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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)

RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

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

As the Company and its subsidiaries (the “**Group**”) have issued bonds on the Shanghai Stock Exchange, in order to provide more financial information to the shareholders, bondholders and potential investors of the Company, the Company has made reference to the relevant disclosure requirements of quarterly reports of A-share listed companies by the China Securities Regulatory Commission and is voluntarily announcing the unaudited financial statements of the Group for the nine months ended September 30, 2019 prepared in accordance with the Chinese Accounting Standards for Business Enterprises (“**CASs**”).

The unaudited results of the Group for the nine months ended September 30, 2019 are summarized as follows:

- During the period from January 1, 2019 to September 30, 2019 (the “**Reporting Period**”), the Group realized an operating revenue of RMB11,193,727,110; the profit for the period attributable to shareholders of the Company and holders of other equity instruments amounted to RMB3,139,316,708.
- The financial information contained in this announcement was prepared in accordance with CASs, and has not been audited or reviewed.
- Unless otherwise indicated, Renminbi (“**RMB**”) is the functional currency used in this announcement.

Certain amounts and percentage figures presented in this announcement have been rounded. Accordingly, the arithmetic sums shown in certain tables may not be equal to the totals of the figures preceding them. Any discrepancy between the arithmetic sum shown and the total of the figures presented is due to rounding.

§1 BASIC INFORMATION OF THE GROUP

1.1 Key financial data (unaudited)

Unit: RMB in million

Items	September 30, 2019	December 31, 2018	Change over the end of last year
Total assets	322,901.1	275,420.5	17.2%
Total equity attributable to shareholders of the Company and holders of other equity instruments	44,933.4	42,183.5	6.5%
Items	Nine months ended September 30, 2019	Nine months ended September 30, 2018	Change over the corresponding period of last year
Operating revenue	11,193.7	9,832.9	13.8%
Profit attributable to shareholders of the Company and holders of other equity instruments	3,139.3	2,720.7	15.4%
Profit attributable to shareholders of the Company and holders of other equity instruments, excluding extraordinary items	3,113.1	2,679.4	16.2%
Net cash used in operating activities	(3,652.9)	(11,512.5)	(68.3%) Increased by 0.3 percentage point
Weighted average return on net assets	7.3%	7.0%	13.7%
Basic earnings per share (in RMB per share)	0.739	0.649	13.7%
Diluted earnings per share (in RMB per share)	0.739	0.649	13.7%

1.2 Significant changes in major financial statement items and financial indicators of the Group and the reasons thereof

1.2.1 Changes in accounting policies

In 2018, the Ministry of Finance of the People's Republic of China amended CAS 21 *Leases* (the “**new Leases Standard**”). In accordance with the provisions for transition to the new *Leases* Standard, the Group adopted the new *Leases* Standard on January 1, 2019 with no adjustment to the information of comparative periods. At the beginning of the Reporting Period (January 1, 2019), the adoption of the new *Leases* Standard resulted in an increase in the Group's assets and liabilities of RMB1.67 billion and RMB1.63 billion, respectively. The adoption of the new *Leases* Standard increases the total assets and the total liabilities of the Group, but does not have a significant impact on the equity and the net profit.

1.2.2 Significant changes in the items of consolidated income statement and of consolidated statement of cash flows and the reasons thereof

Unit: RMB in million

Items	Nine months ended September 30, 2019	Nine months ended September 30, 2018	Change	% of change	Main reasons
Net interest expenses	(607.8)	(163.3)	(444.5)	272.2%	Interest expenses increased by 16.0%, mainly due to the increase in the corresponding interest expenses as a result of issuance of structured notes and USD-denominated medium-term notes and as a result of the increased placements from banks; interest income increased by 4.0%.
Investment income and gains and losses arising from changes in fair value	5,220.8	3,589.6	1,631.2	45.4%	Increase in net gains from equity investments as a result of the increase in scale of the over-the-counter (“OTC”) derivative transactions based on client needs.
Foreign exchange gains	694.5	482.3	212.2	44.0%	Increase in gains from the foreign exchange derivative transactions due to exchange rate fluctuations.
Credit impairment losses	(33.0)	(25.2)	(7.8)	30.8%	Increase in provision for impairment losses of financial assets held under resale agreements (“reverse REPOs”) and accounts receivable.
Net cash used in operating activities	(3,652.9)	(11,512.5)	7,859.6	(68.3%)	Significant increase in accounts payable to brokerage clients during the Reporting Period.
Net cash used in investing activities	(1,665.7)	(1,256.0)	(409.6)	32.6%	Increase in payment for purchase of investments.

