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China International Capital Corporation Limited

中國國際金融股份有限公司

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

(Stock Code: 03908)

PROPOSED RIGHTS ISSUE OF A SHARES AND H SHARES AND APPLICATION FOR WHITEWASH WAIVER

PROPOSED RIGHTS ISSUE OF A SHARES AND H SHARES

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules, the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the *Securities and Futures Ordinance* (Chapter 571 of the Laws of Hong Kong) and the Takeovers Code.

The Board is pleased to announce that the proposal in relation to the Rights Issue Plan and other relevant proposals have been considered and approved at a meeting of the Board held on September 13, 2022. The Rights Issue will be subject to, among other things, the approvals by the Shareholders or the Independent Shareholders (as appropriate) of the Rights Issue Plan and the Whitewash Waiver Resolutions at the General Meeting and (as the case may be) the Class Meetings, the approvals by the CSRC and other relevant regulatory authorities of the Rights Issue Plan and the grant of the Whitewash Waiver by the SFC, which may or may not be granted by the Executive.

Under the A Share Rights Issue, Shares are proposed to be allotted to all A Shareholders on the basis of up to three (3) Rights Shares for every ten (10) Shares calculated based on the total number of A Shares in issue after trading hours on the A Share Rights Issue Record Date. Under the H Share Rights Issue, Shares are proposed to be allotted to all Qualified H Shareholders on the basis of up to three (3) Rights Shares for every ten (10) Shares calculated based on the total number of H Shares in issue after the trading hours on the H Share Rights Issue Record Date. Fractional Rights Share will be dealt with according to the relevant requirements of the stock exchanges and securities registration and clearing institutions of the locations where the securities of the Company are traded at. The proportions of the A Share Rights Issue and H Share Rights Issue are the same.

Calculated on the basis of 4,827,256,868 total issued Shares (comprising 2,923,542,440 A Shares and 1,903,714,428 H Shares) as of June 30, 2022, it is expected that the number of Rights Shares to be issued will not exceed 1,448,177,060 Shares, comprising up to 877,062,732 A Rights Shares and up to 571,114,328 H Rights Shares. If there is any change in the total issued Shares of the Company prior to the implementation of the Rights Issue as a result of bonus issue, conversion of capital reserve into share capital or other reasons of the Company, the number of Rights Shares to be issued will be adjusted according to the changed total issued Shares. The final proportion and number of Rights Shares will be determined through the negotiation between the Board or its authorized person(s) as authorized by the General Meeting and the sponsor(s) (underwriter(s)) with reference to the market conditions before the issuance.

The Rights Issue Price will be determined through the negotiation between the Board or its authorized person(s) as authorized by the General Meeting and the sponsor(s) (underwriter(s)) with reference to the market conditions and pricing principles before the issuance. The Rights Issue Price of the H Shares shall not be lower than 80% of the average closing price in Hong Kong dollars of the Company's H Shares on the Hong Kong Stock Exchange in the five trading days immediately prior to the publication date of the Company's H Share Rights Issue Announcement (i.e. H Share Minimum Issue Price); the Rights Issue Price of the A Shares shall not be lower than the H Share Minimum Issue Price after exchange rate adjustment as at the time. The Rights Issue Price of the A Shares and the H Shares shall be consistent after exchange rate adjustment, which may be higher or lower than the market trading price of the H Shares at that time. The A Rights Shares will be underwritten on a best efforts basis (i.e. the underwriter(s) for the A Share Rights Issue will use best efforts to procure subscription of the A Rights Shares, failing which such underwriter(s) will not subscribe for any unsubscribed A Rights Shares), and the H Rights Shares will be underwritten in accordance with Rule 7.19(1) of the Listing Rules. The underwriter(s) for the A Share Rights Issue is expected to be appointed subsequent to the date of the General Meeting and the Class Meetings, while the underwriter(s) for the H Share Rights Issue will be appointed on or around the date of the H Share Rights Issue Announcement. In the event that the H Share Rights Issue is fully underwritten, underwriter(s) which provides full underwriting commitment for the H Rights Shares will be entities which are not concert parties of Central Huijin.

The total proceeds raised from the Rights Issue are expected to be no more than RMB27 billion (the specific size depends on the market conditions at the time of issuance). The net proceeds, after deduction of relevant issuance expenses, are proposed to be used for replenishing the capital for supporting various business developments and replenishing other working capital.

IMPLICATIONS UNDER THE TAKEOVERS CODE

As at the date of this announcement, Central Huijin and its concert parties hold an aggregate of 2,021,127,410 Shares of the Company, representing approximately 41.87% of the total issued Shares of the Company. As illustrated in the section headed “Shareholding Structure of the Company and Scenario Analyses”, upon completion of the Rights Issue, Central Huijin and its concert parties’ voting rights in the Company will increase to up to 2,602,796,504 Shares or approximately 47.84% of the total issued Shares of the Company, i.e. by up to 581,669,094 Shares or approximately 5.97% as compared with its lowest voting rights percentage in the 12 months preceding the completion of the Rights Issue, assuming that:

- (i) Central Huijin and its concert parties will fully subscribe their A Rights Shares entitlement;
- (ii) the subscription level of the A Rights Shares of the Company will only reach the minimum requirement of 70% (i.e. condition (vii) set out in the sub-section headed “Conditions of the A Share Rights Issue”); and
- (iii) there is nil subscription for the H Rights Shares by the H Shareholders.

In the absence of the Whitewash Waiver, completion of the Rights Issue Plan may give rise to an obligation on the part of Central Huijin to make a mandatory offer for all the Shares other than those already owned or agreed to be acquired by it under Rule 26.1 of the Takeovers Code.

Central Huijin will apply to the Executive for the Whitewash Waiver from compliance with the obligation to make a mandatory offer under Rule 26.1 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, is expected to be subject to, among other things, the passing of the Whitewash Waiver Resolutions, i.e. resolutions approving (A) the Whitewash Waiver by at least 75% of the independent votes that are cast either in person or by proxy by the Independent Shareholders at the General Meeting; and (B) the Rights Issue by more than 50% of the independent votes that are cast either in person or by proxy by the Independent Shareholders at the General Meeting, as required under the Takeovers Code. The Rights Issue will not proceed if the Whitewash Waiver is not granted by the Executive or if the Whitewash Waiver Resolutions do not pass.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.8 of the Takeovers Code, members of the Independent Board Committee should comprise all non-executive Directors who have no interest in the Rights Issue Plan and the Whitewash Waiver other than as a Shareholder.

The Independent Board Committee (comprising Ms. Tan Lixia and Mr. Duan Wenwu, being the non-executive Directors and Mr. Liu Li, Mr. Ng Kong Ping Albert, Mr. Lu Zhengfei and Mr. Peter Hugh Nolan, being the independent non-executive Directors) has been formed in accordance with Rule 2.8 of the Takeovers Code to advise the Independent Shareholders on the Whitewash Waiver Resolutions.

Mr. Shen Rujun, a non-executive Director of the Company, is currently the vice-chairman, executive director and president of Central Huijin and is therefore not considered as independent for the purpose of giving advice or recommendations to the Independent Shareholders.

Somerley Capital Limited has been appointed as the Independent Financial Adviser by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in relation to the Whitewash Waiver Resolutions.

GENERAL

In accordance with the relevant requirements under the Articles of Association and the Takeovers Code, the Company will despatch a circular to the H Shareholders in due course, containing, among other things, (i) details of the Rights Issue and the Whitewash Waiver; (ii) a letter from the Independent Board Committee and a letter of advice from the Independent Financial Adviser; and (iii) the notices for convening the General Meeting and the H Share Class Meeting.

Prior to the commencement of the H Share Rights Issue, the Company will make further announcement(s) (including but not limited to the H Share Rights Issue Announcement) and issue the H Share Rights Issue Prospectus which will contain all relevant details of the Rights Issue Plan, including the final proportion based on which the Rights Shares are to be issued, the maximum number of the Rights Shares to be issued, the Rights Issue Price, the period of closure of the register of members for the H Shares and the H Share Rights Issue Record Date, the trading arrangements for H Rights Shares, the arrangements for the excess H Rights Shares, underwriting arrangements and the expected timetable of the Rights Issue Plan.

As the completion of the Rights Issue will be subject to, among other things, the approvals by the Shareholders or the Independent Shareholders (as appropriate) of the Rights Issue Plan and the Whitewash Waiver Resolutions at the General Meeting and (as the case may be) the Class Meetings, the approvals by the CSRC and other relevant regulatory authorities of the Rights Issue Plan and the grant of the Whitewash Waiver by the SFC, which may or may not be granted by the Executive, the Rights Issue may or may not materialize. Each of the A Share Rights Issue and the H Share Rights Issue is conditional upon the fulfilment of the conditions respectively set out in the sections headed “Conditions of the A Share Rights Issue” and “Conditions of the H Share Rights Issue” in this announcement. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that the proposal in relation to the Rights Issue Plan and other relevant proposals have been considered and approved at a meeting of the Board held on September 13, 2022. The Rights Issue will be subject to, among other things, the approvals by the Shareholders or the Independent Shareholders (as appropriate) of the Rights Issue Plan and the Whitewash Waiver Resolutions at the General Meeting and (as the case may be) the Class Meetings, the approvals by the CSRC and other relevant regulatory authorities of the Rights Issue Plan and the grant of the Whitewash Waiver by the SFC, which may or may not be granted by the Executive.

