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

A SHARE REPURCHASE PLAN

The seventeenth meeting of the sixth session of the Board was held by the Company on March 12, 2019 to consider and approve, among other items, the relevant resolutions on the A Share Repurchase Plan. The A Share Repurchase Plan is subject to, among others, the approval of the Shareholders at the General Meeting, the approval of the A Shareholders at the A Shareholders Class Meeting and the approval of the H Shareholders at the H Shareholders Class Meeting. The date and venue of the General Meeting, A Shareholders Class Meeting and H Shareholders Class Meeting will be announced as soon as possible.

A circular containing, among other items, details of the A Share Repurchase Plan and an explanatory statement in respect of the A Share Repurchase Plan containing all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Hong Kong Listing Rules, together with the notices convening the General Meeting and the H Shareholders Class Meeting, will be despatched to H Shareholders as soon as practicable.

This announcement is made by the Company pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571, the laws of Hong Kong) and Rules 13.09(2)(a) and 13.10B of the Hong Kong Listing Rules.

An overseas regulatory announcement was published on March 12, 2019 in relation to the A Share Repurchase Plan. As stated, the seventeenth meeting of the sixth session of the Board was held by the Company on March 12, 2019 to consider and approve, among other items, the relevant resolutions on the A Share Repurchase Plan.

PRINCIPAL TERMS OF THE A SHARE REPURCHASE PLAN

Pursuant to the relevant requirements under the PRC laws and regulations and normative documents such as the Company Law, the Securities Law of the PRC, the Opinion on Supporting Share Repurchase of Listed Companies, the SSE Listing Rules and the Detailed Rules for Implementation of Share Repurchase by Listed Companies issued by the SSE, the Company intends to utilize self-owned funds of no less than RMB650 million and no more than RMB1.3 billion (both inclusive) to repurchase A Shares by means of centralized bidding transactions on the SSE. The Board believes that the implementation of the A Share Repurchase Plan would not have any material adverse impact on the Company's daily operations, financial status, research and development capabilities, profitability, debt performance capabilities and future development. The implementation of the A Share Repurchase Plan, upon completion, would not result in change in control or the failure of meeting the listing requirements regarding shareholding structure.

1. Purpose of the A Share Repurchase Plan

The Company intends to repurchase A shares for use and as source of equity incentives (restricted shares) or employee shareholding scheme in order to respond to the policies of the national government and regulatory authorities for stabilizing the capital market, enhancing investors' confidence in the investment of the Company, promoting the Share's market price to conform with the Company's long-term intrinsic value and, at the same time, to optimize the employee's long-term incentive mechanism and to promote shareholder value.

Since the Company is a state-controlled listed securities company, the implementation of equity incentives or employee shareholding scheme should fulfil the approval or filing requirement of the relevant state-owned assets supervision authority(ies). The Company is communicating with relevant departments and expects to ascertain the final purpose of the A Share(s) to be repurchased before April 15, 2019 and will make relevant announcement accordingly.

2. The category of the shares to be repurchased

A Shares of the Company listed on the SSE.

3. Method of repurchase of A Shares

The Company proposes to repurchase its A Shares under the A Share Repurchase Plan by means of centralized bidding transaction on the SSE.

4. Implementation period of the A Share Repurchase Plan

The implementation period of the A Share Repurchase Plan will be no more than 12 months from the date when the A Share Repurchase Plan is considered and approved at the General Meeting, A Shareholders Class Meeting and H Shareholders Class Meeting.

The implementation period of the A Share Repurchase Plan shall expire early in any of the following circumstances:

- (1) If the maximum amount of funds for the share repurchase (i.e. RMB1.3 billion) is reached within the implementation period of the A Share Repurchase Plan, the A Share Repurchase Plan is fully implemented, which indicates the implementation period of the A Share Repurchase Plan ends in advance of its expiry;
- (2) If the Board decides to terminate the A Share Repurchase Plan as authorized by the General Meeting (provided that the amount of funds to be utilized for the share repurchase during the implementation period of the A Share Repurchase Plan is not less than the minimum amount of funds (i.e. RMB650 million) authorised for the share repurchase under the A Share Repurchase Plan); or
- (3) If the Board decides to terminate the A Share Repurchase Plan with sufficient reasons, the share repurchase period shall end in advance of its expiry and in the date on which the Board determines to terminate the A Share Repurchase Plan.