1.2.3 Significant changes in the items of consolidated balance sheet and the reasons thereof

Unit: RMB in million

Items	September 30, 2019	December 31, 2018	Change	% of change	Main reasons
Deposits with clearing houses	13,628.0	8,885.3	4,742.8	53.4%	Increase in deposits from brokerage clients.
Refundable deposits	6,366.4	3,489.9	2,876.5	82.4%	Increase in trading deposits.
Accounts receivable	20,665.5	11,879.1	8,786.3	74.0%	Increase in trade receivable of brokerage business.
Reverse REPOs	10,996.1	19,553.1	(8,557.0)	(43.8%)	Decrease in scale of the bond pledged repurchase transactions.
Right-of-use assets	1,533.9	–	1,533.9	N/A	Impact of adopting the new <i>Leases</i> Standard.
Short-term debt securities issued	20,041.0	14,061.4	5,979.6	42.5%	Increase in short-term debt financing.
Placements from financial institutions	23,167.3	8,533.8	14,633.5	171.5%	Increase in short-term placements from banks.
Financial liabilities held for trading	21,428.8	15,094.2	6,334.5	42.0%	Increase in liabilities payable in relation to client trading.
Derivative financial liabilities	5,065.9	3,381.2	1,684.7	49.8%	Increase in scale of the OTC derivative transactions based on client needs; and change in valuation of the OTC derivatives.
Financial assets sold under repurchase agreements (“REPOs”)	26,963.8	48,650.8	(21,687.0)	(44.6%)	Decrease in scale of the bond pledged repurchase transactions.
Accounts payable	37,558.9	27,152.4	10,406.5	38.3%	Increase in trade payable for the OTC derivative trading.
Lease liabilities	1,534.5	–	1,534.5	N/A	Impact of adopting the new <i>Leases</i> Standard.
Other comprehensive income	299.2	(39.2)	338.4	N/A	Changes in foreign currency translation differences due to exchange rate fluctuations.

1.3 Shareholdings of substantial shareholders

As at September 30, 2019, to the knowledge of the Company and the directors after making reasonable inquiries, the following persons have interests or short positions in shares or underlying shares which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and have been recorded in the register required to be maintained by the Company under Section 336 of the SFO:

Name of substantial shareholders	Class of shares	Capacity	Number of securities/Type of shares held	Approximate percentage of shareholding in the total share capital of the Company	Approximate percentage of shareholding in the relevant class of shares
Central Huijin Investment Ltd. ("Huijin") (Note 1)	Domestic shares	Beneficial owner	1,936,155,680/(L)	46.180 %	78.547 %
		Interest of controlled corporation	2,734,800/(L)	0.065 %	0.111 %
Haier Group Corporation (Note 2)	Domestic shares	Interest of controlled corporation	398,500,000/(L)	9.505 %	16.167 %
Tencent Holdings Limited ("Tencent Holdings") (Note 3)	H shares	Interest of controlled corporation	207,537,059/(L)	4.950 %	12.012 %
Alibaba Group Holding Limited (Note 4)	H shares	Interest of controlled corporation	202,844,235/(L)	4.838 %	11.741 %
China National Investment and Guaranty Corporation ("I&G") (Note 5)	Domestic shares	Beneficial owner	127,562,960/(L)	3.043 %	5.175 %
Mingly Corporation ("Mingly") (Note 6)	H shares	Beneficial owner	122,559,265/(L)	2.923 %	7.094 %
Invesco Advisor Inc	H shares	Investment manager	99,015,860/(L)	2.362 %	5.731 %

Notes:

