting Guangdong Provincial Academy of Building Research Group, a leading domestic construction technology developer, to be listed on the ChiNext

In August 2025, CMS assisted Guangdong Provincial Academy of Building Research Group Co., Ltd. (hereinafter referred to as Guangdong Provincial Academy of Building Research Group), a leading domestic construction technology developer, to be listed on the ChiNext of the Shenzhen Stock Exchange, raising a total of RMB 687 million. The funds raised will be mainly used for the construction of the headquarters of the Innovation Technology Research Institute and the construction of a testing and marketing service network, aiming to strengthen technology research and development capabilities and the layout of the national testing service network.

Case Assisting Techking's successful IPO as the first tire Company listed on the Beijing Stock Exchange

In October 2025, CMS assisted Techking Tires Limited (hereinafter referred to as Techking), a leading enterprise in mining and construction tires, to be listed on the Beijing Stock Exchange, raising a total of RMB 332 million. The funds raised will be centered on the company's "scenario-based technology development system," aiming to improve product performance, enhance research and development strength, and digital service capabilities.

This project was awarded the "New Finance Innovation Case" of the year at the 2025 Southern Weekly New Finance Conference.

Supporting infrastructure development and a strong transportation nation

The Company actively invests in national key infrastructure projects, assisting in asset revitalization and infrastructure construction through innovative financial instruments, and fully leveraging its professional advantages in the bond business and REITs fields. In 2025, it supported the issuance and listing of projects such as BOC Sinotrans Logistics Warehouse REIT and AVIC ESR Logistics Warehouse REIT, and assisted a number of infrastructure and transportation sector enterprises in successfully completing financing.

Case Assisting in the successful listing of BOC Sinotrans Logistics Warehouse REIT

In July 2025, CMS, as the exclusive financial advisor, assisted in the listing of the first central enterprise logistics and warehousing infrastructure real estate investment trust (REIT) in China - BOC Sinotrans Logistics Warehouse Closed-end Infrastructure Securities Investment Fund - on the SSE, with an issuance scale of RMB 1.311 billion. Relying on the REIT platform, Sinotrans will continue to increase the construction of key logistics nodes and strengthen supply chain security and resilience.

Case Assisting in the issuance of the country's first tunnel asset-backed REITs

In May 2025, CMS assisted in the successful issuance of the "JiuShi Financial Leasing (Shanghai) Co., Ltd. 2025 Qingdao Conson Jiaozhou Bay Subsea Tunnel Directed Assetbacked Notes (Phase-I) (quasi-REITs)" in the inter-bank market, with an issuance scale of RMB 1.601 billion. The underlying project, the Qingdao Jiaozhou Bay Subsea Tunnel, is the second subsea tunnel in mainland China and the longest subsea tunnel in China. This project is the country's first tunnel asset-backed REITs and also the first quasi-REITs in Qingdao.

Case

CMSHK assists Sany Heavy Industry in its successful listing on the Hong Kong Stock Exchange

In October 2025, China Merchants Securities (HK) Co., Limited (a subsidiary of CMSI), as a joint global coordinator, joint bookrunner, and joint lead manager, assisted Sany Heavy Industry Co., Ltd. (hereinafter referred to as Sany Heavy Industry) in its successful listing on the main board of HKEX. Sany Heavy Industry is the world's third-largest and China's largest construction machinery enterprise (calculated by the cumulative revenue of core construction machinery products from 2020 to 2024), and has been widely involved in the construction of a number of global landmark projects, such as the Hong Kong-Zhuhai-Macao Bridge, the London Olympic venues, the Burj Khalifa, and the Beijing Olympic venues.

4.1.2 Inclusive finance

Under the guidance of the mission of "finance for the people," CMS provides comprehensive financial services for small and medium-sized enterprises through the "Gazelle Incubator Project," builds an inclusive financial product system of "public funds + insurance + fund investment advisory," carries out "insurance + futures" business, enriches the supply of inclusive finance, and meets the financing needs of small and medium-sized enterprises and the wealth preservation and appreciation needs of residents.

Investment banking business

In 2019, the Company launched the "Gazelle Incubator Project," which aims to provide full life-cycle, comprehensive financial services and industrial empowerment for growing technology-based enterprises, and to assist in the high-quality development of "specialized, refined, special, and new" small and medium-sized enterprises. The Company regularly investigates the needs of Gazelle Incubator enterprises, holds Gazelle Incubator empowerment activities, and relies on the internal and external resources of the Group and the Company to deeply integrate resources through financial and industrial empowerment, creating a "Gazelle Incubator ecosystem" to provide enterprises with full life-cycle comprehensive financial services. As of the end of 2025, there were 346 enterprises in the "Gazelle Incubator Project" library, and a total of 665 enterprises had been included in the library. During the reporting period, two sessions of the Gazelle Incubator Project's "Entering the Mainstay of the Industrial Chain" series of activities were held, successively entering Sungrow Power and China Merchants Industry, attracting nearly 40 Gazelle Incubator enterprises to participate.

During the reporting period, the Company assisted in the issuance of a number of bonds related to rural revitalization and "agriculture, rural areas, and farmers," as well as inclusive finance-themed products, with an underwriting amount of RMB 37.785 billion.

Case

Assisting in the issuance of the first science and technology innovation bond for micro, small, and medium-sized enterprises in Central China

In May 2025, CMS assisted in the successful issuance of the "Wuhan Optics Valley Financial Holding Group Co., Ltd. 2025 Non-public Issuance of Science and Technology Innovation Micro, Small, and Medium-sized Enterprises Support Bonds (Phase-I) for Professional Investors," with an issuance scale of RMB 1 billion. This is the first science and technology innovation bond for micro, small, and medium-sized enterprises in Central China.

Case

Assisting in the issuance of the CMS - Ronghe Electric Technology Phase I & II Green Asset-backed Special Plan (MSME Private Enterprise Financing Support)

In July and December 2025, CMS assisted in the successful issuance of the "CMS - Ronghe Electric Technology Phase I & II Green Asset-backed Special Plan (MSME Private Enterprise Financing Support)." The project consists of five phases with a planned total issuance size of 1 billion RMB. It represents the market's first "dual-labeled" project, combining both "green" and "MSME-themed" designations.

Wealth management business

The Company has built a three-in-one inclusive financial product construction system of "public funds + insurance + fund investment advisory," providing product allocation suggestions and services centered on customers, improving the accessibility and convenience of financial services, and also promoting the personalization and precision of wealth management services. The Company is also committed to reducing the purchase cost of fund investors and promoting the reform of public fund handling fees. It has launched a 10% discount on the subscription fees of over-the-counter public funds in October 2024, which has been actively responded to by the majority of investors.

As of the second half of 2025, the Company's retention scale of non-money market public funds reached RMB 143.4 billion, ranking 6th among securities firms.

Futures business

CMF has been actively exploring in the fields of inclusive finance and futures for agriculture, actively carrying out "insurance + futures" business, and is committed to providing price fluctuation risk protection for farmers and agricultural operating institutions. It has innovatively introduced the "rural revitalization + public welfare finance" model and carried out a number of comprehensive agricultural assistance and inclusive projects in Shache County, Xinjiang. During the reporting period, CMF launched a total of 28 "Insurance + Futures" projects, with a cumulative notional principal reaching RMB 1.153 billion and a total indemnity payout exceeding RMB 11.79 million. These initiatives covered 7 provinces, 28 regions, and 9 categories of agricultural products, providing protection for over 39,000 farming households.

In 2025, CMF won a number of inclusive finance honors:

Won the "Capital Market Inclusive Finance Leadership Award" at the "2025 China Inclusive Finance International Forum" hosted by the China Institute for Inclusive Finance.



Won the "Best Comprehensive Rural Revitalization and Social Responsibility Public Welfare Award" at the "18th Best Futures Operating Institution Selection" hosted by Futures Daily.



"China Merchants Futures' Pioneering Domestic Cold Wave Index Weather Derivatives" was selected as a "2025 Typical Case of Financial Support for Agriculture and Green Finance" by China Rural Credit Cooperative News.



4.1.3 Pension finance

CMS fully leverages its public fund license and wealth management professional service advantages, actively lays out personal pension product services, public pension FOF products, and pension finance investor education, providing full life-cycle companionship services for elderly customers. The investment banking business actively supports the equity and debt financing of qualified health, pension, and other silver economy enterprises, and explores the issuance of asset-backed securities and REITs with pension facilities as the underlying assets.

In 2025, the Company innovatively launched the industry's first fund investment advisory pension public welfare portfolios, "Anxiang Money+" and "Anxiang Bond Fund," which will donate more than 50% of the fund investment advisory service fees to public welfare undertakings in the long term. As of the end of the reporting period, the project has completed its first donation, which was used for the "Anti-fall Package Public Welfare Project" of the Shenzhen Aging Cause Development Foundation to help the elderly and their families create age-friendly bathroom spaces and create a community anti-fall care and friendly environment. Furthermore, leveraging its professional fund advisory capabilities, CMS has launched services such as the Pension FOF Advisory Portfolio. The Company currently distributes 500 pension-themed funds, with the assets under custody reaching approximately RMB 50 million.

4.1.4 Technology finance

Guided by the national science and technology innovation strategy, CMS accelerates the construction of its core competitiveness in technology finance through the dual drive of resource integration and model innovation. The Company focuses on key industries and regional layouts, optimizes resource allocation through mechanisms such as setting up virtual industry groups, comprehensively enhances its full life-cycle service capabilities for technology enterprises, and builds a technology finance service brand with industry influence. In 2025, the Company was awarded the title of "Best Investment Bank for Technology and Intelligent Manufacturing Industry" by New Fortune.

Investment banking business

In 2025, the Company completed 13 science and technology innovation equity financing projects, with a total financing amount of RMB 22.657 billion and an underwriting amount of RMB 11.302 billion, a year-on-year increase of 39% in underwriting amount. In 2025, it assisted in the issuance of 10 A-share IPO projects, all of which were science and technology innovation projects. According to statistics from the Securities Association of China, the Company's lead underwriting amount for science and technology innovation bonds on stock exchanges reached RMB 44.487 billion in 2025, representing a year-on-year increase of 50%.

2025

Completed science and
technology innovation
equity financing projects

13

Total financing amount

RMB 22.657 billion

Underwriting amount

RMB 11.302 billion

Year-on-year increase

39%

Case

Assisting CSG Digital, the world's first digital power grid stock, to be listed on the ChiNext

In November 2025, CMS assisted CSG Digital Power Grid Research Institute Co., Ltd. (hereinafter referred to as CSG Digital) to be listed on the ChiNext of the Shenzhen Stock Exchange, becoming the world's first listed Company in the digital power grid, raising a total of RMB 2.714 billion. CSG Digital is the world's first digital power grid research institute, a "Science and Technology Reform Demonstration Enterprise" of the State-owned Assets Supervision and Administration Commission of the State Council, and one of the participants in the formulation of technical standards in the field of digital transformation of power energy.

Case

Assisting East Point, the first optical communication stock on the Beijing Stock Exchange, to be successfully listed

In December 2025, CMS assisted East Point Communication Technology Co., Ltd. (hereinafter referred to as East Point) to be listed on the Beijing Stock Exchange, becoming the first listed Company in the optical communication field on the Beijing Stock Exchange, raising a total of RMB 324 million. East Point focuses on the research and development, manufacturing, and sales of passive optical device products in the optical communication field, and has been recognized as a national high-tech enterprise and a national-level "specialized, refined, special, and new" small giant enterprise.

Case

Assisting in the issuance of the first science and technology innovation bond for a venture capital institution in the Shenzhen area

In June 2025, CMS assisted in the successful issuance of the "China Merchants Capital Investment Co., Ltd. 2025 Science and Technology Innovation Bond (Phase-I)" in the interbank market, with an issuance scale of RMB 1 billion. This project is the first science and technology innovation bond for a venture capital institution in the Shenzhen area, effectively helping China Merchants Capital to raise long-term, low-interest, and easy-to-use bond funds for science and technology innovation.

