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

2023 THIRD 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 third quarterly report of China Merchants Securities Co., Ltd. (the “**Company**” or “**China Merchants Securities**”) and its subsidiaries for the nine months ended September 30, 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, October 26, 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. ZHANG Jian, Mr. DENG Weidong, Mr. LIU Weiwu, Mr. LI Xiaofei, Mr. HUANG Jian, Mr. LIU Chong and Ms. DING Lusha; 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 is true, accurate and complete.
- (III) The third 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 (%)	From the beginning of the year to the end of the Reporting Period	The corresponding period of last year		Increase/decrease for the beginning of the year to the end of the Reporting Period over the corresponding period of last year (%)
		Before adjustment	After adjustment	After adjustment		Before adjustment	After adjustment	After adjustment
Operating revenue	4,077,173,576.62	4,677,387,367.34	4,677,387,367.34	-12.83	14,871,134,663.02	15,297,970,234.15	15,297,970,234.15	-2.79
Net profit attributable to the shareholders of the Company	1,674,545,826.34	1,992,322,784.42	1,990,629,734.89	-15.88	6,401,520,883.21	6,280,444,248.30	6,282,358,404.29	1.90
Net profit attributable to the shareholders of the Company after deducting non-recurring profit or loss	1,670,448,935.26	2,038,685,696.89	2,036,992,647.36	-17.99	6,371,722,418.70	6,277,821,625.66	6,279,735,781.65	1.46
Net cash flows from operating activities	-6,368,534,851.84	-32,855,972,737.86	-32,855,972,737.86	-	12,607,113,197.62	25,459,566,604.70	25,459,566,604.70	-50.48
Basic earnings per share (RMB per share)	0.18	0.21	0.21	-14.29	0.69	0.67	0.67	2.99
Diluted earnings per share (RMB per share)	0.18	0.21	0.21	-14.29	0.69	0.67	0.67	2.99
Weighted average return on net assets (%)	1.49	1.89	1.88	Decreased by 0.39 percentage point	5.82	5.87	5.87	Decreased by 0.05 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	624,017,113,163.64	611,661,880,257.89	611,677,013,360.77	2.02
Owners' equity attributable to the shareholders of the Company	119,552,667,771.55	115,159,077,126.18	115,174,595,691.50	3.80

Note: The "Reporting Period" refers to the three-month period from the beginning of this quarter to the end of this quarter, the same for below.

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	Amount from the beginning of the year to the end of the Reporting Period
Profit or loss from disposal (retirement) of non-current assets	403,233.35	1,232,065.18
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	4,827,460.77	35,499,995.34
Other non-operating income and expenses apart from the aforesaid items	185,554.46	1,708,082.55
Other profit or loss items that meet the definition of non-recurring profit or loss	–	1,065,846.02
Less: Effects of income tax	1,319,357.50	9,707,524.58
Total	4,096,891.08	29,798,464.51

(III) Details and reasons for changes in key accounting data and financial indicators

Unit: Yuan Currency: RMB

Items	The Reporting Period	The corresponding period of last year	Increase/decrease (%)	Major reason for change
Net cash flows from operating activities	-6,368,534,851.84	-32,855,972,737.86	-	Increase in net cash inflows from repurchase business

Items	As at the end of the Reporting Period	As at the end of last year	Increase/decrease (%)	Major reason for change
Clearing settlement funds	32,052,657,664.11	23,804,906,161.09	34.65	Increase in settlement funds from customers
Derivative financial assets	5,120,068,130.56	3,664,685,045.95	39.71	Changes in fair value of derivative financial instruments
Financial assets held under resale agreements	33,227,862,666.61	49,580,745,014.34	-32.98	Decrease in financial assets held under resale agreements
Short-term borrowings	5,266,460,603.36	10,608,901,887.02	-50.36	Decrease in short-term borrowings of Hong Kong subsidiaries
Placements from banks and other financial institutions	6,104,689,862.56	10,802,438,466.70	-43.49	Decrease in placements from banks and other financial institutions
Derivative financial liabilities	4,722,494,950.06	2,875,038,752.70	64.26	Changes in fair value of derivative financial instruments
Accounts payable	37,012,945,172.72	25,105,453,962.40	47.43	Increase in margins for derivative business transactions
Long-term borrowings	1,930,477,260.91	1,163,140,747.44	65.97	Increase in long-term borrowings of Hong Kong subsidiaries
Estimated liabilities	-	86,314,087.31	-100.00	Decrease in pending litigations
Other comprehensive income	194,792,980.00	57,427,391.15	239.20	Changes in exchange difference arising from foreign currency translation

