招商局集團有限公司
CHINA MERCHANTS GROUP LIMITED

China Merchants Group Limited

2025 Reduced U.S. Resolution Plan

(Public Section)

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Introduction

This is the public section of the 2025 reduced U.S. resolution plan (the "**Reduced Plan**") of China Merchants Group Limited ("**CMG**"). The Reduced Plan was prepared and filed pursuant to implementing regulations (the "**Final Rule**") issued by the Board of Governors of the Federal Reserve System ("**FRB**") (12 C.F.R. Part 243) [1] and the Federal Deposit Insurance Corporation ("**FDIC**") (12 C.F.R. Part 381) under Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), as amended by the Economic Growth, Regulatory Relief, and Consumer Protection Act.

The Final Rule specifies that any foreign bank or company that is treated as a bank holding company under Section 8(a) of the International Banking Act of 1978 (the "**IBA**") and has US$250 billion or more in global total consolidated assets is a "**Covered Company**" for purposes of the Final Rule. A foreign-based Covered Company is required to periodically submit to the FRB and the FDIC a plan for such company's rapid and orderly resolution of its subsidiaries and operations that are domiciled in the United States under the U.S. Bankruptcy Code in the event of material financial distress at or failure of the Covered Company.

CMG is organized under the laws of the People's Republic of China (the "**PRC**" or "**China**") and headquartered in the Hong Kong Special Administrative Region ("**Hong Kong**"). One of CMG's subsidiaries is China Merchants Bank Co., Ltd. ("**CMB**"), a bank organized under the laws of the PRC that maintains an uninsured state-licensed branch in New York. One of CMB's wholly owned subsidiaries is CMB Wing Lung Bank Limited ("**WLB**"), a bank organized under the laws of Hong Kong that maintains two uninsured federal branches in California. Therefore, CMG is treated as a bank holding company pursuant to Section 8(a) of the IBA. The global total consolidated assets of CMG exceeded US$250 billion as of December 31, 2024. As a result, CMG is a foreign-based Covered Company and is required to file a resolution plan under the Final Rule.

Under the Final Rule, any Covered Company that is not a globally systemic important bank holding company, nonbank financial company supervised by the FRB, or a Category II or III banking organization is a triennial reduced filer. A triennial reduced filer must submit a reduced resolution plan to the FRB and FDIC every three years, on or before July 1 of the year due. CMG meets the criteria for triennial reduced filers and is therefore filing a reduced resolution plan for 2025.

Under the Final Rule, the public section of a reduced resolution plan must include an executive summary that describes the business of the Covered Company and includes, to the extent material to an understanding of the Covered Company: (1) the names of material entities; (2) a description of core business lines; (3) the identities of the principal officers; and (4) a description, at a high level, of the Covered Company's resolution regimes for its material entities.[2]

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1 Citations to the Final Rule in this Reduced Plan are to the Final Rule as promulgated by the FRB.

2 *See* 12 C.F.R. § 243.11(c)(3).

As noted above, the resolution plan requirement is designed to require periodic reports on a Covered Company's rapid and orderly resolution under the U.S. Bankruptcy Code. In the case of a Covered Company incorporated or organized outside the United States, "rapid and orderly resolution" is defined as "a reorganization or liquidation of the subsidiaries and operations of such foreign company that are domiciled in the United States under the Bankruptcy Code that can be accomplished within a reasonable period of time and in a manner that substantially mitigates the risk that the failure of the covered company would have serious adverse effects on financial stability in the United States."[3] The scope of the Reduced Plan is accordingly limited to CMG's subsidiaries and operations domiciled in the United States. To provide context, this Reduced Plan may include additional content beyond the resolution plan requirements for informational purposes only.

Executive Summary

1. Overview of CMG

Headquartered in Hong Kong, CMG is a pioneer in China's national industry and commerce. As of December 31, 2024, CMG had US$394 billion[4] in global total consolidated assets. CMG's three core businesses include: transportation (ports and related services, toll roads, shipping, and logistics), finance (banking, securities, funds, and insurance), and property development.

