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*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 6099)**

## **2023 FIRST QUARTERLY REPORT**

This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Set out below is the 2023 first quarterly report of China Merchants Securities Co., Ltd. (the “**Company**” or “**China Merchants Securities**”) and its subsidiaries for the three months ended March 31, 2023 (the “**Reporting Period**”). The financial report contained herein is prepared in accordance with the China Accounting Standards for Business Enterprises and has not been audited.

This announcement is prepared in both Chinese and English languages. In the event of any inconsistency between these two versions, the Chinese version shall prevail.

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

Shenzhen, the PRC, April 28, 2023

*As at the date of this announcement, the executive directors of the Company are Mr. HUO Da and Mr. WU Zongmin; the non-executive directors of the Company are Mr. LIU Weiwu, Mr. DENG Weidong, Mr. LI Xiaofei, Mr. GAO Hong, Mr. HUANG Jian, Mr. LIU Chong 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. FENG Jinhua.*

The board of directors (the “**Board**”) and all directors of the Company undertake that the information in this announcement contains no false record, misleading statement or material omission, and assume liabilities to the authenticity, accuracy and completeness of the information in this announcement.

## **IMPORTANT NOTICE**

- (I) The Board, the supervisory committee, directors, supervisors and senior management of the Company undertake that the information in this quarterly report is true, accurate and complete and contains no false record, misleading statement or material omission, and assume joint and several liabilities to the information in this report.**
- (II) HUO Da, the officer in charge of the Company, LIU Jie, the officer in charge of accounting matters of the Company, and WANG Jianping, the officer in charge of the accounting office of the Company (head of accounting department), hereby warrant that the financial information contained in this quarterly report are true, accurate and complete.**
- (III) The first quarterly financial statements have not been audited.**

## I. KEY FINANCIAL DATA

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

Unit: Yuan Currency: RMB

Items	The Reporting Period	The corresponding period of last year		Increase/decrease for the Reporting Period over the corresponding period of last year (%)
		Before adjustment	After adjustment	After adjustment
Operating revenue	4,758,451,712.94	3,696,270,114.27	3,696,270,114.27	28.74
Net profit attributable to the shareholders of the Company	2,259,861,584.54	1,489,516,271.33	1,491,618,955.28	51.50
Net profit attributable to the shareholders of the Company after deducting non-recurring profit or loss	2,245,439,254.43	1,465,711,053.20	1,467,813,737.15	52.98
Net cash flows from operating activities	24,723,495,747.33	21,250,974,414.47	21,250,974,414.47	16.34
Basic earnings per share (RMB per share)	0.24	0.15	0.15	60.00
Diluted earnings per share (RMB per share)	0.24	0.15	0.15	60.00
Weighted average return on net assets (%)	2.09	1.36	1.36	Increased by 0.73 percentage point

	As at the end of the Reporting Period	As at the end of last year		Increase/decrease for the end of the Reporting Period over the end of last year (%)
		Before adjustment	After adjustment	After adjustment
Total assets	600,539,320,228.21	611,661,880,257.89	611,677,013,360.77	-1.82
Owners' equity attributable to the shareholders of the Company	117,465,222,968.81	115,159,077,126.18	115,174,595,691.50	1.99

Reasons for retrospective adjustment or restatement:

Pursuant to the Interpretation No. 16 of Accounting Standards for Business Enterprises (Cai Kuai [2022] No. 31) issued by the Ministry of Finance, the “accounting treatment that the exemption of initial recognition shall not apply to the deferred income tax relating to assets and liabilities arising from a single transaction” shall apply to the Group from January 1, 2023. According to the new and old transitional requirements, enterprises shall make adjustments in accordance with the provisions of this Interpretation for the single transactions applicable to this Interpretation that occurred from the beginning of the earliest period presented in the financial statements for which this Interpretation is first implemented to the effective date of this Interpretation. For the lease liabilities and right-of-use assets recognized due to the single transactions applicable to this Interpretation at the beginning of the earliest period presented in the financial statements for which this Interpretation is first implemented, and the estimated liabilities related to the recognition of disposal obligations and the corresponding related assets, where there are taxable temporary differences and deductible temporary differences, enterprises shall, in accordance with this Interpretation and the Accounting Standards for Business Enterprises No. 18 – Income Tax, adjust the cumulative effect to the retained earnings and other related financial statement items at the beginning of the earliest period presented in the financial statements.

Accordingly, the Company adjusted the data on the relevant items of the balance sheet as at December 31, 2022 and the data on the income statement for the corresponding period of last year. For the adjusted data, please refer to “III. Quarterly Financial Statements” of this report.

