

Unless otherwise defined herein, capitalized terms in this announcement shall have the same meanings as those defined in the prospectus dated September 27, 2016 (the “**Prospectus**”) issued by China Merchants Securities Co., Ltd. (the “**Company**”).

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This announcement is for information purposes only and does not constitute an offer or an invitation to induce an offer by any person to acquire, purchase or subscribe for securities. Potential investors should read the Prospectus for detailed information about the Hong Kong Public Offering and the International Offering described below before deciding whether or not to invest in the H Shares thereby offered.

This announcement is not for release, publication, distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia). This announcement does not constitute or form a part of any offer to sell or solicitation to purchase or subscribe for securities in the United States or in any other jurisdictions. The Offer Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended from time to time (the “**U.S. Securities Act**”) or any state securities laws of the United States and may be offered and sold only (a) in the United States to “**Qualified Institutional Buyer**” in reliance on Rule 144A or another exemption from, or in a transaction not subject to, registration under the U.S. Securities Act and (b) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act. The Company has not intended and does not intend to make any public offer of securities in the United States.

In connection with the Global Offering, China Merchants Securities (HK) Co., Limited, as the stabilizing manager (the “**Stabilizing Manager**”), its affiliates or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of the H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager, its affiliates or any person acting for it, to conduct any such stabilizing action, which, if commenced, will be done at the sole and absolute discretion of the Stabilizing Manager, its affiliates or any person acting for it, and may be discontinued at any time. Any such stabilizing activity is required to be brought to an end on the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. Such stabilization action, if commenced, may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws, rules and regulatory requirements, including the Securities and Futures (Price Stabilizing) Rules, as amended, made under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Potential investors should be aware that stabilizing action cannot be taken to support the price of the H Shares for longer than the stabilization period which begins on the Listing Date and is expected to expire on Sunday, October 30, 2016, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. After this date, no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall.

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

Number of Offer Shares : 891,273,800 H Shares (subject to the under the Global Offering Over-allotment Option)
Number of Hong Kong Offer Shares : 44,564,000 H Shares (subject to adjustment)
Number of International Offer Shares : 846,709,800 H Shares (subject to adjustment and the Over-allotment Option)
Maximum Offer Price : HK\$12.78 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value : RMB1.00 per H Share
Stock code : 6099

Joint Sponsors

CMS  **招商证券**

J.P.Morgan

Morgan Stanley

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

CMS  **招商证券**

J.P.Morgan

Morgan Stanley

 **華泰金融控股 (香港) 有限公司**
HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

 **招銀國際**
CMB INTERNATIONAL

Joint Bookrunners and Joint Lead Managers

Deutsche Bank 

MIZUHO

 **廣發證券 (香港) 經紀有限公司**
GF SECURITIES (HONG KONG) BROKERAGE LIMITED

 **光大證券**
EBS INTERNATIONAL

 **東方證券 (香港)**
ORIENT SECURITIES (HONG KONG)

 **中信建投國際**
China Securities International

 **國泰君安國際**
GUOTAI JUNAN INTERNATIONAL

 **中國平安** **中國平安證券 (香港)**
PINGAN OF CHINA SECURITIES (HONG KONG)

 **UBS**

ICBC  **工銀國際**

 **農銀國際**
ABC INTERNATIONAL

 **建銀國際**
CCB International

 **交銀國際**
BOCOM International

 **BOC INTERNATIONAL**

Application has been made by the Company to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in (i) the H Shares to be issued pursuant to the Global Offering (including any additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option); and (ii) the H Shares to be converted from A Shares and transferred to NSSF pursuant to the relevant PRC regulations relating to reductions of state-owned shares. Dealings in the H Shares on the Main Board are expected to commence at 9:00 a.m. on Friday, October 7, 2016.

The Global Offering comprises the Hong Kong Public Offering of 44,564,000 H Shares (subject to adjustment), representing 5% of the total Offer Shares, and the International Offering of an aggregate of 846,709,800 H Shares (subject to adjustment and the Over-allotment Option), representing 95% of the total Offer Shares. The allocation of the Offer Shares between the Hong Kong Public Offering and the International Offering will be subject to adjustment as described in the section headed “**Structure of the Global Offering**” in the Prospectus.

The Company is expected to grant to the International Underwriters, exercisable by the Joint Representatives (on behalf of the International Underwriters), the Over-allotment Option, which will be exercisable from the Listing Date until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require the Company to allot and issue up to an aggregate of 133,691,000 additional H Shares, representing no more than 15% of the initial Offer Shares, at the same price per Offer Share under the International Offering, to, among other things, cover over-allocations in the International Offering, if any.