Research business

The Company supports the development of various businesses through in-depth research. As of the end of 2025, the Company has built more than 450 industrial chain maps in 9 major fields, including semiconductors, digital economy, medicine, automobiles, and consumption, through a combination of self-research and external procurement. Among them, more than 350 are related to technology, an increase from the end of the previous year, playing a "direction-finding" role for the layout and capacity building of investment banking and investment businesses.

Private equity fund management business

In 2025, CMS Zhiyuan Capital added 8 new investment projects in the fields of technology and emerging industries, with an investment amount of RMB 579 million, mainly investing in strategic emerging industries such as new-generation information technology, high-end equipment, new materials, new energy vehicles, and new energy. As of the end of 2025, the investment balance of CMS Zhiyuan Capital in the fields of technology and emerging industries was RMB 4.697 billion.

Investment and Trading Business

In 2025, the Company's proprietary investment business vigorously developed the "bond market science and technology board," and the holdings of science and technology innovation bonds and ETF products increased significantly year-on-year. As of the end of 2025, the investment balance of science and technology innovation bonds was RMB 9.646 billion, a year-on-year increase of RMB 3.338 billion; a total of 14 science and technology innovation bond ETFs were invested, with a holding market value of approximately RMB 6.122 billion. In 2025, the Company participated in 92 science and technology innovation bond distributions, with a distribution amount of RMB 6.284 billion. As of the end of December 2025, the Company had carried out market making for 40 STAR Market stocks, with a business scale of RMB 60.8751 million, and all 40 market-making targets were rated A or above.

The Company created the "CMS Manufacturing Enterprise Science and Technology Innovation Bond Basket" on the China Foreign Exchange Trade System's local currency trading platform during the reporting period, and actively participated in the quotation and trading business of the enterprise science and technology innovation bond standard basket created by the China Foreign Exchange Trade System, and won the award of "Active Basket Quotation Institution for Science and Technology Innovation Bonds" issued by the China Foreign Exchange Trade System.

In terms of alternative investment, CMS Investment closely focuses on serving new quality productivity, and focuses on investing in strategic emerging industries such as chip semiconductors, medical health, advanced manufacturing, new energy, and new materials. In 2025, CMS Investment reviewed more than 20 strategic emerging industry projects. As of the end of 2025, the investment balance of CMS Investment in the strategic emerging industry field was approximately RMB 2.2 billion, of which about RMB 87 million was newly added during the reporting period. Among the portfolio companies, 7 enterprises have simultaneously attained multiple prestigious technology credentials, including High-tech Enterprise certification, national-level "Little Giant specialized, refined, special, and new" enterprise certification, and provincial or municipal-level specialized, refined, special, and new small and medium-sized enterprise certification.



4.2 Practicing Public Welfare and Charity

Adhering to the core corporate values of "National Identity, Responsibility of the Times; Pursuit for Innovation and Strength, Commitment to Practice", CMS has always insisted on practicing corporate social responsibility, continuously assisting in rural development, empowering community building, actively carrying out charitable activities, being people-oriented, dedicated, and responsible, giving back to society, demonstrating corporate responsibility, and walking with social development.

4.2.1 Social contribution

CMS actively fulfills its corporate social responsibility and has established the Shenzhen CMS Charitable Foundation (hereinafter referred to as the Foundation). It has formulated supporting management mechanisms such as the China Merchants Securities Co., Ltd. Public Welfare and Charity Management Measures to carry out public welfare and charitable activities in a standardized, systematic, and professional manner. The Foundation's business scope covers poverty alleviation, helping the needy, caring for the elderly, saving orphans, helping the sick, assisting the disabled, disaster relief, medical assistance, and student aid, comprehensively meeting the needs of social and people's livelihood. In 2025, the Foundation was once again rated as a 3A social organization in the Shenzhen social organization level assessment.

All departments of the Company and their party branches and subsidiaries also actively organize various charitable donations and community public welfare activities in combination with their own advantageous resources, comprehensively demonstrating corporate responsibility and walking with social development. In 2025, the total donation of the Foundation reached RMB 2.8722 million. The Company participated in 340 person-times of volunteer services, with a total service time of 1,799 hours.

During the reporting period, the Company also donated HKD 10 million (equivalent to RMB 9.0447 million based on the mid-market rate on the payment date) to the China Merchants Group Charitable Foundation Limited to support the construction of the public welfare and charity ecosystem in Hong Kong, help improve people's livelihood and the development of public welfare undertakings in Hong Kong, and contribute to promoting social harmony and stability.

Practicing philanthropic finance

In June 2025, the Company officially released the "Yizhao Xiangshan · Zhiyuan Qianxing" philanthropic finance brand (related services were launched in advance in September 2024). As of the end of 2025, the "Yizhao Xiangshan · Zhiyuan Qianxing" public welfare series of financial services has launched two major sections, "Rural Revitalization" and "Pension Assistance," and has launched 4 public welfare series portfolios for student aid and pension, with a cumulative signed scale of over RMB 1.1 billion and 1,273 signed customers. The Company donated the fund investment advisory service fees of the 2 Fuxiang series portfolios to the "Ayi Tudou" public welfare project, with a donation of about RMB 520,000; it donated 50% of the fund investment advisory service fees of the 2 Anxiang series portfolios to the "Anti-fall Package" public welfare project, with a donation of RMB 150,000. The Company's "Yizhao Xiangshan" fund investment advisory public welfare wealth management portfolio was selected as the "2025 Third Fund Investment Advisory Golden Bull Award · Innovation Case" by China Securities Journal.



Release of the "Yizhao Xiangshan · Zhiyuan Qianxing" philanthropic finance service brand

In 2025, the Company, in collaboration with several industry associations, universities, and social organizations, established the industry's first ESG Philanthropic Finance Lab. By innovatively creating a philanthropic finance ecosystem that integrates "financial institutions, non-profit organizations, and beneficiaries," the Lab explores ESG development and innovative models for philanthropic finance. We aim to drive research, product development, talent cultivation, and standard-setting, further deepening the social impact of philanthropic finance.

In December 2025, the ESG Philanthropic Finance Laboratory released the Special Research Report on Charitable Organization Investment, which comprehensively sorted out the development status of the charitable landscape at home and abroad through detailed data and in-depth analysis, systematically described the ecological panorama of asset management of Chinese charitable organizations for the first time, and made forward-looking predictions on future development paths such as investment management and ESG integration through trend research and case deconstruction, providing an important "weathervane" and practical reference for achieving the preservation and appreciation of charitable assets.



Unveiling of the CMS ESG Philanthropic Finance Laboratory



ESG Philanthropic Finance Laboratory releases research report

Case

CMS and CMF host the "2025 Shenzhen Shekou Community Philanthropic Finance Activity"

In November 2025, CMS and CMF successfully hosted a community philanthropic finance activity with the theme of "Finance for Good, Co-construction and Co-benefit," which included a public welfare finance forum, a creative public welfare finance investor education market, and interactive public welfare games, promoting financial literacy education into the community, interpreting the value connotation of "finance for good," and building a new ecosystem of community public welfare finance.



Charitable assistance and empowerment

The Company adheres to the assistance concept of "precise assistance + long-term empowerment," and systematically promotes the development of people's livelihood and education in relatively backward areas by carrying out multi-dimensional public welfare donation activities.

The Foundation carried out a series of public welfare donation activities in 2025, mainly including:

Donated student mattresses, water heaters, computers and other materials worth RMB 94,200 to Nimalong Complete Primary School in Xiahe County, Gansu Province, to help children improve their accommodation conditions so that they can study at ease and grow up healthily.

Donated RMB 100,000 to the Education and Science and Technology Bureau of Tianzhu Tibetan Autonomous County, specifically for the "AI Smart Classroom Construction Project of Chaikouyi Primary School in Huazangsi Town, Tianzhu County." With the help of the recording and broadcasting classroom, characteristic courses and activities are carried out to enrich campus cultural life and improve the quality and influence of school education.

Donated RMB 518,000 to the Chongqing Xing'an Assistance Foundation, specifically for the "Ayi Tudou - Meigu County Chuhuoqian Primary School Volunteer Teaching Project." It provides one academic year of high-quality free basic education for local students, supports the school and 8 volunteer teachers to carry out various themed activities, and better cares for the healthy growth of students at Chuhuoqian Primary School.

Organized and carried out the "Continuing Hope, Warming Baise" youth volunteer teaching activity. The Company's ninth batch of youth volunteer teaching groups, a total of 4 people, went to Pingtang Primary School in Baise, Guangxi for a one-month volunteer teaching and student aid activity, integrating the mission of "sowing the seeds of science and technology for rural children" into daily teaching innovation and campus technical support, and interpreting the depth and warmth of educational assistance with actions. At the same time, the Company's labor union donated a batch of story machines worth about RMB 56,900 to the students of Pingtang Primary School to enrich the children's after-school life.



Certificate of Appreciation for the "Ayi Tudou" Project



"Continuing Hope, Warming Baise" Youth Volunteer Teaching Activity

Case

"Soma Flowers Blooming - Caring for Liangshan Girls" and "Love Cleaning Package" public welfare project fundraising activities

In 2025, the Company continued to carry out the "Soma Flowers Blooming - Caring for Liangshan Girls" and "Love Cleaning Package" public welfare project fundraising activities, distributing love cleaning package materials worth RMB 51,200 to 1,150 students in 8 village primary schools in the Daliangshan area, and distributing materials for caring for girls worth RMB 41,800 to 449 girls. Through the innovative form of "one book, one class, one gift," it provides students with dual support of health education and emotional support.



Caring for vulnerable groups

The Company actively enters the community, focuses on socially vulnerable groups, carries out various donation and care activities, and strengthens community connections.

Case

"Warming the Twilight Years, Building a Happy Age Together" Public Welfare Activity

In August 2025, the Company, in conjunction with the Shenzhen Aging Cause Development Foundation, entered the Huangbeiling Nursing Home in Luohu District to carry out the "Warming the Twilight Years, Building a Happy Age Together" public welfare activity, popularizing financial anti-fraud knowledge for the elderly and organizing healthy interactive games. 30 people participated on site, and a total of 92 comfort items were presented. The activity involved 10 volunteers from the Company, with an average service time of one and a half hours per person.



Case

"June 1st" visit to children with autism

During Children's Day, the Company entered a special education institution, bringing holiday joy to children with autism with sincere companionship, and letting the sunshine of love illuminate every special childhood.



Case

"Angel's Heartbeat" China Merchants · Handpicked Love Foundation United for Good Philanthropic Action

In 2025, the Foundation donated RMB 200,000 to the China Charity Federation, specifically for the "Angel's Heartbeat" China Merchants · Handpicked Love Foundation United for Good Philanthropic Action, to fund surgery for children with congenital heart disease in poverty-stricken areas.



○ Focusing on the growth of young people

The Company pays attention to the healthy growth of young people, and in combination with its own business expertise and resource advantages, held a number of youth public welfare care activities in 2025.

Case

"Zhao' Yang Lian 'Meng' 'Yu' Jian Mei Hao - Finance into the Community" Entrepreneurship Competition

CMSI held the "China Merchants Happy Village - 'Zhao' Yang Lian 'Meng' 'Yu' Jian Mei Hao - Finance into the Community" entrepreneurship competition. The project cooperated with the Kowloon City Youth Association of Hong Kong and invited the Youth Science and Technology Innovation Institute of the University of Hong Kong to participate. It carried out rich activities such as entrepreneurship workshops, visits to financial institutions, career planning guidance, and business case competitions, allowing Hong Kong middle school students to experience the pulse of the market at zero distance and laying a foundation for students to devote themselves to the business field in the future.



案例

"China Merchants Happy Community" Children's Painting Competition

CMSI held the "China Merchants Happy Community" children's painting competition, encouraging children and parents to create together, record the community scenery in life with paintbrushes, and select outstanding works to be made into the 2026 desk calendar of CMSI, deepening the emotional bond of the community.



4.2.2 Rural revitalization

CMS actively responds to the national rural revitalization strategy, continuously innovates poverty alleviation models, and helps rural areas optimize their industrial structure, supplement medical resources, ensure local infrastructure construction, and improve living standards through characteristic financial services and public welfare support. In 2025, the Company's total investment in supporting rural revitalization reached RMB 3.669 million, benefiting 117,444 individuals.