- (1) Each of China Jianyin Investment Ltd. (“**Jianyin Investment**”), JIC Investment Co., Ltd. (“**JIC Investment**”) and China Investment Consulting Co., Ltd. (“**China Investment Consulting**”) is wholly owned by Huijin. Therefore, Huijin is deemed to be interested in 2,734,800 domestic shares held by Jianyin Investment, JIC Investment and China Investment Consulting for the purpose of the SFO.
- (2) According to the share transfer agreement dated June 6, 2018 between Huijin and Haier Group (Qingdao) Financial Holdings Ltd., Huijin agreed to transfer to Haier Group (Qingdao) Financial Holdings Ltd. 398,500,000 domestic shares (representing approximately 9.505% of the total share capital of our Company and approximately 16.167% of the relevant class of shares at that time) it held in the Company at a consideration of RMB5,411.63 million. The share transfer was approved by China Securities Regulatory Commission and other regulatory authorities, and the relevant share transfer registration procedures were completed on March 11, 2019. As at September 30, 2019, each of Haier Electric International Co., Ltd. (as the sole member of Haier Group (Qingdao) Financial Holdings Ltd.), Qingdao Haichuangke Management Consulting Enterprise (Limited Partnership) (holding 48.8% interest in Haier Electric International Co., Ltd.), Haier Group Corporation (holding 51.2% interest in Haier Electric International Co., Ltd.) and Qingdao Haichuangke Investment Management Co., Ltd. (as general partner of Qingdao Haichuangke Management Consulting Enterprise (Limited Partnership) and a member holding its 10% interest) is deemed to be interested in the domestic shares held by Haier Group (Qingdao) Financial Holdings Ltd. under the SFO.
- (3) As at September 30, 2019, as Tencent Mobility Limited is a corporation controlled by Tencent Holdings, Tencent Holdings is deemed to be interested in the H shares held by Tencent Mobility Limited, and Tencent Mobility Limited is directly interested in 207,537,059 H shares.
- (4) As at September 30, 2019, Des Voeux Investment Company Limited held 202,844,235 H shares of the Company, representing approximately 4.838% of total issued shares of the Company and approximately 11.741% of the relevant class of shares. Des Voeux Investment Company Limited is wholly owned by Alibaba Group Treasury Limited, which is wholly owned by Alibaba Group Holding Limited. Therefore, Alibaba Group Treasury Limited and Alibaba Group Holding Limited are deemed to be interested in 202,844,235 H shares held by Des Voeux Investment Company Limited under the SFO.
- (5) As at September 30, 2019, State Development & Investment Corp., Ltd. (國家開發投資集團有限公司), a PRC state-owned enterprise, holds approximately 47.20% shares of I&G and is therefore deemed to be interested in the domestic shares held by I&G under the SFO.
- (6) As at September 30, 2019, Mingly is held by certain but not identical discretionary trusts as to 96.12% equity interests, of which CCM Trust (Cayman) Limited, LBJ Regents Limited and Dolios Limited are the corporate trustees, and members of the classes of discretionary beneficiaries of such trusts comprise the late Dr. Cha Chi Ming’s issue.

§2 OTHER MAJOR EVENTS

2.1 Debt financing

For the period from July 1, 2019 to September 30, 2019, the Group's newly-added bond financing is listed as follows:

Type	Tranche	Size of issuance	Date of value	Maturity date	Interest rate
Financial bonds	19 CICC Financial Bond 01	RMB2,500 million	August 22, 2019	August 22, 2022	3.39%

Note: For details of the debt financing of the Group as of June 30, 2019, please refer to the disclosure in the 2019 Interim Report of the Company.

For the nine months ended September 30, 2019, the Group completed 1,675 issuances of beneficiary certificates, with an aggregate principal of RMB50,185.26 million. As of September 30, 2019, the aggregate principal of the Group's outstanding beneficiary certificates amounted to RMB16,533.04 million. As of September 30, 2019, the balance of bank borrowings and overdrafts of the Group's subsidiaries in Hong Kong SAR amounted to US\$445.10 million, HK\$700.00 million and RMB837.00 million, respectively.

2.2 Material litigation and arbitration

During the Reporting Period, the Group had no material litigation or arbitration.

2.3 Others

2.3.1 Equity financing

During the Reporting Period, the Group had no material equity financing.