In the event the Over-allotment Option is exercised, an announcement will be made by the Company on the Company's website at www.newone.com.cn and the website of the Hong Kong Stock Exchange at www.hkexnews.hk.

Subject to the granting of the approval for listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Hong Kong Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

The Offer Price will not be more than HK\$12.78 per Offer Share and is currently expected to be not less than HK\$11.54 per Offer Share, unless otherwise announced. Applicants for the Hong Kong Offer Shares are required to pay, on application, the maximum Offer Price of HK\$12.78 per Offer Share together with brokerage of 1.0%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price as finally determined is less than HK\$12.78 per Offer Share.

Applications for the Hong Kong Offer Shares will only be considered on the basis of the terms and conditions set out in the Prospectus, the Application Forms and the designated website (www.eipo.com.hk) in relation to the White Form eIPO. Applicants who would like to have the allotted Hong Kong Offer Shares registered in their own names should either (i) complete and sign the **WHITE** Application Forms, or (ii) submit applications online through the designated website of the **White Form eIPO** Service Provider at www.eipo.com.hk under the **White Form eIPO** service. Applicants who would like to have the allotted Hong Kong Offer Shares registered in the name of HKSCC Nominees and deposited directly into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participants maintained in CCASS should either (i) complete and sign the **YELLOW** Application Forms, or (ii) give **electronic application instructions** to HKSCC via CCASS.

Copies of the Prospectus, together with the **WHITE** Application Form, may be obtained during normal business hours from 9:00 a.m. on Tuesday, September 27, 2016, until 12:00 noon on Friday, September 30, 2016 from:

1. the following addresses of the following Hong Kong Underwriters:

China Merchants Securities (HK) Co., Limited

48/F., One Exchange Square
8 Connaught Place
Central
Hong Kong

J.P. Morgan Securities (Asia Pacific) Limited

28/F, Chater House
8 Connaught Road Central
Central
Hong Kong

Morgan Stanley Asia Limited

46/F, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Huatai Financial Holdings (Hong Kong) Limited

Room 5808–12 The Center
99 Queen's Road Central
Hong Kong

CMB International Capital Limited

Units 1803–4, 18/F, Bank of America Tower
12 Harcourt Road
Central
Hong Kong

Deutsche Bank AG, Hong Kong Branch

52/F, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Mizuho Securities Asia Limited

12/F, Chater House
8 Connaught Road Central
Hong Kong

GF Securities (Hong Kong) Brokerage Limited

29–30/F, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

China Everbright Securities (HK) Limited

24/F, Lee Garden One
33 Hysan Avenue, Causeway Bay
Hong Kong

Orient Securities (Hong Kong) Limited

28–29/F, 100 Queen's Road Central
Central
Hong Kong

China Securities (International) Corporate Finance Company Limited

18/F, Two Exchange Square
8 Connaught Place,
Central
Hong Kong

Guotai Junan Securities (Hong Kong) Limited

27/F., Low Block, Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

Ping An of China Securities (Hong Kong) Company Limited

28/F, 169 Electric Road
North Point
Hong Kong

UBS AG Hong Kong Branch

52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

ICBC International Securities Limited

37/F, ICBC Tower
3 Garden Road
Hong Kong

ABCI Securities Company Limited

10/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

CCB International Capital Limited

12/F, CCB Tower
3 Connaught Road Central
Central
Hong Kong

BOCOM International Securities Limited

9/F, Man Yee Building
 68 Des Voeux Road Central
 Central
 Hong Kong

BOCI Asia Limited

26/F, Bank of China Tower
 1 Garden Road
 Central
 Hong Kong

2. any of the following branches of the receiving banks:

Bank of China (Hong Kong) Limited

District	Branch Name	Address
Hong Kong Island	Bank of China Tower Branch	3/F, 1 Garden Road
	Connaught Road Central Branch	13–14 Connaught Road Central
	Chai Wan Branch	Block B, Walton Estate, 341–343 Chai Wan Road, Chai Wan
Kowloon	Whampoa Garden Branch	Shop G8B, Site 1, Whampoa Garden, Hung Hom
	Mei Foo Mount Sterling Mall Branch	Shop N47–49 Mount Sterling Mall, Mei Foo Sun Chuen
	East Point City Branch	Shop 101, East Point City, Tseung Kwan O
New Territories	Citywalk Branch	Shop 65, G/F, Citywalk, 1 Yeung Uk Road, Tsuen Wan
	Tuen Mun San Hui Branch	G13–G14 Eldo Court, Heung Sze Wui Road, Tuen Mun
	Tai Po Branch	68–70 Po Heung Street, Tai Po Market