○ Financial assistance

The Company deeply integrates the rural revitalization strategy into its corporate social responsibility practice, and helps the industrial development of rural areas through investment and financing services and risk management tools, and continuously explores and innovates on the path of financial assistance to agriculture.

Financing helps the industrial development of rural areas. In 2025, the total issuance size of "rural revitalization" and "agriculture, rural areas, and farmers" bond products in which the Company participated as a lead underwriter reached RMB 50.75 billion, with the Company's actual underwriting amount totaling RMB 8.415 billion.

Case

Assisting in the issuance of the 2025 "Three Rural Issues" Special Financial Bond (Bond Connect) of Agricultural Bank of China Limited

In January 2025, CMS assisted Agricultural Bank of China in successfully issuing RMB 40 billion of "agriculture, rural areas, and farmers" special financial bonds in the inter-bank market, setting a record for the largest issuance of "agriculture, rural areas, and farmers" special financial bonds. With the theme of "serving the integrated development of urban and rural areas," the funds raised from this bond will be fully used for the issuance of agriculture-related loans in fields such as urban-rural integrated infrastructure.

Case

Assisting in the issuance of the "Carbon Neutral + Rural Revitalization + Sustainability-linked" triple-labeled corporate bond of CNNC Financial Leasing

In May 2025, CMS assisted in the successful issuance of the 2025 Green Carbon Neutral Rural Revitalization Corporate Bond (Phase-I) (Sustainability-linked) (Variety 1) of CNNC Financial Leasing Co., Ltd., with an issuance scale of RMB 700 million and the Company's underwriting amount of RMB 137 million. This current bond features a triple designation, combining green carbon neutrality, rural revitalization, and sustainability-linked attributes.

Actively explore the business scenarios of futures assisting agriculture. CMF gives full play to its professional expertise by actively developing "Insurance + Futures" programs, dedicated to providing price fluctuation risk protection for farmers and agricultural organizations. In 2025, the cumulative notional principal of related projects reached RMB 1.153 billion, with realized indemnity exceeding RMB 11.79 million, providing effective risk management for over 39,000 farmers. Furthermore, CMF innovatively introduced the "Rural Revitalization + Philanthropic Finance" model. Through the CMS Charitable Foundation, it donated RMB 860,000 to subsidize insurance premiums for low-income corn farmers in Shache, Xinjiang, and apple farmers in Jingning, Gansu. This initiative helped vulnerable households manage price risks and consolidated poverty alleviation achievements. A new "Multi-dimensional Precise Support and Comprehensive Assistance" model has emerged, leveraging the integrated advantages of China Merchants Group. By collaborating with various subsidiaries, each contributing their unique expertise and resources, the Company fulfills the Group's mission of "Strengthening the Nation through Industry and Serving the Country through Finance."



CMF launched a financial literacy training initiative in Shache County, Xinjiang, to bring financial knowledge to rural communities

Public welfare assistance

The Company donated RMB 750,000 to the Health Commission of Shitai County, Anhui Province, specifically for the "Shitai County Mobile Multi-functional Physical Examination Tour Vehicle Equipment Procurement Project." This solves the problem of medical service accessibility caused by the complex terrain and inconvenient transportation in the local area, allowing county residents to enjoy high-quality diagnosis and treatment services, improving the overall efficiency of medical and health services in Shitai County, and enhancing the county's medical rescue response capabilities for public emergencies.

The Company donated RMB 200,000 to the People's Government of Liuba County, Hanzhong City, Shaanxi Province, specifically for the "Miaotaizi Village Public Toilet Construction Project in Liuhou Town, Liuba County." This provides support for the local tourism industry, promotes the construction of local infrastructure and the improvement of service levels, and improves the quality of life and economic income of local residents.

Consumption assistance

In 2025, the Company purchased RMB 1.859 million of agricultural products through the China Merchants Group's agricultural assistance platform, the online sales platform for agricultural and sideline products from poverty-stricken areas, and from the paired assistance counties of Neixiang County in Henan Province, Shitai County in Anhui Province, and Xixian County in Shanxi Province, a poverty-stricken area, to consolidate and expand the achievements of poverty alleviation with practical actions.





05

Stimulating Employee Potential

- Protecting Employee Rights
- Supporting Talent Development

5.1 Protecting Employee Rights

CMS has always been committed to actively exploring in the areas of equal and compliant employment, optimizing compensation and benefits, promoting democratic communication, and caring for occupational health, continuously optimizing and improving the Company's employee management system, effectively protecting the legitimate rights and interests of employees, and enhancing employee happiness and sense of belonging.

5.1.1 Employee Rights and Benefits

CMS strictly abides by relevant laws and regulations such as the *Labor Law of the People's Republic of China*, the *Regulations of the Shenzhen Special Economic Zone on Promoting Harmonious Labor Relations*, and the *Employment Ordinance (Hong Kong, China)*, and has established normative documents such as the *China Merchants Securities Co., Ltd. Employee Recruitment Management Measures* and the *China Merchants Securities Co., Ltd. Labor and Employment Management Measures* to clarify and standardize labor and employment management behaviors, protect the legitimate rights and interests of employees, and prevent labor and employment risks. The Company properly handles labor disputes in strict accordance with laws and regulations, and continuously supervises the implementation of labor and employment management norms and systems to ensure that all policies are implemented.

The Company has established a complete recruitment system and process to ensure the compliance and effectiveness of recruitment. The Company prohibits the recruitment and use of child labor and forced labor, and signs labor contracts with all employees on the basis of equality, voluntariness, and consensus to establish labor relations in accordance with the law. At the same time, the Company provides a safe and healthy working environment and good working conditions in strict accordance with labor protection requirements. The Company continuously supervises the implementation of recruitment policies and management systems, regularly inspects the recruitment situation of various positions, and urges the standardization and institutionalization of recruitment work.

The Company advocates a fair, diverse, and inclusive workplace culture, and always adheres to the principles of openness, fairness, and justice in employee recruitment and appointment. In the process of employee recruitment, promotion, and training, the Company treats everyone equally and is not biased due to factors such as race, ethnicity, place of origin, gender, religion, or marital status, providing equal opportunities for applicants and current employees. The Company strictly prohibits any form of discrimination and harassment, and creates an equal and respected working environment for employees.

The Company is dedicated to continuously enhancing the holistic well-being and satisfaction of its employees by optimizing its remuneration and benefits management system. In alignment with national policies, corporate strategic positioning, and future performance forecasts, the Company periodically adjusts its compensation and benefits policies. The Company implements a standard working hour system and ensures the timely and full payment of statutory social insurances and the housing provident fund for all employees. Furthermore, the Company provides non-salary benefits, including supplementary medical insurance, annual physical examinations, and enterprise annuity plans. Additionally, the Company actively develops a diverse range of welfare programs for all staff, covering health management, cultural and sports activities (refer to section 5.1.3 "Employee Health" for details), and specialized care for female employees.

CMS compensation and benefits system



Compensation

The Company's compensation system includes salaries, bonuses, and medium-to-long-term incentives. Salaries are determined with reference to market levels and the Company's competitiveness; bonuses are distributed based on departmental performance, strategic tasks, innovation and collaboration, use of economic capital, risk management, and compliance management. Personal compensation also considers superior policies, market levels, and job value performance. In March 2020, the Company implemented an employee stock ownership plan to strengthen the sharing of interests and risks among shareholders, the Company, and employees.



Vacation benefits

Provide paid annual leave, marriage leave, paternity leave, prenatal check-up leave, breastfeeding leave, childcare leave, and nursing leave for all employees at a standard no lower than the national standard, ensuring paid holiday benefits for all employees.



Insurance annuity

► **Social insurance:** including basic old-age insurance, basic medical insurance, local supplementary medical insurance, work-related injury insurance, unemployment insurance, and maternity insurance.

► **Supplementary medical insurance:** including group accident insurance, major illness insurance, and comprehensive medical insurance.

► **Enterprise annuity plan:** establishing an enterprise annuity plan for employees.



5.1.2 Employee communication and grievances

CMS has established a system for the election of employee supervisors and a labor union system to ensure that employees have full participation rights in corporate governance. As of the end of the reporting period, the Company has elected 1 employee director and 2 employee representative supervisors.

The Company's labor union gives full play to the role of employees as the main force in the Company's development, effectively safeguards the democratic rights and interests of employees, and insists on submitting major issues involving the vital interests of employees to the employee representative assembly for voting. The labor union committee holds regular work meetings every quarter to convey and learn the spirit of important meetings and documents, implement the work arrangements of the higher-level labor union, implement a collective decision-making system for major matters, and carry out work in accordance with the annual key work plan and budget.

In 2025, the Company's labor union revised and improved 3 management systems and plans involving employee interests, including the *China Merchants Securities Co., Ltd. Attendance Management Regulations* and the *China Merchants Securities Co., Ltd. Enterprise Annuity Plan (2025 Edition)*. The formulation and revision of relevant systems were submitted to the employee representative assembly for voting in accordance with the prescribed procedures, which effectively protected the legitimate rights and interests of employees, greatly mobilized the enthusiasm and sense of ownership of the majority of employees, and smoothed the channels for employees to participate in the management of the enterprise. During the reporting period, the labor union organized employee representatives to vote and elect 1 employee director of the eighth board of directors of the Company, further improving the Company's corporate governance results and ensuring the right of employees to participate in the Company's democratic management and democratic supervision in accordance with the law. The labor union actively organized and participated in the selection activities of "Model Worker" and "Advanced Collective" in the Shenzhen labor union system, and discovered and selected advanced models within the Company. Some outstanding employees and organizations of the Company were respectively awarded the titles of "Shenzhen 2025 Model Worker" and "Shenzhen 2025 Advanced Collective," fully demonstrating the Company's good image and the outstanding style of its employees.

The Company's labor union actively carries out employee care work, conveying warmth to employees in need and effectively assisting in alleviating practical difficulties. In 2025, the labor union extended condolences to 34 employees suffering from critical illnesses, providing financial assistance totaling approximately RMB 725,000.

The Company has always regarded employee satisfaction surveys as an important channel for communication with employees, and has built a systematic and regular employee survey management mechanism. It regularly conducts overall satisfaction evaluations of human resource service support every year, and continuously responds to various employee concerns based on the survey results. In 2025, the Company conducted a special survey on employee health check-ups, with an overall satisfaction rate of 96.4%. A satisfaction survey window for the Company's staff canteen was opened on the Company's OA, and the overall satisfaction rate of the staff canteen in 2025 reached 90.47%.

The Company has established an appeal and complaint handling mechanism covering the entire human resources process, which is applicable to various tasks such as performance appraisal and employee benefits. Employees can provide feedback in real name or anonymously through oral or written forms to the designated contact person or designated email for appeal handling. Employees can also propose management improvement opinions and suggestions to the Company in real time through the "Problems and Suggestions" column of the internal office system and the "CMS Forum" interactive platform. The Company has established a closed-loop management mechanism of "collection-analysis-improvement-feedback," and initiates standardized verification and investigation procedures for employee demands or suggestions, and timely feeds back the handling results to the relevant parties.

5.1.3 Employee health

CMS has always regarded the physical and mental health of its employees as a key support for corporate development. Through a systematic health management system and a variety of cultural and sports activities, it helps employees continuously improve their physical and mental state.

In 2025, the Company held 12 themed health activities, covering hot topics such as health physiotherapy, disease prevention, workplace stress reduction, and healthy diet, effectively improving employees' health awareness and self-management capabilities. The Company continued to optimize its annual physical examination plan, continuously improved its supplementary medical insurance projects, and launched an employee assistance program (EAP) to effectively help improve employees' medical security and physical and mental health.

The Company's labor union has taken the lead in establishing 12 employee cultural and sports associations, including ball games, food, photography, and calligraphy and painting. Each association actively organizes various cultural and sports activities on a daily basis, such as basketball, football, yoga, aerobics, frisbee, hiking, flower arranging, and coffee salons, attracting the extensive participation of employees of different ages and interests. In 2025, the labor union also planned and carried out a number of special employee activities, including basketball games, football games, rope skipping competitions, e-sports competitions, and "June 1st" Children's Day parent-child reading activities, continuously enriching the amateur cultural life of employees and creating a vibrant and upward workplace atmosphere.



