

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this Supplemental Circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, independent adviser or other professional adviser.

If you have sold or otherwise transferred all your shares in **China Merchants Securities Co., Ltd.**, you should at once hand this Supplemental Circular and the enclosed Second Proxy Form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



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

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

(Stock Code: 6099)

SUPPLEMENTAL CIRCULAR
FOR THE 2018 ANNUAL GENERAL MEETING REGARDING
THE PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR
AND
SUPPLEMENTAL NOTICE OF THE 2018 ANNUAL GENERAL MEETING

Pursuant to the Articles of Association, Shareholders who individually or jointly hold 3% or more of the total number of the Company's voting shares for a consecutive of 180 days or more shall be entitled to propose motions in writing to the Company no later than ten (10) days before the holding of the general meeting of the Company. PICC Life Insurance Company Limited (holding approximately 4.98% of the issued Shares of the Company) has submitted a supplemental proposal to the Company in relation to the proposed appointment of non-executive Director at the AGM as an ordinary resolution, details of which are set forth in this supplemental circular (the "**Supplemental Circular**").

This Supplemental Circular shall be read in conjunction with the circular of the AGM dated June 5, 2019 (the "**First Circular**").

A notice convening the AGM to be held on Friday, June 28, 2019 at 10:00 a.m. at St. Helen Shenzhen Bauhinia, No. 2002, Qiaocheng East Road, Futian District, Shenzhen, the PRC was despatched on May 10, 2019 (the "**First Notice**"). A supplemental notice notifying the AGM to be held as originally scheduled and containing an additional proposed resolution is set out on pages N-1 to N-2 of the Supplemental Circular. A second proxy form (the "**Second Proxy Form**") containing the originally proposed resolutions and the additional proposed resolution is also enclosed herewith.

If you are not able to attend the AGM, please complete and return the Second Proxy Form in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the time stipulated for the holding of the AGM or any adjournment thereof and deposit it together with the notarised power of attorney or other document of authorization with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (for holders of H Shares). Completion and return of the Second Proxy Form will not preclude you from attending and voting at the AGM should you so desire.

June 12, 2019

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DEFINITIONS

In this Supplemental Circular, the following expressions shall have the following meanings unless the context otherwise requires:

“A Share(s)”	PRC domestic listed share(s) with a par value of RMB1.00 each in the share capital of the Company, listed on the Shanghai Stock Exchange and traded in RMB
“AGM”	the annual general meeting of 2018 to be held by the Company at St. Helen Shenzhen Bauhinia, No. 2002, Qiaocheng East Road, Futian District, Shenzhen, PRC on Friday, June 28, 2019 at 10:00 a.m.
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors of the Company
“Company”	China Merchants Securities Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the H Shares and A Shares of which are listed on the Main Board of the Stock Exchange (stock code: 6099) and on the Shanghai Stock Exchange (stock code: 600999), respectively
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas-listed foreign shares in the share capital of the Company with nominal value of RMB1.00 each, listed on the Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	June 11, 2019, being the latest practicable date for the purpose of ascertaining certain information contained in this Supplemental Circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purposes of this Supplemental Circular only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each comprising A Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

LETTER FROM THE BOARD



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

(Stock Code: 6099)

Executive Directors:

Mr. HUO Da (*Chairman of the Board*)

Mr. XIONG Jiantao (*President*)

Non-executive Directors:

Ms. SU Min

Mr. SU Jian

Mr. XIONG Xianliang

Ms. PENG Lei

Mr. HUANG Jian

Mr. WANG Daxiong

Independent Non-executive Directors:

Mr. XIANG Hua

Mr. XIAO Houfa

Mr. XIONG Wei

Mr. HU Honggao

Mr. WONG Ti

Registered Office:

No. 111, Fuhuay Road

Futian District

Shenzhen

Guangdong

PRC

Principal Place of Business

in Hong Kong:

48/F, One Exchange Square

8 Connaught Place

Central

Hong Kong

June 12, 2019

To the Shareholders

Dear Sir or Madam,

**SUPPLEMENTAL CIRCULAR
FOR THE 2018 ANNUAL GENERAL MEETING REGARDING
THE PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR
AND
SUPPLEMENTAL NOTICE OF THE 2018 ANNUAL GENERAL MEETING**

INTRODUCTION

References are made to (i) the announcement dated June 3, 2019, in relation to, among others, the proposed appointment of non-executive Director; (ii) the First Circular; and (iii) the First Notice, which sets out the time and venue of the AGM and contain the resolutions to be submitted at the AGM for Shareholders' approval. This Supplemental Circular should be read together with the First Circular.