Bank of Communications Co., Ltd. Hong Kong Branch

District	Branch Name	Address
Hong Kong Island	Wanchai Sub-Branch	Shop B on G/F., Johnston Court, 32–34 Johnston Road

Standard Chartered Bank (Hong Kong) Limited

District	Branch Name	Address
Hong Kong Island	Quarry Bay Branch	G/F, Westlands Gardens, 1027 King's Road, Quarry Bay
Kowloon	68 Nathan Road Branch	Basement, Shop B1, G/F and M/F Golden Crown Court, 66–70 Nathan Road, Tsimshatsui

Wing Lung Bank Limited

District	Branch Name	Address
Hong Kong Island	Head Office	45 Des Voeux Road Central
	Johnston Road Branch	118 Johnston Road
	Kennedy Town Branch	28 Catchick Street
	Aberdeen Branch	201 Aberdeen Main Road
Kowloon	Mongkok Branch	B/F Wing Lung Bank Centre, 636 Nathan Road
	Tsim Sha Tsui Branch	4 Carnarvon Road
New Territories	Sheung Shui Branch	128 San Fung Avenue

Copies of the Prospectus, together with the **YELLOW** Application Form, may be obtained during normal business hours from 9:00 a.m. on Tuesday, September 27, 2016 until 12:00 noon on Friday, September 30, 2016 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or your stockbroker, who may have such Application Forms and the Prospectus available.

The **WHITE** or **YELLOW** Application Form completed in accordance with the instructions printed thereon, together with a cheque or banker's cashier order payable to "BANK OF CHINA (HONG KONG) NOMINEES LIMITED — CHINA MERCHANTS SECURITIES PUBLIC OFFER" attached should be deposited in the special collection boxes provided at any of the branches referred to above on such dates and during such time as specified in the Application Forms.

Applicants applying by **White Form eIPO** may submit applications through the **White Form eIPO** service at www.eipo.com.hk from 9:00 a.m. on Tuesday, September 27, 2016 until 11:30 a.m. on Friday, September 30, 2016 or such later time as described in the section "How to Apply for the Hong Kong Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists" in the Prospectus (24 hours daily, except on the last application day).

CCASS Participants can input **electronic application instructions** from 9:00 a.m. on Tuesday, September 27, 2016 until 12:00 noon on Friday, September 30, 2016 or such later time as described in the section “How to Apply for the Hong Kong Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists” in the Prospectus.

Please refer to the sections “Structure of the Global Offering” and “How to Apply for the Hong Kong Offer Shares” in the Prospectus for details of the conditions and procedures of the Hong Kong Public Offering.

The Company expects to publish the announcement on the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares under the Hong Kong Public Offering (i) in the South China Morning Post (in English); (ii) in the Hong Kong Economic Times (in Chinese); (iii) on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and (iv) on the Company’s website (www.newone.com.cn) on or before Thursday, October 6, 2016. The results of allocations and the Hong Kong Identity Card/passport/Hong Kong Business Registration numbers of successful applicants under the Hong Kong Public Offering will be available through a variety of channels from Thursday, October 6, 2016 as described in the section headed “How to Apply for the Hong Kong Offer Shares — 11. Publication of Results” in the Prospectus.

The Company will not issue temporary documents of title. Share certificates will only become valid at 8:00 a.m. on Friday, October 7, 2016 provided that the Global Offering has become unconditional and the right of termination described in the section “Underwriting — Underwriting Arrangements and Expenses — The Hong Kong Public Offering — Grounds for Termination” in the Prospectus has not been exercised. No receipt will be issued for application monies received. Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence at 9:00 a.m. on Friday, October 7, 2016. The H Shares will be traded in board lots of 200 H Shares each. The stock code of the Company is 6099.

By order of the Board of Directors
China Merchants Securities Co., Ltd.
GONG Shaolin
Chairman

Hong Kong, September 27, 2016

As of the date of this announcement, the executive Directors of the Company are Mr. GONG Shaolin and Mr. WANG Yan; the non-executive Directors of the Company are Ms. SU Min, Mr. HUA Li, Mr. XIONG Xianliang, Mr. GUO Jian, Ms. PENG Lei, Mr. WANG Daxiong, Mr. HUANG Jian and Mr. CAO Dong; and the independent non-executive Directors of the Company are Mr. YI Xiqun, Mr. LIU Jialin, Mr. DING Huiping, Mr. ZHU Haiwu and Mr. YANG Jun.

*Please also refer to the published version of this announcement in the **South China Morning Post** (in English) and the **Hong Kong Economic Times** (in Chinese).*