## (II) NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

Unit: Yuan Currency: RMB

Items	Amount during the Reporting Period
Profit or loss from disposal of non-current assets	24,261.33
Government grants recognized in profit or loss of the current period, excluding those closely related to the normal operation of the Company and granted on an ongoing basis in fixed amount or fixed quota in accordance with government policies and regulations, and certain standards	16,060,548.32
Other non-operating income and expenses apart from the aforesaid items	3,126,117.88
Less: Effects of income tax	4,788,597.42
Total	14,422,330.11

**(III) DETAILS AND REASONS FOR CHANGES IN KEY ACCOUNTING DATA AND FINANCIAL INDICATORS**

Items	The Reporting Period	The corresponding period of last year	Increase/decrease (%)	Major reason for change
Net profit attributable to the shareholders of the Company	2,259,861,584.54	1,491,618,955.28	51.50	Increase in income from proprietary business
Net profit attributable to the shareholders of the Company after deducting non-recurring profit or loss	2,245,439,254.43	1,467,813,737.15	52.98	
Basic earnings per share (RMB per share)	0.24	0.15	60.00	Increase in net profit attributable to the shareholders of the Company
Diluted earnings per share (RMB per share)	0.24	0.15	60.00	
Items	As at the end of the Reporting Period	As at the end of last year	Increase/decrease (%)	Major reason for change
Financial assets held under resale agreements	31,823,167,848.70	49,580,745,014.34	-35.82	Decrease in financial assets held under resale agreements
Debt investments	385,831,773.78	559,559,263.01	-31.05	Decrease in debt investments
Short-term borrowings	6,395,071,471.80	10,608,901,887.02	-39.72	Decrease in short-term borrowings of Hong Kong subsidiaries
Placements from banks and other financial institutions	4,105,766,624.38	10,802,438,466.70	-61.99	Decrease in borrowings from banks
Accounts payable	34,121,048,616.33	25,105,453,962.40	35.91	Increase in trade deposit payable
Estimated liabilities	13,771,463.88	86,314,087.31	-84.04	Decrease in pending litigations
Other comprehensive income	87,642,195.56	57,427,391.15	52.61	Exchange difference arising from foreign currency translation, and changes in fair value of other debt investments and investments in other equity instruments

Items	The Reporting Period	The corresponding period of last year	Increase/decrease (%)	Major reason for change
Net interest income	487,963,842.43	188,131,094.62	159.37	Decrease in interest expense on bonds payable
Gains from changes in fair value	432,170,651.67	-1,205,672,662.28	–	Changes in fair value of financial instruments
Foreign exchange gains	-2,496,347.24	-390,620.79	–	Changes in foreign exchange rates
Other operating income	157,880,549.88	303,934,283.12	-48.05	Decrease in income from commodities business
Tax and surcharges	26,188,724.56	38,872,422.89	-32.63	Decrease in urban construction tax and education surcharge
Credit impairment losses	-36,185,229.87	129,561,772.30	-127.93	Decrease in expected credit impairment losses of financing business
Other operating costs	125,764,203.55	282,603,622.41	-55.50	Decrease in expenses of commodities business
Non-operating income	2,210,992.48	1,609,455.35	37.38	Increase in government grants unrelated to the ordinary activities of the Company
Non-operating expense	80,613.27	9,618,296.97	-99.16	Decrease in estimated liabilities
Income tax expenses	289,648,958.86	96,450,635.34	200.31	Increase in taxable income
Other comprehensive income after tax, net	30,765,692.77	-225,436,665.43	–	Exchange difference arising from foreign currency translation, and changes in fair value of other debt investments and investments in other equity instruments
Net cash flows from investing activities	2,704,311,489.57	-2,517,715,231.63	–	Decrease in other debt investments
Net cash flows from financing activities	-25,903,335,058.04	-8,569,624,667.16	–	Increase in cash repayment of borrowings
Effect of foreign exchange rate changes on cash	-259,540,418.05	-84,613,898.84	–	Changes in foreign exchange rates