DETAILS OF THE RIGHTS ISSUE PLAN

The preliminary terms of the Rights Issue Plan are as follows:

- | | | |
|--|---|---|
| Class and Par Value of Rights Shares | : | The classes of Shares to be issued under the Rights Issue are A Shares and H Shares, each with a par value of RMB1.00. |
| Method of Issuance | : | The issuance will be conducted by way of issuing Shares to existing Shareholders. |
| Base, Proportion and Number of the Rights Shares to be issued | : | Under the A Share Rights Issue, Shares are proposed to be allotted to all A Shareholders on the basis of up to three (3) Rights Shares for every ten (10) Shares calculated based on the total number of A Shares in issue after the trading hours on the A Share Rights Issue Record Date. |

Under the H Share Rights Issue, Shares are proposed to be allotted to all Qualified H Shareholders on the basis of up to three (3) Rights Shares for every ten (10) Shares calculated based on the total number of H Shares in issue after the trading hours on the H Share Rights Issue Record Date.

Fractional Rights Share will be dealt with according to the relevant requirements of the stock exchanges and securities registration and clearing institutions of the locations where the securities of the Company are traded at. The proportions of the A Share Rights Issue and H Share Rights Issue are the same.

Calculated on the basis of 4,827,256,868 total issued Shares (comprising 2,923,542,440 A Shares and 1,903,714,428 H Shares) as of June 30, 2022^{Note}, it is expected that the number of Rights Shares to be issued will not exceed 1,448,177,060 Shares, comprising up to 877,062,732 A Rights Shares and up to 571,114,328 H Rights Shares.

Note: there was no change in the total number of A Shares and H Shares in issue from June 30, 2022 up to the date of this announcement.

If there is any change in the total issued Shares of the Company prior to the implementation of the Rights Issue as a result of bonus issue, conversion of capital reserve into share capital or other reasons of the Company, the number of Rights Shares to be issued will be adjusted according to the number of changed total issued Shares. The final proportion and number of Rights Shares will be determined through the negotiation between the Board or its authorized person(s) as authorized by the General Meeting and the sponsor(s) (underwriter(s)) with reference to the market conditions before the issuance.

Pricing Principles and Rights Issue Price

- : (1) Pricing principles
- (i) To make reference to trading price of the Shares in the secondary market and various valuation indicators such as price-to-earnings ratio and price-to-book ratio, having regard to the development of the Company as well as the interests of the Shareholders as a whole;
 - (ii) To take into consideration the capital need of projects which will be funded by the proceeds of the Rights Issue;
 - (iii) To comply with the principle negotiated between the Board of the Company or its authorized person(s) and sponsor(s) (underwriter(s)).
- (2) Rights Issue Price

As the terms of the Rights Issue Plan remain subject to the review and approval by the CSRC, the final Rights Issue Price will be determined through the negotiation between the Board or its authorized person(s) as authorized by the General Meeting and the sponsor(s) (underwriter(s)) with reference to the market conditions and pricing principles before the issuance.

The Rights Issue Price of the H Shares shall not be lower than 80% of the average closing price in Hong Kong dollars of the Company's H Shares on the Hong Kong Stock Exchange in the five trading days immediately prior to the publication date of the Company's H Share Rights Issue Announcement ("**H Share Minimum Issue Price**"); the Rights Issue Price of the A Shares shall not be lower than the H Share Minimum Issue Price after exchange rate adjustment as at the time. The Rights Issue Price of the A Shares and the H Shares shall be consistent after exchange rate adjustment, which may be higher or lower than the market trading price of the H Shares at that time.

Target Subscribers for the Rights Issue : The target subscribers in respect of the A Share Rights Issue shall be all A Shareholders of the Company registered on the register of members kept with CSDC, Shanghai Branch after the trading hours on the A Share Rights Issue Record Date. The target subscribers in respect of the H Share Rights Issue shall be all Qualified H Shareholders as at the H Share Rights Issue Record Date. The Record Date in relation to the Rights Issue will be determined after obtaining the approval by the CSRC for the Rights Issue Plan.

Central Huijin, the controlling shareholder of the Company, has undertaken to fully subscribe in cash for the A Rights Shares offered to it under the A Shares Rights Issue.

Arrangement for Accumulated Undistributed Profits Prior to the Rights Issue : The accumulated undistributed profits of the Company prior to the Rights Issue shall be shared by all Shareholders on a pro rata basis after completion of A Share and H Share Rights Issue.

Time of Issuance : Upon obtaining the approval by the CSRC, the Rights Issue will be implemented in due course within the stipulated period.

Underwriting Methods : The A Rights Shares will be underwritten on a best efforts basis, and the H Rights Shares will be underwritten in accordance with Rule 7.19(1) of the Listing Rules.

Use of Proceeds Raised from the Rights Issue : The total proceeds raised from the Rights Issue are expected to be no more than RMB27 billion (the specific size depends on the market conditions at the time of issuance). The net proceeds, after deduction of relevant issuance expenses, are proposed to be used for replenishing the capital for supporting various business developments and replenishing other working capital. The details are as follows:

No.	Use of Proceeds	Amount
(1)	Supporting the capital needs for business development	No more than RMB24 billion
(2)	Replenishing other working capital	No more than RMB3 billion
Total		No more than RMB27 billion

If the net proceeds raised from the Rights Issue are less than the proceeds proposed to be invested, the shortfall will be made up by the Company. Without any changes in the use of the proceeds, the Board of the Company or its authorized person(s) may make appropriate adjustments to the specific investment and utilization plan, the sequence and amount of investment of the proceeds in the above projects according to the actual needs of projects. From the date of approval at the Board meeting of the Company convened to consider the Rights Issue Plan resolution to the date on which the proceeds are available for use, the Company will first invest the self-raised funds in relevant projects according to the operating conditions and development plans, and will replace the self-raised funds with the proceeds of the Rights Issue as and when available in accordance with the relevant procedures required under relevant laws and regulations.

Validity Period of the Rights Issue Resolution : The validity period of the Rights Issue resolution shall be 12 months from the date on which the resolution is considered and approved at the General Meeting, the A Share Class Meeting and the H Share Class Meeting.

Listing of the Shares to be issued under the Rights Issue : Upon completion of the A Share Rights Issue, the A Shares to be issued will be listed on the SSE according to the relevant requirements.

Upon completion of the H Share Rights Issue, the H Shares to be issued will be listed on the Hong Kong Stock Exchange according to the relevant requirements.

The Rights Issue Plan is subject to the approvals by the CSRC and other necessary approvals in connection with the Rights Issue, and shall be the one as approved by the CSRC.

The Rights Issue and the other relevant resolutions shall be submitted to the General Meeting and (if applicable) the A Share Class Meeting and the H Share Class Meeting of the Company for consideration. In addition, the Rights Issue shall be approved by more than 50% of the voting rights held by the Independent Shareholders present and voting at the General Meeting of the Company.

Qualified H Shareholders

Subject to, among others, the Rights Issue Plan being approved by the Shareholders or the Independent Shareholders (as appropriate) at the General Meeting and the Class Meetings, the Company will deliver the H Share Rights Issue Prospectus to the Qualified H Shareholders, including the PRC Southbound Trading Investors (and to the extent permitted by the relevant laws, to the Excluded Shareholders for information purposes only). To qualify for the H Share Rights Issue, an H Shareholder must:

- (i) be registered as an H Shareholder of the Company on the H Share Rights Issue Record Date; and
- (ii) not be an Excluded Shareholder.

Before the commencement of the H Share Rights Issue, the Company will announce the date by which the H Shareholders must lodge any transfer documents in relation to the existing H Shares (together with the relevant H Share certificates) with the H Share Registrar, in order for the transferee to become an H Shareholder of the Company on or before the H Share Rights Issue Record Date.

The PRC Southbound Trading Investors will not be excluded from participating in the H Share Rights Issue.

H Share Rights Issue Record Date

The H Share Rights Issue Record Date and the trading arrangements for the nil-paid H Rights Shares will be determined by the Company and once determined, a further announcement will be made by the Company. The H Share Rights Issue is conditional upon the fulfilment of the conditions set out under the section headed “Conditions of the H Share Rights Issue” in this announcement. The H Share Rights Issue Record Date will be a date which is after the date of the General Meeting, the A Share Class Meeting and the H Share Class Meeting and the date on which all relevant PRC governmental and regulatory approvals in relation to the Rights Issue Plan are granted to the Company.

Trading of the H Rights Shares

Dealings in the H Rights Shares in both their nil-paid and fully-paid forms registered with the H Share Registrar will be subject to the payment of stamp duty in Hong Kong. A further announcement will be made by the Company regarding the trading arrangements for the H Rights Shares (in nil-paid and fully-paid forms) after such arrangements have been finalized by the Company.

Status of the H Rights Shares

The H Rights Shares, once allotted and fully paid, will rank *pari passu* in all respects with the H Shares then in issue. Holders of fully-paid H Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the H Rights Shares.

Rights of Overseas Shareholders

The H Share Rights Issue Prospectus will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will make enquiries regarding the feasibility of extending the H Share Rights Issue to the Overseas Shareholders. If, based on the advice received from the relevant legal advisers, the Company considers that it is necessary or expedient not to offer the H Rights Shares to certain Overseas Shareholders (who are thus Excluded Shareholders) on account either of the legal restrictions under the laws of the place of his/her/their registered address(es) or the requirements of the relevant regulatory body or stock exchange in that place, the H Share Rights Issue will not be made available to the Excluded Shareholders.

The Company will send copies of the H Share Rights Issue Prospectus to the Excluded Shareholders for their information only (subject to compliance with the relevant laws), but the Company will not send any provisional allotment letters or excess application forms to the Excluded Shareholders.