Pursuant to the general mandate granted to the board at the annual general meeting of the Company held on May 28, 2019, the Company completed the placing of 176,000,000 H shares to some investors at the placing price of HK\$14.40 per share on October 24, 2019 (the "**Placing**"). Immediately after the completion of the Placing, the total number of shares of the Company has increased to 4,368,667,868 shares, which comprise 2,464,953,440 domestic shares and 1,903,714,428 H shares. The net proceeds from the Placing were approximately HK\$2,502.14 million after deducting the expenses of the Placing. The Company intends to use the net proceeds from the Placing to replenish the capital of the Company, support the development of the Company's existing and new businesses both domestically and overseas, further increase investment in strategic areas such as internationalization and seize opportunities for strategic mergers and acquisitions. For further details of the Placing, please refer to the announcements published by the Company on October 17, 2019 and October 24, 2019, respectively.

2.3.2 Acquisitions

During the Reporting Period, the Group had no material acquisition.

2.3.3 Contingencies

Reference is made to the relevant matter as disclosed in "2019 Interim Report – Notes to the Unaudited Interim Financial Report – 47. Contingencies" of the Company regarding China CICC Wealth Management Securities Company Limited ("**CICC Wealth Management**"), a subsidiary of the Company, holding one piece of land under construction for which CICC Wealth Management had obtained the corresponding land use right certificates and construction permits in accordance with PRC laws. As of the date of this announcement, the Group has completed the bidding for the agent construction party for this project and will actively carry forward the construction work thereof.

Save as disclosed above, the Group had no other material contingencies from January 1, 2019 to the date of this announcement.

§3 APPENDIX

3.1 Financial statements

Consolidated Balance Sheet (unaudited)

Prepared by: China International Capital Corporation Limited

Unit: RMB

	As at September 30, 2019	As at December 31, 2018
ASSETS		
Cash and bank balances	56,848,282,962	51,442,120,913
Including: cash held on behalf of brokerage clients	35,041,830,265	31,267,243,034
Deposits with clearing houses	13,628,023,749	8,885,269,985
Including: deposits held on behalf of brokerage clients	9,615,126,809	6,635,659,702
Receivable from margin clients	21,252,599,055	17,716,209,967
Derivative financial assets	6,079,558,394	5,529,536,148
Refundable deposits	6,366,403,443	3,489,936,509
Accounts receivable	20,665,481,729	11,879,143,696
Reverse REPOs	10,996,120,428	19,553,134,343
Financial investments:		
Financial assets held for trading	148,754,519,062	114,784,903,129
Other debt investments	30,378,596,634	35,699,665,877
Long-term equity investments	1,201,560,290	1,266,950,588
Fixed assets	480,930,454	453,641,601
Construction in progress	6,137,255	5,369,255
Right-of-use assets	1,533,945,950	—
Intangible assets	1,398,972,916	1,416,037,603
Goodwill	1,582,678,646	1,582,678,646
Deferred tax assets	1,129,887,306	1,156,997,727
Other assets	597,393,232	558,944,365
Total assets	322,901,091,505	275,420,540,352

	As at September 30, 2019	As at December 31, 2018
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LIABILITIES AND EQUITY

LIABILITIES

Short-term debt securities issued	20,040,974,220	14,061,377,785
Placements from financial institutions	23,167,329,581	8,533,803,872
Financial liabilities held for trading	21,428,753,654	15,094,248,271
Derivative financial liabilities	5,065,862,806	3,381,209,869
REPOs	26,963,776,769	48,650,756,322
Accounts payable to brokerage clients	53,529,075,205	41,317,904,126
Employee benefits payable	4,571,499,379	4,773,399,514
Taxes payable	1,388,216,511	1,483,374,722
Accounts payable	37,558,906,055	27,152,414,850
Lease liabilities	1,534,476,658	–
Long-term debt securities issued	74,465,557,760	61,992,681,868
Deferred tax liabilities	343,893,683	270,866,094
Other liabilities	7,646,835,665	6,331,766,482
Total liabilities	<u>277,705,157,946</u>	<u>233,043,803,775</u>