## II. INFORMATION OF SHAREHOLDERS

### (I) Total number of ordinary shareholders and shareholdings of the top ten shareholders

Unit: Share

Total number of ordinary shareholders as at the end of the Reporting Period	168,347	Total number of preferred shareholders with restored voting rights as at the end of the Reporting Period (if any)	-			
<b>Shareholdings of the top ten shareholders</b>						
Name of shareholder	Nature of shareholder	Number of shares held	Percentage of shares held (%)	Number of restricted shares held	Pledged, marked or locked-up	
					Status	Number
China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司)	State-owned legal person	2,047,900,517	23.55	-	Nil	-
Shenzhen Jisheng Investment Development Co., Ltd. (深圳市集盛投資發展有限公司)	State-owned legal person	1,703,934,870	19.59	-	Nil	-
HKSCC Nominees Limited	Overseas legal person	1,274,225,067	14.65	-	Nil	-
China Ocean Shipping Company Limited (中國遠洋運輸有限公司)	State-owned legal person	544,632,418	6.26	-	Nil	-
Hebei Port Group Co., Ltd. (河北港口集團有限公司)	State-owned legal person	343,282,732	3.95	-	Nil	-
CCCC Capital Holdings Co., Ltd. (中交資本控股有限公司)	State-owned legal person	272,201,561	3.13	-	Nil	-
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	Unknown	170,789,261	1.96	-	Nil	-
Hong Kong Securities Clearing Company Limited	Overseas legal person	120,683,465	1.39	-	Nil	-
COSCO Shipping (Guangzhou) Co., Ltd. (中遠海運(廣州)有限公司)	State-owned legal person	109,199,899	1.26	-	Nil	-
China Construction Bank Corporation – Guotai CSI All Share brokerage ETF (中國建設銀行股份有限公司 – 國泰中證全指證券公司交易型開放式指數證券投資基金)	Others	80,151,703	0.92	-	Nil	-

Shareholdings of the top ten holders of unrestricted shares			
Name of shareholder	Number of unrestricted tradable shares held	Class and number of shares	
		Class	Number
China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司)	2,047,900,517	RMB ordinary shares	2,047,900,517
Shenzhen Jisheng Investment Development Co., Ltd. (深圳市集盛投資發展有限公司)	1,703,934,870	RMB ordinary shares	1,703,934,870
HKSCC Nominees Limited	1,274,225,067	Overseas listed foreign shares	1,274,225,067
China Ocean Shipping Company Limited (中國遠洋運輸有限公司)	544,632,418	RMB ordinary shares	544,632,418
Hebei Port Group Co., Ltd. (河北港口集團有限公司)	343,282,732	RMB ordinary shares	343,282,732
CCCC Capital Holdings Co., Ltd. (中交資本控股有限公司)	272,201,561	RMB ordinary shares	272,201,561
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	170,789,261	RMB ordinary shares	170,789,261
Hong Kong Securities Clearing Company Limited	120,683,465	RMB ordinary shares	120,683,465
COSCO Shipping (Guangzhou) Co., Ltd. (中遠海運(廣州)有限公司)	109,199,899	RMB ordinary shares	109,199,899
China Construction Bank Corporation – Guotai CSI All Share brokerage ETF (中國建設銀行股份有限公司–國泰中證全指證券公司 交易型開放式指數證券投資基金)	80,151,703	RMB ordinary shares	80,151,703
Description of the connected relationships or concerted actions among the above shareholders	<p>Among the above top ten shareholders:</p> <ol style="list-style-type: none"> <li>China Merchants Financial Holdings Co., Ltd. indirectly holds 100% of the equity interest in Shenzhen Jisheng Investment Development Co., Ltd. China Merchants Financial Holdings Co., Ltd. and Shenzhen Jisheng Investment Development Co., Ltd. are both subsidiaries of China Merchants Group Limited, the de facto controller of the Company;</li> <li>China Ocean Shipping Company Limited and COSCO Shipping (Guangzhou) Co., Ltd. are both subsidiaries of China COSCO Shipping Corporation Limited.</li> </ol>		
Description of the top ten shareholders and the top ten holders of unrestricted shares engaging in margin financing and securities lending as well as margin and securities refinancing business (if any)	Nil		

- Notes:
- HKSCC Nominees Limited is the nominee holder of the shares held by the non-registered H shareholders of the Company;
  - Hong Kong Securities Clearing Company Limited is the nominee holder of the shares of the Company under the Northbound Trading Link of the Shanghai-Hong Kong Stock Connect;
  - Given the fact that the shares of the Company could be used as underlying securities for margin financing and securities lending, the shareholding of the shareholders is calculated based on the aggregate of shares and interests held in their ordinary securities accounts and credit securities accounts.

### III. QUARTERLY FINANCIAL STATEMENTS

#### CONSOLIDATED BALANCE SHEET

March 31, 2023

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan    Currency: RMB    Type of audit: Unaudited