Arrangements will be made for the H Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in the market in their nil-paid form, as soon as practicable after the commencement of the dealings in the nil-paid H Rights Shares, if a premium (net of expenses) can be obtained. The proceeds from such sales, less expenses, will be paid on a pro rata basis to the Excluded Shareholders, and the Company will pay individual amounts of more than HK\$100 to the relevant Excluded Shareholders, provided that the Company will retain individual amounts of HK\$100 or less for its own benefit.

Application for Excess H Rights Shares

Qualified H Shareholders of the Company (other than the PRC Southbound Trading Investors) may apply, by way of excess application, for the H Rights Shares to which unsold entitlements of the Excluded Shareholders relate and for any H Rights Shares provisionally allotted to the Qualified H Shareholders but not accepted.

Application for excess H Rights Shares may be made by completing the excess application form to be despatched to the Qualified H Shareholders together with the H Share Rights Issue Prospectus and lodging the same with a separate remittance for such excess H Rights Shares. Excess H Rights Shares (if available) will, at the sole discretion of the Company, be allocated and allotted on a fair and reasonable basis. All excess H Rights Shares will be allocated to Qualified H Shareholders who have applied for excess H Rights Shares on a pro rata basis with reference to their number of excess H Rights Shares applied for. No reference will be made to H Rights Shares comprised in applications by provisional allotment letter or the existing number of H Shares held by Qualified H Shareholders. If the aggregate number of H Rights Shares not taken up by the Qualified H Shareholders under provisional allotment letters is greater than the aggregate number of excess H Rights Shares applied for through excess application forms, the Company will allocate to each Qualified H Shareholder who applies for excess H Rights Shares in full application. No preference will be given to topping up odd lots to whole board lots. There is no guarantee that Qualified H Shareholders with odd lots of H Rights Shares will be topped up to whole board lots pursuant to their applications for excess H Rights Shares.

Conditions of the H Share Rights Issue

It is expected that the H Share Rights Issue will be conditional upon the fulfilment of the following matters:

- (i) the approval of the Rights Issue Plan and other relevant resolutions by the Shareholders or the Independent Shareholders (as appropriate) at the General Meeting;
- (ii) the approval of the Rights Issue Plan and (if applicable) other relevant resolutions by the H Shareholders at the H Share Class Meeting and by the A Shareholders at the A Share Class Meeting, respectively;
- (iii) the approval of the Rights Issue Plan by the CSRC and other relevant regulatory authorities;
- (iv) the Listing Committee of the Hong Kong Stock Exchange approving the listing of, and permission to deal in, the H Rights Shares in their nil-paid and fully-paid forms on the Hong Kong Stock Exchange, either unconditionally or subject to the conditions which the Company accepts and the satisfaction of such conditions (if any) by no later than the date of the delivery of the H Share Rights Issue Prospectus;

- (v) the delivery to the Hong Kong Stock Exchange and the filing and registration of all the documents in relation to the H Share Rights Issue as required by laws to be filed to and registered with the Companies Registry in Hong Kong;
- (vi) the passing of the requisite resolution by the Shareholders which are not related to Central Huijin at the General Meeting approving the waiver in respect of the general offer obligation over the A Shares by Central Huijin to be triggered by the Rights Issue under the relevant laws and regulations in the PRC;
- (vii) the passing of the Whitewash Waiver Resolutions;
- (viii) the grant of the Whitewash Waiver by the SFC in accordance with the Takeovers Code and such waiver has not been withdrawn or revoked prior to completion of the Rights Issue; and
- (ix) the subscription of the A Rights Shares by the A Shareholders being at least 70% of the A Rights Shares under the A Share Rights Issue.

None of the above conditions of the H Share Rights Issue are waivable. As of the date of this announcement, none of the above conditions of the H Share Rights Issue have been satisfied. If the conditions are not fulfilled, the H Share Rights Issue will not proceed.

Conditions of the A Share Rights Issue

It is expected that the A Share Rights Issue will be conditional upon the fulfilment of the following matters:

- (i) the approval of the Rights Issue Plan and other relevant resolutions by the Shareholders or the Independent Shareholders (as appropriate) at the General Meeting;
- (ii) the approval of the Rights Issue Plan and (if applicable) other relevant resolutions by the A Shareholders at the A Share Class Meeting and by the H Shareholders at the H Share Class Meeting, respectively;
- (iii) the approval of the Rights Issue Plan by the CSRC and other relevant regulatory authorities;
- (iv) the passing of the requisite resolution by the Shareholders which are not related to Central Huijin at the General Meeting approving the waiver in respect of the general offer obligation over the A Shares by Central Huijin to be triggered by the Rights Issue under the relevant laws and regulations in the PRC;
- (v) the passing of the Whitewash Waiver Resolutions;
- (vi) the grant of the Whitewash Waiver by the SFC in accordance with the Takeovers Code and such waiver has not been withdrawn or revoked prior to completion of the Rights Issue; and
- (vii) the subscription of the A Rights Shares by the A Shareholders being at least 70% of the A Rights Shares under the A Share Rights Issue.

None of the above conditions of the A Share Rights Issue are waivable. As of the date of this announcement, none of the above conditions of the A Share Rights Issue have been satisfied. If the conditions are not fulfilled, the A Share Rights Issue will not proceed.

Change in Registered Capital and the Corresponding Amendments to Relevant Clauses in the Articles of Association

Upon completion of the Rights Issue, the registered capital of the Company will be increased and certain amendments will be made to the Articles of Association in relation to the increase in the registered capital of the Company due to the Rights Issue. It is proposed that authorization is to be granted by the General Meeting, the A Share Class Meeting and the H Share Class Meeting to the Board to make amendments to the Articles of Association in relation to the registered capital, total number of Shares, structure of share capital and other corresponding articles according to the issuance results of the Rights Issue. Upon completion of the Rights Issue, the Company will publish a further announcement in relation to the change in registered capital and the amendments to the Articles of Association in due course, in order to provide details of such amendments to the Shareholders.

Underwriting

The H Share Rights Issue is proposed to be underwritten in accordance with Rule 7.19(1) of the Listing Rules and such underwriting will be conducted in accordance with the requirements of the Listing Rules. The underwriter(s) for the H Share Rights Issue will be appointed on or around the date of the H Share Rights Issue Announcement. In the event that the H Share Rights Issue is fully underwritten, underwriter(s) which provides full underwriting commitment for the H Rights Shares will be entities which are not concert parties of Central Huijin. Details of the underwriting arrangement in relation to the H Share Rights Issue will be provided to the Shareholders in a further announcement on the H Share Rights Issue to be published by the Company in due course. Pursuant to the *Companies (Winding Up and Miscellaneous Provisions) Ordinance* (Chapter 32 of the Laws of Hong Kong), the Listing Rules and the Articles of Association, there is no requirement for a minimum level of subscription in the H Share Rights Issue.

The A Share Rights Issue will proceed on a best effort basis as required under the applicable PRC laws and regulations. Under such best effort underwriting arrangement, the underwriter(s) for the A Share Rights Issue will use best efforts to procure subscription of the A Rights Shares, failing which such underwriter(s) will not subscribe for any unsubscribed A Rights Shares. The underwriter(s) for the A Share Rights Issue is expected to be appointed subsequent to the date of the General Meeting and the Class Meetings. Under the applicable PRC laws and regulations, the A Share Rights Issue Plan may only proceed if the subscription level of the A Rights Shares is at least 70% of the A Rights Shares under the A Share Rights Issue. The rights to subscribe for the A Shares which are not taken up will lapse and no new A Rights Shares will be issued or allotted pursuant to such rights.

Shareholders' Undertaking in relation to the Offered Rights Shares

The Company has received from Central Huijin, the controlling shareholder, the Undertaking to Subscribe for All the Offered Rights Shares (《關於全額認購可配售股份的承諾函》) in relation to the Rights Issue, under which Central Huijin will subscribe in cash for all the A Rights Shares offered to it under the A Share Rights Issue (the “**Offered Rights Shares**”) to be determined in accordance with the Rights Issue Plan in proportion to the number of Shares directly held by it after trading hours on the A Share Rights Issue Record Date. The above undertaking will be fulfilled after the matters related to the Rights Issue have been approved by the General Meeting of the Company and approved by CSRC.

Shareholders' Lock-up Undertaking

Other than the passing of the requisite resolutions as stated in the sections headed “Conditions of the H Share Rights Issue” and “Conditions of the A Share Rights Issue” above, in respect of the general offer obligation over the A Shares which will be triggered by the Rights Issue under the relevant laws and regulations in the PRC, the grant of waiver on such general offer obligation is subject to each of Central Huijin and China Jianyin Investment Limited, JIC Investment Co., Ltd. and China Investment Consulting Co., Ltd. (each directly or indirectly wholly-owned by Central Huijin) having undertaken not to transfer the A Rights Shares respectively offered to it under the A Share Rights Issue within three years after the subscription of such A Rights Shares. As at the date of this announcement, Central Huijin has provided the undertaking not to transfer the Offered Rights Shares within three years after the subscription of such Offered Rights Shares.

Publication of Further Announcement and Issuance of H Share Rights Issue Prospectus in Relation to the H Share Rights Issue

Prior to the commencement of the H Share Rights Issue, the Company will make further announcement(s) (including but not limited to the H Share Rights Issue Announcement) and issue the H Share Rights Issue Prospectus which will contain all relevant details of the Rights Issue Plan, including the final proportion based on which the Rights Shares are to be issued, the maximum number of the Rights Shares to be issued, the Rights Issue Price, the period of closure of the register of members for the H Shares and the H Share Rights Issue Record Date, the trading arrangements for H Rights Shares, the arrangements for the excess H Rights Shares, underwriting arrangements and the expected timetable of the Rights Issue Plan.