The Company will implement the A Share Repurchase Plan pursuant to the authorization of the General Meeting and the Board and in the accordance with the relevant laws and regulations and the relevant rules of the CSRC and the SSE.

During the implementation period of the A Share Repurchase Plan, in the event that the Share's trading is suspended for more than 10 consecutive trading days due to the planning of major events, the implementation of the A Share Repurchase Plan shall be postponed until resumption of trading, and information relating thereto shall be disclosed promptly.

5. Total amount of funds, the uses and number of A shares to be repurchased and its percentage to the total share capital of the Company

The expected total amount of funds for the share repurchase under the A Share Repurchase Plan shall not be less than RMB650 million and shall not exceed RMB1.3 billion (both inclusive). The Company intends to repurchase A shares for use and as the source of equity incentives (restricted shares) or employee shareholding scheme.

Based on the maximum price of RMB26.35 per A Share for the A Shares repurchase, approximately 49.335 million A Shares can be repurchased by the Company with the maximum amount of funds for the repurchase (i.e. RMB1.3 billion), and approximately 24.667 million A Shares can be repurchased by the Company with the minimum amount of funds for the repurchase (i.e. RMB650 million), representing approximately 0.74% and 0.37%, respectively, of the total issued share capital of the Company as at the date of this announcement.

6. Price of the repurchase

The price of the share repurchase under the A Share Repurchase Plan shall not exceed 150% of the average trading price of the A Shares for the last 30 trading days prior to the date of approval of the resolution in relation to the A Share Repurchase Plan by the Board. Therefore, the price of the repurchase of A Shares shall not exceed RMB26.35 per A Share.

In the event of any ex-entitlement or ex-dividend event in respect of the Company during the term of the repurchase, such as distribution of dividends, bonus issue, capitalization issue, and placing of shares, the Company will adjust the repurchase price accordingly in accordance with the relevant requirements of the CSRC and the SSE.

7. Source of funds for the share repurchase

Funds for the share repurchase under the A Share Repurchase Plan being not less than RMB650 million and not more than RMB1.3 billion (both inclusive) shall be entirely from the Company's self-owned funds.

8. Estimated changes in the total number of A Share upon the completion of the repurchase

The A Shares to be repurchased by the Company shall be fully used for and as source of equity incentives (restricted shares) or the employee shareholding scheme. The registered capital and existing shareholding structure of the Company is expected to remain unchanged after the completion of the A Share Repurchase Plan and fully utilized for equity incentives and employee shareholding scheme.

Assume that in extreme cases, if the Company fails to use or apply the repurchased A Shares to the above purposes within the time limit prescribed by laws and regulations (36 months), there is a risk of cancellation of the untransferred shares.

9. Analysis of the impact of the share repurchase on the Company's daily operations, financial status, research and development capabilities, profitability, debt performance capabilities and future development

As of September 30, 2018, the Company's total assets was RMB291.413 billion, net assets attributable to Shareholders was RMB79.835 billion, currencies in hand (excluding client deposits) was RMB9.513 billion and self-owned-assets-liabilities ratio was 67.11%. The maximum amount of funds of RMB1.3 billion and the minimum amount of funds of RMB650 million for the share repurchase under the A Share Repurchase Plan respectively represent approximately 0.45%, 1.63% and 13.67% and approximately 0.22%, 0.81% and 6.83% of the Company's total assets, net assets attributable to Shareholders and currencies in hand (excluding client deposits).

The repurchase under the A Share Repurchase Plan would not have any material adverse impact on the Company's daily operations, financial status, research and development capabilities, profitability, debt performance capabilities and future development. The implementation of the A Share Repurchase Plan would not result in the change in control or failure of meeting the listing requirements regarding shareholding structure.

10. Independent Directors' opinion on matters relating to the compliance, necessity, rationality and feasibility of the A Share Repurchase Plan

Upon reviewing the A Share Repurchase Plan, the independent Directors have come to the view that the A Share Repurchase Plan is in compliance with relevant laws, regulations, in the interests of the Company and its Shareholders as a whole and is feasible and necessary.

The independent Directors have agreed to submit the A Share Repurchase Plan and its relevant matters to the General Meeting, A Shareholders Class Meeting and H Shareholders Class for consideration and approval.