Items	March 31, 2023	December 31, 2022
<b>Assets:</b>		
Cash and bank balances	111,757,923,266.92	113,377,262,889.25
Of which: Deposits from customers	97,729,088,973.79	89,128,336,409.48
Clearing settlement funds	26,247,721,304.78	23,804,906,161.09
Of which: Settlement funds from customers	12,688,629,099.03	15,929,457,717.34
Advances to customers	85,057,513,086.61	81,541,116,015.37
Derivative financial assets	3,448,999,104.35	3,664,685,045.95
Deposits with exchanges and non-bank financial institutions	13,683,296,181.96	12,213,224,110.22
Accounts receivables	791,548,152.15	959,418,111.49
Financial assets held under resale agreements	31,823,167,848.70	49,580,745,014.34
<b>Financial investments:</b>		
Held-for-trading financial assets	245,015,094,948.54	241,775,989,271.65
Debt investments	385,831,773.78	559,559,263.01
Other debt investments	58,697,865,076.66	60,888,528,258.97
Investments in other equity instruments	1,782,551,545.30	1,628,335,821.78
Long-term equity investments	11,127,217,849.20	10,745,848,897.53
Fixed assets	1,509,407,044.79	1,516,393,868.37
Construction in progress	33,448,877.89	32,649,352.52
Right-of-use assets	1,198,209,665.80	1,168,860,987.50
Intangible assets	431,757,712.75	430,396,328.00
Goodwill	9,670,605.55	9,670,605.55
Deferred income tax assets	1,738,421,894.12	1,847,338,249.38
Other assets	5,799,674,288.36	5,932,085,108.80
Total assets	600,539,320,228.21	611,677,013,360.77

Items	March 31, 2023	December 31, 2022
<b>Liabilities:</b>		
Short-term borrowings	6,395,071,471.80	10,608,901,887.02
Short-term debt instruments	22,265,830,461.51	25,147,998,691.61
Borrowings from banks and other institutions	4,105,766,624.38	10,802,438,466.70
Held-for-trading financial liabilities	41,507,752,737.30	47,744,018,872.49
Derivative financial liabilities	3,384,163,919.89	2,875,038,752.70
Financial assets sold under repurchase agreements	129,941,939,872.39	120,805,473,266.38
Accounts payable to brokerage clients	112,314,156,764.56	106,377,654,159.44
Accrued staff cost	6,491,439,665.96	6,558,871,912.19
Tax payable	554,141,684.79	712,013,415.48
Accounts payable	34,121,048,616.33	25,105,453,962.40
Contract liabilities	48,404,000.00	63,807,800.00
Estimated liabilities	13,771,463.88	86,314,087.31
Long-term borrowings	1,139,797,842.13	1,163,140,747.44
Bonds payable	117,138,411,079.60	134,627,741,792.54
Deferred income tax liabilities	469,442,636.55	481,907,892.67
Lease liabilities	1,270,551,882.42	1,243,345,928.31
Other liabilities	1,829,060,060.88	2,015,808,383.96
Total liabilities	482,990,750,784.37	496,419,930,018.64

Items	March 31, 2023	December 31, 2022
<b>Owners' equity (or equity of shareholders):</b>		
Paid-up capital (or share capital)	8,696,526,806.00	8,696,526,806.00
Other equity instruments	15,000,000,000.00	15,000,000,000.00
Of which: Preferred shares	–	–
Perpetual bonds	15,000,000,000.00	15,000,000,000.00
Capital reserve	40,346,871,309.87	40,346,871,309.87
Less: Treasury shares	–	–
Other comprehensive income	87,642,195.56	57,427,391.15
Surplus reserve	5,236,148,007.81	5,236,148,007.81
General risk reserve	17,052,157,022.93	17,042,850,081.41
Retained profits	31,045,877,626.64	28,794,772,095.26
Total owners' equity (or equity of shareholders) attributable to the parent company	117,465,222,968.81	115,174,595,691.50
Non-controlling interests	83,346,475.03	82,487,650.63
Total owners' equity (or equity of shareholders)	117,548,569,443.84	115,257,083,342.13
Total liabilities and owners' equity (or equity of shareholders)	600,539,320,228.21	611,677,013,360.77

Officer in charge of the Company:  
HUO Da (霍達)

Officer in charge of accounting:  
LIU Jie (劉傑)

Head of accounting department:  
WANG Jianping (王劍平)

## CONSOLIDATED INCOME STATEMENT

January – March, 2023

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	The first quarter of 2023	The first quarter of 2022
<b>I. Total operating income</b>	4,758,451,712.94	3,696,270,114.27
Net interest income	487,963,842.43	188,131,094.62
Of which: Interest income	2,741,441,426.63	2,641,459,421.14
Interest expense	2,253,477,584.20	2,453,328,326.52
Net fee and commission income	1,944,710,059.47	2,545,228,773.18
Of which: Net fee income from brokerage business	1,419,228,744.23	1,649,114,165.95
Net fee income from investment banking business	155,366,891.22	449,127,884.07
Net fee income from asset management business	179,520,019.01	207,187,801.36
Investment gains (“-” indicating losses)	1,680,666,535.68	1,786,376,081.59
Of which: Gains from investments in associates and joint ventures	387,389,986.22	404,774,070.46
Gains from derecognition of financial assets at amortized cost (“-” indicating losses)	-338,062.36	–
Other gains	57,556,421.05	78,663,164.83
Gains from changes in fair value (“-” indicating losses)	432,170,651.67	-1,205,672,662.28
Foreign exchange gains (“-” indicating losses)	-2,496,347.24	-390,620.79
Other operating income	157,880,549.88	303,934,283.12
Gains on disposal of assets (“-” indicating losses)	–	–