"CMS Cup" Basketball Tournament



Badminton Team Tournament

5.2 Supporting Talent Development

5.2.1 Talent introduction

CMS adheres to the "talent-strengthening enterprise" strategy, insists that the scale of talent introduction and the quality and ability of talents are compatible with the actual development of the Company, continuously plays the role of talent traction, and promotes the common growth of employees and the enterprise. The Company makes talent construction plans in advance according to business development needs, sorts out personnel recruitment needs, formulates recruitment plans, and opens recruitment positions. In recent years, according to the Company's strategic orientation, it has continued to pay attention to the construction of talent teams in key areas such as wealth management, investment banking, investment research, investment, and financial technology, and has continuously increased the introduction of talents with a composite background in science and engineering.

The Company continues to promote the introduction of various types of talents through channels such as campus recruitment, social recruitment, and headhunting. In 2025, the Company carried out campus recruitment activities with the slogan "Summoning Ideals, Proving Youth," and organized or participated in 16 various campus-enterprise recruitment exchange activities in various target universities across the country, providing strong support for the continuous development of the business and talent reserves.

In 2025, the Company received a number of honors and recognitions in the field of human resources:



5.2.2 Talent training

CMS has established a "Four-dimensional" training system (sound system guarantee, reasonable resource allocation, efficient project operation, and advanced platform support), as well as a curriculum system with "three carriages" (professional, management, and general courses) driving in parallel and a hierarchical internal faculty system. We have formulated the *China Merchants Securities Co., Ltd. Training Management Regulations* and management measures for internal lecturers and online training platforms to standardize training operation and management. Furthermore, we have built a mobile internet digital learning platform, expanded and updated training resources, and met the learning needs of employees.

In 2025, focusing on the implementation of the Company's "talent-strengthening enterprise" strategy, a number of effective training sessions were carried out for management cadres, professional talents, and all employees, continuously enriching training resources, optimizing training operations, and improving training quality.

○ Professional skills training empowerment

In terms of employee professional skills training, the Company has adopted a combination of unified organization and self-organized training by various departments. For professional training with common needs for all employees, the Company uniformly plans and implements it, including "macroeconomic training," "financial report and valuation training," "technology industry training," "digital office skills training," and "securities laws and regulations training." For the personalized training needs of employees, each department timely carries out targeted training in accordance with the principle of "learn as you need, use as you learn." The Company provides faculty, operational support, and necessary funding for this. In 2025, the Company carried out 14 sessions of "Lixin Elite Special Training" and "Investment Research Lecture Hall" training for young talents in the "three investments," accelerating the cultivation of composite talents in finance and technology.

○ Professional certificate support plan

The Company encourages employees to strengthen their independent learning, continuously improve their professional skills, and actively obtain professional qualifications related to their work. It provides financial support in accordance with the principle of "pass one level, reimburse one level's expenses" and "100% full reimbursement," covering all official employees. In 2025, the Company supported 161 employees in obtaining various professional qualification certificates such as CFA, FRM, CPA, Shenzhen-Hong Kong-Macao FinTech Professional, and Artificial Intelligence Trainer, with a total funding of more than RMB 450,000.

○ Leadership cultivation

CMS attaches great importance to the cultivation of leadership qualities of young internal backbones and managers. Following the needs of business development, it has established leadership cultivation projects for different subjects, including young backbone training camps, new manager training, and manager training, to continuously output young backbones with management potential for the Company, and to improve the business management capabilities of new and current cadres to promote business development.



CMS leadership cultivation project system

Target audience	Project type	Project content
Excellent young cadres	"Star Talent Program - Young Cadre Training Camp" Project	A blended learning method combining online and offline training, classroom learning, and on-the-job practice to help young cadres improve their political literacy, discipline awareness, and management skills.
Newly appointed cadres	"Star Path" Program	Comprehensive means such as centralized training, online learning, experience exchange, and practical assignments to help new cadres improve their management awareness, make a good role transition, and strengthen their political awareness and leadership.
All levels of current managers	Management Lecture Series Industry Expert Lecture Series	The training content covers party and government education, macroeconomics, policies and regulations, securities business, technological development, and leadership. In addition to the training organized by the Company, it also improves the performance ability and professional level of cadres by sending leading cadres to participate in public courses on business management.

○ Digitalization and AI training

The Company improves employees' digital skills, promotes cross-departmental communication and collaboration, and helps the Company's business development through a number of classified training sessions such as "Digitalization Lecture Series," "Collaborative Sharing Session," "Aerial Refueling Station," and "Polaris Program." In 2025, the Company carried out 9 AI-themed series of training sessions to help employees establish AI concepts, master AI tools, and help promote the "AI-driven securities firm" strategy.

○ Joint training with external institutions

In 2025, a number of the Company's training projects were jointly carried out with well-known professional training and consulting institutions in the industry, the Party School of the Shenzhen Municipal Committee of the Communist Party of China, etc., to enhance the professionalism, experience, and value of the training. Joint training projects include the internal trainer cultivation "Polaris Program," the reserve talent training "Star Talent Program," the new cadre "Star Path Program," and the "Aerial Refueling Station," "Workplace Toolkit," and "Digital Lecture Hall" for all employees. Among them, the training to improve professional literacy and digital skills has attracted more than 3,700 participants. Courses such as the "AI-led New Era of Office Training Camp" and the "High EQ Communication and Business Negotiation Training Camp" are widely welcomed by employees.



Excellent young cadre training "Star Talent Program"



Newly appointed cadres training "Star Path Program"



Internal trainer cultivation "Polaris Program"



"Workplace Toolbox" AI-themed training

5.2.3 Talent development

○ Promotion mechanism

CMS continues to broaden the development space for professional talents, comprehensively promotes the business rank system, and further improves the dual-channel mechanism for talent development, providing employees with diversified career development paths. Meanwhile, the Company has comprehensively strengthened the management of its qualification system to ensure a scientific and standardized approach to talent selection and cultivation.

○ Performance appraisal

The Company continues to improve the whole-process management of performance appraisal, and clarifies the employee performance management process, including five links: performance plan formulation, performance goal tracking and coaching, performance evaluation, performance feedback and appeal, and performance result application, to ensure the fairness and transparency of employee performance management.

Performance plan	Includes two parts: personal performance indicators and personal development plan. The former effectively undertakes the content of departmental performance and reflects the responsibilities and key work arrangements of the position, while the latter is based on making up for shortcomings and strengthening advantages.
Performance goal tracking and coaching	Initiated by direct supervisors, this process provides constructive feedback on subordinates' work performance, KPI achievement, and current competencies, while collaboratively defining action plans for the subsequent phase.
Performance evaluation	Follows the principles of openness, fairness, and justice, and conducts a comprehensive evaluation of employees based on their performance and behavior during their tenure.
Performance feedback and appeal	Employees can access and confirm their performance appraisal results through the internal system. Concurrently, managers at all levels provide formal notification to employees regarding their annual performance standing. In the event of any disagreement concerning the appraisal outcome, employees are entitled to lodge a formal appeal.
Performance result application	The Company adheres to the integration of assessment and application, using appraisal results as a key basis for employee career development and compensation adjustments. These results are effectively integrated into various areas, including selection and appointment, training and education, management and supervision, incentive and constraint, accountability and recourse, as well as adjustment and exit mechanisms.

5.2.4 Talent motivation

In March 2020, the Company implemented its Employee Stock Ownership Plan (ESOP), achieving a pioneering breakthrough in the industry. The plan covered 995 participants, including senior management and core key employees, and featured a three-year lock-up period. This initiative further established a mechanism for shared interests and risks among shareholders, the Company, and its employees, incentivizing top talent to collaboratively drive the Company's sustainable development. The lock-up period for the underlying shares under the March 2020 ESOP expired in March 2023. As of the end of 2025, there were 213 participants in the Company's Employee Stock Ownership Plan, holding a total of 8,320,873 A-shares, which represented 0.10% of the Company's total issued share capital. In July and September 2025, the Company respectively completed the cash dividend distributions under the ESOP for the 2024 and the interim period of 2025.





06

Ensuring Steady and Sound Operation

- 6.1 Enhancing Corporate Governance
- 6.2 Risk and Internal Control Management
- 6.3 Business Ethics

6.1 Enhancing Corporate Governance

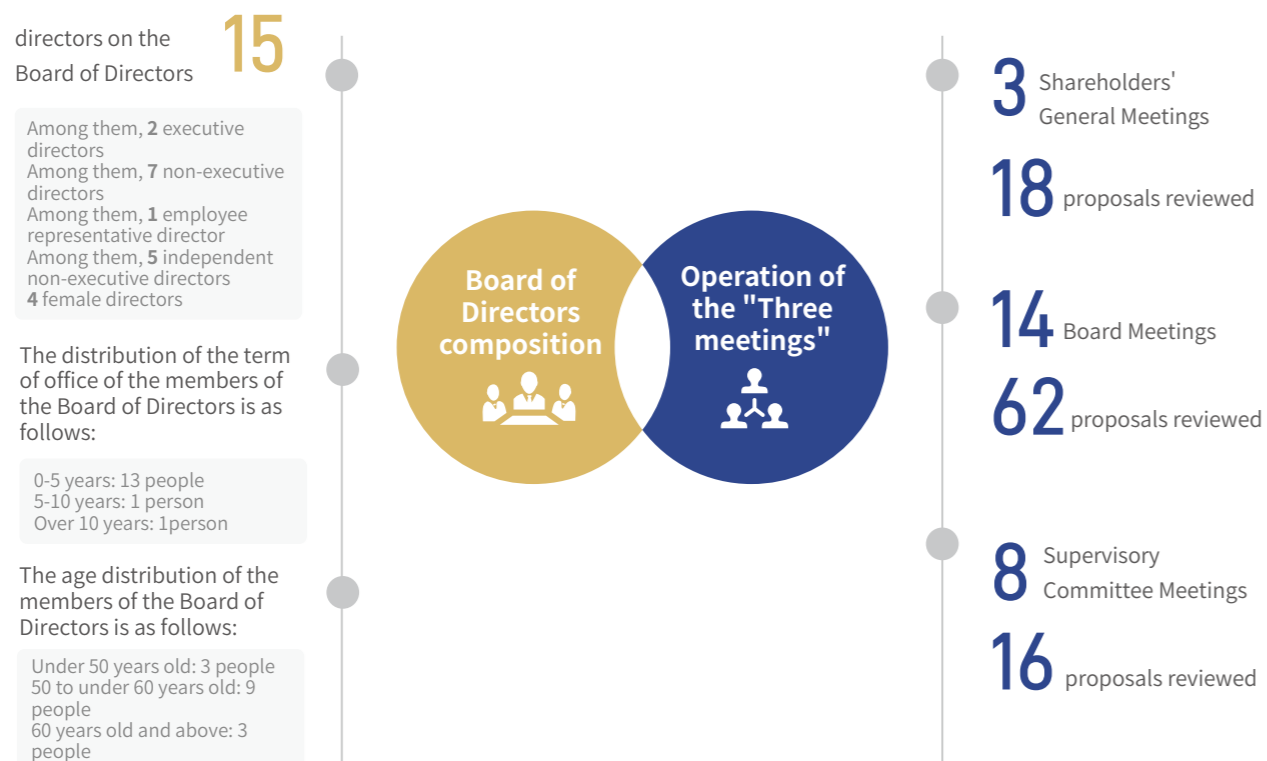
6.1.1 Corporate governance

As a securities company listed in both mainland China and Hong Kong, CMS strictly follows the relevant laws, administrative regulations, and the requirements of the China Securities Regulatory Commission, the Hong Kong Securities and Futures Commission, the Shanghai Stock Exchange, and the Hong Kong Stock Exchange on the governance of listed securities companies, and has established a corporate governance structure in which the Shareholders' General Meeting, the Board of Directors, and the management are separated and balanced. The Board of Directors has established five specialized committees to ensure scientific and professional decision-making. The election of directors adopts a cumulative voting system, and the current members of the board of directors have professional backgrounds and core capabilities in multiple fields, including risk management, accounting and finance, and securities firm operation and management.