One of CMG's indirect banking subsidiaries is CMB, a bank organized in the PRC with headquarters in Shenzhen, China. As of December 31, 2024, CMG held (through its subsidiaries) an aggregate of 29.97% of the total issued common shares of CMB.

Founded in 1987, CMB is headquartered in Shenzhen, China. The branches of CMB are mainly located in major cities in the Chinese mainland, as well as international financial centers such as China's Hong Kong, New York, London, Singapore, Luxembourg and Sydney. CMB was listed on the Shanghai Stock Exchange in April 2002 and the Hong Kong Stock Exchange in September 2006. As of December 31, 2024, CMB had US$1,665 billion in global total consolidated assets.

CMB's principal activities are providing corporate and personal banking services, conducting treasury business, providing asset management and other financial services. As of December 31, 2024, CMB had 143 branches and 1,794 sub-branches in the Chinese Mainland, two branch-level specialized institutions (a Credit Card Centre and a Global Markets Centre), 2,190 self-service banks, 5,277 cash self-service devices and 4,953 visual counters. CMB also has a Hong Kong branch in Hong Kong, a New York branch ("**CMBNY**") in the United States, a London branch in the UK, a Singapore branch in Singapore, a Luxembourg branch in Luxembourg, a representative office in Taipei, and a Sydney branch in Australia.

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3 12 C.F.R. § 243.11(c)(3).

4 For purposes of this Reduced Plan, unless otherwise noted, RMB are converted to US$ using an exchange rate of 7.2993 RMB to 1 US$, which was the noon buying rate for December 31, 2024 in New York for cable transfers payable in foreign currencies certified by the Federal Reserve Bank of New York, *available at*: Federal Reserve Board - Foreign Exchange Rates - H.10 - January 06, 2025.

In 2008, CMB acquired 100% of the shares of WLB**,** a bank organized under the laws of Hong Kong. WLB was founded in 1933 and is among the oldest local Chinese banks in Hong Kong. As of December 31, 2024, WLB had US$58.3 billion in global total consolidated assets.[5] WLB maintains federal branches in Newport Beach ("**WLBLA**") and San Francisco ("**WLBSF**").

CMG's Banking Operations in the United States

CMG's U.S. banking operations consist of CMBNY, WLBLA, and WLBSF (together, the "**U.S. branches**"). CMBNY is an uninsured state-licensed branch in New York City, New York. As of December 31, 2024, CMBNY had US$7.3 billion in total assets. WLBLA is an uninsured federal branch located in Newport Beach, California. As of December 31, 2024, WLBLA had US$151 million in total assets. WLBSF is an uninsured federal branch located in San Francisco, California. As of December 31, 2024, WLBSF had US$72 million in total assets.

CMG's Nonbanking Subsidiaries[6] in the United States

CMG has very few nonbanking subsidiaries in the United States, each with limited operations.

One of CMG's indirect subsidiaries, a wholly-owned subsidiary of WLB, is Wingspan Incorporated ("**Wingspan**"), a California corporation. The sole business of Wingspan is to own the premises used by WLBLA.

In addition to its indirect ownership of Wingspan, CMG controls several nonbanking subsidiaries in the United States that engage in activities permissible under Section 2(h)(2) of the Bank Holding Company Act of 1956, as amended ("**Section 2(h)(2) Subsidiaries**"), as described below.

Section 2(h)(2) Subsidiaries Held Through China Merchants Port Holdings Company Limited

One of CMG's majority-owned subsidiaries is China Merchants Port Holdings Company Limited ("**CM Port**"), a Hong Kong corporation that is a global-leading port developer, investor, and operator. CM Port has a comprehensive ports network at hub locations along coastal China as well as in South Asia, Africa, Europe, and Mediterranean countries, among others. CM Port is listed on the Hong Kong Stock Exchange.

