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招商证券股份有限公司
China Merchants Securities Co., Ltd.

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

TERMINATION OF CONNECTED TRANSACTION

Reference is made to the announcement of China Merchants Securities Co., Ltd. (the “**Company**”) dated December 23, 2020 (the “**Announcement**”) in relation to the connected transaction of the proposed acquisition of 24% equity interest of Hangzhou Zhaoying Real Estate Development Co., Ltd.* (杭州招盈房地產開發有限公司) (“**Hangzhou Zhaoying**”) and the proposed acquisition of 18.4% equity interest of Changsha Renhui Real Estate Development Co., Ltd.* (長沙仁惠房地產有限公司) (“**Changsha Renhui**”). Unless otherwise defined in this announcement, the capitalized terms used herein shall have the same meaning as those defined in the Announcement.

As disclosed in the Announcement, on December 23, 2020, CMS Investment (a wholly-owned subsidiary of the Company) entered into: (a) the Hangzhou Cooperation Framework Agreement with CMRE Hangzhou and Hangzhou Zhaoying, pursuant to which (among other things), CMS Investment agreed to purchase, and CMRE Hangzhou agreed to sell, 24% equity interest of Hangzhou Zhaoying for a consideration not exceeding RMB500,000,000; and (b) the Changsha Cooperation Framework Agreement with Zhuhai Yiyun and Changsha Renhui, pursuant to which (among other things), CMS Investment agreed to purchase, and Zhuhai Yiyun agreed to sell, approximately 18.4% equity interest of Changsha Renhui for a consideration not exceeding RMB300,000,000. Based on the principles of equality and mutual benefit, the parties to the Hangzhou Cooperation Framework Agreement will continue to negotiate the terms of the final definitive cooperation agreement in relation to Hangzhou Zhaoying, and the parties to the Changsha Cooperation Framework Agreement will continue to negotiate the terms of the final definitive cooperation agreement in relation to Changsha Renhui, with an aim to reach an agreement in principle on or before December 31, 2021 (the “**Relevant Period**”), which may be further extended by agreement among the parties.

The Board hereby announces that, due to the impact of market environments, it is expected that it will be difficult for CMS Investment and CMRE Hangzhou to reach a final definitive cooperation agreement relating to the Proposed Hangzhou Acquisition within the Relevant Period. The parties to the Hangzhou Cooperation Framework Agreement have agreed to terminate the Proposed Hangzhou Acquisition after arm's length negotiations.

According to the Hangzhou Cooperation Framework Agreement, in the event where the parties fail to reach a definitive cooperation agreement within the Relevant Period, CMRE Hangzhou will return the earnest money paid by CMS Investment, with a fund occupation fee. As such, CMRE Hangzhou will return the earnest money of RMB499,640,384 paid by CMS Investment, with a fund occupation fee, by August 31, 2021.

Save as disclosed above, upon the termination of the Hangzhou Cooperation Framework Agreement, there are no other outstanding debts and liabilities between the parties to the Hangzhou Cooperation Framework Agreement, nor are there any disputes or controversies relating to the Proposed Hangzhou Acquisition. The Board considers that the termination of the Proposed Hangzhou Acquisition is in the interests of the Company and its Shareholders as a whole and has no material adverse impact on the business, operation or financial condition of the Group.

Currently, CMS Investment and Zhuhai Yiyun are still in the process of negotiating and discussing the Proposed Changsha Acquisition under the Changsha Cooperation Framework Agreement, with a view to reaching a final definitive cooperation agreement within the Relevant Period.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
China Merchants Securities Co., Ltd.
HUO Da
Chairman

Shenzhen, the PRC
August 18, 2021

As at the date of this announcement, the executive directors of the Company are Mr. HUO Da and Mr. XIONG Jiantao; the non-executive directors of the Company are Mr. LIU Weiwu, Mr. XIONG Xianliang, Ms. SU Min, Ms. PENG Lei, Mr. GAO Hong, Mr. HUANG Jian, Mr. WANG Daxiong and Mr. WANG Wen; and the independent non-executive directors of the Company are Mr. XIANG Hua, Mr. XIAO Houfa, Mr. XIONG Wei, Mr. HU Honggao and Mr. WONG Ti.

* *For identification purpose only*