In 2025, the Company's Board of Directors reviewed a number of ESG-related proposals, covering topics such as ESG information disclosure, internal control, compliance management, anti-money laundering, and operational risk management, and effectively assumed the responsibility of ESG supervision and guidance.

Since 2023, China Merchants Group has conducted annual board evaluations. The assessment framework covers dimensions such as compliance (allocation of powers and responsibilities, and information communication), effectiveness (strategic positioning, decision-making, risk management, and reform and development outcomes), and daily operations (system establishment and execution, meeting convening, proposal management, operation of specialized committees, and

2025 Board of Directors composition and operation of the "three meetings"



administrative support). The evaluation result of the Company's board of directors for the 2024 fiscal year (announced in 2025) was A-level. In addition, the Company also received the "2025 Listed Company Board of Directors Excellent Practice Case" award from the China Association for Public Companies during the reporting period.

In terms of remuneration management, the Company implements a performance-based incentive mechanism for senior management within the existing framework. The Remuneration and Appraisal Committee is responsible for formulating compensation schemes for directors and senior management. Allowances for independent directors are subject to deliberation by the Board and approval by the Shareholders' General Meeting. Performance appraisals for senior management are organized and implemented by the Remuneration and Appraisal Committee, while equity incentive plans must be deliberated by the Shareholders' General Meeting and approved by a special resolution. These measures ensure that the incentive and restraint mechanisms are fully aligned with the Company's long-term development goals.

The Company has built a scientific and highly efficient governance system by establishing a board independence assessment mechanism and a board diversity policy. On an annual basis, the Nomination Committee conducts a comprehensive assessment of the independence of Independent Non-Executive Directors. This assessment focuses on their professional expertise, commitment to duties, management of conflicts of interest, and independent judgment. Through a long-term communication mechanism under the Board, the Company ensures that independent directors can fully express their opinions. Simultaneously, the Company has formulated a Board Diversity Policy, emphasizing a well-balanced configuration across gender, age, and professional background. By maintaining an appropriate ratio of Executive to Non-Executive Directors, the Company not only safeguards the Board's independent decision-making capacity but also enhances the quality of its decisions through diverse perspectives. These initiatives have effectively strengthened the Board's independence and scientific rigor, providing a robust governance guarantee for protecting shareholder interests and promoting the Company's sustainable development.

6.1.2 Information disclosure

The Company has formulated the *China Merchants Securities Co., Ltd. Information Disclosure Affairs Management System* in accordance with relevant laws and regulations and the *Articles of Association of China Merchants Securities Co., Ltd.* to ensure that information disclosure is compliant and timely. The designated website for A-share information disclosure is the Shanghai Stock Exchange, and for H-shares it is the Hong Kong Stock Exchange's Disclosure-E website. Announcements will also be published simultaneously on the Company's official website and in financial newspapers that meet the requirements of regulatory authorities. The documents disclosed by the Company include periodic reports, temporary reports, prospectuses, etc. All material information that affects investors' decisions must be disclosed at the prescribed time. In 2025, the Company prepared and released a total of 124 A-share announcements and 137 H-share announcements in both Chinese and English. The Company received an A-level rating for its information disclosure work from the Shanghai Stock Exchange for the 2024-2025 period.

To ensure the quality of information disclosure and the management of inside information, the Company has formulated a number of management systems, including the *China Merchants Securities Co., Ltd. Information Disclosure Affairs Management System*, the *China Merchants Securities Co., Ltd. Inside Information Insider Registration System*, and the *China Merchants Securities Co., Ltd. Investor Relations Management System*, which standardize the information disclosure process, the confidentiality of inside information, and the management of insiders, ensuring the timely collection and management of material information. The Company also ensures the effective implementation of the system through system training, strengthening accountability, and improving information disclosure awareness.

6.1.3 Shareholder rights

CMS attaches great importance to shareholder interests and is committed to rewarding its shareholders by effectively safeguarding their rights to vote, to know, and to receive returns. The Company continuously improves its shareholder communication policies and rules of procedure, convening Shareholders' General Meetings in strict accordance with laws, regulations, and the Articles of Association of China Merchants Securities Co., Ltd. to ensure that shareholders can exercise their rights according to the law. In addition to traditional physical meetings, the Company provides online and other participation channels to facilitate shareholders' attendance at Shareholders' General Meeting. The Company pays special attention to the rights and interests of minority shareholders; specifically, when the Shareholders' General Meeting deliberates on major matters affecting minority investors, a separate vote counting process is implemented for them. Through timely disclosure of announcements, hosting online results briefings, and participating in investor reception days, the Company maintains continuous communication with investors to ensure they receive sufficient information and to actively protect their various rights.

6.1.4 Investor relations management

The Company attaches great importance to investor relations management, continuously promotes the improvement of the Company's transparency, comprehensively promotes the advantages of the Company's business development, and enhances investors' understanding of the Company. The Company has formulated the *China Merchants Securities Co., Ltd. Board Secretary Work Specifications*, the *China Merchants Securities Co., Ltd. Information Disclosure Affairs Management System*, and the *China Merchants Securities Co., Ltd. Investor Relations Management System*, which clarify the relevant work mechanisms and designate the board secretary to be responsible for investor relations management and information disclosure affairs, and to receive shareholder visits and inquiries. In addition to the information disclosure channels prescribed by law, the Company mainly communicates with investors through Shareholders' General Meetings, investor briefings, telephone, email, online platforms, receiving visits, and participating in investor meetings.

During the reporting period, the Company participated in the "Innovation-Driven, Building First-Class: China Merchants Group Listed Companies Collective Results Briefing." The event was attended by the Company's Chairman, President, Vice President (Chief Financial Officer) & Secretary to the Board, and Independent Directors. The briefing attracted analysts from over 100 domestic and overseas institutions, more than 20 media outlets, and approximately 200,000 online participants. Additionally, the Company organized analyst meetings for the 2024 annual and 2025 interim results, as well as online briefings for the 2025 interim and third-quarter results. It also participated in the 2025 Investor Collective Reception Day for listed companies in the Shenzhen jurisdiction. Through various channels including the SSE e-Interview platform, brokerage strategy conferences, field research, investor hotlines, and emails, the Company maintained continuous and in-depth communication with investors, reaching nearly 400 person-times during the reporting period.



6.2 Risk and Internal Control Management

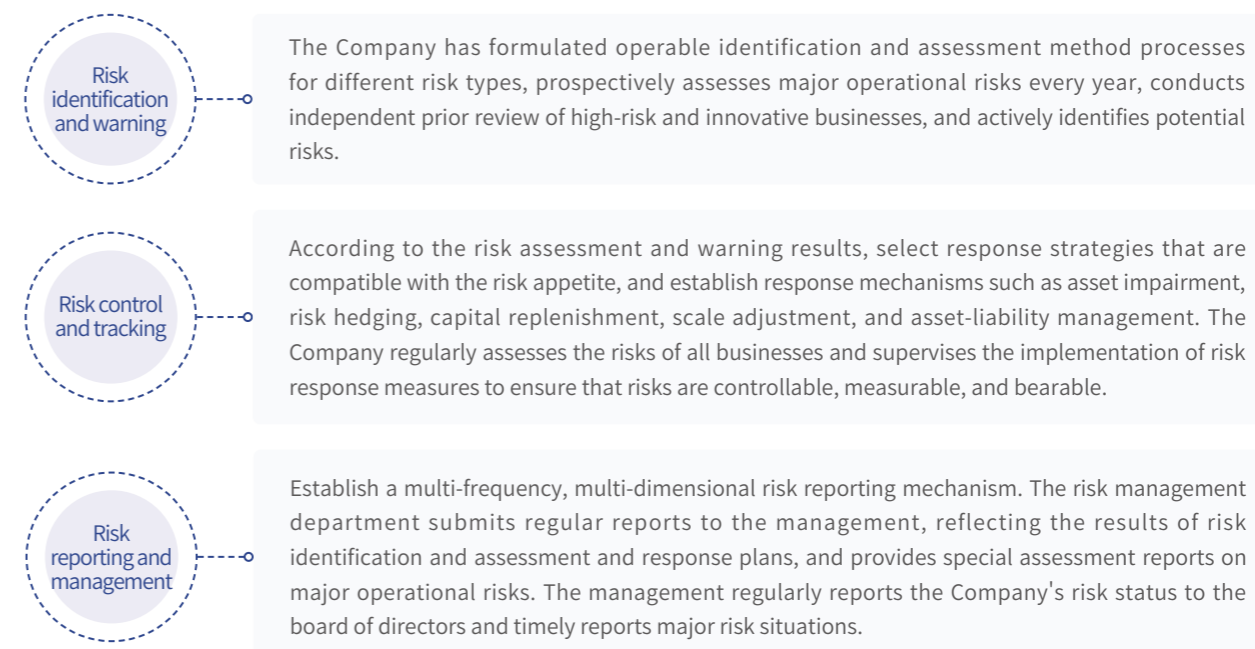
6.2.1 Risk management

CMS adheres to a prudent risk management philosophy and has built a sound group-integrated risk management system in accordance with laws and regulations such as the *Measures for the Management of Risk Control Indicators of Securities Companies*, the *Code of Comprehensive Risk Management for Securities Companies*, and the *Guidelines for the Management of Liquidity Risk of Securities Companies*.

The Company has established a modern risk management framework consisting of five levels: strategic oversight by the Board of Directors, supervision and inspection by the Supervisory Committee², risk management decision-making by senior management and the Risk Management Committee, risk control checks and balances by risk management-related functional departments, and direct management by other departments, branches, and wholly-owned subsidiaries. Simultaneously, the Company has defined "Three Lines of Defense" for risk management: the first line involves effective self-control by each department, branch, and subsidiary; the second line comprises professional risk management by functional departments; and the third line consists of post-event supervision and evaluation by the Audit Department and the Inspection Department.

With the *China Merchants Securities Co., Ltd. Comprehensive Risk Management System* as its guideline, the Company has formed a complete risk management system including comprehensive risk, market risk, credit risk, operational risk, liquidity risk, reputation risk, and money laundering risk, which fully covers all aspects of the business operations and professional risk management of the parent Company and its subsidiaries, achieving accurate identification, scientific assessment, and effective response to risks, and building a solid security barrier for the Company's high-quality and sustainable development.

In 2025, the Company continued to improve its risk control capabilities, optimized and revised its risk appetite indicators, and dynamically adjusted its business authorization system. It improved its risk management system, revised management systems for various professional risk areas such as market, operational, and reputational risks, as well as management systems for



2. The Company revised its articles of association in December 2025. The new articles of association clarify that the Company will no longer have a supervisory committee, and the audit committee will exercise the powers and functions of the supervisory committee as stipulated in the Company Law of the People's Republic of China and other laws and regulations.

key risk areas such as subsidiaries and new businesses, to enhance the operability and effectiveness of the systems. It actively explored the application of artificial intelligence in risk warning, and strengthened the early identification, early warning, early exposure, and early disposal of financial risks.

The Company deeply practices the risk management culture of "Commitment to Practice," takes risk prevention and control as an eternal theme, establishes a group-integrated risk management system, and timely discovers potential risk hazards and takes response measures through full-coverage substantive risk review, independent risk monitoring, and key risk investigation, balancing risk management and business development. The Company continuously promotes a prudent risk management culture and value criteria through multi-level publicity platforms, carries out professional training covering key risk areas, risk control policies and systems, and risk warning cases, establishes a risk case column, and improves the risk awareness and risk prevention skills of all employees, providing a strong guarantee for the Company's high-quality development.



2025 Comprehensive Risk Management Training

6.2.2 Compliance management

CMS has established a comprehensive compliance management organizational structure, covering five levels: the board of directors, senior management, the chief compliance officer, the legal and compliance department, various departments and branches, and subsidiaries at all levels. Each level has its own responsibilities and actively performs its corresponding compliance management duties.