11. Descriptions on the transaction of Shares by the Directors, supervisors, senior management, controlling shareholders and de facto controllers of the Company within 6 months prior to the resolution on share repurchase made by the Board and other related matters

Upon enquiry, the Directors, supervisors, senior management, controlling shareholders and de facto controllers of the Company did not deal in any Shares of the Company within the 6 months prior to the date which resolution on share repurchase was approved by the Board. The above-mentioned entities have no conflict of interest with the A Share Repurchase Plan, and they did not conduct any insider trading and market manipulation alone or with others.

12. Explanations on the fact that all the Directors, supervisors, senior management, controlling shareholders, de facto controllers and the Shareholders holding more than 5% of the Shares in the Company have no plan to reduce the shareholding in the next 3 months and 6 months

The Company has sent inquiries to all its Directors, supervisors, senior management, controlling shareholders, de facto controllers and Shareholders holding more than 5% of the Shares on March 8, 2019.

As of the date which the resolution on the A Share Repurchase Plan was approved by the Board, the Directors, supervisors, senior management, controlling shareholders and de facto controllers of the Company replied that they have no plan to reduce their Shares in the next 3 months and 6 months.

As of the date which the resolution on the A Share Repurchase Plan was approved by the Board, China Ocean Shipping Company (中國遠洋運輸有限公司), being a Shareholder holding more than 5% of the Shares, replied that it has no plan to sell its A Shares in the next 3 months and 6 months.

13. Relevant arrangements for cancellation or transfer of the repurchased shares in accordance with law after repurchasing such shares

The A Shares to be repurchased by the Company will be used for and as sources of equity incentives (restricted shares) or employee shareholding scheme. If the Company cannot implement the aforesaid use of repurchased A Shares within 36 months from the date of announcement of the result of share repurchase and change in shareholding, any unused repurchased A Shares will be cancelled accordingly.

14. Relevant arrangements of the Company to prevent violations of the interests of creditors

The A Shares to be repurchased by the Company used for and as source of equity incentives (restricted shares) or employee shareholding scheme will not have any material adverse impact on the Company's normal operation and/or cause the Company to become insolvent. If the Company cannot fully implement the aforesaid use of repurchased A Shares, any unused repurchased A Shares will be cancelled accordingly pursuant to the approval at the General Meeting and the Company will notify its creditors and complete other legal procedures so as to fully protect the legitimate rights and interests of its creditors.

15. The General Meeting's specific authorization authorizing the Board to handle specific matters regarding the repurchase of shares

In order to ensure the implementation of the A Share Repurchase Plan, a proposal will be made to the General Meeting to authorize the Board to handle all the matters incidental to the A Share Repurchase Plan, including but not limited to the following:

- (1) To adjust the A Share Repurchase Plan and other relevant matters (except those to be re-approved at Shareholder's general meeting as required by the laws, regulations and the Articles of Association) if the regulatory department's policy on the repurchase of shares or the market conditions changes;
- (2) Subject to the amount of funds to be utilized for the share repurchase during the implementation period of the A Share Repurchase Plan is not less than the minimum amount of funds authorised for the share repurchase under the A Share Repurchase Plan (RMB650 million), to terminate the A Share Repurchase Plan after considering different factors such as the Company's actual situation and stock price performance;
- (3) To terminate the A Share Repurchase Plan with sufficient reasons;

- (4) To determine the implementation of the A Share Repurchase Plan including the specific repurchase timing, price and quantity according to the actual situation;
- (5) If it is necessary to amend the Articles of Association, to handle changes in the Articles of Association, the registered capital and the related business registration upon completion of the A Share Repurchase Plan;
- (6) Establish a special securities account for repurchase of A Shares or other related securities accounts;
- (7) Handling other matters that are not listed but are necessary for the A Share Repurchase Plan;
- (8) Subject to the obtaining of the above-mentioned authorizations, authorize the management of the Company to handle items 4 to 7 above in accordance with the relevant internal policies and procedures (except those required by the laws, regulations and the Articles of Association).

The above authorization shall be effective from the date of approval at the General Meeting, A Shareholders Class Meeting and H Shareholders Class Meeting until the date when such authorized matters are completed.