LETTER FROM THE BOARD

Pursuant to the Articles of Association, Shareholders who individually or jointly hold 3% or more of the total number of the Company's voting shares for a consecutive of 180 days or more shall be entitled to propose motions in writing to the Company no later than ten (10) days before the holding of general meeting of the Company. PICC Life Insurance Company Limited (holding approximately 4.98% of the issued Shares of the Company) has submitted a supplemental proposal to the Company in relation to the proposed appointment of non-executive Director at the AGM as an ordinary resolution, details of which are set forth in this Supplemental Circular.

PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR

On June 3, 2019, the Board proposed to appoint Mr. WANG Wen ("Mr. WANG") as a non-executive Director to fill the vacancy of a non-executive Director arising from the resignation of Mr. CHEN Zhigang. The biographical details of Mr. WANG are as follows:

Mr. WANG Wen (王文先生), aged 50, has relevant working experience in financial and insurance companies, which includes: serving as the vice president of PICC Life Insurance Company Limited since July 2017 and as a member of the party committee of PICC Life Insurance Company Limited since January 2017; serving as the secretary of the party committee and the chairman of the board of China-US International Insurance Sales & Services Company Ltd. since February and May 2017 respectively; he served as a sales director of PICC Life Insurance Company Limited from July 2015 to January 2017 and successively served as leader of preparatory group, deputy secretary of the party committee, deputy general manager (in charge of overall operation), secretary of the party committee and general manager of the Beijing Branch of PICC Life Insurance Company Limited from April 2005 to January 2017; he successively acted as assistant to general manager and deputy general manager of the Beijing Branch of China Pacific Life Insurance Company Limited from January 2001 to April 2005, and he successively served as assistant to manager and deputy manager of life insurance department, deputy manager of domestic business department and manager of automobile insurance department of the Beijing Branch of China Pacific Life Insurance Company Limited from August 1995 to January 2001.

Mr. WANG obtained a bachelor's degree in laws and a master's degree in laws from Peking University in July 1991 and July 2005, respectively.

The appointment of Mr. WANG is subject to the approval by the AGM and the approval by the regulatory authority(ies) on his qualification as a director of a securities company. The term of office of Mr. WANG will be from the date of his appointment being approved by the AGM or the date of obtaining the approval of the regulatory authority(ies) in relation to his qualification as a director of a securities company (whichever is later) to the expiration date of the current Board.

According to the diversity policy and nomination policy of the Company, the nomination committee of the Board and the Board proposed to appoint Mr. WANG as a non-executive Director of the Company after comprehensively taking into account of his skills, experience and the contributions he can make to the Company.

Mr. WANG will enter into a service contract with the Company after the approval of his appointment. During the term of his office, Mr. WANG will not receive any emoluments from the Company.

LETTER FROM THE BOARD

As at the Latest Practicable Date, save as disclosed above, Mr. WANG confirmed that he (1) does not hold any other positions with the Company and its subsidiaries or any directorships in any other public companies whose securities are listed on any securities market in Hong Kong or overseas in the past three years or any other major appointments and professional qualifications; (2) does not have any relationship with any directors, supervisors, senior management, substantial shareholders or controlling shareholders (as defined under the Listing Rules) of the Company; (3) does not have any interest in the shares of the Company which are required to be disclosed pursuant to Part XV of the SFO; and (4) does not have any information in relation to his appointment which shall be subject to disclosure pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

AGM

The First Notice convening the AGM to be held at St. Helen Shenzhen Bauhinia, No. 2002, Qiaocheng East Road, Futian District, Shenzhen, PRC on Friday, June 28, 2019 at 10:00 a.m. was despatched on May 10, 2019. A supplemental notice notifying the AGM to be held as originally scheduled and containing an additional proposed resolution is set out on pages N-1 to N-2 of the Supplemental Circular. The Second Proxy Form containing the originally proposed resolutions and the additional proposed resolution is also enclosed herewith.