Items	From the beginning of the year to the end of the Reporting Period	The corresponding period of last year	Increase/decrease (%)	Major reason for change
Net interest income	1,306,752,510.62	899,834,766.91	45.22	Decrease in interest expense on bonds payable
Other gains	96,846,860.04	192,712,272.57	-49.75	Decrease in government grants related to the ordinary activities of the Company
Gains from changes in fair value	1,114,364,011.50	-311,815,996.53	-	Changes in fair value of financial instruments
Foreign exchange gains	25,329,377.67	-350,817,576.10	-	Changes in foreign exchange rates
Credit impairment losses	147,704,161.36	383,695,057.62	-61.50	Decrease in expected credit impairment losses of financing business
Non-operating expense	768,490.97	86,134,376.73	-99.11	Decrease in estimated liabilities
Other comprehensive income after tax, net	137,548,509.70	337,007,180.80	-59.19	Exchange difference arising from foreign currency translation, and changes in fair value of investments in other equity instruments
Net cash flows from operating activities	12,607,113,197.62	25,459,566,604.70	-50.48	Decrease in net cash inflows from disposal of held-for-trading financial assets
Net cash flows from investing activities	-69,088,073.78	-8,631,960,978.78	-	Decrease in cash paid for other debt investments
Net cash flows from financing activities	-19,745,569,269.83	-12,692,733,553.86	-	Increase in net cash outflows from bonds payable
Effect of foreign exchange rate changes on cash	393,955,182.88	974,779,670.47	-59.59	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	156,635	Total number of preferred shareholders with restored voting rights as at the end of the Reporting Period (if any)	-			
Shareholdings of the top ten shareholders						
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	1,274,223,157	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	272,219,361	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	151,122,236	1.74	-	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	74,644,053	0.86	-	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	1,274,223,157	Overseas listed foreign shares	1,274,223,157
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)	272,219,361	RMB ordinary shares	272,219,361
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	151,122,236	RMB ordinary shares	151,122,236
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)	74,644,053	RMB ordinary shares	74,644,053
Description of the connected relationships or concerted actions among the above shareholders	<p>1. 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;</p> <p>2. China Ocean Shipping Company Limited and COSCO Shipping (Guangzhou) Co., Ltd. are both subsidiaries of China COSCO Shipping Corporation Limited.</p>		
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:
1. HKSCC Nominees Limited is the nominee holder of the shares held by the non-registered H shareholders of the Company;
 2. Hong Kong Securities Clearing Company Limited is the nominee holder of the shares of the Company under the Northbound Trading Link of the Shanghai-Hong Kong Stock Connect;
 3. Given the fact that the shares of the Company could be used as underlying securities for margin financing and securities lending, the shareholding of the shareholders is calculated based on the aggregate of shares and interests held in their ordinary securities accounts and credit securities accounts.

III. QUARTERLY FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

September 30, 2023

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	September 30, 2023	December 31, 2022
Assets:		
Cash and bank balances	97,478,172,074.14	113,377,262,889.25
Of which: Deposits from customers	85,346,450,498.10	89,128,336,409.48
Clearing settlement funds	32,052,657,664.11	23,804,906,161.09
Of which: Settlement funds from customers	21,986,338,151.29	15,929,457,717.34
Advances to customers	82,250,051,849.93	81,541,116,015.37
Derivative financial assets	5,120,068,130.56	3,664,685,045.95
Deposits with exchanges and non-bank financial institutions	13,302,005,165.77	12,213,224,110.22
Accounts receivables	823,650,987.83	959,418,111.49
Financial assets held under resale agreements	33,227,862,666.61	49,580,745,014.34
Financial investments:		
Held-for-trading financial assets	271,540,577,856.28	241,775,989,271.65
Debt investments	566,473,809.71	559,559,263.01
Other debt investments	62,529,416,692.66	60,888,528,258.97
Investments in other equity instruments	1,677,530,068.67	1,628,335,821.78
Long-term equity investments	11,362,403,593.31	10,745,848,897.53
Fixed assets	1,451,354,723.10	1,516,393,868.37
Right-of-use assets	1,183,124,809.99	1,168,860,987.50
Construction in progress	36,061,351.56	32,649,352.52
Intangible assets	535,196,623.63	430,396,328.00
Goodwill	9,670,605.55	9,670,605.55