UNCERTAINTIES IN RESPECT OF THE A SHARE REPURCHASE PLAN

The A Share Repurchase Plan may face the following uncertainties:

1. The A Share Repurchase Plan is subject to the approval of the Shareholders at the General Meeting, the approval of the A Shareholders at the A Shareholders Class Meeting and the approval of the H Shareholders at the H Shareholders Class Meeting, respectively by way A special resolution. There is a risk that the A Share Repurchase Plan fails to be approved at the General Meeting and/or Class Meetings. If the abovementioned uncertainty occurs, the Company will consider to request the Board to promptly revise and adjust the A Share Repurchase Plan, and re-submit to the General Meetings, A Shareholders Class Meetings and H Shareholders Class Meetings;
2. If the trading price of the A Shares continues to exceed the price range under the A Share Repurchase Plan, there is a risk that the A Share Repurchase Plan cannot be implemented;

3. If the Company does not have sufficient funds to implement the A Share Repurchase Plan, there is a risk that the A Share Repurchase Plan cannot be implemented;
4. If the Company's business operation, financial status or other external factors have material changes, there is a risk that the A Share Repurchase Plan will be terminated or revised according to the relevant rules;
5. The A Shares to be repurchased are intended to be used as equity incentives (restricted shares) or employee shareholding scheme of the Company. If the Company fails to use those A Shares for the above purposes within the time limit stipulated by laws and regulations, the share which are not used will be cancelled, and there is a risk of triggering the creditors to require the Company to settle its debts in advance or to require the Company to provide the corresponding guarantee;

If a relevant risk gives rise to the fact that the A Share Repurchase Plan cannot be implemented, the Company will complete the corresponding deliberation and disclosure procedures in accordance with laws, regulations and the Articles of Association, and amend or terminate the A Share Repurchase Plan in due time. During the implementation of the A Share Repurchase Plan, the Company will fulfill its information disclosure obligations in a timely manner in accordance with the relevant laws and regulations and the regulations and requirements of the regulatory authorities. Investors are advised to invest rationally and pay attention to investment risks.

GENERAL

The A Share Repurchase Plan is subject to (among others) approval of the Shareholders at the General Meeting, the approval of the A Shareholders at the A Shareholders Class Meeting and the approval of the H Shareholders at the H Shareholders Class Meeting, respectively. The date and venue of the General Meeting, A Shareholders Class Meeting and H Shareholders Class Meeting will be announced as soon as practicable.

A circular containing, among other items, details of the A Share Repurchase Plan and an explanatory statement in respect of the A Share Repurchase Plan containing all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Hong Kong Listing Rules, together with the notices convening the General Meeting and the H Shareholders' Class Meeting, will be despatched to the H Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

“A Share(s)”	PRC domestic ordinary share(s) with a par value of RMB1.00 each in the share capital of the Company, listed on the SSE and traded in RMB
“A Shareholder(s)”	holder(s) of A Share(s)
“A Shareholders Class Meeting”	the class meeting of the A Shareholders to be convened to consider and, if thought fit, approve, among other matters, the A Share Repurchase Plan
“A Share Repurchase Plan”	the proposed A share repurchase plan which was considered and approved by the Board, and is still subject to approval by way of a special resolution passed by the Shareholders at the General Meeting and approval by way of a special resolution passed by the H Shareholders and A Shareholders at the A Shareholders’ Class meeting and the H Shareholders’ Class Meeting respectively
“Articles of Association”	the articles of association of the Company
“Board”	the board of directors of the Company
“Class Meetings”	the A Shareholders Class Meeting and the H Shareholders Class Meeting
“Company”	China Merchants Securities Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the A Shares and H Shares of which are listed on the SSE (stock code: 600999) and on the Main Board of the Hong Kong Stock Exchange (stock code: 6099), respectively

“Company Law”	the Company Law of the PRC
“controlling shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company
“General Meeting”	the general meeting of the Shareholders to be convened to consider and, if thought fit, approve, among other matters, the A Share Repurchase Plan
“H Share(s)”	overseas listed foreign share(s) with a par value of RMB1.00 each in the share capital of the Company, listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“H Shareholder(s)”	holder(s) of H Share(s)
“H Shareholders Class Meeting”	the class meeting of the H Shareholders to be convened to consider and, if thought fit, approve, among other matters, the A Share Repurchase Plan
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the A Share(s) and/or the H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)

“SSE” The Shanghai Stock Exchange
“SSE Listing Rules” Rules Governing the Listing of Stocks on the SSE
“%” per cent.

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

Shenzhen, the PRC, March 14, 2019

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