The Company continues to promote the construction of its compliance management system, and carries out various compliance management tasks such as compliance consulting and review, compliance training and publicity, compliance inspection, compliance reminders and supervision, compliance risk disposal, compliance monitoring, and anti-money laundering in accordance with the requirements of laws and regulations and the Company's rules and regulations. The Company timely tracks and interprets laws, regulations, and standards, and revises and improves internal rules and regulations in accordance with the latest laws and regulations to improve the effectiveness of compliance management.

In 2025, the Company newly established and revised 13 compliance management-related systems, including the China Merchants Securities Co., Ltd. Customer Complaint Handling Management Measures and the China Merchants Securities Co., Ltd. Money Laundering and Terrorist Financing Risk Management System, and the China Merchants Securities Co., Ltd. Investor Suitability Management Measures, continuously improving the compliance management system.

The Company continues to deepen its compliance training and compliance culture system construction. Focusing on the management of securities investment behavior of securities practitioners, compliance management of branches, and contract management, it carries out targeted, high-frequency legal and compliance training and compliance culture publicity, and strengthens the education on professional norms and typical case warnings. In 2025, the Company carried out 33 legal and compliance training sessions online and offline, covering all employees of the Company. The content covered analysis of illegal investment behaviors and integrity practices of securities practitioners, sanctions and control systems and compliance responses of financial enterprises, and improvement of the capabilities of compliance specialists, continuously strengthening employees' compliance awareness and risk prevention capabilities.

In terms of tax compliance, the Company adheres to the principle of complying with the tax red line, pays various taxes on time, and makes reasonable use of preferential policies. The Company has a good tax credit and has received an A-level tax credit rating for three consecutive years.

6.2.3 Internal control and audit

CMS continues to strengthen internal audit supervision, standardize internal audit work, and give full play to its important role in corporate governance, business standardization, and the realization of development goals. The Company has formulated and continuously improved its internal audit system at three levels: corporate governance, departmental management, and execution and operation, in accordance with external regulations such as the Guidelines for Internal Audit of Securities Companies, relevant systems of China Merchants Group, and the Company's articles of association, to ensure that internal audit work is well-documented and regulated.

In 2025, the Company carried out a total of 166 internal audit projects, including 66 departure audits or performance audits, 23 special audits, 74 internal control audits, and 3 overseas audits. The Company's audit department urges the relevant rectification units to provide feedback on rectification measures and rectification situations on time, reviews whether the rectification measures can achieve the rectification goals, and reviews the implementation of the rectification by the rectification units. The rectification results are used as an important basis for assessment and for decisions related to the appointment, promotion, reward, and punishment of relevant personnel. The Company's internal audit case was awarded the title of "Typical Practice Case in the 2025 Internal Audit Practice Case Exhibition Activity" by the China Institute of Internal Audit.

Information security audit

The Company conducts special audits of information technology management every year in accordance with the requirements of systems such as the *Measures for the Management of Information Technology of Securities and Fund Operating Institutions*, and entrusts external professional institutions to conduct comprehensive audits of information technology management work every three years, and inspects and covers the information security management situation through internal and external audits.

Business ethics audit

In 2025, the Audit Department conducted a special audit on the overall status of the Company's anti-money laundering work and verified the implementation of anti-money laundering measures during internal audits of branches, subsidiaries, and business departments. Additionally, in accordance with regulatory requirements, the Audit Department engaged professional institutions to conduct periodic audits of the performance of senior management. It also carried out departure audits for departing management and personnel in key positions, focusing on their economic responsibilities, compliance status, and adherence to integrity and professional conduct regulations.

6.3 Business Ethics

6.3.1 Anti-money laundering

CMS has built a complete money laundering risk management architecture, forming a three-level management system of "Board of Directors (Risk Management Committee) - Money Laundering Risk Management Leading Group - Money Laundering Risk Management Working Group," which provides a solid organizational foundation for effectively fulfilling anti-money laundering obligations. The Company continuously improves its anti-money laundering talent management mechanism, irregularly releases a list of full-time and part-time anti-money laundering personnel, and continuously strengthens personnel management and long-term training. In 2025, the Company formulated the Rules of Procedure for the Money Laundering Risk Management Leading Group, further clarifying the operating mechanism of the Money Laundering Risk Management Leading Group and promoting the full play of its various functions.

The Company has established an anti-money laundering internal control system that covers the requirements of various anti-money laundering obligations, and in accordance with the latest requirements of the Anti-Money Laundering Law of the People's Republic of China and anti-money laundering rules and regulations, and in combination with the Company's money laundering risk management situation and business reality, has formulated and continuously revised anti-money laundering related systems. In 2025, the Company formulated 3 systems, including the China Merchants Securities Co., Ltd. Anti-Money Laundering Work Quality Assessment and Evaluation Measures, and revised 3 systems, including the Money Laundering and Terrorist Financing Risk Management Measures. It also organized various units to timely update a number of work guidelines and business procedures to effectively guide each unit to effectively fulfill its various anti-money laundering obligations.

The Company attaches great importance to the promotion and implementation of anti-money laundering work, and organizes and coordinates the effective development of anti-money laundering work in various units through various methods. In 2025, the Company established a regular reporting mechanism for anti-money laundering in business lines, requiring each department to regularly sort out and report on its anti-money laundering performance to the Company's legal and compliance department, and to timely feedback on the development of anti-money laundering work in its department.

The Company conducts multi-dimensional anti-money laundering training to targetedly enhance the compliance awareness and capabilities of personnel across various positions. In 2025, 15 anti-money laundering training sessions were organized, covering anti-money laundering laws and regulations, the latest regulatory policies, key operational issues, and case studies. Meanwhile, actively responding to regulatory publicity requirements, the Company took the lead in organizing a large-scale offline campaign themed "Promoting the Anti-Money Laundering Law of the People's Republic of China to Bolster Financial Security" in collaboration with 15 financial peers. It also launched joint online publicity activities via its WeChat official platform, such as "Beware of International Gift Card Money Laundering Traps," "Celebrate the Festivals with Interactive Comics and Gifts," and "Honoring the Double Ninth Festival with Case Study Interactions." Furthermore, the Company organized online anti-money laundering knowledge quizzes and a "Concentrated Anti-Money Laundering Publicity Month" across all units, utilizing diverse formats to broadly disseminate anti-money laundering knowledge.

The Company continues to deepen its supervision and inspection mechanism. For the anti-money laundering performance of brokerage and non-brokerage business departments from 2024 to 2025, more than 10 special compliance inspections were carried out. At the same time, a professional third-party consulting agency was hired to conduct an external special assessment of the performance of customer due diligence and suspicious transaction reporting. Through the aforementioned work, the anti-money laundering mechanism was systematically rectified and reshaped.

In terms of system optimization, the Company promoted the system transformation of cross-business-line customer-based anti-money laundering monitoring in stages in 2025. By establishing a unified information element standard for customers, it realized the unified management of customer information and data, customer due diligence information, risk classification management, and suspicious transaction monitoring and analysis for brokerage and various non-brokerage businesses. The Company regularly evaluates and continuously optimizes the customer risk level rating model and suspicious transaction monitoring indicators, strengthens the application of the results of higher-risk businesses, and realizes the logic and threshold optimization and online launch of more than 10 suspicious transaction monitoring indicators in batches.

In 2025, the Company did not have any major violations of laws and regulations in anti-money laundering.

Case

Interpretation and Training on the *Anti-Money Laundering Law of the People's Republic of China*

From February to March 2025, the Company held a training on "Analysis of the Anti-Money Laundering Work Situation after the Promulgation of the New Anti-Money Laundering Law" through the CMS Academy online platform, for the heads of various departments and branches, compliance specialists, counter service personnel, wealth advisors, and other anti-money laundering related personnel, with a total of 3,558 participants. The training focused on the interpretation of the latest anti-money laundering regulatory situation and laws and regulations, helping employees to grasp regulatory dynamics and changes in legal systems, and improve their professional quality.

6.3.2 Anti-corruption

CMS strictly abides by the requirements of laws and regulations such as the *Criminal Law of the People's Republic of China* and the *Supervision Law of the People's Republic of China*, and has formulated the *China Merchants Securities Co., Ltd. Management Measures for the Integrity of Staff and the Coordinated Measures for the Construction of Party Style and Clean Government and Anti-Corruption Work*, continuously improving the comprehensive prevention and control system, strengthening management and supervision, and strictly pursuing accountability, forming a tight firewall.

The Company has built a large-scale supervision system, established a coordination group for the construction of party style and clean government and anti-corruption work, and given full play to the functional supervision role of party building, personnel, discipline inspection, inspection, audit, finance, compliance, and risk control.



Integrity management and control architecture



Supervision Department: The leading department for supervision and inspection of integrity.

Legal and Compliance Department, Risk Management Department, and Audit Department: Cooperate in fulfilling the duties of supervising and inspecting the integrity of the Company and its staff within their respective responsibilities.

Human Resources Department: Responsible for incorporating the integrity of staff into the personnel management system.

Finance Department: Responsible for strengthening financial and economic discipline and strengthening financial supervision.

Heads of all departments, branches, and wholly-owned subsidiaries: Assume corresponding management responsibilities within their respective responsibilities.

Integrity management and control system



The Company has integrated business integrity into its human resource management system, incorporating integrity assessments into recruitment, promotion, appointment, resignation, and performance appraisal processes. All personnel are required to sign the *Letter of Commitment to Business Integrity* to ensure ethical conduct across all business activities. Furthermore, the Company continuously identifies and refines integrity risk points and prevention measures, conducting annual self-inspections and comprehensive audits of the headquarters, as well as all subsidiaries and branch offices. To foster a culture of compliance, the Company organizes integrity warning education conferences and specialized training for new hires, enhancing both the ideological awareness and proactive commitment of employees to professional integrity.

The Company organizes annual routine training sessions on business integrity to reinforce anti-corruption awareness and conduct standards from the Board of Directors and management to all employees. During the reporting period, all 15 directors and 271 management members participated in the training, with 100% coverage achieved across the entire workforce of 12,792 employees.

In 2025, the Company carried out a variety of integrity-themed activities, mainly including:

- "510 (I Want Integrity)" Disciplinary Education Week: Under the annual theme of "Integrity Empowering the Three Innovations," the Company launched a diverse series of thematic educational activities for all employees. These included specialized education lectures, the compilation and distribution of warning cases, "Reading for Integrity" sharing sessions, continuous screenings of themed animations, visits to integrity education sites and cultural bases, and attending court hearings. These initiatives aimed to promote the broad dissemination of integrity culture and ensure its deep integration into frontline operations.
- The 2nd "Qingfeng Cup" Integrity Culture Works Collection Competition: Collect integrity culture works from all employees and their families.
- Special training on integrity: Carry out special training such as "Analysis of Cases of Illegal Investment by Securities Practitioners and Integrity Practices."
- Warning education activities: Organize employees to watch warning education films collectively to educate and guide employees to be in awe, be vigilant, and keep the bottom line.

In 2025, the Company did not have any major litigation events involving commercial bribery or corruption.

Case

Carrying out special training on cases of illegal investment by securities practitioners and integrity practices

In December 2025, the Company organized a special training on cases of illegal investment by securities practitioners and integrity practices, with more than 4,600 employees participating, covering all departments, branches, and domestic wholly-owned subsidiaries of the Company. This training specially invited external lecturers to give lectures, focusing on preventing insider trading, using undisclosed information for trading, and engaging in securities trading in violation of regulations, aiming to enhance employees' compliance awareness and strengthen investment behavior management.



6.3.3 Anti-unfair competition

In terms of anti-monopoly, in accordance with the work arrangements of the Office of the Anti-monopoly and Anti-unfair Competition Commission of the State Council and the State Administration for Market Regulation, and in accordance with the relevant requirements of the *Notice on Carrying out the 2025 China Fair Competition Policy Publicity Week Activity of the Securities Association of China*, CMS organized and carried out a fair competition policy publicity week activity in September 2025. The Company's legal and compliance department conducted relevant training for all employees in December, systematically introducing the relevant concepts, main features, and behavioral classifications of anti-monopoly. The Wealth Management and Institutional Business Headquarters organized various branches to carry out self-inspection of the commission and interest (fee) rate business of ordinary and credit accounts in May, and conducted self-inspection on whether there were prohibited behaviors stipulated in the Anti-unfair Competition Law and the Anti-monopoly Law.