EQUITY

Share capital	4,192,667,868	4,192,667,868
Other equity instruments	1,000,000,000	1,000,000,000
Including: perpetual subordinated bonds	1,000,000,000	1,000,000,000
Capital reserve	24,822,602,955	24,822,602,955
Other comprehensive income	299,173,566	(39,214,163)
Surplus reserve	532,495,676	532,495,676
General reserves	2,598,233,755	2,547,710,127
Retained profits	11,488,227,535	9,127,261,314
Total equity attributable to shareholders of the Company and holders of other equity instruments	<u>44,933,401,355</u>	42,183,523,777
Non-controlling interests	<u>262,532,204</u>	193,212,800
Total equity	<u>45,195,933,559</u>	<u>42,376,736,577</u>
Total liabilities and equity	<u>322,901,091,505</u>	<u>275,420,540,352</u>

Legal Representative:
Shen Rujun

Chief Financial Officer:
Wong King Fung

Person-in-charge of
accounting department:
Tian Ting

Balance Sheet of the Company (unaudited)

Prepared by: China International Capital Corporation Limited

Unit: RMB

	As at September 30, 2019	As at December 31, 2018
ASSETS		
Cash and bank balances	15,827,076,442	16,644,575,659
Including: cash held on behalf of brokerage clients	8,850,357,601	9,659,333,580
Deposits with clearing houses	6,192,511,082	3,230,297,285
Including: deposits held on behalf of brokerage clients	2,662,499,483	1,469,774,735
Receivable from margin clients	2,300,087,373	1,992,028,170
Derivative financial assets	3,244,228,977	3,000,399,524
Refundable deposits	1,199,919,110	770,430,005
Accounts receivable	6,763,055,312	4,267,443,024
Reverse REPOs	5,578,421,638	13,381,559,038
Financial investments:		
Financial assets held for trading	73,603,389,953	64,719,040,159
Other debt investments	21,782,132,209	24,190,268,496
Long-term equity investments	23,054,611,091	22,134,605,792
Fixed assets	329,209,599	300,215,977
Right-of-use assets	656,633,542	–
Intangible assets	103,007,356	84,096,060
Deferred tax assets	638,331,491	601,636,510
Other assets	1,420,439,408	1,239,205,936
Total assets	<u>162,693,054,583</u>	<u>156,555,801,635</u>

	As at September 30, 2019	As at December 31, 2018
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LIABILITIES AND EQUITY

LIABILITIES

Short-term debt securities issued	11,260,122,599	8,038,574,411
Placements from financial institutions	14,733,704,793	7,954,342,245
Financial liabilities held for trading	317,324,128	1,480,846,217
Derivative financial liabilities	2,910,295,451	1,479,476,136
REPOs	15,412,740,405	35,072,079,303
Accounts payable to brokerage clients	11,581,474,371	11,203,754,287
Employee benefits payable	2,380,990,004	2,565,601,742
Taxes payable	722,910,575	1,019,963,163
Accounts payable	21,803,914,931	12,898,072,344
Lease liabilities	679,851,700	–
Long-term debt securities issued	41,878,118,776	37,153,826,466
Other liabilities	558,581,800	423,736,586
	<u>124,240,029,533</u>	<u>119,290,272,900</u>
Total liabilities	124,240,029,533	119,290,272,900

EQUITY

Share capital	4,192,667,868	4,192,667,868
Other equity instruments	1,000,000,000	1,000,000,000
Including: perpetual subordinated bonds	1,000,000,000	1,000,000,000
Capital reserve	27,044,602,544	27,044,602,544
Other comprehensive income	103,180,043	63,625,342
Surplus reserve	532,495,676	532,495,676
General reserves	2,185,536,276	2,184,133,715
Retained profits	3,394,542,643	2,248,003,590
	<u>38,453,025,050</u>	<u>37,265,528,735</u>
Total equity	38,453,025,050	37,265,528,735
Total liabilities and equity	162,693,054,583	156,555,801,635

Legal Representative:
Shen Rujun

Chief Financial Officer:
Wong King Fung

*Person-in-charge of
accounting department:*
Tian Ting

Consolidated Income Statement (unaudited)