In 2013, CM Port acquired a 49% interest in Terminal Link SAS ("**Terminal Link**"), a French company. Terminal Link operates a network of container terminals and stevedores with a global reach, including the Far East, Northern Europe, Mediterranean countries, West Africa, and North America. Terminal Link operates in the United States through the following two entities:

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5 For purposes of this Reduced Plan, HKD are converted to USD using an exchange rate of 7.7677 HK$ to 1 USD, which was the noon buying rate for December 31, 2024 in New York for cable transfers payable in foreign currencies certified by the Federal Reserve Bank of New York, *available at*: [Federal Reserve Board - Foreign Exchange Rates - H.10 - January 06, 2025]().

6 For purposes of the Final Rule, a subsidiary is defined as "a company that is controlled by another company." 12 C.F.R. § 243.2. Under the Final Rule, a "company controls another company when the first company, directly or indirectly, owns, or holds with power to vote, 25 percent or more of any class of the second company's outstanding voting securities." 12 C.F.R. § 243.2.

- South Florida Container Terminal, LLC, a Florida limited liability company engaged in container terminal logistics activities. Terminal Link owns 51% of South Florida Container Terminal, LLC, and

- Terminal Link Texas, LLC, a Texas limited liability company engaged in container terminal logistics activities. Terminal Link owns 51% of Terminal Link Texas, LLC.

Section 2(h)(2) Subsidiary Held Through Sinotrans & CSC Holdings Co., Ltd.

Sinotrans & CSC Holdings Co., Ltd. ("**Sinotrans**"), a PRC corporation, is a wholly-owned subsidiary of CMG.

Sinotrans indirectly controls Sinotrans Air Transportation Development Co., Ltd. ("**Sinotrans Air**"), a company organized in the PRC. Sinotrans Air provides international air freight forwarding, express delivery, and domestic cargo transportation and logistics services, primarily in the PRC market. Sinotrans Air owns 100% of China Interocean Transport Inc. ("**China Interocean**"), a New Jersey company. China Interocean engages in freight forwarding and logistics activities. China Interocean owns 100% of Sino-Am Marine Company, Inc. ("**Sino-Am**"), which is based in California. Sino-Am engages in ocean freight transportation, air freight services, customs brokerage, cargo insurance, logistics services, document services, and packing.

2. Material Entities

Under the Final Rule, "**Material Entity**" means a subsidiary or foreign office of the covered company that is significant to the activities of an "Identified Critical Operation" [7] or "Core Business Line,"[8] or is financially or operationally significant to the resolution of the covered company.

The Reduced Plan is required to include an executive summary that lists the names of Material Entities domiciled in the United States. CMG has no Identified Critical Operations or Core Business Lines domiciled in the United States. Additionally, CMG does not have any operations in the United States that are financially or operationally significant to CMG. As a result, CMG does not have any Material Entities for the purposes of this Reduced Plan. As part of CMG's ongoing resolution planning process, this determination will be subject to ongoing evaluation and updates.

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7 "Identified Critical Operations" are defined in the Final Rule as "the critical operations of the covered company identified by the covered company or jointly identified by the [FRB] and the Corporation under §243.3(b)(2)." "Critical Operations" are defined in the Final Rule as "those operations of the covered company, including associated services, functions and support, the failure or discontinuance of which would pose a threat to the financial stability of the United States." 12 C.F.R. § 243.2.

8 "Core Business Lines" are defined in the Final Rule as "those business lines of the covered company, including associated operations, services, functions and support, that, in the view of the covered company, upon failure would result in a material loss of revenue, profit, or franchise value." 12 C.F.R. § 243.2.