Items	September 30, 2023	December 31, 2022
Deferred income tax assets	1,863,028,291.42	1,847,338,249.38
Other assets	7,007,806,198.81	5,932,085,108.80
Total assets	624,017,113,163.64	611,677,013,360.77
Liabilities:		
Short-term borrowings	5,266,460,603.36	10,608,901,887.02
Short-term debt instruments	31,644,951,388.90	25,147,998,691.61
Placements from banks and other financial institutions	6,104,689,862.56	10,802,438,466.70
Held-for-trading financial liabilities	44,212,546,936.03	47,744,018,872.49
Derivative financial liabilities	4,722,494,950.06	2,875,038,752.70
Financial assets sold under repurchase agreements	135,556,728,284.77	120,805,473,266.38
Accounts payable to brokerage clients	108,509,435,646.14	106,377,654,159.44
Accrued staff cost	5,275,991,978.90	6,558,871,912.19
Tax payable	843,182,274.51	712,013,415.48
Accounts payable	37,012,945,172.72	25,105,453,962.40
Contract liabilities	60,204,352.95	63,807,800.00
Long-term borrowings	1,930,477,260.91	1,163,140,747.44
Bonds payable	119,540,137,332.39	134,627,741,792.54
Deferred income tax liabilities	556,690,375.13	481,907,892.67
Lease liabilities	1,250,471,470.63	1,243,345,928.31
Estimated liabilities	–	86,314,087.31
Other liabilities	1,895,279,061.73	2,015,808,383.96
Total liabilities	504,382,686,951.69	496,419,930,018.64
Owners' equity (or equity of shareholders):		
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

Items	September 30, 2023	December 31, 2022
Capital reserve	40,366,971,456.12	40,346,871,309.87
Less: Treasury shares	–	–
Other comprehensive income	194,792,980.00	57,427,391.15
Surplus reserve	5,236,148,007.81	5,236,148,007.81
General risk reserve	17,070,655,043.89	17,042,850,081.41
Retained profits	32,987,573,477.73	28,794,772,095.26
Total owners' equity (or equity of shareholders) attributable to the parent company	119,552,667,771.55	115,174,595,691.50
Non-controlling interests	81,758,440.40	82,487,650.63
Total owners' equity (or equity of shareholders)	119,634,426,211.95	115,257,083,342.13
Total liabilities and owners' equity (or equity of shareholders)	624,017,113,163.64	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 – September, 2023

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	The first three quarters (January – September) of 2023	The first three quarters (January – September) of 2022
I. Total operating income	14,871,134,663.02	15,297,970,234.15
Net interest income	1,306,752,510.62	899,834,766.91
Of which: Interest income	8,148,862,453.89	7,978,553,737.35
Interest expense	6,842,109,943.27	7,078,718,970.44
Net fee and commission income	6,133,834,117.18	7,296,947,266.59
Of which: Net fee income from brokerage business	4,278,823,709.32	4,968,794,214.49
Net fee income from investment banking business	745,866,597.38	1,090,419,271.91
Net fee income from asset management business	549,002,029.76	630,939,428.70
Investment gains (“-” indicating losses)	4,748,151,453.42	6,141,815,699.58
Of which: Gains from investments in associates and joint ventures	1,144,110,332.08	1,264,115,003.86
Gains from derecognition of financial assets at amortized cost (“-” indicating losses)	-338,062.36	-5,196,830.61
Other gains	96,846,860.04	192,712,272.57
Gains from changes in fair value (“-” indicating losses)	1,114,364,011.50	-311,815,996.53
Foreign exchange gains (“-” indicating losses)	25,329,377.67	-350,817,576.10
Other operating income	1,444,290,881.63	1,429,293,098.88
Gains on disposal of assets (“-” indicating losses)	1,565,450.96	702.25
II. Total operating expenses	7,959,777,009.72	8,396,729,832.91
Tax and surcharges	77,348,146.38	92,341,406.73
Business and administrative expenses	6,434,035,169.35	6,549,531,111.48
Credit impairment losses	147,704,161.36	383,695,057.62
Other asset impairment losses	–	6,915,401.34
Other operating costs	1,300,689,532.63	1,364,246,855.74