Prepared by: China International Capital Corporation Limited

Unit: RMB

	Nine months ended September 30,	
	2019	2018
Operating revenue	11,193,727,110	9,832,853,595
Net fee and commission income	5,802,731,308	5,826,341,621
Including: net income from brokerage business	2,258,241,423	2,096,656,058
net income from investment banking business	2,007,476,579	2,172,680,717
net income from asset management business	409,607,769	415,824,423
Net interest expenses	(607,761,071)	(163,300,438)
Including: interest income	3,620,713,460	3,481,126,539
interest expenses	(4,228,474,531)	(3,644,426,977)
Investment income	8,154,802,906	2,348,499,413
Including: share of profits of associates and joint ventures	88,269,665	110,478,466
Other income	66,975,918	66,338,850
Net (losses)/gains arising from changes in fair value	(2,934,007,403)	1,241,066,769
Foreign exchange gains	694,495,153	482,250,047
Other operating revenue	16,486,612	31,657,333
Gains on disposal of assets	3,687	–
Operating expenses	(7,180,793,038)	(6,339,486,082)
Tax and surcharges	(56,159,007)	(55,664,663)
Operating and administrative expenses	(7,091,051,350)	(6,258,063,373)
Credit impairment losses	(33,003,522)	(25,223,608)
Other operating costs	(579,159)	(534,438)
Operating profit	4,012,934,072	3,493,367,513
Add: non-operating revenue	4,956,402	3,755,697
Less: non-operating expenses	(36,900,424)	(33,714,775)
Profit before income tax	3,980,990,050	3,463,408,435

Nine months ended September 30,
2019 **2018**

Profit before income tax	3,980,990,050	3,463,408,435
Less: income tax expense	<u>(815,049,731)</u>	<u>(711,523,680)</u>
Profit for the period	<u>3,165,940,319</u>	<u>2,751,884,755</u>
Classified by operation continuity:		
Profit from continuing operations	3,165,940,319	2,751,884,755
Classified by attribution:		
Attributable to shareholders of the Company and holders of other equity instruments	3,139,316,708	2,720,718,630
Attributable to non-controlling interests	26,623,611	31,166,125
Other comprehensive income attributable to shareholders of the Company and holders of other equity instruments, net of tax	338,387,729	384,793,716
Other comprehensive income to be reclassified to profit or loss:		
– Other comprehensive income to be reclassified to profit or loss under the equity method	(128,241)	14,356
– Changes in fair value of other debt investments	119,157,362	102,362,239
– Changes in allowance for credit losses on other debt investments	(338,300)	(1,339,259)
– Foreign currency translation differences	<u>219,696,908</u>	<u>283,756,380</u>
Other comprehensive income for the period, net of tax	<u>338,387,729</u>	<u>384,793,716</u>
Total comprehensive income for the period	<u>3,504,328,048</u>	<u>3,136,678,471</u>
Attributable to shareholders of the Company and holders of other equity instruments	3,477,704,437	3,105,512,346
Attributable to non-controlling interests	<u>26,623,611</u>	<u>31,166,125</u>
Basic and diluted earnings per share (in RMB per share)	<u>0.739</u>	<u>0.649</u>

Legal Representative:
Shen Rujun

Chief Financial Officer:
Wong King Fung

*Person-in-charge of
accounting department:*
Tian Ting

Income Statement of the Company (unaudited)

Prepared by: China International Capital Corporation Limited

Unit: RMB

	Nine months ended September 30,	
	2019	2018
Operating revenue	5,767,004,114	5,176,380,923
Net fee and commission income	2,804,920,575	2,559,164,286
Including: net income from brokerage business	813,995,567	874,524,224
net income from investment banking business	1,416,566,105	1,217,965,690
net income from asset management business	367,290,754	333,706,486
Net interest expenses	(968,276,714)	(811,608,305)
Including: interest income	1,413,793,157	1,317,570,903
interest expenses	(2,382,069,871)	(2,129,179,208)
Investment income	4,428,067,551	3,172,840,178
Including: share of profits of associates and joint ventures	20,900,861	33,118,601
Other income	28,388,621	36,664,420
Net (losses)/gains arising from changes in fair value	(574,410,557)	125,625,011
Foreign exchange gains	48,078,789	93,695,333
Other operating revenue	235,849	–
Operating expenses	(3,709,125,949)	(3,562,335,893)
Tax and surcharges	(31,554,297)	(25,322,817)
Operating and administrative expenses	(3,628,199,750)	(3,508,701,097)
Credit impairment losses	(49,371,902)	(28,311,979)
Operating profit	2,057,878,165	1,614,045,030
Add: non-operating revenue	3,559,519	2,052,488
Less: non-operating expenses	(26,948,438)	(13,983,573)
Profit before income tax	2,034,489,246	1,602,113,945