Reasons for the Rights Issue and Use of Proceeds

The Rights Issue aims to promote the stable and high-quality development of the Company, further enhance the capital strength of the Company, and strengthen the core competitiveness and risk resistance capabilities of the Company. The Board believes that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

For the use of proceeds under the Rights Issue, please refer to the “Use of Proceeds Raised from the Rights Issue” under the section headed “Details of the Rights Issue Plan” in this announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY AND SCENARIO ANALYSES

Scenario 1: For illustrative purpose, the following table sets out the Company's current shareholding structure and the proposed shareholding structure upon completion of the Rights Issue, assuming the Rights Issue is conducted on the basis of three (3) Rights Shares for every ten (10) existing Shares, the Rights Shares are fully subscribed, and no change in the total issued Shares of the Company from the date of this announcement to the Record Date:

Name of Shareholders	Class of Shares	As at the date of this announcement		Immediately after completion of the Rights Issue	
		Number of Shares held	Approximate percentage of the total number of Shares in issue	Number of Shares held	Approximate percentage of the total number of Shares in issue
Central Huijin	A Shares	1,936,155,680	40.11%	2,517,002,384	40.11%
China Jianyin Investment Limited ^{Note 1}	A Shares	911,600	0.02%	1,185,080	0.02%
JIC Investment Co., Ltd. ^{Note 1}	A Shares	911,600	0.02%	1,185,080	0.02%
China Investment Consulting Co., Ltd. ^{Note 1}	A Shares	911,600	0.02%	1,185,080	0.02%
The Group ^{Note 2}	A Shares	6,500	0.00%	8,450	0.00%
The Group ^{Note 2}	H Shares	82,230,430	1.70%	106,899,559	1.70%
Central Huijin and its concert parties	A Shares and H Shares	<u>2,021,127,410</u>	<u>41.87%</u>	<u>2,627,465,633</u>	<u>41.87%</u>
Other A Shareholders	A Shares	984,645,460	20.40%	1,280,039,098	20.40%
Other H Shareholders	H Shares	1,821,483,998	37.73%	2,367,929,197 ^{Note 3}	37.73%
Independent Shareholders	A Shares and H Shares	<u>2,806,129,458</u>	<u>58.13%</u>	<u>3,647,968,295</u>	<u>58.13%</u>
Total number of Shares in issue	A Shares and H Shares	<u>4,827,256,868</u>	<u>100%</u>	<u>6,275,433,928</u>	<u>100%</u>

Notes:

- (1) Each an entity directly or indirectly wholly-owned by Central Huijin.
- (2) As at the date of this announcement, the Group holds in aggregate 82,236,930 Shares, among which:
 - (i) the Company holds 6,500 A Shares and 39,430,430 H Shares; and
 - (ii) China International Capital Corporation Hong Kong Asset Management Limited (an indirectly wholly-owned subsidiary of the Company) holds 42,800,000 H Shares.

The interests in such Shares are held by the above entities in the capacity, amongst others, as the manager of certain funds and asset management plans.

- (3) In the event that the H Share Rights Issue is fully underwritten by underwriter(s) (which will not be a concert party of Central Huijin), such H Shares held by the other H Shareholders immediately after the completion of the Rights Issue may include H Shares held by the underwriter(s).
- (4) As at the date of this announcement, Mr. Huang Zhaohui, a Director of the Company, in the capacity as an investor, is indirectly interested in 7,240,173 H Shares through his holding of shares in fund and asset management plan, of which such shares will not entitle Mr. Huang Zhaohui to vote on matters in relation to the management of such fund and asset management plan. The voting rights in such H Shares are not controlled by Mr. Huang Zhaohui, but are exercised by manager of such fund and asset management plan.
- (5) Based on the information available to the Company and to the knowledge of the Directors, the above Shares in Note 1 and 4 shall not be counted as part of the public float; as at the date of this announcement, the percentage of the H Shares held by the public in the total number of Shares is approximately 39.29%, and the percentage of the Shares (including A Shares and H Shares) held by the public in the total number of Shares is approximately 59.68%. Immediately after completion of the Rights Issue, the percentage of the H Shares held by the public in the total number of Shares upon completion of the Rights Issue is expected to be approximately 39.29%, and the percentage of the Shares (including A Shares and H Shares) held by the public in the total number of Shares upon completion of the Rights Issue is expected to be approximately 59.68%.
- (6) Any discrepancies between the arithmetic sum of each figure and the total figure presented in the table are due to rounding adjustments.

Scenario 2: For illustrative purpose, the following table sets out the Company's current shareholding structure and the proposed shareholding structure upon completion of the Rights Issue, assuming the Rights Issue is conducted on the basis of three (3) Rights Shares for every ten (10) existing Shares, 70% of the A Rights Shares are subscribed, the H Rights Shares are fully subscribed, and no change in the total issued Shares of the Company from the date of this announcement to the Record Date:

Name of Shareholders	Class of Shares	As at the date of this announcement		Immediately after completion of the Rights Issue	
		Number of Shares held	Approximate percentage of the total number of Shares in issue	Number of Shares held	Approximate percentage of the total number of Shares in issue
Central Huijin	A Shares	1,936,155,680	40.11%	2,517,002,384	41.86%
China Jianyin Investment Limited ^{Note 1}	A Shares	911,600	0.02%	1,185,080	0.02%
JIC Investment Co., Ltd. ^{Note 1}	A Shares	911,600	0.02%	1,185,080	0.02%
China Investment Consulting Co., Ltd. ^{Note 1}	A Shares	911,600	0.02%	1,185,080	0.02%
The Group ^{Note 2}	A Shares	6,500	0.00%	8,450	0.00%
The Group ^{Note 2}	H Shares	82,230,430	1.70%	106,899,559	1.78%
Central Huijin and its concert parties	A Shares and H Shares	<u>2,021,127,410</u>	<u>41.87%</u>	<u>2,627,465,633</u>	<u>43.70%</u>
Other A Shareholders	A Shares	984,645,460	20.40%	1,016,920,279	16.91%
Other H Shareholders	H Shares	1,821,483,998	37.73%	2,367,929,197 ^{Note 3}	39.38%
Independent Shareholders	A Shares and H Shares	<u>2,806,129,458</u>	<u>58.13%</u>	<u>3,384,849,476</u>	<u>56.30%</u>
Total number of Shares in issue	A Shares and H Shares	<u>4,827,256,868</u>	<u>100%</u>	<u>6,012,315,109</u>	<u>100%</u>

Notes:

- (A) For the notes in the table above, please refer to the corresponding footnotes set out in Scenario 1 above.
- (B) Based on the information available to the Company and to the knowledge of the Directors, the Shares in Note 1 and 4 set out in Scenario 1 shall not be counted as part of the public float; as at the date of this announcement, the percentage of the H Shares held by the public in the total number of Shares is approximately 39.29%, and the percentage of the Shares (including A Shares and H Shares) held by the public in the total number of Shares is approximately 59.68%. Immediately after completion of the Rights Issue, the percentage of the H Shares held by the public in the total number of Shares upon completion of the Rights Issue is expected to be approximately 41.01%, and the percentage of the Shares (including A Shares and H Shares) held by the public in the total number of Shares upon completion of the Rights Issue is expected to be approximately 57.92%.

Scenario 3: For illustrative purpose, the following table sets out the Company's current shareholding structure and the proposed shareholding structure upon completion of the Rights Issue, assuming the Rights Issue is conducted on the basis of three (3) Rights Shares for every ten (10) existing Shares, the A Rights Shares are fully subscribed, none of the H Rights Shares are subscribed, and no change in the total issued Shares of the Company from the date of this announcement to the Record Date:

Name of Shareholders	Class of Shares	As at the date of this announcement		Immediately after completion of the Rights Issue	
		Number of Shares held	Approximate percentage of the total number of Shares in issue	Number of Shares held	Approximate percentage of the total number of Shares in issue
Central Huijin	A Shares	1,936,155,680	40.11%	2,517,002,384	44.12%
China Jianyin Investment Limited ^{Note 1}	A Shares	911,600	0.02%	1,185,080	0.02%
JIC Investment Co., Ltd. ^{Note 1}	A Shares	911,600	0.02%	1,185,080	0.02%
China Investment Consulting Co., Ltd. ^{Note 1}	A Shares	911,600	0.02%	1,185,080	0.02%
The Group ^{Note 2}	A Shares	6,500	0.00%	8,450	0.00%
The Group ^{Note 2}	H Shares	82,230,430	1.70%	82,230,430	1.44%
Central Huijin and its concert parties	A Shares and H Shares	<u>2,021,127,410</u>	<u>41.87%</u>	<u>2,602,796,504</u>	<u>45.63%</u>
Other A Shareholders	A Shares	984,645,460	20.40%	1,280,039,098	22.44%
Other H Shareholders	H Shares	1,821,483,998	37.73%	1,821,483,998	31.93%
Independent Shareholders	A Shares and H Shares	<u>2,806,129,458</u>	<u>58.13%</u>	<u>3,101,523,096</u>	<u>54.37%</u>
Total number of Shares in issue	A Shares and H Shares	<u>4,827,256,868</u>	<u>100%</u>	<u>5,704,319,600</u>	<u>100%</u>

Notes:

- (A) For the notes in the table above, please refer to the corresponding footnotes set out in Scenario 1 above.
- (B) Based on the information available to the Company and to the knowledge of the Directors, the Shares in Note 1 and 4 set out in Scenario 1 shall not be counted as part of the public float; as at the date of this announcement, the percentage of the H Shares held by the public in the total number of Shares is approximately 39.29%, and the percentage of the Shares (including A Shares and H Shares) held by the public in the total number of Shares is approximately 59.68%. Immediately after completion of the Rights Issue, the percentage of the H Shares held by the public in the total number of Shares upon completion of the Rights Issue is expected to be approximately 33.25%, and the percentage of the Shares (including A Shares and H Shares) held by the public in the total number of Shares upon completion of the Rights Issue is expected to be approximately 55.69%.