Items	The first three quarters (January – September) of 2023	The first three quarters (January – September) of 2022
III. Operating profit (“-” indicating losses)	6,911,357,653.30	6,901,240,401.24
Add: Non-operating income	2,143,187.74	1,510,211.86
Less: Non-operating expense	768,490.97	86,134,376.73
IV. Total profit (“-” indicating total losses)	6,912,732,350.07	6,816,616,236.37
Less: Income tax expenses	507,390,677.09	525,764,402.71
V. Net profit (“-” indicating net loss)	6,405,341,672.98	6,290,851,833.66
(I) Classified by the continuity of operations		
1. Net profit from continuing operations (“-” indicating net loss)	6,405,341,672.98	6,290,851,833.66
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)	6,401,520,883.21	6,282,358,404.29
2. Profit or loss of non-controlling interests (“-” indicating net loss)	3,820,789.77	8,493,429.37
VI. Other comprehensive income after tax, net	137,548,509.70	337,007,180.80
Other comprehensive income after tax attributable to the owners of the parent company, net	137,548,509.70	337,007,180.80
(I) Other comprehensive income that shall not be reclassified to profit or loss	-6,774,487.95	-258,841,740.39
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	-6,774,487.95	-258,841,740.39

Items	The first three quarters (January – September) of 2023	The first three quarters (January – September) of 2022
(II) Other comprehensive income that will be reclassified to profit or loss	144,322,997.65	595,848,921.19
1. Other comprehensive income that will be reclassified to profit or loss under equity method	10,485,643.61	14,470,747.26
2. Change in fair value of other debt investments	-17,510,993.56	71,985,810.14
3. Expected credit losses for other debt investments	-951,800.99	-19,181,159.50
4. Hedge reserve from cash flows	–	–
5. Exchange difference arising from foreign currency translation	152,300,148.59	528,573,523.29
Other comprehensive income after tax attributable to non-controlling interests, net	–	–
VII. Total comprehensive income	6,542,890,182.68	6,627,859,014.46
Total comprehensive income attributable to the owners of the parent company	6,539,069,392.91	6,619,365,585.09
Total comprehensive income attributable to non-controlling interests	3,820,789.77	8,493,429.37
VIII. Earnings per share:		
(I) Basic (RMB per share)	0.69	0.67
(II) Diluted (RMB per share)	0.69	0.67

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 – September, 2023

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	The first three quarters (January – September) of 2023	The first three quarters (January – September) of 2022
I. Cash flows from operating activities:		
Net decrease in held-for-trading financial assets	–	31,628,665,601.25
Cash received from interests, fees and commissions	14,726,361,723.45	15,913,397,868.79
Net increase in cash from repurchase business	30,997,910,467.61	–
Net decrease in advances to customers	–	15,607,418,040.96
Net cash received from accounts payable to brokerage clients	2,457,610,160.06	–
Cash received from other operating activities	11,487,475,552.06	4,228,112,994.20
Subtotal of cash inflows from operating activities	59,669,357,903.18	67,377,594,505.20
Net increase in held-for-trading financial assets	24,263,595,498.45	–
Net decrease in placements from banks and other financial institutions	4,719,503,000.00	6,730,000,000.00
Net decrease in cash from repurchase business	–	11,822,252,934.14
Net increase in advances to customers	413,179,328.22	–
Net cash paid for accounts payable to brokerage clients	–	2,006,884,957.94
Cash paid for interests, fees and commissions	5,413,753,309.89	4,811,595,060.38
Cash paid to accrued staff costs	5,434,012,266.22	6,294,550,016.35
Taxes paid	1,389,523,691.78	2,290,152,934.06
Cash paid for other operating activities	5,428,677,611.00	7,962,591,997.63
Subtotal of cash outflows from operating activities	47,062,244,705.56	41,918,027,900.50
Net cash flows from operating activities	12,607,113,197.62	25,459,566,604.70