Nine months ended September 30,
2019 **2018**

Profit before income tax	2,034,489,246	1,602,113,945
Less: income tax expense	<u>(158,720,773)</u>	<u>(122,409,153)</u>
Profit for the period	<u>1,875,768,473</u>	<u>1,479,704,792</u>
Classified by operation continuity:		
Profit from continuing operations	1,875,768,473	1,479,704,792
Other comprehensive income to be reclassified to profit or loss, net of tax:		
– Changes in fair value of other debt investments	39,559,895	168,961,322
– Changes in allowance for credit losses on other debt investments	<u>(5,194)</u>	<u>287,194</u>
Other comprehensive income for the period, net of tax	<u>39,554,701</u>	<u>169,248,516</u>
Total comprehensive income for the period	<u>1,915,323,174</u>	<u>1,648,953,308</u>

Legal Representative:
Shen Rujun

Chief Financial Officer:
Wong King Fung

*Person-in-charge of
accounting department:*
Tian Ting

Consolidated Statement of Cash Flows (unaudited)

Prepared by: China International Capital Corporation Limited

Unit: RMB

	Nine months ended September 30,	
	2019	2018
Cash flows from operating activities		
Net decrease in receivable from margin clients	–	3,101,747,593
Net increase in accounts payable to brokerage clients	12,211,363,252	–
Interest, fee and commission income received	10,445,946,075	8,969,544,868
Net increase in placements from financial institutions	14,481,798,873	–
Net increase in repo transactions	–	554,182,486
Cash inflows associated with other operating activities	14,120,922,858	13,885,893,509
	<u>51,260,031,058</u>	<u>26,511,368,456</u>
Subtotal of cash inflows from operating activities		
Net increase in receivable from margin clients	(3,576,293,310)	–
Net decrease in accounts payable to brokerage clients	–	(4,296,230,188)
Interest, fee and commission expenses paid	(2,052,499,655)	(1,862,466,898)
Net cash paid for trading of financial instruments at fair value	(14,413,474,657)	(12,738,005,313)
Net decrease in placements from financial institutions	–	(735,799,775)
Net decrease in repo transactions	(13,190,133,454)	–
Cash paid to and for employees	(5,439,595,129)	(5,139,963,297)
Cash paid for taxes	(1,146,524,542)	(931,675,218)
Cash outflows associated with other operating activities	(15,094,439,283)	(12,319,722,356)
	<u>(54,912,960,030)</u>	<u>(38,023,863,045)</u>
Subtotal of cash outflows from operating activities		
Net cash used in operating activities	<u>(3,652,928,972)</u>	<u>(11,512,494,589)</u>

Nine months ended September 30,
2019 **2018**

Cash flows from investing activities

Proceeds from sale of investments and cash receipts of investment returns	216,007,159	142,491,239
Net proceeds from disposal of interests in associates	90,013,698	–
Net cash received from acquisition of subsidiaries	25,251,681	–
Proceeds from disposal of fixed assets, intangible assets and other assets	1,879,621	1,767,366
	<hr/>	<hr/>
Subtotal of cash inflows from investing activities	333,152,159	144,258,605
	<hr/>	<hr/>
Payment for purchase of investments	(1,635,629,593)	(1,090,515,652)
Payment for purchase and construction of fixed assets, intangible assets and other assets	(363,188,542)	(309,772,666)
	<hr/>	<hr/>
Subtotal of cash outflows from investing activities	(1,998,818,135)	(1,400,288,318)
	<hr/>	<hr/>
Net cash used in investing activities	(1,665,665,976)	(1,256,029,713)
	<hr/>	<hr/>

Statement of Cash Flows of the Company (unaudited)