In terms of preventing false publicity, the Company has established a complete responsible marketing management system to ensure that all kinds of marketing activities are legal and compliant. For details, please refer to the section "Protecting Clients' Rights and Interests." In terms of intellectual property and trade secret protection, the Company has established an effective working mechanism. For details, please refer to the chapter "Intellectual Property Management."

In 2025, the Company did not have any major violations of laws and regulations related to unfair competition.



6.3.4 Whistleblowing mechanism

The Company has established a comprehensive whistleblowing mechanism and formulated the *China Merchants Securities Co., Ltd Management Measures for Discipline Inspection and Supervision of Petitions and Reports*. A dedicated "Reporting Platform" is prominently featured on the OA homepage as the primary channel for petitions and reports, with clearly defined scopes of acceptance, reporting channels, and processing workflows. The Company is committed to safeguarding the legal rights of whistleblowers, strictly prohibiting any form of suppression, discrimination, or retaliation against whistleblowers and their relatives. Furthermore, the Company enforces strict confidentiality protocols regarding whistleblowers' personal information, prohibiting the transfer of report materials or relevant details to the accused parties or entities. Any actions infringing upon the democratic rights of whistleblowers are investigated and handled with the utmost severity.

6.3.5 Supplier management

CMS is committed to building a responsible, safe, and sustainable supply chain. It has formulated the CMS Supplier Code of Conduct covering all suppliers, which lists the requirements and expectations for suppliers in terms of business ethics, intellectual property protection, information security and privacy protection, environmental protection, and compliant employment.

The Company has signed anti-commercial bribery clauses with all suppliers, with a signing rate of 100%, and has zero tolerance for commercial bribery in the supply chain. The Company actively promotes the construction of a sunshine procurement project, and continuously strengthens compliance management and does a good job in sunshine procurement from the aspects of personnel and post settings, standard construction, and discipline constraints. The procurement demand department, the procurement organization department, and the inspection and supervision department perform their respective duties in accordance with the four principles of legality and compliance, fairness and justice, collective decision-making, and avoidance of conflicts of interest. In addition, the Company has formulated and continuously optimized the China Merchants Securities Co., Ltd. Procurement Management System, which clearly standardizes the division of responsibilities, business processes, approval and authorization, and accountability for violations in procurement management, and continuously promotes the improvement of the management mechanism and operating procedures for the specific implementation of procurement.

In procurement activities, the Company will set specific qualification and quality requirements for ESG aspects such as environmental protection in the procurement documents according to the actual situation of the project. During the review process of procurement projects, suppliers that do not meet the relevant requirements will be rejected. During the performance of the procurement, deliveries that do not meet the quality requirements will not be accepted. In addition, the Company makes specific constraints on suppliers' anti-commercial bribery, quality assurance, and information security through clauses such as compliance, confidentiality, and liability for breach of contract in the contract.

The Company strictly fulfills its obligations as a purchaser to safeguard the rights and interests of its suppliers. As of the end of the reporting period, the balance of the Company's accounts payable (including notes payable) did not exceed RMB 30 billion, representing less than 50% of its total assets.

Appendix I: Quantitative Performance Table

Environmental indicator performance table

	Indicator	Unit	2025	2024	2023
Greenhouse gas emissions	Total greenhouse gas emissions (Scope 1 and 2)	tCO ₂ e	22,750.61	26,715.74	30,453.07
	Per capita greenhouse gas emissions (Scope 1 and 2)	tCO ₂ e/person	1.78	1.98	2.38
	Scope 1 greenhouse gas emissions ¹	tCO ₂ e	451.83	668.82	735.31
	Scope 2 greenhouse gas emissions ²	tCO ₂ e	22,298.78	26,046.92	29,717.76
	Scope 3 greenhouse gas emissions ³	tCO ₂ e	5,795	5,221	5,536
Energy utilization	Total energy consumption	tce	5,953	5,292	4,888
	Per capita energy consumption	tce/person	0.47	0.39	0.38
	Gasoline consumption	L	192,551	295,000	320,000
	Diesel consumption	L	6,700	3,850	4,970
	Natural gas consumption	m ³	2,798	2,500	5,031
	Electricity consumption ⁴	kWh	46,660,792	40,410,268	36,884,072
	Per capita electricity consumption	kWh/person	3,647.65	3,002.03	2,888.56
Water resources utilization	Water withdrawal ⁴	ton	180,952	159,745	186,973
	Per capita water withdrawal	ton/person	14.15	11.87	14.64
Circular economy and waste	Paper consumption	ton	70.77	67.64	66
	Ink and toner cartridge consumption	unit	1,984	2,390	3,191
Pollutants	Nitrogen oxide emissions	kg	243.90	369.80	401.56
	Sulfur oxide emissions	kg	3.20	4.40	4.78
	Particulate matter emissions	kg	17.96	27.23	29.57
	Wastewater discharge ⁴	ton	105,499	74,677	66,620

Notes:

1. The emission factors for gasoline, natural gas, and diesel involved in Scope 1 in 2025 are based on calculation factors published by the government or authoritative institutions.

2. The decrease in Scope 2 greenhouse gas emissions in 2025 is mainly due to changes in the CO₂ emission factor for electricity used.

3. Scope 3 greenhouse gas emissions in 2025 include emissions related to air travel, rail travel, and hotel accommodation during employee business trips, as well as emissions related to wastewater treatment. The relevant emission factors are based on calculation factors published by the government or authoritative institutions.

4. The increase in electricity consumption, water withdrawal, and wastewater discharge in 2025 is mainly due to the increase in the area of the Company's offices, canteens, etc.

Social indicator performance table

	Indicator	Unit	2025	2024	2023	
Public welfare and charity	Total donations from CMS Charitable Foundation	RMB 10,000	287.22	174.88	400.56	
Information security and privacy protection	Number of violations related to information security and privacy protection	case	0	0	0	
	Overall customer satisfaction	%	99.78	99.74	99.51	
Product and service safety and quality	Total number of customer complaints	time	902	2,047	1,029	
	Customer complaint handling response rate	%	100	100	100	
	Online and offline investor education coverage	person-time	44,393,228	44,102,492	3,116,974	
	Number of investor education activities	time	1,166	1,646	1,759	
	Number of investor education products distributed by headquarters and branch offices	Copy	691,175	3,078,405	249,915	
	Average monthly opening hours of investor education bases	hour	755	216	216	
	Total hours of investor education activities conducted by investor education bases	hour	610.40	455.58	544.9	
	Customer satisfaction with investor education bases	%	97.48	96.76	99.6	
	Monthly average of public sessions served by investor education bases	person-time	2,188	1,245	1,197	
	The average person participates in online and offline research every month	person-time	670	719	990	
Supplier management	Originality rate of investor education bases	%	51.54	57.85	46.40	
	Total number of suppliers	Company	408	361	459	
	Number of suppliers by region: Mainland China	Company	276	278	377	
	Number of suppliers by region: Hong Kong, Macao, Taiwan, and overseas	Company	132	83	82	
Labor management	Percentage of suppliers who have signed anti-commercial bribery clauses	%	100	100	100	
	Total number of employees	person	12,792	13,461	12,769	
	Number of employees by gender	Male	person	7,186	7,599	7,291
		Female	person	5,606	5,862	5,478
	Number of employees by employment type	Full-time employees	person	12,792	13,461	12,769
Part-time employees		person	0	0	0	

Indicator		Unit	2025	2024	2023
Number of employees by region	Mainland China	person	12,254	12,999	12,314
	Hong Kong, Macao, Taiwan, and overseas	person	538	462	445
Number of employees by age group ⁴	30 years old and below	person	4,151	5,228	4,473
	30-50 years old	person	7,749	7,443	7,497
	50 years old and above	person	892	790	799
Number of ethnic minority employees (Mainland China) ¹		person	294	/	/
Number of disabled employees ¹		person	2	/	/
Number of retired and demobilized military personnel ¹		person	22	/	/
Number of management personnel		person	271	273	/
Number of female management personnel ¹		person	79	/	/
Number of employees in difficulty receiving assistance ¹		person	34	/	/
Employee turnover rate		%	18.13	13.4	12.77
Employee turnover rate (excluding retirees at statutory retirement age)		%	17.81	13.02	12.51
Total number of employee turnover		person	2,380	1,758	1,631
Number of employee turnover by gender	Male	person	1,272	1,072	966
	Female	person	1,108	686	665
Number of employee turnover by age group	30 years old and below	person	1,559	831	998
	30-50 years old	person	624	864	607
	50 years old and above	person	197	63	26
Number of employee turnover by region	Mainland China	person	2,313	1,691	1,539
	Hong Kong, Macao, Taiwan, and overseas	person	67	67	92
Social insurance coverage rate		%	100	100	100

Labor management

Indicator		Unit	2025	2024	2023
Employee training coverage rate		%	100	100	100
Employee training coverage rate by gender	Male	%	100	100	100
	Female	%	100	100	100
Employee training coverage rate by employee type	Non-marketing personnel	%	100	100	100
	Marketing personnel	%	100	100	100
Total employee training hours ¹	hour	496,105.10	/	/	
Average training hours per employee	hour	38.78	57.06	54.24	
Average training hours per employee by gender	Male	hour	38.00	56.79	52.32
	Female	hour	39.80	57.42	56.80
Average training hours per employee by employee type	Non-marketing personnel	hour	45.12	57.95	42.38
	Marketing personnel	hour	31.90	45.79	68.21
Total employee training expenditure	RMB 10,000	502.14	678.75	/	
Total number of training sessions	session	421	533	520	
Average satisfaction of training programs (out of 100)	score	96.80	96.48	96.40	
Occupational health and safety	Number of work-related fatalities	person	0	0	0
	Number of workdays lost due to work-related injuries	day	0	0	0

Notes:

1. These indicators are collected and disclosed for the first time in 2025.

Governance indicator performance table

	Indicator	Unit	2025	2024	2023
Corporate governance	Number of Shareholders' General Meetings	time	3	5	3
	Number of Board Meetings	time	14	13	15
	Number of Supervisory Committee Meetings	time	8	9	8
	Number of proposals reviewed by the Board of Directors	item	62	65	62
	Total number of Directors	person	15	15	13
	Number of female Directors	person	4	4	1
	Percentage of female Directors	%	26.67	26.67	7.69
	Number of Executive Directors	person	2	2	2
	Number of Non-Executive Directors	person	7	8	6
	Number of Employee Representative Directors ¹	person	1	/	/
Business ethics	Number of Independent Non-Executive Directors	person	5	5	5
	Number of major litigation cases involving corruption, bribery, extortion, fraud, and money laundering	case	0	0	0
	Number of major violations of laws and regulations involving unfair competition	case	0	0	0
	Number of compliance education and training sessions	time	33	30	34
	Total number of participants in compliance education and training	person-time	Approximately 16,000	25,479	Approximately 36,000
	Number of anti-money laundering training sessions	time	15	16	16
	Total number of participants in anti-money laundering training	person-time	6,348	13,919	2,788
	Total number of employees participating in integrity-themed training	person	12,792	13,461	12,769
	Percentage of employees participating in integrity-themed training	%	100	100	100
	Total number of management personnel participating in integrity-themed training ²	person	271	/	/
	Percentage of management personnel participating in integrity-themed training ²	%	100	/	/
	Total number of Directors participating in integrity-themed training ²	person	15	/	/
	Percentage of Directors participating in integrity-themed training ²	%	100	/	/

Notes:

1. The position of Employee Representative Director has been established since 2025.

2. These indicators are collected and disclosed for the first time in 2025.

Appendix II: Index for SSE Sustainability Report Guidelines

Disclosure requirement	Corresponding section in this report
Climate change response	3.1
Pollutant discharge	3.3
Waste management	3.3
Ecosystem and biodiversity protection	3.3
Environmental compliance management	3.3
Energy utilization	3.3
Water resources utilization	3.3
Circular economy	3.3
Rural revitalization	4.2
Social contribution	4.2
Innovation-driven	2.1
Technology ethics	Not applicable to the Company's industry
Supply chain security	6.3
Equal treatment of SMEs	6.3; 4.1
Product and service safety and quality	2.2
Data security and customer privacy protection	2.3
Employee	5.1; 5.2
Due diligence	1.5
Stakeholder engagement	1.1
Anti-bribery and anti-corruption	6.3
Anti-unfair competition	6.3