Items	The first quarter of 2023	The first quarter of 2022
<b>II. Total operating expenses</b>	2,210,212,724.35	2,095,593,810.27
Tax and surcharges	26,188,724.56	38,872,422.89
Business and administrative expenses	2,094,445,026.11	1,644,555,992.67
Credit impairment losses	-36,185,229.87	129,561,772.30
Other operating costs	125,764,203.55	282,603,622.41
<b>III. Operating profit (“-” indicating losses)</b>	2,548,238,988.59	1,600,676,304.00
Add: Non-operating income	2,210,992.48	1,609,455.35
Less: Non-operating expense	80,613.27	9,618,296.97
<b>IV. Total profit (“-” indicating total losses)</b>	2,550,369,367.80	1,592,667,462.38
Less: Income tax expenses	289,648,958.86	96,450,635.34
<b>V. Net profit (“-” indicating net loss)</b>	2,260,720,408.94	1,496,216,827.04
(I) Classified by the continuity of operations		
1. Net profit from continuing operations (“-” indicating net loss)	2,260,720,408.94	1,496,216,827.04
2. Net profit from discontinued operations (“-” indicating net loss)	-	-
(II) Classified by ownership		
1. Net profit attributable to the shareholders of the parent company (“-” indicating net loss)	2,259,861,584.54	1,491,618,955.28
2. Profit or loss of non-controlling interests (“-” indicating net loss)	858,824.40	4,597,871.76

Items	The first quarter of 2023	The first quarter of 2022
<b>VI. Other comprehensive income after tax, net</b>	30,765,692.77	-225,436,665.43
Other comprehensive income after tax attributable to the owners of the parent company, net	30,765,692.77	-225,436,665.43
(I) Other comprehensive income that shall not be reclassified to profit or loss	115,730,555.46	-139,508,435.54
1. Re-measurement of change in defined benefit scheme	-	-
2. Other comprehensive income that shall not be reclassified to profit or loss under equity method	-	-
3. Change in fair value of investments in other equity instruments	115,730,555.46	-139,508,435.54
(II) Other comprehensive income that will be reclassified to profit or loss	-84,964,862.69	-85,928,229.89
1. Other comprehensive income that will be reclassified to profit or loss under equity method	-6,021,034.55	459,550.79
2. Change in fair value of other debt investments	37,102,306.73	-8,660,505.68
3. Amount of financial assets reclassified to other comprehensive income	-	-
4. Expected credit losses for other debt investments	-1,915,352.80	-16,976,959.34
5. Hedge reserve from cash flows	-	-
6. Exchange difference arising from foreign currency translation	-114,130,782.07	-60,750,315.66
7. Others	-	-
Other comprehensive income after tax attributable to non-controlling interests, net	-	-
<b>VII. Total comprehensive income</b>	2,291,486,101.71	1,270,780,161.61
Total comprehensive income attributable to the owners of the parent company	2,290,627,277.31	1,266,182,289.85
Total comprehensive income attributable to non-controlling interests	858,824.40	4,597,871.76
<b>VIII. Earnings per share:</b>		
(I) Basic (RMB per share)	0.24	0.15
(II) Diluted (RMB per share)	0.24	0.15

Officer in charge of the Company:  
HUO Da (霍達)

Officer in charge of accounting:  
LIU Jie (劉傑)

Head of accounting department:  
WANG Jianping (王劍平)

## CONSOLIDATED STATEMENT OF CASH FLOWS

January – March, 2023

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	The first quarter of 2023	The first quarter of 2022
<b>I. Cash flows from operating activities:</b>		
Net increase in disposal of held-for-trading financial assets	–	7,681,975,437.06
Cash received from interests, fees and commissions	4,649,747,375.16	5,564,818,941.35
Net increase in borrowings from banks and other institutions	–	990,446,000.00
Net increase in cash from repurchase business	27,030,816,568.10	–
Net decrease in advances to customers	–	9,709,558,600.49
Net cash received from accounts payables to brokerage clients	6,362,207,098.06	6,167,659,102.43
Cash received from other operating activities	8,489,198,382.61	1,286,751,792.80
Subtotal of cash inflows from operating activities	46,531,969,423.93	31,401,209,874.13
Net decrease in acquisition of held-for-trading financial assets	4,311,777,604.69	–
Net decrease in borrowings from banks and other institutions	6,698,205,000.00	–
Net decrease in cash from repurchase business	–	388,940,846.73
Net increase in advances to customers	3,215,379,227.55	–
Cash paid for interests, fees and commissions	1,782,958,339.50	1,778,131,019.29
Cash paid to accrued staff costs	1,725,566,899.93	2,600,251,779.16
Taxes paid	558,615,249.60	1,085,146,577.33
Cash paid for other operating activities	3,515,971,355.33	4,297,765,237.15
Subtotal of cash outflows from operating activities	21,808,473,676.60	10,150,235,459.66
Net cash flows from operating activities	24,723,495,747.33	21,250,974,414.47