Prepared by: China International Capital Corporation Limited

Unit: RMB

	Nine months ended September 30,	
	2019	2018
Cash flows from operating activities		
Net decrease in receivable from margin clients	–	550,350,862
Net increase in accounts payable to brokerage clients	378,668,672	–
Interest, fee and commission income received	4,586,044,377	3,581,875,665
Net cash received from trading of financial instruments at fair value	–	534,002,649
Net increase in placements from financial institutions	6,644,125,043	3,844,718,040
Cash inflows associated with other operating activities	10,610,373,313	5,234,175,332
	<u>22,219,211,405</u>	<u>13,745,122,548</u>
Subtotal of cash inflows from operating activities		
Net increase in receivable from margin clients	(324,443,451)	–
Net decrease in accounts payable to brokerage clients	–	(3,132,947,925)
Interest, fee and commission expenses paid	(1,052,160,468)	(1,005,114,212)
Net cash paid for trading of financial instruments at fair value	(3,389,170,347)	–
Net decrease in repo transactions	(11,910,516,696)	(5,398,876,425)
Cash paid to and for employees	(2,908,795,506)	(2,664,979,782)
Cash paid for taxes	(459,665,227)	(257,609,032)
Cash outflows associated with other operating activities	(5,657,271,961)	(4,989,702,728)
	<u>(25,702,023,656)</u>	<u>(17,449,230,104)</u>
Subtotal of cash outflows from operating activities		
Net cash used in operating activities	<u>(3,482,812,251)</u>	<u>(3,704,107,556)</u>

Nine months ended September 30,
2019 **2018**

Cash flows from investing activities

Proceeds from sale of investments and cash receipts of investment returns	849,000,000	–
Proceeds from disposal of fixed assets, intangible assets and other assets	19,308	69,709
	<hr/>	<hr/>
Subtotal of cash inflows from investing activities	849,019,308	69,709
	<hr/>	<hr/>
Payment for purchase of investments	(899,104,438)	(123,427,723)
Payment for purchase and construction of fixed assets, intangible assets and other assets	(193,882,491)	(212,086,170)
	<hr/>	<hr/>
Subtotal of cash outflows from investing activities	<u>(1,092,986,929)</u>	<u>(335,513,893)</u>
	<hr/>	<hr/>
Net cash used in investing activities	<u>(243,967,621)</u>	<u>(335,444,184)</u>

Nine months ended September 30,
2019 2018

Cash flows from financing activities		
Proceeds from issuance of beneficiary certificates	25,060,770,678	21,971,109,400
Proceeds from issuance of financial bonds	2,500,000,000	–
Proceeds from issuance of subordinated bonds	1,500,000,000	2,500,000,000
Proceeds from issuance of corporate bonds	–	5,500,000,000
Net proceeds from issuance of shares	–	2,308,994,643
	<hr/>	<hr/>
Subtotal of cash inflows from financing activities	29,060,770,678	32,280,104,043
	<hr/>	<hr/>
Redemption of beneficiary certificates	(21,056,220,000)	(22,978,850,400)
Redemption of corporate bonds	(124,000,000)	–
Redemption of subordinated bonds	–	(4,000,000,000)
Repayment of principals of lease liabilities	(165,654,622)	–
Cash paid for dividends, profit distribution or interests	(1,921,678,894)	(1,665,342,148)
Cash outflows associated with other financing activities	(2,281,175)	(1,108,127)
	<hr/>	<hr/>
Subtotal of cash outflows from financing activities	(23,269,834,691)	(28,645,300,675)
	<hr/>	<hr/>
Net cash generated from financing activities	5,790,935,987	3,634,803,368
	<hr/>	<hr/>
Effect of exchange rate changes on cash and cash equivalents	48,078,789	93,695,333
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	2,112,234,904	(311,053,039)
Add: cash and cash equivalents at the beginning of the period	19,561,749,232	19,778,263,648
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	21,673,984,136	19,467,210,609
	<hr/> <hr/>	<hr/> <hr/>

Legal Representative:
Shen Rujun

Chief Financial Officer:
Wong King Fung

*Person-in-charge of
accounting department:*
Tian Ting

By order of the Board
China International Capital Corporation Limited
Secretary to the Board
Xu Yicheng

Beijing, the PRC
November 18, 2019

As at the date of this announcement, the Executive Director of the Company is Mr. Bi Mingjian; the Non-executive Directors are Mr. Shen Rujun, Ms. Zhao Haiying, Mr. David Bonderman, Mr. Liu Haifeng David, Mr. Shi Jun and Mr. Cha Mou Daid Johnson; and the Independent Non-executive Directors are Mr. Edwin Roca Lim, Mr. Liu Li, Mr. Siu Wai Keung and Mr. Ben Shenglin.