Items	The first three quarters (January – September) of 2023	The first three quarters (January – September) of 2022
II. Cash flows from investing activities:		
Cash received from disposal of investment	2,400,000.00	–
Cash received from investment gains	1,805,893,907.10	1,699,660,714.38
Cash received from other investing activities	242,746.75	1,412,392.07
Subtotal of cash inflows from investing activities	1,808,536,653.85	1,701,073,106.45
Cash paid for investments	1,635,810,443.15	10,044,852,385.54
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	241,814,284.48	288,181,699.69
Subtotal of cash outflows from investing activities	1,877,624,727.63	10,333,034,085.23
Net cash flows from investing activities	-69,088,073.78	-8,631,960,978.78
III. Cash flows from financing activities:		
Proceeds from investments	–	15,000,000,000.00
Of which: Cash contribution from non-controlling interest to subsidiaries	–	–
Proceeds from borrowings	716,400,000.00	86,102,000.00
Proceeds from issuance of bonds	84,130,135,408.31	68,673,117,637.99
Subtotal of cash inflows from financing activities	84,846,535,408.31	83,759,219,637.99
Cash repayment of borrowings	96,701,194,625.14	70,825,072,272.02
Cash repayment of lease liabilities	299,384,300.80	274,073,271.83
Cash paid for dividends, profits or interests	7,591,525,752.20	10,352,807,648.00
Of which: Dividends and profits paid to non-controlling interest by subsidiaries	4,550,000.00	–
Cash paid for redemption of perpetual bonds	–	15,000,000,000.00
Subtotal of cash outflows from financing activities	104,592,104,678.14	96,451,953,191.85
Net cash flows from financing activities	-19,745,569,269.83	-12,692,733,553.86

Items	The first three quarters (January – September) of 2023	The first three quarters (January – September) of 2022
IV. Effect of foreign exchange rate changes on cash and cash equivalents	393,955,182.88	974,779,670.47
V. Net increase in cash and cash equivalents	-6,813,588,963.11	5,109,651,742.53
Add: Balance of cash and cash equivalents at the beginning of the period	135,284,782,722.23	111,737,944,929.04
VI. Balance of cash and cash equivalents at the end of the period	128,471,193,759.12	116,847,596,671.57

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

September 30, 2023

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	September 30, 2023	December 31, 2022
Assets:		
Cash and bank balances	52,445,354,687.79	66,775,368,570.46
Of which: Deposits from customers	47,720,743,680.81	57,640,494,427.38
Clearing settlement funds	34,245,885,415.28	23,942,744,520.79
Of which: Settlement funds from customers	25,050,933,092.30	17,875,248,839.82
Advances to customers	79,699,431,575.10	78,659,209,332.38
Derivative financial assets	3,483,976,183.58	2,917,523,925.14
Deposits with exchanges and non-bank financial institutions	7,638,139,240.38	7,947,557,055.28
Accounts receivables	527,510,629.28	695,288,919.75
Financial assets held under resale agreements	33,227,862,666.61	49,580,745,014.34
Financial investments:		
Held-for-trading financial assets	234,675,176,533.85	208,983,990,194.09
Debt investments	–	15,538,544.07
Other debt investments	59,754,392,839.81	58,608,252,454.80
Investments in other equity instruments	1,563,627,795.63	1,538,047,377.41
Long-term equity investments	30,232,200,315.93	29,612,561,854.53
Fixed assets	1,399,991,999.59	1,455,633,520.33
Right-of-use assets	1,055,198,726.01	1,034,670,717.43
Construction in progress	16,019,325.17	10,316,613.30
Intangible assets	494,990,159.58	390,785,200.74
Deferred income tax assets	1,700,649,804.72	1,698,560,975.87
Other assets	7,220,842,002.56	5,130,809,550.04
Total assets	549,381,249,900.87	538,997,604,340.75