Items	The first quarter of 2023	The first quarter of 2022
<b>II. Cash flows from investing activities:</b>		
Cash received from disposal of investment	2,364,859,100.53	–
Cash received from investment gains	395,180,895.60	324,248,837.33
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	–	–
Cash received from other investing activities	65,617.67	901,382.47
Subtotal of cash inflows from investing activities	2,760,105,613.80	325,150,219.80
Cash paid for investments	–	2,786,771,353.04
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	55,794,124.23	56,094,098.39
Cash paid for other investing activities	–	–
Subtotal of cash outflows from investing activities	55,794,124.23	2,842,865,451.43
Net cash flows from investing activities	2,704,311,489.57	-2,517,715,231.63

Items	The first quarter of 2023	The first quarter of 2022
<b>III. Cash flows from financing activities:</b>		
Proceeds from investments	–	4,300,000,000.00
Of which: Cash contribution from non-controlling interest to subsidiaries	–	–
Proceeds from issuance of bonds	8,335,689,077.00	11,259,581,061.34
Cash received from other financing activities	–	–
Subtotal of cash inflows from financing activities	8,335,689,077.00	15,559,581,061.34
Cash repayment of borrowings	31,721,119,637.78	12,941,638,131.45
Cash paid for dividends, profits or interests	2,517,904,497.26	2,187,567,597.05
Of which: Dividends and profits paid to non-controlling interest by subsidiaries	–	–
Cash paid for redemption of perpetual bonds	–	9,000,000,000.00
Cash paid for other financing activities	–	–
Subtotal of cash outflows from financing activities	34,239,024,135.04	24,129,205,728.50
Net cash flows from financing activities	-25,903,335,058.04	-8,569,624,667.16
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	-259,540,418.05	-84,613,898.84
<b>V. Net increase in cash and cash equivalents</b>	1,264,931,760.81	10,079,020,616.84
Add: Balance of cash and cash equivalents at the beginning of the period	135,284,782,722.23	111,737,944,929.04
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	136,549,714,483.04	121,816,965,545.88

Officer in charge of the Company:  
HUO Da (霍達)

Officer in charge of accounting:  
LIU Jie (劉傑)

Head of accounting department:  
WANG Jianping (王劍平)

## BALANCE SHEET OF THE PARENT COMPANY

March 31, 2023

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	March 31, 2023	December 31, 2022
<b>Assets:</b>		
Cash and bank balances	73,368,570,995.67	66,775,368,570.46
Of which: Deposits from customers	68,308,752,091.25	57,640,494,427.38
Clearing settlement funds	26,209,761,187.45	23,942,744,520.79
Of which: Settlement funds from customers	14,008,139,700.25	17,875,248,839.82
Advances to customers	82,542,727,135.72	78,659,209,332.38
Derivative financial assets	3,099,411,735.80	2,917,523,925.14
Deposits with exchanges and non-bank financial institutions	9,011,482,899.44	7,947,557,055.28
Accounts receivables	474,083,078.18	695,288,919.75
Financial assets held under resale agreements	31,817,967,796.70	49,580,745,014.34
<b>Financial investments:</b>		
Held-for-trading financial assets	209,481,045,861.28	208,983,990,194.09
Debt investments	–	15,538,544.07
Other debt investments	57,025,849,527.90	58,608,252,454.80
Investments in other equity instruments	1,676,139,156.29	1,538,047,377.41
Long-term equity investments	29,993,950,797.81	29,612,561,854.53
Fixed assets	1,452,298,548.36	1,455,633,520.33
Construction in progress	11,382,897.00	10,316,613.30
Right-of-use assets	1,064,055,571.02	1,034,670,717.43
Intangible assets	395,539,540.29	390,785,200.74
Deferred income tax assets	1,590,711,384.60	1,698,560,975.87
Other assets	5,239,615,128.18	5,130,809,550.04
Total assets	534,454,593,241.69	538,997,604,340.75