Scenario 4: For illustrative purpose, the following table sets out the Company's current shareholding structure and the proposed shareholding structure upon completion of the Rights Issue, assuming the Rights Issue is conducted on the basis of three (3) Rights Shares for every ten (10) existing Shares, 70% of the A Rights Shares are subscribed, none of the H Rights Shares are subscribed, and no change in the total issued Shares of the Company from the date of this announcement to the Record Date:

Name of Shareholders	Class of Shares	As at the date of this announcement		Immediately after completion of the Rights Issue	
		Number of Shares held	Approximate percentage of the total number of Shares in issue	Number of Shares held	Approximate percentage of the total number of Shares in issue
Central Huijin	A Shares	1,936,155,680	40.11%	2,517,002,384	46.26%
China Jianyin Investment Limited ^{Note 1}	A Shares	911,600	0.02%	1,185,080	0.02%
JIC Investment Co., Ltd. ^{Note 1}	A Shares	911,600	0.02%	1,185,080	0.02%
China Investment Consulting Co., Ltd. ^{Note 1}	A Shares	911,600	0.02%	1,185,080	0.02%
The Group ^{Note 2}	A Shares	6,500	0.00%	8,450	0.00%
The Group ^{Note 2}	H Shares	82,230,430	1.70%	82,230,430	1.51%
Central Huijin and its concert parties	A Shares and H Shares	2,021,127,410	41.87%	2,602,796,504	47.84%
Other A Shareholders	A Shares	984,645,460	20.40%	1,016,920,279	18.69%
Other H Shareholders	H Shares	1,821,483,998	37.73%	1,821,483,998	33.48%
Independent Shareholders	A Shares and H Shares	2,806,129,458	58.13%	2,838,404,277	52.17%
Total number of Shares in issue	A Shares and H Shares	4,827,256,868	100%	5,441,200,781	100%

Notes:

- (A) For the notes in the table above, please refer to the corresponding footnotes set out in Scenario 1 above.
- (B) Based on the information available to the Company and to the knowledge of the Directors, the Shares in Note 1 and 4 set out in Scenario 1 shall not be counted as part of the public float; as at the date of this announcement, the percentage of the H Shares held by the public in the total number of Shares is approximately 39.29%, and the percentage of the Shares (including A Shares and H Shares) held by the public in the total number of Shares is approximately 59.68%. Immediately after completion of the Rights Issue, the percentage of the H Shares held by the public in the total number of Shares upon completion of the Rights Issue is expected to be approximately 34.85%, and the percentage of the Shares (including A Shares and H Shares) held by the public in the total number of Shares upon completion of the Rights Issue is expected to be approximately 53.54%.

According to public information, as at the date of this announcement, the Company's public float percentage complies with the requirements under Rule 8.08 of the Listing Rules. Upon the completion of the Rights Issue, the Company's public float percentage will continue to comply with the requirements under Rule 8.08 of the Listing Rules.

IMPLICATIONS UNDER THE TAKEOVERS CODE

As at the date of this announcement, Central Huijin and its concert parties hold in aggregate 2,021,127,410 Shares, representing approximately 41.87% of the total issued Shares of the Company. As illustrated in the section headed "Shareholding Structure of the Company and Scenario Analyses", upon completion of the Rights Issue Plan, Central Huijin and its concert parties' voting rights in the Company will increase to up to 2,602,796,504 Shares or approximately 47.84% of the total issued Shares of the Company, i.e. by up to 581,669,094 Shares or approximately 5.97% as compared with its lowest voting rights percentage in the 12 months preceding the completion of the Rights Issue, assuming that:

- (i) Central Huijin and its concert parties will fully subscribe their A Rights Shares entitlement;
- (ii) the subscription level of the A Rights Shares of the Company will only reach the minimum requirement of 70% (i.e. condition (vii) set out in the sub-section headed "Conditions of the A Share Rights Issue"); and
- (iii) there is nil subscription for the H Rights Shares by the H Shareholders.

In the absence of the Whitewash Waiver, completion of the Rights Issue may give rise to an obligation on the part of Central Huijin to make a mandatory offer for all the Shares other than those already owned or agreed to be acquired by it under Rule 26.1 of the Takeovers Code.

Central Huijin will apply to the Executive for the Whitewash Waiver from compliance with the obligation to make a mandatory offer under Rule 26.1 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, is expected to be subject to, among other things, the passing of the Whitewash Waiver Resolutions, i.e. resolutions approving (A) the Whitewash Waiver by at least 75% of the independent votes that are cast either in person or by proxy by the Independent Shareholders at the General Meeting; and (B) the Rights Issue by more than 50% of the independent votes that are cast either in person or by proxy by the Independent Shareholders at the General Meeting, as required under the Takeovers Code. The Rights Issue will not proceed if the Whitewash Waiver is not granted by the Executive or if the Whitewash Waiver Resolutions do not pass.

As at the date of this announcement, the Company does not believe that the Rights Issue Plan gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular in respect of the Whitewash Waiver. The Company notes that the Executive may not grant the Whitewash Waiver if the Rights Issue Plan does not comply with other applicable rules and regulations. Central Huijin and its concert parties and those who are involved in or interested in the Rights Issue Plan and/or the Whitewash Waiver will be required to abstain from voting in respect of the Whitewash Waiver Resolutions.

Prior to the Rights Issue, Central Huijin, which is the existing controlling shareholder of the Company, together with its concert parties hold approximately 41.87% of the total issued Shares of the Company. Immediately upon completion of the Rights Issue, assuming no other change in the number of issued Shares in the Company, Central Huijin will remain as a controlling shareholder of the Company. The Rights Issue will not result in the change in controlling shareholder of the Company.

ADDITIONAL DISCLOSURE OF INTEREST

As at the date of this announcement, other than the holdings of Shares and the Rights Shares which may be subscribed for as disclosed in the section headed “Shareholding Structure of the Company and Scenario Analyses”, Central Huijin confirms that:

- (i) none of Central Huijin or its concert parties has dealt in any Shares, acquired or entered into any agreement to acquire any voting rights in the Company within the six months immediately prior to the date of this announcement;
- (ii) other than the Rights Shares which may be subscribed for, none of Central Huijin or its concert parties will make any acquisitions or disposals of voting rights in the Company which constitute disqualifying transactions (within the meaning of the Takeovers Code) in the period between the date of this announcement and the completion of the Rights Issue Plan;
- (iii) there is no holding of voting rights in the Company or rights over any Shares which is owned, controlled or directed by Central Huijin or any of its concert parties;
- (iv) none of Central Huijin or its concert parties has received any irrevocable commitment from any person to vote for or against the Whitewash Waiver Resolutions to be proposed at the General Meeting;
- (v) Central Huijin and its concert parties do not hold any outstanding options, warrants, derivatives or any securities that are convertible into Shares or any derivatives in respect of securities of the Company;
- (vi) there is no outstanding derivative in respect of the securities of the Company which has been entered into by any of Central Huijin and its concert parties;

- (vii) save for the Rights Issue Plan and the undertakings provided by Central Huijin as described in the sections headed “Shareholders’ Undertaking in relation to the Offered Rights Shares” and “Shareholders’ Lock-up Undertaking”, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or shares of any of Central Huijin and its concert parties and which might be material to the transactions contemplated under the Rights Issue Plan or the Whitewash Waiver;
- (viii) save for the subscription price for the Rights Shares which may be payable under the Rights Issue, none of Central Huijin or its concert parties has paid or will pay any other considerations, compensations or benefits in whatever form to the Company or any of its concert parties in relation to the Rights Issue Plan;
- (ix) none of Central Huijin or its concert parties has entered into any understanding, arrangement or agreement which constitutes special deal (as defined under Rule 25 of the Takeovers Code) with any of the Shareholders;
- (x) save for the undertakings provided by Central Huijin as described in the sections headed “Shareholders’ Undertaking in relation to the Offered Rights Shares” and “Shareholders’ Lock-up Undertaking”, there are no agreements or arrangements to which Central Huijin is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition under the Rights Issue Plan or the Whitewash Waiver; and
- (xi) none of Central Huijin or its concert parties has borrowed or lent any Shares or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

As at the date of this announcement, the Company confirms that none of the Company, its subsidiaries or associated companies has entered into any understanding, arrangement or agreement which constitutes special deal (as defined under Rule 25 of the Takeovers Code) with any of the Shareholders.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.8 of the Takeovers Code, members of the Independent Board Committee should comprise all non-executive Directors who have no interest in the Rights Issue Plan and the Whitewash Waiver other than as a Shareholder.