3. Core Business Lines

The Reduced Plan is required to include an executive summary that provides a description of Core Business Lines domiciled in the United States. Accordingly, to determine if a business line is a Core Business Line under the Final Rule, CMG assessed whether the failure of any of its business lines domiciled in the United States would represent a material loss of revenue, profit, or franchise value to the global operations of CMG.

CMG determined that it has no Core Business Lines domiciled in the United States for the purposes of this Reduced Plan. As part of CMG's ongoing resolution planning process, this determination will be subject to ongoing evaluation and updates.

4. Identities of Principal Officers

The Reduced Plan is required to include an executive summary that lists the identities of the principal officers of the Covered Company. The table below sets forth CMG's Board of Directors and Senior Management.

Name	Title
Mr. Miao Jianmin	Chairman
Ms. Shi Dai	Director & President
Mr. Zhong Guodong	Director
Ms. Gong Liyun	Director
Mr. Wang Jiong	Director
Dr. Wu Xiandong	Director
Dr. Tsin Wai Lun Kenneth	Director
Mr. Gu Xiaomin	Director
Mr. Deng Renjie	Executive Vice President
Mr. Feng Boming	Executive Vice President
Mr. Wu Bo	Chief Accountant
Mr. Song Rong	Executive Vice President

5. Summary of the Resolution Strategy

Under the Final Rule, a reduced resolution plan is required to have an executive summary that provides a high-level description of the Covered Company's resolution regimes for its material entities in the event of material financial distress at, or failure of, CMG. Because CMG does not have any U.S. Material Entities, Core Business Lines, or Critical Operations, CMG respectfully submits that the requirement to provide a description of CMG's resolution plan in the executive summary of this Reduced Plan is not applicable. However, for informational purposes only, CMG is providing the following high- level strategic analysis of the resolution of its U.S. subsidiaries and operations.

CMG expects that, in the event of material financial distress at or failure of CMG, its U.S. subsidiaries or substantially all of their assets will be sold as a going concern. If not sold, they will be resolved under the appropriate resolution regime applicable to each subsidiary, consistent with the fiduciary duties of the board of directors of such subsidiary and other applicable laws and/or rules (*e.g.*, a proceeding or a jointly administered proceeding under Chapter 11 of the U.S. Bankruptcy Code, if one or more nonbanking U.S. subsidiaries of CMG enter into such proceeding).

While highly unlikely, the Reduced Plan assumes that resolution of the U.S. banking operations of CMG would be triggered by a set of extreme financial stress events that affect CMB and prompt a restructuring of CMB by Chinese regulators, involving both the People's Bank of China ("**PBOC**") and the National Financial Regulatory Administration ("**NFRA**"). Because CMB's U.S. banking operations constitute a very small portion of CMB's overall business, it is unlikely that an event unique to CMB's U.S. operations could trigger the resolution of the U.S. branches.

CMG believes that in the event of material financial distress at CMB, the NFRA will inform and coordinate with the PBOC and the Ministry of Finance of the PRC (the "**MOF**") to most likely recapitalize CMB by transferring bad assets off of the balance sheet at book value or attracting new shareholders. If that is not effective, we believe the NFRA, the PBOC and the MOF would resort to a more official restructuring of CMB in accordance with the laws and regulations of the State Council. This restructuring would likely include a reorganization of CMB's management and business lines, as well as a capital injection to keep the bank afloat. Regardless of the option chosen by the NFRA, the PBOC and the MOF, if CMB encountered extreme financial distress, the Chinese regulators would undoubtedly choose to handle an orderly resolution of CMB's U.S. operations on their own, without the need for U.S. regulators to place the U.S. branches into receivership.

This Reduced Plan is required to assume that material financial distress at CMB would trigger formal receivership proceedings of the U.S. branches. In that scenario, CMG expects the resolution of CMBNY to be governed by Article XIII of the New York Banking Law. CMG expects the resolution of WLBLA and WLBSF to be governed by the International Banking Act of 1978 in conjunction with the receivership provisions of The National Bank Act.