Items	September 30, 2023	December 31, 2022
Liabilities:		
Short-term debt instruments	31,248,755,844.64	25,113,020,712.83
Placements from banks and other financial institutions	6,104,689,862.56	10,802,438,466.70
Held-for-trading financial liabilities	39,964,991,653.08	41,818,084,679.80
Derivative financial liabilities	3,675,081,576.20	2,135,710,480.43
Financial assets sold under repurchase agreements	131,860,780,400.66	116,558,515,908.44
Accounts payable to brokerage clients	70,797,867,252.96	74,116,727,277.84
Accrued staff cost	4,939,813,887.86	6,282,332,877.16
Tax payable	556,626,045.71	336,829,812.94
Accounts payable	35,031,780,320.51	23,857,161,415.15
Contract liabilities	49,554,000.00	63,807,800.00
Bonds payable	114,955,688,559.19	131,140,406,742.39
Lease liabilities	1,117,488,587.43	1,103,172,293.13
Estimated liabilities	–	86,314,087.31
Other liabilities	1,145,602,965.31	942,789,444.72
Total liabilities	441,448,720,956.11	434,357,311,998.84
Owners' equity (or equity of shareholders):		
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	40,253,265,789.62	40,233,165,643.37
Less: Treasury shares	–	–
Other comprehensive income	-147,041,279.24	-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	23,451,651,172.11	20,203,131,580.83
Total owners' equity (or equity of shareholders)	107,932,528,944.76	104,640,292,341.91
Total liabilities and owners' equity (or equity of shareholders)	549,381,249,900.87	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 – September, 2023

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	The first three quarters of 2023	The first three quarters of 2022
I. Total operating income	11,321,450,986.63	11,969,006,354.72
Net interest income	1,154,760,869.82	629,388,909.82
Of which: Interest income	7,047,677,719.70	7,351,275,669.15
Interest expense	5,892,916,849.88	6,721,886,759.33
Net fee and commission income	5,251,302,810.04	6,362,784,282.85
Of which: Net fee income from brokerage business	3,967,614,890.19	4,693,135,550.16
Net fee income from investment banking business	738,856,891.86	1,081,773,018.11
Net fee income from asset management business	–	–
Investment gains (“-” indicating losses)	4,669,768,089.74	2,721,722,107.32
Of which: Gains from investments in associates and joint ventures	1,144,097,169.45	1,263,915,513.13
Gains from derecognition of financial assets at amortized cost (“-” indicating losses)	-338,062.36	-5,196,830.61
Other gains	85,534,610.34	122,551,663.31
Gains from changes in fair value (“-” indicating losses)	28,811,979.32	2,582,183,156.45
Foreign exchange gains (“-” indicating losses)	-29,697,498.35	-536,575,086.90
Other operating income	160,954,764.05	86,951,321.87
Gains on disposal of assets (“-” indicating losses)	15,361.67	–
II. Total operating expenses	5,705,655,003.63	6,101,059,921.82
Tax and surcharges	69,634,373.91	80,073,789.60
Business and administrative expenses	5,508,491,858.69	5,764,696,497.07
Credit impairment losses	127,528,771.03	256,289,635.15

Items	The first three quarters of 2023	The first three quarters of 2022
III. Operating profit (“-” indicating losses)	5,615,795,983.00	5,867,946,432.90
Add: Non-operating income	706,764.20	1,389,614.42
Less: Non-operating expense	741,089.58	85,893,436.97
IV. Total profit (“-” indicating total losses)	5,615,761,657.62	5,783,442,610.35
Less: Income tax expenses	185,304,820.33	265,668,994.67
V. Net profit (“-” indicating net loss)	5,430,456,837.29	5,517,773,615.68
(I) Net profit from continuing operations (“-” indicating net loss)	5,430,456,837.29	5,517,773,615.68
(II) Net profit from discontinued operations (“-” indicating net loss)	-	-
VI. Other comprehensive income after tax, net	22,777,078.42	-168,835,458.81
(I) Other comprehensive income that shall not be reclassified to profit or loss	-18,475,923.12	-251,637,325.24
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	-18,475,923.12	-251,637,325.24
(II) Other comprehensive income that will be reclassified to profit or loss	41,253,001.54	82,801,866.43
1. Other comprehensive income that will be reclassified to profit or loss under equity method	10,485,643.61	14,470,747.26
2. Change in fair value of other debt investments	29,153,629.41	69,724,374.44
3. Expected credit losses for other debt investments	1,613,728.52	-1,393,255.27
VII. Total comprehensive income	5,453,233,915.71	5,348,938,156.87