The Independent Board Committee (comprising Ms. Tan Lixia and Mr. Duan Wenwu, being the non-executive Directors and Mr. Liu Li, Mr. Ng Kong Ping Albert, Mr. Lu Zhengfei and Mr. Peter Hugh Nolan, being the independent non-executive Directors) has been formed in accordance with Rule 2.8 of the Takeovers Code to advise the Independent Shareholders on the Whitewash Waiver Resolutions.

Mr. Shen Rujun, a non-executive Director of the Company, is currently the vice-chairman, executive director and president of Central Huijin and is therefore not considered as independent for the purpose of giving advice or recommendations to the Independent Shareholders.

Somerley Capital Limited has been appointed as the Independent Financial Adviser by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in relation to the Whitewash Waiver Resolutions.

CIRCULAR

In accordance with the relevant requirements under the Articles of Association and the Takeovers Code, the Company will despatch a circular to the H Shareholders in due course, containing, among other things, (i) details of the Rights Issue and the Whitewash Waiver; (ii) a letter from the Independent Board Committee and a letter of advice from the Independent Financial Adviser; and (iii) the notices for convening the General Meeting and the H Share Class Meeting.

As the completion of the Rights Issue will be subject to, among other things, the approvals by the Shareholders or the Independent Shareholders (as appropriate) of the Rights Issue Plan and the Whitewash Waiver Resolutions at the General Meeting and (as the case may be) the Class Meetings, the approvals by the CSRC and other relevant regulatory authorities of the Rights Issue Plan and the grant of the Whitewash Waiver by the SFC, which may or may not be granted by the Executive, the Rights Issue may or may not materialize. Each of the A Share Rights Issue and the H Share Rights Issue is conditional upon the fulfilment of the conditions respectively set out in the sections headed “Conditions of the A Share Rights Issue” and “Conditions of the H Share Rights Issue” in this announcement. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

OTHER INFORMATION

Shareholders’ attention is also drawn to the overseas regulatory announcements headed:

- (i) The plan on public issuance of securities by way of Rights Issue in 2022 (2022年度配股公開發行證券預案) (the “**A Share Rights Issue Plan Announcement**”);
- (ii) Announcement on the risk reminder of and remedial measures for dilution of immediate returns as a result of the proposed Rights Issue to the existing Shareholders and the undertakings by the relevant parties (關於向原股東配售股份攤薄即期回報的風險提示及填補措施與相關主體承諾的公告) (the “**A Share Risk Reminder Announcement**”);
- (iii) Announcement on the resolutions of the twenty-sixth meeting of the Second Session of the Board of Directors and the related document (第二屆董事會第二十六次會議決議公告及相關文件) (the “**A Share Board Resolutions Announcement**”);
- (iv) Announcement on the resolutions of the eighteenth meeting of the Second Session of the Supervisory Committee (第二屆監事會第十八次會議決議公告);
- (v) Statements on the satisfaction of the conditions for the Rights Issue (關於符合配股條件的說明);
- (vi) Report on the use of previously raised proceeds (前次募集資金使用情況報告);

- (vii) Report and audit report on the use of previously raised proceeds (前次募集資金使用情況報告及鑒證報告);
- (viii) 2022 feasibility analysis report on the use of proceeds from the Rights Issue (2022年度配股募集資金使用的可行性分析報告); and
- (ix) Announcement on the undertaking to subscribe for all the offered Rights Shares from the controlling shareholder (關於控股股東承諾全額認購可配股份的公告) respectively,

each dated September 13, 2022 and issued by the Company in relation to the Rights Issue Plan of the Company. English translation and the Chinese version of the relevant parts of the A Share Rights Issue Plan Announcement and the A Share Board Resolutions Announcement containing material information with Takeovers Code implications are attached to this announcement as Appendix I.

Reference is made to the section headed “I. Calculation of the Impact of the Rights Issue on the Company’s Key Financial Indicators (一、本次配股對公司主要財務指標的影響測算)” (the “**Relevant Information**”) in the A Share Risk Reminder Announcement in Chinese issued by the Company and published on the website of the SSE (www.sse.com.cn) on September 13, 2022 in relation to the A Share Rights Issue Plan. A copy of the A Share Risk Reminder Announcement (together with a translation in English) also appears on the HKEXnews website of The Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) as an overseas regulatory announcement. While the Relevant Information constitutes profit forecast under Rule 10 of the Takeovers Code, **Shareholders and other investors should note that the Relevant Information has not been prepared to a standard required under Rule 10 of the Takeovers Code and has not been reported on in accordance with Rule 10. Therefore, the Relevant Information should not be relied upon as a forecast of any future profitability or other financial position of the Company. Shareholders and other investors should exercise caution when reading and interpreting the Relevant Information and when assessing the merits or demerits of the Rights Issue Plan and dealing or investing in the Shares or other securities of the Company.**

An application has been made by the Company to the Executive for a waiver from the reporting on requirements set out in Rule 10 of the Takeovers Code. On the basis that (i) inclusion of the Relevant Information in the A Share Risk Reminder Announcement is required under the relevant laws, rules and/or regulations in the PRC; (ii) the scenarios set out in the Relevant Information are assumptions for illustrative purposes only with reference to the relevant laws, rules and/or regulations in the PRC and are not intended by the Company to be forecasts of the net profit of the Company for the year ending December 31, 2022; (iii) it would be unnecessary and inappropriate for the reporting requirements under Rule 10 of the Takeovers Code to be satisfied in respect of the Relevant Information which are illustrative scenarios only; and (iv) appropriate disclaimers have been included in the A Share Risk Reminder Announcement published on the HKEXnews website as an overseas regulatory announcement, the Executive has indicated that it is minded to grant such waiver.

GENERAL INFORMATION

Information about the Company

Founded in 1995, the Company is committed to providing high quality, value-added financial services to a diversified client base, and has established a full-service business model that offers investment banking, equities, FICC, asset management, private equity and wealth management services, all of which draw on our comprehensive research coverage and information technology.

Information about Central Huijin

Central Huijin is a state-owned investment company incorporated in accordance with the *Company Law of the People's Republic of China*. Central Huijin, in accordance with authorization by the State Council, makes equity investments in major state-owned financial enterprises, and shall, to the extent of its capital contribution, exercise the rights and perform the obligations as a capital contributor on behalf of the PRC in accordance with applicable laws, so as to achieve the goal of preserving and enhancing the value of state-owned financial assets. Central Huijin does not conduct any other business or commercial activity, and does not intervene in the daily business operations of the key state-owned financial enterprise in which it holds controlling shareholding.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“A Rights Share(s)”	the new A Share(s) proposed to be allotted and issued to the A Shareholders pursuant to the A Share Rights Issue Plan
“A Share Class Meeting”	the A Shareholders’ class meeting of the Company to be held to consider and, if thought fit, approve, among others, the Rights Issue Plan
“A Share Rights Issue” or “A Share Rights Issue Plan”	the proposed issue of up to 877,062,732 A Rights Shares at the Rights Issue Price on the basis of up to three (3) A Rights Share for every ten (10) existing A Shares held on the A Share Rights Issue Record Date. If there is any change in the total issued Shares of the Company prior to the implementation of the Rights Issue as a result of bonus issue, conversion of capital reserve into share capital or other reasons of the Company, the number of Rights Shares to be issued will be adjusted according to the changed total issued Shares. The final proportion and number of Rights Shares will be determined through the negotiation between the Board or its authorized person(s) as authorized by the General Meeting and the sponsor(s) (underwriter(s)) with reference to the market conditions before the issuance
“A Share Rights Issue Record Date”	the reference date on which the entitlements to the A Share Rights Issue are to be determined, and such date is to be determined by the Board or its authorized person(s)

“A Share(s)”	ordinary share(s) in the share capital of the Company with a par value of RMB1.00 each, which is (are) subscribed and traded in RMB and listed on the SSE
“A Shareholder(s)”	holder(s) of A Shares
“acting in concert” or “concert parties”	has the meaning as defined in the Takeovers Code. For the avoidance of doubt, Central Huijin’s concert parties do not include financial institutions (other than the Group, China Jianyin Investment Limited, JIC investment Co., Ltd. and China Investment Consulting Co., Ltd.) in which Central Huijin directly or indirectly holds 20% or more of their total voting rights
“Articles of Association”	the Articles of Association of China International Capital Corporation Limited
“Board”	the board of Directors of the Company
“Central Huijin”	Central Huijin Investment Ltd., a wholly state-owned company ultimately owned by the PRC government, the controlling shareholder of the Company
“Class Meetings”	collectively, the A Share Class Meeting and the H Share Class Meeting
“Company”	China International Capital Corporation Limited, a joint stock company incorporated in the PRC with limited liability, the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange (Stock Code: 03908) and on the SSE (Stock Code: 601995) respectively
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CSDC”	China Securities Depository and Clearing Corporation Limited
“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company
“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Company, based on relevant legal opinions provided by legal advisers, considers that it is necessary or expedient to exclude from participating in the Rights Issue on account either of the legal restrictions under the laws of the place of his/her/their registered address(es) or the requirements of the relevant regulatory authorities or stock exchange in such place
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of such Executive Director
“General Meeting”	the Shareholders’ general meeting of the Company to be held to consider and, if thought fit, approve, among others, the Rights Issue Plan and the Whitewash Waiver