Items	March 31, 2023	December 31, 2022
<b>Liabilities:</b>		
Short-term debt instruments	21,836,026,527.80	25,113,020,712.83
Borrowings from banks and other institutions	4,105,766,624.38	10,802,438,466.70
Held-for-trading financial liabilities	37,326,542,607.62	41,818,084,679.80
Derivative financial liabilities	2,721,414,744.30	2,135,710,480.43
Financial assets sold under repurchase agreements	127,066,283,995.11	116,558,515,908.44
Accounts payable to brokerage clients	80,877,724,549.77	74,116,727,277.84
Accrued staff cost	6,156,466,425.30	6,282,332,877.16
Tax payable	257,035,563.13	336,829,812.94
Accounts payable	31,676,958,967.92	23,857,161,415.15
Contract liabilities	48,404,000.00	63,807,800.00
Estimated liabilities	13,771,463.88	86,314,087.31
Bonds payable	113,706,622,140.21	131,140,406,742.39
Lease liabilities	1,129,977,292.72	1,103,172,293.13
Other liabilities	866,659,812.67	942,789,444.72
Total liabilities	427,789,654,714.81	434,357,311,998.84

Items	March 31, 2023	December 31, 2022
<b>Owners' equity (or equity of shareholders):</b>		
Paid-up capital (or share capital)	8,696,526,806.00	8,696,526,806.00
Other equity instruments	15,000,000,000.00	15,000,000,000.00
Of which: Preferred shares	–	–
Perpetual bonds	15,000,000,000.00	15,000,000,000.00
Capital reserve	40,233,165,643.37	40,233,165,643.37
Less: Treasury shares	–	–
Other comprehensive income	-40,378,918.66	-170,658,144.56
Surplus reserve	5,236,148,007.81	5,236,148,007.81
General risk reserve	15,441,978,448.46	15,441,978,448.46
Retained profits	22,097,498,539.90	20,203,131,580.83
Total owners' equity (or equity of shareholders)	106,664,938,526.88	104,640,292,341.91
Total liabilities and owners' equity (or equity of shareholders)	534,454,593,241.69	538,997,604,340.75

Officer in charge of the Company:  
HUO Da (霍達)

Officer in charge of accounting:  
LIU Jie (劉傑)

Head of accounting department:  
WANG Jianping (王劍平)

## INCOME STATEMENT OF THE PARENT COMPANY

January – March, 2023

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan    Currency: RMB    Type of audit: Unaudited

Items	The first quarter of 2023	The first quarter of 2022
<b>I. Total operating income</b>	3,837,563,958.90	3,251,911,876.03
Net interest income	405,814,969.90	98,856,489.09
Of which: Interest income	2,347,382,466.46	2,473,436,708.81
Interest expense	1,941,567,496.56	2,374,580,219.72
Net fee and commission income	1,673,331,427.06	2,211,927,132.96
Of which: Net fee income from brokerage business	1,332,412,835.49	1,528,482,366.03
Net fee income from investment banking business	155,001,792.55	449,862,363.10
Net fee income from asset management business	-	-
Investment gains (“-” indicating losses)	1,197,503,705.75	-23,554,744.57
Of which: Gains from investments in associates and joint ventures	387,409,977.83	404,667,714.48
Gains from derecognition of financial assets at amortized cost (“-” indicating losses)	-338,062.36	-
Other gains	50,376,325.76	42,210,756.85
Gains from changes in fair value (“-” indicating losses)	405,737,414.09	886,607,698.42
Foreign exchange gains (“-” indicating losses)	68,503,912.12	12,845,108.65
Other operating income	36,296,204.22	23,019,434.63
Gains on disposal of assets (“-” indicating losses)	-	-
<b>II. Total operating expenses</b>	1,752,519,153.26	1,520,507,478.66
Tax and surcharges	23,233,261.76	34,958,621.33
Business and administrative expenses	1,753,725,782.23	1,373,692,748.00
Asset impairment losses	-	-
Credit impairment losses	-24,439,890.73	111,856,109.33
Other operating costs	-	-

Items	The first quarter of 2023	The first quarter of 2022
<b>III. Operating profit (“-” indicating losses)</b>	2,085,044,805.64	1,731,404,397.37
Add: Non-operating income	2,197,718.11	1,509,454.98
Less: Non-operating expense	79,028.97	9,590,193.59
<b>IV. Total profit (“-” indicating total losses)</b>	2,087,163,494.78	1,723,323,658.76
Less: Income tax expenses	192,796,535.71	68,499,303.18
<b>V. Net profit (“-” indicating net loss)</b>	1,894,366,959.07	1,654,824,355.58
(I) Net profit from continuing operations (“-” indicating net loss)	1,894,366,959.07	1,654,824,355.58
(II) Net profit from discontinued operations (“-” indicating net loss)	-	-
<b>VI. Other comprehensive income after tax, net</b>	130,279,225.90	-165,685,664.16
(I) Other comprehensive income that shall not be reclassified to profit or loss	103,568,834.16	-142,959,943.52
1. Re-measurement of change in defined benefit scheme	-	-
2. Other comprehensive income that shall not be reclassified to profit or loss under equity method	-	-
3. Change in fair value of investments in other equity instruments	103,568,834.16	-142,959,943.52
(II) Other comprehensive income that will be reclassified to profit or loss	26,710,391.74	-22,725,720.64
1. Other comprehensive income that will be reclassified to profit or loss under equity method	-6,021,034.55	459,550.79
2. Change in fair value of other debt investments	31,983,034.21	-23,492,444.92
3. Amount of financial assets reclassified to other comprehensive income	-	-
4. Expected credit losses for other debt investments	748,392.08	307,173.49
<b>VII. Total comprehensive income</b>	2,024,646,184.97	1,489,138,691.42