If you are not able to attend the AGM, please complete and return the Second Proxy Form in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the time stipulated for the holding of the AGM or any adjournment thereof and deposit it together with the notarised power of attorney or other document of authorization with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (for holders of H Shares). Completion and return of the Second Proxy Form will not preclude you from attending and voting at the AGM should you so desire.

RECOMMENDATION

The Directors consider that the proposed resolution is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that all Shareholders vote in favour of the resolution to be proposed at the AGM.

Yours faithfully,
By order of the Board
China Merchants Securities Co., Ltd.
Huo Da
Chairman

SUPPLEMENTAL NOTICE OF AGM



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(Stock Code: 6099)

SUPPLEMENTAL NOTICE OF THE 2018 ANNUAL GENERAL MEETING

References are made to the notice (the “**First Notice**”) dated May 9, 2019 and the circular (the “**AGM Circular**”) dated June 5, 2019 of China Merchants Securities Co., Ltd. (the “**Company**”), which set out the time and venue for convening the 2018 annual general meeting (the “**AGM**”) of the Company, and the resolutions to be proposed at the AGM for consideration and approval by Shareholders.

Supplemental notice is hereby given that the AGM will be held at St. Helen Shenzhen Bauhinia, No. 2002, Qiaocheng East Road, Futian District, Shenzhen on Friday, June 28, 2019 at 10 a.m. as previously scheduled, for the purpose of considering and approving the following supplemental resolution, in addition to the resolutions set out in the First Notice:

ORDINARY RESOLUTION

11. To consider and approve the resolution regarding election of Mr. WANG Wen as non-executive Director

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

Shenzhen, the PRC
June 12, 2019

Notes:

1. Save for the above additional resolution, there are no other changes to the resolutions set out in the First Notice. For details of other resolutions to be considered and approved at the AGM, eligibility for attending the AGM, registration procedures, arrangements for closure of register of members and other relevant matters, please refer to the First Notice dated May 9, 2019 and the AGM Circular dated June 5, 2019.
2. Proxy

The proxy form (the “**First Proxy Form**”) despatched along with the First Notice did not contain the additional resolution No. 11 as set out in this supplemental notice. As such, a second proxy form (the “**Second Proxy Form**”) has been prepared by the Company and is enclosed with this supplemental notice. Holders of H Shares shall deliver the Second Proxy Form to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by a designated person or by post in any event not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof. Arrangements in relation to proxies of shareholders of A Shares of the Company will be determined and announced separately in the PRC by the Company.

SUPPLEMENTAL NOTICE OF AGM

To be valid, the Second Proxy Form shall be delivered in person or by post by the holders of H Shares of the Company to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time for holding the AGM or any adjournment thereof or the time appointed for voting by poll. If the Second Proxy Form is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the Second Proxy Form. Completion and return of the Second Proxy Form will not preclude shareholders from attending and voting in person at the AGM or any adjournment thereof should they so wish.

Shareholders who had returned the First Proxy Form to the Company's H Share registrar should note that:

- (i) if a shareholder did not return the Second Proxy Form to the Company's H Share registrar, the First Proxy Form, if correctly completed, will be deemed as a valid proxy form lodged by him/her. The proxy appointed by the shareholder will be entitled to cast the vote at his/her discretion or to abstain from voting on any resolution properly put to the AGM (except for those resolutions to which the shareholders has indicated his/her voting direction in the First Proxy Form), including the additional resolution No. 11 set out in this supplemental notice of the AGM.
- (ii) if a shareholder delivered the Second Proxy Form to the Company's H Share registrar not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof, the First Proxy Form previously lodged by him/her will be revoked and superseded by the Second Proxy Form. The Second Proxy Form, if correctly completed, will be deemed as a valid proxy form lodged by such shareholder.
- (iii) if a shareholder delivered the Second Proxy Form to the Company's H Share registrar later than 24 hours before the time appointed for holding the AGM or any adjournment thereof, the Second Proxy Form will be invalid and the First Proxy Form delivered by the shareholder will be revoked. The vote of proxy appointed by the shareholder, either by the First Proxy Form or the Second Proxy Form, by the invalid or revoked form of proxy will not be counted for the voting of the resolutions. Therefore, shareholders are recommended to deliver this Second Proxy Form no later than the closing time. Shareholder shall present in person if he/she intended to vote at the AGM.