“Group”	the Company and its subsidiaries
“H Rights Share(s)”	the new H Share(s) proposed to be allotted and issued to the Qualified H Shareholders pursuant to the H Share Rights Issue Plan
“H Share Class Meeting”	the H Shareholders’ class meeting of the Company to be held to consider and, if thought fit, approve, among others, the Rights Issue Plan
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“H Share Rights Issue” or “H Share Rights Issue Plan”	the proposed issue of up to 571,114,328 H Rights Shares at the Rights Issue Price on the basis of up to three (3) H Rights Share for every ten (10) existing H Shares held on the H Share Rights Issue Record Date. If there is any change in the total issued Shares of the Company prior to the implementation of the Rights Issue as a result of bonus issue, conversion of capital reserve into share capital or other reasons of the Company, the number of Rights Shares to be issued will be adjusted according to the changed total issued Shares. The final proportion and number of Rights Shares will be determined through the negotiation between the Board or its authorized person(s) as authorized by the General Meeting and the sponsor(s) (underwriter(s)) with reference to the market conditions before the issuance
“H Share Rights Issue Announcement”	the announcement setting out, amongst others, the final terms and conditions of the Rights Issue (including but not limited to the Rights Issue Price) to be published by the Company with reference to the prevailing market conditions subsequent to the approval of the Rights Issue Plan by the CSRC
“H Share Rights Issue Prospectus”	the prospectus in relation to the H Share Rights Issue to be issued by the Company and despatched to the H Shareholders, which contains further details of the H Share Rights Issue
“H Share Rights Issue Record Date”	the reference date on which the entitlements to the H Share Rights Issue are to be determined, and such date is to be determined by the Board or its authorized person(s)
“H Share(s)”	ordinary share(s) in the share capital of the Company with a par value of RMB1.00 each, which is (are) subscribed and traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange
“H Shareholder(s)”	holder(s) of the H Shares
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	the independent board committee of the Company comprising Ms. Tan Lixia and Mr. Duan Wenwu, being the non-executive Directors and Mr. Liu Li, Mr. Ng Kong Ping Albert, Mr. Lu Zhengfei and Mr. Peter Hugh Nolan, being the independent non-executive Directors, which is formed in accordance with the Takeovers Code to advise the Independent Shareholders on the Whitewash Waiver Resolutions

“Independent Financial Adviser”	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in relation to the Whitewash Waiver Resolutions
“Independent Shareholders”	the Shareholders other than (i) Central Huijin and its concert parties; and (ii) the Shareholders who are involved in or interested in the Rights Issue Plan and/or the Whitewash Waiver
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Offered Rights Shares”	has the meaning given to it under the section headed “Shareholders’ Undertaking in relation to the Offered Rights Shares” in this announcement
“Overseas Shareholder(s)”	H Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the H Share Rights Issue Record Date and whose registered address(es) is/are in a place outside Hong Kong
“PRC Southbound Trading Investors”	PRC investors holding the shares of Hong Kong listed companies through the CSDC, the agent under Shanghai-Hong Kong Stock Connect
“PRC” or “China”	the People’s Republic of China
“Qualified H Shareholder(s)”	H Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the H Share Rights Issue Record Date (but excluding the Excluded Shareholders)
“Record Date”	A Share Rights Issue Record Date and/or H Share Rights Issue Record Date
“Rights Issue”	the A Share Rights Issue and/or the H Share Rights Issue
“Rights Issue Plan”	A Share Rights Issue Plan and/or H Share Rights Issue Plan
“Rights Issue Price”	the final subscription price for the A Rights Shares and the H Rights Shares to be offered pursuant to the Rights Issue Plan
“Rights Share(s)”	A Rights Share(s) and/or H Rights Share(s)
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong

“SSE”	the Shanghai Stock Exchange (上海證券交易所)
“Share(s)”	ordinary share(s) in the shares of the Company with a par value of RMB1.00 each, including A Share(s) and H Share(s)
“Shareholder(s)”	the shareholders of the Company
“State Council”	the State Council of the People’s Republic of China (中華人民共和國國務院)
“Takeovers Code”	The Code on Takeovers and Mergers published by the SFC (as revised, supplemented or otherwise modified from time to time)
“Whitewash Waiver”	a waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code of the obligation on the part of Central Huijin to make a general offer for all Shares and other equity share capital of the Company (other than those already owned or agreed to be acquired by Central Huijin and its concert parties) as a result of the allotment and issue of the Rights Shares to and the subscription of the Rights Shares by Central Huijin under the Rights Issue Plan
“Whitewash Waiver Resolutions”	resolutions approving (A) the Whitewash Waiver by at least 75% of the independent votes that are cast either in person or by proxy by the Independent Shareholders at the General Meeting, and (B) the Rights Issue by more than 50% of the independent votes that are cast either in person or by proxy by the Independent Shareholders at the General Meeting as required under the Takeovers Code
“%”	per cent.

By order of the Board
China International Capital Corporation Limited
 Secretary to the Board
Sun Nan

Beijing, the PRC
 September 13, 2022

As at the date of this announcement, the Executive Director of the Company is Mr. Huang Zhaohui; the Non-executive Directors are Mr. Shen Rujun, Ms. Tan Lixia and Mr. Duan Wenwu; and the Independent Non-executive Directors are Mr. Liu Li, Mr. Ng Kong Ping Albert, Mr. Lu Zhengfei and Mr. Peter Hugh Nolan.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

APPENDIX I

The relevant parts of (A) the A Share Rights Issue Plan Announcement and (B) the A Share Board Resolutions Announcement¹ containing material information with Takeovers Code implications (Chinese version)

(A) 本次配股募集資金的投向具體如下：

(一) 支持業務發展資本金需求

本次募集資金不超過240億元擬用於支持業務發展資本金需求，增強公司使用資產負債表資源為客戶提供一體化綜合服務的資本實力。公司將以整體戰略為導向，結合各業務發展規劃，統一管理和分配資本金，資金重點使用方向包括但不限於支持以下各業務發展的資本金需求：

1、資本服務與產品業務

公司基於資本金實力、交易定價與產品設計能力，為客戶提供主經紀商、做市交易、信用交易、融資服務、衍生品交易、跨境交易等多種權益類及固定收益類資本服務及創新產品業務，以滿足客戶多元化、定制化的投融資、資產配置與風險管理需求。資本服務與產品業務是公司運用資產負債表為客戶提供一體化綜合服務的重要載體，也是公司重要的業務增長點。

公司將持續加強權益類資本服務與產品業務體系建設，打造跨境聯通、一站服務的股票業務平台。作為衍生品核心交易商，深化產品創新，滿足各類機構客群多元化金融服務需求；鞏固互聯互通業務市場領先地位，推進海外平台拓展，提升國際化競爭力；持續完善跨境、跨市場配置服務和業務範圍，豐富產品與客戶結構，強化一二級市場及跨境資本聯動；持續完善業務系統，提升運營管理效率和客戶體驗，強化風險管理能力，加快推進數字化進程，實現科技賦能。

公司將進一步完善涵蓋利率、信用、結構化、外匯及商品的固定收益類資本服務與產品業務體系，提升綜合客戶服務能力；加強做市交易和產品定制化創設能力，推動產品創新，提升服務實體經濟能力，拓展多元產品線布局；提升跨境業務能力，推進跨境產品設計和客戶服務平台建設，加強國際化客戶覆蓋和交易服務能力；加快推進數字化轉型，探索金融科技創新，加強風控能力和運營體系建設，打造業務與科技融合的全敏捷固收平台。

¹ The full text of (A) the A Share Rights Issue Plan Announcement and (B) the A Share Board Resolutions Announcement are published in Chinese on the the website of the SSE (www.sse.com.cn) and as overseas regulatory announcement in Chinese on the HKEXnews website of The Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>).

2、投資銀行業務

公司將繼續發揮綜合優勢，加大投資銀行業務資源投入，落實區域化部署，推動國際化發展，加大客戶覆蓋廣度和深度，提升市場份額。股權融資業務方面，繼續推動在新興行業、重點區域和國際布局向縱深發展，支持多層次資本市場與直接融資體系建設，深入服務科技創新、產業升級和綠色發展企業融資需求；債務與結構化融資業務方面，持續提升一級發行承銷規模，鞏固基礎設施公募REITs業務領先地位，積極布局多品種跨境產品，以創新產品為抓手，爭取市場先機。投行業務在科創板保薦跟投、債券發行與資產證券化、餘股餘債包銷、併購貸款、機構貸款、債務重整等業務領域對資本金均有較大需求。

3、財富管理業務

公司將持續推動財富管理資本服務穩健發展，擴大融資融券等傳統業務及其他新型資本中介業務規模，豐富投資者交易工具，提升市場流動性；通過資本服務手段增強核心客戶黏性，同時加強產品配置業務與投顧團隊建設，圍繞客戶需求提供「財富規劃+資產配置」定制化解決方案，通過優質產品和一站式綜合服務，以及金融科技等數字化手段，提升財富管理平台的客群積累及資產沉澱，加速推進買方投顧模式轉型升級。

4、私募股權業務

公司將聚焦支撐經濟高質量發展的賽道領域，穩健布局私募股權投資業務。公司將通過增加自有資本金投入，支持新基金和新業務開拓，把握優質股權投資機會，鞏固公司在私募股權投資領域領先地位。公司將持續打造全方位、多層次的股權投資能力，持續擴大基金在管規模及行業影響力，深化重點區域下沉及戰略新興產業布局，積極支持產業調整、區域發展和新經濟增長；完善多元產品線布局，擴大成長期投資基金、母基金等領域優勢，加速推進美元基金、併購基金、創業投資基金等重點業務發展；推動業務流程線上化、規範化，增強數字化服務能力。