Disclosure requirement	Corresponding section in this report
Risk and compliance management (voluntary disclosure)	6.3
Corporate governance (voluntary disclosure)	6.1
Serving the real economy (voluntary disclosure)	4.1
Green finance (voluntary disclosure)	3.2
Responsible investment (voluntary disclosure)	1.5
Inclusive finance (voluntary disclosure)	4.1
Pension finance (voluntary disclosure)	4.1
Technology finance (voluntary disclosure)	4.1

Appendix III: Index for HKEX Environmental, Social and Governance Reporting Code

Performance Indicator	Indicators	Disclosure section
Subject Area A. Environmental		
Aspect A1. Emissions		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	3.3
KPI A1.1	The types of emissions and respective emissions data.	Appendix I Quantitative Performance Table
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I Quantitative Performance Table
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I Quantitative Performance Table
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	3.3
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	3.3
Aspect A2. Use of Resources		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	3.3
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Appendix I Quantitative Performance Table
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix I Quantitative Performance Table
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	3.3
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	3.3
KPI A2.5	Total packaging material used for finishing products (in tonnes) and, if applicable, with reference to per unit produced.	As the Company's products are solely financial, this indicator does not apply.
Aspect A3. The Environment and Natural Resources		
General disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	3.3

Performance Indicator	Indicators	Disclosure section
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.3
Subject Area B. Social		
Employment and Labour Practices		
Aspect B1. Employment		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5.1
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Appendix I Quantitative Performance Table
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	
Aspect B2. Health and Safety		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	5.1
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix I Quantitative Performance Table
KPI B2.2	Lost days due to work injury.	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	5.1
Aspect B3. Development and Training		
General disclosure	Policies on improving employees' knowledge and skills for discharging job duties. A description of training activities.	5.2
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix I Quantitative Performance Table
KPI B3.2	The average training hours completed per employee by gender and employee category.	
Aspect B4. Labour Standards		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.1
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	No child labor or forced labor was employed by the Company throughout the year.
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	5.1
Operating Practices		

Performance Indicator	Indicators	Disclosure section
Aspect B5. Supply Chain Management		
General disclosure	Policies on managing environmental and social risks of the supply chain.	3.3; 6.3
KPI B5.1	Number of suppliers by geographical region.	Appendix I: Quantitative Performance Table
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	3.3 6.3 Compliance and Integrity Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	
Aspect B6. Product Responsibility		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	2.2; 2.3
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	As the Company's products are solely financial, this indicator does not apply
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	2.2 Appendix I: Quantitative Performance Table
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.1
KPI B6.4	Description of quality assurance process and recall procedures.	As the Company's products are solely financial, this indicator does not apply
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.3
Aspect B7. Anti-corruption		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	6.3
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Appendix I: Quantitative Performance Table
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	6.3
KPI B7.3	Description of anti-corruption training provided to directors and staff.	6.3
Community		
Aspect B8. Community Investment		

Performance Indicator	Indicators	Disclosure section
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	4.2
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	4.1; 4.2
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Appendix I: Quantitative Performance Table
Part D: Climate-related Disclosures		
(I) Governance	(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	3.1
(II) Strategy	Climate-related risks and opportunities	3.1
	Business model and value chain	
	Strategy and decision-making	
	Financial position, financial performance and cash flows	
(III) Risk Management	Climate resilience	3.1
	(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks. (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities. (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	
	Greenhouse gas emissions	
(IV) Metrics and Targets	Climate-related transition risks	3.1 Appendix I: Quantitative Performance Table
	Climate-related physical risks	
	Climate-related opportunities	
	Capital deployment	
	Internal carbon prices	
	Remuneration	
	Industry-based metrics	
	Climate-related targets	
	Applicability of cross-industry metrics and industry-based metrics	

Appendix IV: Index of the Shenzhen Guidelines on Environmental Information Disclosure for Financial Institutions

Primary Indicator	Secondary Indicator	Indicator Type	Index
Basic Information			
Basic Organizational Information	Institution Name	Mandatory	
	Unit Nature	Mandatory	
	Industry	Mandatory	
	Unified Social Credit Code or Organization Code	Mandatory	
	Legal Representative	Mandatory	
	Reporting Officer	Mandatory	About the Company
	Contact Information	Mandatory	
Location	Headquarters Location	Mandatory	
	Business Location	Mandatory	
Company Profile	Main Products and Services	Mandatory	
	Types of Customers Served	Mandatory	
Strategic Goals			
Environmental and Green Finance Related Goals	Goal Setting	Mandatory	
	Goal Completion	Mandatory	3.1 3.2
Environmental and Green Finance Related Development Strategy	Medium and Long-term Development Strategy and Action Plan	Mandatory	3.3
	Relationship with Overall Strategy	Encouraged	
Governance Structure			
Board Level	Environmental and Green Finance Committee Setup	Mandatory	
	Board's Management, Supervision, and Discussion of Environmental and Green Finance Related Issues	Mandatory	1.3
Senior Management Level	Environmental and Green Finance Management Position	Mandatory	3.1
	Internal Institutions, Working Mechanisms, and Processes Related to Environmental and Green Finance	Mandatory	3.2
Professional Department Level	Implementation of Green Finance Related Work	Mandatory	

Primary Indicator	Secondary Indicator	Indicator Type	Index
Policies and Systems			
Internal Policies	Current Environmental and Green Finance Related Policies and Systems	Mandatory	3.1
	New Policies Implemented During the Reporting Period	Mandatory	
External Policies	Compliance with External Environmental, Climate, and Green Finance Related Policies and Regulations	Mandatory	3.2
	Participation in Domestic and Foreign Related Initiatives	Encouraged	3.3
	Environmental Risk Management		
Management Mechanism	Identification, Assessment, and Monitoring Process of Environmental Risks and Opportunities	Mandatory	1.5
	Reflection of Environmental Risks and Opportunities in Business Risk Management Process	Mandatory	
	Response Plan for Environmental Related Risk Exposure	Mandatory	
Identified Environmental Risks and Opportunities	Identified Short-term, Medium-term, and Long-term Environmental Related Risks and Opportunities	Mandatory	3.1
	Impact of Environmental Related Risks and Opportunities on Strategy, Business, and Financial Planning	Mandatory	3.2
	Measures and Effects Taken to Respond to Environmental Impacts	Mandatory	3.3
Environmental Impact of Business Activities			
Energy Consumption	Fossil Fuels Consumed by Business Offices	Mandatory	3.3
	Fuel Consumed by Own Transportation Vehicles	Mandatory	
	Fuel Consumed by Own Heating (Cooling) Equipment (if any)	Mandatory	
	Electricity Consumed by Business Offices	Mandatory	
	Fuel Consumed by Purchased Heating (Cooling) Services (if any)	Mandatory	
	Energy Consumed by Transportation Taken by Employees for Business Trips	Mandatory	
	Water Consumption	Total Water Consumption	
Paper Consumption	Total Paper Consumption in Business Offices	Mandatory	
	Recycled Paper Consumption and Proportion in Business Offices	Encouraged	
Waste	Waste Generation and Disposal in Business and Office Premises	Mandatory	Appendix I: Quantitative Performance Table

Primary Indicator	Secondary Indicator	Indicator Type	Index
Greenhouse Gas Emissions	Scope 1 (CO ₂ only)	Mandatory	3.1
	Scope 2 (CO ₂ only)	Mandatory	
	Scope 3 (CO ₂ only)	Mandatory	
	Total CO ₂ Emissions from Business Activities	Mandatory	
Environmental Protection Measures and Environmental Benefits	Environmental Protection Measures	Mandatory	3.3
	Resource Savings	Encouraged	
	Energy Savings	Encouraged	
	Greenhouse Gas Emission Reductions	Encouraged	
Environmental Impact of Investment and Financing Activities			
Overall Investment and Financing Situation	Overview of Investment and Financing and Changes from the Previous Reporting Period	Mandatory	3.2
Green Investment and Financing Activities	Issuance and Operation of Green Themed Asset Management Products	Mandatory	
	Investment of Own and Managed Assets in Green Financial Instruments and Green Enterprises (Projects)	Mandatory	
Environmental Benefits of Green Investment and Financing Activities	Environmental Benefits of Green Asset Management Products	Encouraged	
Carbon Emissions from Investment and Financing Activities	Environmental Information Disclosure of Invested Objects	Mandatory	
	Carbon Emissions from Overall Investment and Financing Activities	Mandatory	
	Carbon Emission Intensity of Investment and Financing Activities	Mandatory	
	Carbon Accounting Plan for Investment and Financing Activities	Mandatory	
Capacity Building			
Publicity and Education	Training Activities or Public Welfare Activities Held to Enhance the Environmental Awareness of Employees and the Public	Encouraged	3.2

Primary Indicator	Secondary Indicator	Indicator Type	Index
Innovation and Research			
Green Finance Innovation Practice Cases	Product and service innovation and management mechanism innovation in the field of green finance, carbon peak and carbon neutrality. Financial institutions should disclose the background, main practices, main achievements, and scale of related products/businesses of innovative cases.	Encouraged	
Green Finance Achievement Awards	Research results related to green finance and environmental risk analysis Green Finance Awards	Mandatory Mandatory	3.2
Green Finance Research	Green finance related research projects and results conducted or participated in by financial institutions	Encouraged	
Data Quality Management			
Data Sorting, Verification, and Protection	Financial institutions should disclose the internal collection, verification, and management process of environmental related statistical data.	Mandatory	
	Measures taken to ensure data security and the rights and interests of data subjects, including regularly sorting and verifying the quality of the institution's environmental related statistical data, establishing a data management system and process, further improving the quality of related basic data, and ensuring the timeliness and accuracy of data.	Mandatory	
	Strengthen the information construction of environmental data management, and use technical means to ensure data security and the rights and interests of data subjects.	Mandatory	2.3
	Financial institutions should disclose the construction progress or plan of their existing data sorting, verification, and protection mechanisms.	Mandatory	
Data Security Emergency Plan	Financial institutions should disclose the emergency plan established for possible data security incidents or data security accidents. Financial institutions should disclose their existing work progress or plan.	Mandatory Mandatory	

Appendix V: Environmental Performance Table for Operational Activities of CMS Asset Management

	Indicator	Unit	2025	2024
Greenhouse Gas Emissions	Total greenhouse gas emissions (Scope 1 and 2)	tCO ₂ e	270.33	309.61
	Per capita greenhouse gas emissions (Scope 1 and 2)	tCO ₂ e/person	1.78	1.98
	Scope 1 greenhouse gas emissions	tCO ₂ e	5.37	7.75
	Scope 2 greenhouse gas emissions	tCO ₂ e	264.96	301.86
Energy utilization	Total energy consumption	tce	71	61
	Per capita energy consumption	tce/person	0.47	0.39
	Gasoline consumption	L	2,288	3,420
	Diesel consumption	L	80	40
	Natural gas consumption	m ³	33.25	28.97
	Electricity consumption	kWh	554,443.43	468,316.01
Water resources utilization	Water withdrawal	ton	2,150.15	1,851.29
	Per capita water withdrawal	ton/person	14.15	11.87
Circular economy and waste	Paper consumption	ton	0.84	0.78
	Ink and toner cartridge consumption	unit	24	28

Note: As CMS Asset Management (a wholly-owned subsidiary of the Company) shares office space with the Company, the environmental data is counted on a consolidated basis for the Company. The environmental related data of CMS Asset Management in this report are all converted according to the proportion of its employees. The per capita environmental related data of CMS Asset Management in this report are all calculated with the total number of employees of CMS Asset Management at the end of the reporting period as the denominator, which is 152 people.

No.111, Fuhua Yi Road, Futian Street,

Futian District, Shenzhen, Guangdong, P.R.China

Postal Code: 518046

For further information, please contact 0755-82943666

Hotline: 95565

Welcome to visit CMS website: www.cmschina.com

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