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(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6030)

CONNECTED TRANSACTION

ACQUISITION OF 6.53% EQUITY INTEREST IN CITIC FUTURES FROM CITIC INDUSTRIAL INVESTMENT GROUP

The Board hereby announces that on 6 November 2017, the Company entered into the Equity Transfer Agreement with CITIC Industrial Investment Group, a wholly-owned subsidiary of CITIC Corporation Limited, in respect of the acquisition of 6.53% equity interest in CITIC Futures at a consideration of RMB451.00 million. Upon completion of the transaction under the Equity Transfer Agreement, CITIC Futures, which is a non wholly-owned subsidiary of the Company before the transaction, will become a wholly-owned subsidiary directly held by the Company.

CITIC Industrial Investment Group is a wholly-owned subsidiary of CITIC Corporation Limited, the single largest shareholder (directly and indirectly holding 16.66% equity interest in the Company as at the date of this announcement) and a connected person of the Company. Therefore CITIC Industrial Investment Group is also a connected person of the Company as defined under the Hong Kong Listing Rules. Accordingly, the transaction under the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) calculated exceed 0.1% but are all less than 5%, the transaction under the Equity Transfer Agreement is only subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

I. BACKGROUND

On 6 November 2017, the Company entered into the Equity Transfer Agreement with CITIC Industrial Investment Group, a wholly-owned subsidiary of CITIC Corporation Limited, in respect of the acquisition of 6.53% equity interest in CITIC Futures at a consideration of RMB451.00 million, which was determined according to the listing price submitted by CITIC Industrial Investment Group at China Beijing Equity Exchange. Such listing price was

determined based on the appraised value of total shareholders' equity of CITIC Futures, i.e. RMB6,885.1677 million, as at the Valuation Date as stated in the valuation report issued by China United Assets Appraisal Group Ltd. (中聯資產評估集團有限公司) (Zhong Lian Ping Bao Zi [2017]No. 1422). Upon completion of the transaction under the Equity Transfer Agreement, CITIC Futures, which is a non wholly-owned subsidiary of the Company before the transaction, will become a wholly-owned subsidiary directly held by the Company.

II. EQUITY TRANSFER AGREEMENT

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| Date: | 6 November 2017 |
| Parties: | CITIC Industrial Investment Group, as the transferor the Company, as the transferee |
| Effective Date: | The Equity Transfer Agreement shall take effect on the date of being signed by the authorized representatives of the parties or being chopped with the official chops of the parties. |
| Closing Date: | The closing date shall be the date of completion of the change of registration by CITIC Futures regarding the transfer of Target Asset. |
| Target Asset: | 6.53% equity interest in CITIC Futures owned by CITIC Industrial Investment Group |
| Conditions Precedent: | Completion of the transfer of the Target Asset is conditional upon the fulfilment of the following conditions: <ol style="list-style-type: none">1. CITIC Industrial Investment Group having completed the public listing process in respect of the transaction of the Target Asset under the Equity Transfer Agreement at China Beijing Equity Exchange according to the requirements of relevant laws, regulations and policies; and2. the Company having completed the relevant approval or authorization process in respect of the acquisition of the Target Asset under the Equity Transfer Agreement in accordance with the requirements of the laws and the Articles of Association. |

Consideration: RMB451.00 million, which was determined according to the listing price submitted by CITIC Industrial Investment Group at China Beijing Equity Exchange. Such listing price was determined based on the appraised value of total shareholders' equity of CITIC Futures, i.e. RMB6,885.1677 million, as at the Valuation Date as stated in the valuation report issued by China United Assets Appraisal Group Ltd. (Zhong Lian Ping Bao Zi [2017]No. 1422).

The valuation of total shareholders' equity of CITIC Futures was conducted through the market approach.

Other Principal Terms: The profit and loss of CITIC Futures attributable to the Target Asset during the period from the Valuation Date to the closing date shall be borne by the Company.

CITIC Industrial Investment Group shall convene shareholders' meeting of CITIC Futures to pass relevant shareholders' resolution, make relevant amendments to the articles of association of CITIC Futures, and procure CITIC Futures to register the change of equity with relevant authority within 10 business days after obtaining the certificate for equity transaction regarding the transfer of the Target Asset under the Equity Transfer Agreement issued by China Beijing Equity Exchange; and the Company shall provide necessary assistance.

Payment Arrangements: The consideration of transfer shall be paid to the settlement account designated by China Beijing Equity Exchange in one tranche within five business days from the effective date of the Equity Transfer Agreement. China Beijing Equity Exchange will transfer all the consideration to the account designated by CITIC Industrial Investment Group within three business days after issuing the certificate for equity transaction.

The deposit at an amount of RMB135.30 million, which has been prepaid by the Company in accordance with the requirements of CITIC Industrial Investment Group as well as China Beijing Equity Exchange, shall be redeemed as part of the consideration of transfer.

III. INFORMATION ON CITIC FUTURES

CITIC Futures was established in 1993 with a total registered capital of RMB1,604,792,982, which is contributed as to 93.47% by the Company and as to 6.53% by CITIC Industrial Investment Group as at the date of this announcement.