5、資產管理業務

公司正在籌備設立全資資產管理子公司，並將在設立後由其承繼公司證券資產管理業務。公司將根據相關監管規定和業務持續發展需求，為資產管理業務提供資本金支持，持續提升客戶綜合服務能力；加強投研能力建設，提升主動管理能力，推動創新產品開發，豐富產品線布局；擴大客戶覆蓋基礎，深化零售及境外渠道拓展；加速金融科技轉型，完善風險管理體系，建設行業領先的資產管理平台。

(二) 補充其他營運資金

本次募集資金不超過30億元擬用於補充其他營運資金相關投入。公司將密切關注監管政策和市場形勢變化，結合發展戰略與實際經營情況，合理配置本次配股募集資金，及時補充公司在業務發展過程中的營運資金需求，保障各項業務有序開展。

(B) 根據《上市公司獨立董事規則》《上海證券交易所股票上市規則》《中國國際金融股份有限公司章程》(以下簡稱「《公司章程》」)等有關規定，我們作為中國國際金融股份有限公司(以下簡稱「公司」)的獨立非執行董事，經認真審閱議案等資料並了解相關情況，基於獨立判斷的立場，就公司第二屆董事會第二十六次會議的相關事項發表以下獨立意見：

1. 公司本次配股方案符合《中華人民共和國公司法》《中華人民共和國證券法》《上市公司證券發行管理辦法》等法律、法規及《公司章程》的規定，本次配股定價原則公平、公允，不存在損害公司及其股東、特別是中小股東利益的情形。本次配股符合公司實際情況，具有可行性，符合公司和全體股東的利益。
2. 本次配股的募集資金投向符合國家相關的產業政策。本次配股有利於公司增強資本實力，改善資產負債結構，有利於公司推進主營業務的發展，增強公司的經營能力和市場競爭能力，符合公司和全體股東的利益。
3. 公司就本次配股發行證券對即期回報攤薄的影響進行了相關分析，提出了具體的填補回報措施，符合《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》及《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》等要求，相關主體對保障公司填補回報措施能夠得到切實履行作出承諾，不存在損害公司及中小股東利益的情形，符合公司和全體股東的利益。
4. 公司審議本次配股相關事項的董事會召開程序、表決程序符合相關法律、法規及《公司章程》的規定。

The relevant parts of (A) the A Share Rights Issue Plan Announcement and (B) the A Share Board Resolutions Announcement containing material information with Takeovers Code implications (English version)

(A) The specific use of proceeds from the Rights Issue is as follows:

(I) Supporting the Capital Needs for Business Development

The proceeds amounting to no more than RMB24 billion are proposed to be used for supporting the capital needs for business development, enhancing the Company's capital strength to provide customers with integrated services by balance sheets resources. Guided by this overall strategy, the Company will uniformly manage and allocate its capital considering the business development plans of all business lines. The proceeds will be mainly used for, including but not limited to, replenishing the capital for supporting the development of the following businesses:

1. *Capital services and products businesses*

Based on capital strength, transaction pricing and product design capabilities, the Company provides customers with a variety of equity and FICC capital services and innovative products businesses such as prime brokerage, market-making transactions, credit transactions, financing services, derivatives trading and cross-border transactions, aiming at meeting customers' diversified and customized needs for investment and financing, asset allocation and risk management. The capital services and product businesses are the important carriers for the Company to provide customers with integrated services by using balance sheets, as well as the important business growth point for the Company.

The Company will continue to strengthen the construction of equity capital services and product businesses system to build an equities business platform providing one-stop cross-border services. Being a core market maker in derivatives trading, the Company will deepen product innovation in order to meet the diversified financial service needs of a variety of institutional customers. The Company will consolidate the market leading position in market interconnection businesses, promote overseas platform expansion and enhance international competitiveness. The Company will continue to improve cross-border and cross-market investment allocation services and business scope, enrich product and customer structure, and strengthen primary and secondary markets and cross-border capital linkage. The Company will continue to improve business systems, operational management efficiency and customer experience, strengthen risk management capabilities, accelerate the digitalization process, and achieve technological empowerment.

The Company will further improve the FICC capital services and product businesses system covering interest rate, credit, structuring, foreign exchange and commodities, and enhance comprehensive service capabilities for customers; strengthen capabilities in market-making transactions and creating customized products, promote product innovation, improve the ability to serve the real economy, and expand the layout of diversified product lines; enhance cross-border business capabilities, promote the construction of cross-border product design and customer service platform, strengthen international customers coverage and transaction service capabilities; accelerate digital transformation, explore financial technology innovation, strengthen risk control capabilities and operational system construction, and build a fully agile FICC platform integrated with advanced business and technology.

2. *Investment banking business*

The Company will continue to leverage on its comprehensive advantages, increase resources investment in investment banking business, implement regional deployment, promote international development, increase the breadth and depth of customer coverage, and increase market share. In terms of equity financing business, the Company will continue to promote the in-depth development in emerging industries, key regions and international distribution, support the construction of multi-level capital market and direct financing system, and deeply serve the financing needs of technological innovation, industrial upgrading and green development enterprises; in terms of debt and structured financing business, the Company will continuously increase the underwriting scale of primary issuance, consolidate its leading position in publicly offered infrastructure REITs business, actively deploy multiple cross-border products, and seek for market opportunities relying on innovative products. The investment banking business has a greater demand for capital in business areas such as co-investments as sponsor on STAR Market, bond issuance and asset securitization, standby equity and debt underwritings, M&A loans, institution loans and debt restructuring.

3. *Wealth management business*

The Company will continue to promote the steady development of wealth management capital services, expand the scale of traditional businesses such as margin financing and securities lending and other new capital intermediary business, enrich investors' trading tools, and improve market liquidity; enhance core customer stickiness through capital services, while strengthening product allocation business and investment advisory team building, provide customized solutions of "wealth planning & asset allocation" based on customer needs, enhance the customer base and asset accumulation of the wealth management platform through high-quality products and one-stop comprehensive services, as well as digital means such as financial technology, and accelerate the transformation and upgrading of the buyers' investment and consultation model.

4. *Private equity business*

The Company will continue to promote its private equity investment business with focus on fields that back up the high-quality development of the economy. The Company will support the development of new funds and new businesses, grasp high-quality equity investment opportunities, and consolidate the Company's leading position in the area of private equity investment by increasing its own capital investment. The Company will continue to build comprehensive and multi-level equity investment capabilities, continue to expand the scale of funds under management and industry influence, deepen the business layout in key regions and strategic emerging industries; actively support industrial restructuring, regional development and growth of new economy; improve the layout of diversified product lines, expand the advantage in growth-stage investment funds, FoFs and other fields, and accelerate the development of key businesses such as USD funds, buyout funds and venture capital funds; promote the digitalization and standardization of business processes and enhance digital service capabilities.

5. *Asset management business*

The Company is preparing to establish a wholly-owned asset management subsidiary, which will take over the Company's securities asset management business after its establishment. The Company will provide capital support for the asset management business in accordance with relevant regulatory requirements and the needs of business sustainable development, and continue to improve the comprehensive customer service capability; strengthen the construction of investment and research capabilities, improve active management capabilities, promote the development of innovative products, and enrich the layout of product lines; expand the customer coverage base and deepen the expansion of retail and overseas channels; accelerate the transformation of financial technology, improve the risk management system, and build an industry-leading asset management platform.

(II) Replenishing Other Working Capital

No more than RMB3 billion of the proceeds raised from the Rights Issue is intended to be used to replenish other working capital related investments. The Company will closely monitor the changes in regulatory policies and market conditions, reasonably allocate the proceeds raised from the Rights Issue after taking into consideration the development strategies and actual operating conditions, and promptly replenish the working capital needs in the process of business development of the Company, so as to ensure the orderly development of various businesses.

(B) According to the *Rules for Independent Directors of Listed Companies*, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, the Articles of Association and other relevant requirements, as the independent non-executive Directors of the Company, after carefully reviewing the proposals and other materials and understanding the relevant circumstances, we have expressed the following independent opinions on the relevant matters of the twenty-sixth meeting of the second session of the Board of the Company based on our independent judgment:

1. The Rights Issue Plan complies with the requirements under laws and regulations, such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and the *Administrative Measures for the Issuance of Securities by Listed Companies* as well as the Articles of Association. The pricing principle of the Rights Issue Plan is fair and equitable, and there are no harm to the interests of the Company and its Shareholders, especially the minority Shareholders. The rights issue is in line with the actual circumstances of the Company, feasible and in the interests of the Company and all Shareholders.
2. The use of the proceeds from the Rights Issue complies with relevant national industrial policies. The Rights Issue is conducive for the enhancement of capital strength, improving the asset-liability structure, promotion of the development of the Company's main business and enhancement of the management capabilities and market competitiveness of the Company, which is in the interests of the Company and all Shareholders.
3. The Company analyzed the impact of the issuance of securities under the Rights Issue on the dilution of immediate return, and proposed specific measures to make up for the dilution, which are in line with the requirements of the *Opinions of the General Office of the State Council on Further Strengthening the Work of Protection of the Rights and Interests of Minority Investors in Capital Market* and the *Guidance Opinion on Matters Pertaining to Dilution of Return for the Immediate Period Resulting from Initial Offering and Follow-on Offerings or Material Asset Restructuring*. Relevant parties shall make undertaking to ensure that the measures of the Company to make up for the dilution could be effectively implemented, and there were no harm to the interests of the Company and the minority Shareholders, which are in line with the interests of the Company and all Shareholders.
4. The convening of, and the voting procedures in, the meeting of the Board at which the relevant matters of the Rights Issue were considered are in compliance with the requirements under the relevant laws, regulations and the Articles of Association.