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 – September, 2023

Prepared by: China Merchants Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	The first three quarters of 2023	The first three quarters of 2022
I. Cash flows from operating activities:		
Net decrease in held-for-trading financial assets	–	29,485,917,720.54
Cash received from interests, fees and commissions	12,684,170,315.84	14,222,108,359.88
Net increase in cash from repurchase business	31,656,504,004.23	–
Net decrease in advances to customers	–	14,463,347,522.19
Cash received from other operating activities	7,993,693,097.97	909,759,634.31
Subtotal of cash inflows from operating activities	52,334,367,418.04	59,081,133,236.92
Net increase in held-for-trading financial assets	20,924,758,769.49	–
Net decrease in placements from banks and other financial institutions	4,719,503,000.00	6,730,000,000.00
Net decrease in cash from repurchase business	–	10,183,037,130.74
Net increase in advances to customers	815,383,977.81	–
Net cash paid for accounts payable to brokerage clients	2,794,508,298.99	7,721,424,387.56
Cash paid for interests, fees and commissions	4,640,371,059.57	4,399,580,337.42
Cash paid to accrued staff costs	4,862,183,130.79	5,618,136,827.47
Taxes paid	518,439,245.07	1,730,941,253.86
Cash paid for other operating activities	926,941,125.52	7,280,171,323.38
Subtotal of cash outflows from operating activities	40,202,088,607.24	43,663,291,260.43
Net cash flows from operating activities	12,132,278,810.80	15,417,841,976.49

Items	The first three quarters of 2023	The first three quarters of 2022
II. Cash flows from investing activities:		
Cash received from disposal of investment	1,710,000,000.00	360,000,000.00
Cash received from investment gains	1,791,493,501.88	1,681,038,352.27
Cash received from other investing activities	228,249.81	1,404,904.98
Subtotal of cash inflows from investing activities	3,501,721,751.69	2,042,443,257.25
Cash paid for investments	3,536,738,088.46	11,990,790,241.12
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	227,732,306.85	270,209,134.21
Subtotal of cash outflows from investing activities	3,764,470,395.31	12,260,999,375.33
Net cash flows from investing activities	-262,748,643.62	-10,218,556,118.08
III. Cash flows from financing activities:		
Proceeds from investments	–	15,000,000,000.00
Proceeds from issuance of bonds	79,702,515,805.51	67,267,155,066.42
Subtotal of cash inflows from financing activities	79,702,515,805.51	82,267,155,066.42
Cash repayment of borrowings	88,113,456,750.00	66,915,095,391.24
Cash repayment of lease liabilities	267,001,328.08	243,125,208.82
Cash paid for dividends, profits or interests	7,255,716,037.38	10,228,496,591.37
Cash paid for redemption of perpetual bonds	–	15,000,000,000.00
Subtotal of cash outflows from financing activities	95,636,174,115.46	92,386,717,191.43
Net cash flows from financing activities	-15,933,658,309.95	-10,119,562,125.01
IV. Effect of foreign exchange rate changes on cash and cash equivalents	48,795,389.33	-52,436,838.82
V. Net increase in cash and cash equivalents	-4,015,332,753.44	-4,972,713,105.42
Add: Balance of cash and cash equivalents at the beginning of the period	90,657,497,260.79	90,934,878,175.68
VI. Balance of cash and cash equivalents at the end of the period	86,642,164,507.35	85,962,165,070.26

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

Officer in charge of accounting:
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Head of accounting department:
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