The business scope of CITIC Futures includes commodities futures brokerage, financial futures brokerage, futures investment advisory, asset management and fund distribution.

The audited net assets value of CITIC Futures as at 31 December 2016 was approximately RMB3,270.24 million. The net profits (both before and after taxation) of CITIC Futures for the two financial years ended 31 December 2016 were as follows:

| | <i>In RMB millions</i> | |
|---|--|--|
| | For the year ended 31 December 2015 | For the year ended 31 December 2016 |
| Net profit (before taxation) of CITIC Futures | 580.94 | 485.91 |
| Net profit (after taxation) of CITIC Futures | 416.88 | 363.98 |

IV. REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT

The value of the margin of future transactions of CITIC Futures continuously ranks the first in the industry. With the development of capital market and derivatives market, the transaction volume and value of customer margin in the future market increased year by year, resulting in the continuous demand by futures companies for supplementing net capital. In the meanwhile, the regulatory authorities have been promoting innovative development and transformation of futures companies in the recent years, which leads to the diversification of business scope of futures companies. According to relevant regulatory requirements, the development of new business needs to be backed up by corresponding net capital. Upon the completion of the acquisition of the Target Asset, the Company can provide timely and sustainable financial support to CITIC Futures based on actual needs.

The Directors consider that the acquisition of the Target Asset will provide strong financial support to the future development of CITIC Futures, so as to form new profit growth point of the Group and become a key part of the comprehensive financial layout of the Group.

The Directors (including the independent non-executive Directors) are of the view that the Equity Transfer Agreement was entered into after arm's length negotiation and on normal commercial terms, and the terms and conditions therein are fair and reasonable and in the interests of the Company and its shareholders as a whole.

V. HONG KONG LISTING RULES IMPLICATIONS

CITIC Industrial Investment Group is a wholly-owned subsidiary of CITIC Corporation Limited, the single largest shareholder (directly and indirectly holding 16.66% equity interest in the Company as at the date of this announcement) and a connected person of the Company. Therefore CITIC Industrial Investment Group is also a connected person of the Company as defined under the Hong Kong Listing Rules. Accordingly, the transaction under the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) calculated exceed 0.1% but are all less than 5%, the transaction under the Equity Transfer Agreement is only subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

None of the Directors has a material interest in the transaction under the Equity Transfer Agreement and shall abstain from voting on relevant resolution at the Board meeting.

VI. GENERAL INFORMATION ON THE PARTIES

The Company

The Company is principally engaged in securities brokerage (for areas other than Shandong Province, Henan Province, Tiantai and Cangnan Counties of Zhejiang Province); securities investment consulting; financial advisory services related to securities trading and securities investment activities; securities underwriting and sponsorship; securities proprietary business; securities asset management; margin financing and securities lending; securities investment fund sales agency; provision of brokerage services to futures companies; distribution of financial products; and stock options market making.

CITIC Industrial Investment Group

CITIC Industrial Investment Group is principally engaged in industrial investment, domestic trade (excluding those under special regulations) and information consultation, etc.

VII. DEFINITIONS

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| “Articles of Association” | means the articles of association of the Company |
| “Board” | means the board of directors of the Company |
| “CITIC Futures” | means CITIC Futures Company Limited (中信期貨有限公司), a limited liability company incorporated in the PRC and a non wholly-owned subsidiary of the Company |
| “CITIC Corporation Limited” | means CITIC Corporation Limited (中國中信有限公司), a wholly foreign-owned enterprise incorporated in the PRC with limited liability and the single largest shareholder of the Company |
| “CITIC Industrial Investment Group” | means CITIC Industrial Investment Group Corp., Ltd. (中信興業投資集團有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of CITIC Corporation Limited |

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| “Company” | means CITIC Securities Company Limited |
| “Director(s)” | means the director(s) of the Company |
| “Equity Transfer Agreement” | means the equity transfer agreement entered into on 6 November 2017 between the Company and CITIC Industrial Investment Group in respect of the acquisition of 6.53% equity interest in CITIC Futures |
| “Group” | means the Company and its subsidiaries |
| “Hong Kong” | means the Hong Kong Special Administrative Region of the PRC |
| “Hong Kong Listing Rules” | means The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (as amended from time to time) |
| “Hong Kong Stock Exchange” | means The Stock Exchange of Hong Kong Limited |
| “PRC” | means the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “RMB” | means Renminbi, the lawful currency of the PRC |
| “Target Asset” | means 6.53% equity interest in CITIC Futures owned by CITIC Industrial Investment Group and the subject of the transaction under the Equity Transfer Agreement |
| “Valuation Date” | 31 December 2016 |

By order of the Board
CITIC Securities Company Limited
ZHANG Youjun
Chairman

Beijing, the PRC
6 November 2017

As at the date of this announcement, the executive directors of the Company are Mr. ZHANG Youjun and Mr. YANG Minghui; the non-executive director is Mr. CHEN Zhong; and the independent non-executive directors are Mr. LIU Ke, Mr. HE Jia and Mr. CHAN, Charles Sheung Wai.