

## Citic Securities Sees No Change to \$4.6 Billion Share Sale Plan

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By Bloomberg News

(Bloomberg) -- Citic Securities Co., China's biggest brokerage by market value, said it will push ahead with a plan to sell about \$4.6 billion of stock even after curbs on margin lending triggered a record plunge in its shares.

The broker's plan to sell as many as 1.5 billion new H shares remains unchanged, a Hong Kong-based press officer said in an e-mailed response to questions today. Citic Securities said in December it would sell the shares, valued at \$4.6 billion based on today's price, to develop capital-intensive operations including margin financing and securities lending.

Chinese brokerages' shares plunged today after the securities regulator banned three of the biggest firms from adding new margin-finance accounts for three months. Citic, Haitong Securities Co. and Guotai Junan Securities Co. let customers delay repaying financing for longer than permissible, the China Securities Regulatory Commission said Jan. 16.

The business and operations of Beijing-based Citic Securities remain unchanged, it said in today's statement. Citic Securities shares fell by the 10 percent daily limit in Shanghai and dropped 16 percent, the most on record, at the close in Hong Kong.

Haitong hasn't changed its share sale plan, said a person with knowledge of the matter, who asked not to be identified discussing private information. It said in December it plans to raise about \$3.9 billion from a sale of 1.92 billion new shares.

### Rectifying Operations

The brokerage, based in Shanghai, planned to sell the shares at HK\$15.62 each, according to Haitong's Dec. 21 statement. Its shares fell 17 percent to HK\$15.36 at the close in Hong Kong today. Board secretary Jin Xiaobin declined to comment when contacted by phone.

Guotai Junan is "in the midst of rectifying its operations", a Shanghai-based press officer for the broker said by phone today, declining to comment on the status of its initial public offering plan. Yim Fung, chairman of Guotai Junan's Hong Kong unit, said Sept. 18 the brokerage had filed for a domestic IPO.

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