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

OVERSEAS REGULATORY ANNOUNCEMENT AND INSIDE INFORMATION ANNOUNCEMENT ON ESTIMATED PROFIT DECREASE FOR THE YEAR OF 2016

This announcement is made by China Merchants Securities Co., Ltd. (the “**Company**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rules 13.09 and 13.10B of the Listing Rules.

The Board of Directors (the “**Board**”) of the Company and all members of the Board warrant that there are no false or misleading statements or that no fact has been materially omitted in this announcement, and individually and jointly accept responsibilities for the truthfulness, accuracy and completeness of this announcement.

Shareholders of the Company and prospective investors are advised to exercise caution when dealing in the shares of the Company.

I. ESTIMATED RESULTS FOR THE PERIOD

(I) Estimated results period

From January 1, 2016 to December 31, 2016.

(II) Estimated results

Based on the preliminary calculations of the finance department of the Company, the Company is expected to record a decrease of 40% to 60% in the net profit attributable to the shareholders of the Company (consolidated) for the year 2016 as compared with the corresponding period of the preceding year.

II. RESULTS FOR THE CORRESPONDING PERIOD OF THE PRECEDING YEAR

(I) Net profit attributable to the shareholders of the Company: RMB10,908.75 million.

(II) Profit per share: RMB1.8782.

III. MAJOR REASONS FOR THE ESTIMATED PROFIT DECREASE FOR THE PERIOD

In 2016, the indices of the A-share market and bond market recorded decreases amid the drastic fluctuation. Trading activity in the share market also declined significantly as compared with last year. The revenue of the Company during the reporting period from securities brokerage and investment businesses recorded a substantial year-on-year decrease due to the market downturn.

IV. OTHER RELEVANT MATTERS

The above estimated results are preliminary calculations only. The finalized financial information of the Company will be disclosed in the audited annual report of the Company for the year of 2016. Investors are advised to exercise caution with the investment risks.

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By order of the Board of Directors
GONG Shaolin
Chairman

Shenzhen, the PRC
January 23, 2017

As at the date of this announcement, the Board of Directors of the Company comprises Mr. GONG Shaolin and Mr. WANG Yan as executive Directors; 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 as non-executive Directors; and Mr. YI Xiqun, Mr. LIU Jialin, Mr. DING Huiping, Mr. ZHU Haiwu and Mr. YANG Jun as independent non-executive Directors.