Officer in charge of the Company:  
HUO Da (霍達)

Officer in charge of accounting:  
LIU Jie (劉傑)

Head of accounting department:  
WANG Jianping (王劍平)

## STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

January – March, 2023

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan    Currency: RMB    Type of audit: Unaudited

Items	The first quarter of 2023	The first quarter of 2022
<b>I. Cash flows from operating activities:</b>		
Net increase in disposal of held-for-trading financial assets	–	6,121,651,291.47
Cash received from interests, fees and commissions	3,983,941,046.31	5,017,081,632.30
Net increase in borrowings from banks and other institutions	–	990,446,000.00
Net increase in cash from repurchase business	28,337,904,001.65	–
Net decrease in advances to customers	–	8,905,398,501.71
Net cash received from accounts payables to brokerage clients	7,077,143,967.44	6,083,917,723.00
Cash received from other operating activities	6,367,298,728.96	-440,687,859.85
Subtotal of cash inflows from operating activities	45,766,287,744.36	26,677,807,288.63
Net decrease in acquisition of held-for-trading financial assets	1,747,282,656.74	–
Net decrease in borrowings from banks and other institutions	6,698,205,000.00	–
Net decrease in cash from repurchase business	–	-1,302,534,980.34
Net increase in advances to customers	3,535,107,344.21	–
Cash paid for interests, fees and commissions	1,539,994,605.74	1,674,363,565.61
Cash paid to accrued staff costs	1,534,484,856.51	2,307,526,416.28
Taxes paid	171,810,695.65	798,050,003.18
Cash paid for other operating activities	1,540,475,295.64	3,314,001,508.47
Subtotal of cash outflows from operating activities	16,767,360,454.49	6,791,406,513.20
Net cash flows from operating activities	28,998,927,289.87	19,886,400,775.43

Items	The first quarter of 2023	The first quarter of 2022
<b>II. Cash flows from investing activities:</b>		
Cash received from disposal of investment	1,662,005,258.36	–
Cash received from investment gains	392,375,237.06	316,809,424.07
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	–	–
Cash received from other investing activities	52,344.91	900,185.29
Subtotal of cash inflows from investing activities	2,054,432,840.33	317,709,609.36
Cash paid for investments	110,000,000.00	3,159,280,666.16
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	53,014,889.34	53,915,038.28
Cash paid for other investing activities	–	–
Subtotal of cash outflows from investing activities	163,014,889.34	3,213,195,704.44
Net cash flows from investing activities	1,891,417,950.99	-2,895,486,095.08

Items	The first quarter of 2023	The first quarter of 2022
<b>III. Cash flows from financing activities:</b>		
Proceeds from investments	–	4,300,000,000.00
Proceeds from issuance of bonds	7,106,465,364.62	10,878,007,510.00
Cash received from other financing activities	–	–
Subtotal of cash inflows from financing activities	7,106,465,364.62	15,178,007,510.00
Cash repayment of borrowings	26,847,800,630.81	12,630,688,358.20
Cash paid for dividends, profits or interests	2,399,216,660.59	2,144,463,896.33
Cash paid for redemption of perpetual bonds	–	9,000,000,000.00
Cash paid for other financing activities	–	–
Subtotal of cash outflows from financing activities	29,247,017,291.40	23,775,152,254.53
Net cash flows from financing activities	-22,140,551,926.78	-8,597,144,744.53
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	64,076,280.94	12,845,108.65
<b>V. Net increase in cash and cash equivalents</b>	8,813,869,595.02	8,406,615,044.47
Add: Balance of cash and cash equivalents at the beginning of the period	90,657,497,260.79	90,934,878,175.68
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	99,471,366,855.81	99,341,493,220.15

Officer in charge of the Company:  
HUO Da (霍達)

Officer in charge of accounting:  
LIU Jie (劉傑)

Head of accounting department:  
WANG Jianping (王劍平)