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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)

ANNOUNCEMENT ON THE RECEIPT OF ADVANCE NOTICE OF ADMINISTRATIVE PENALTIES FROM CHINA SECURITIES REGULATORY COMMISSION

Reference is made to the announcement of China International Capital Corporation Limited (the “**Company**” or “**CICC**”) dated October 11, 2024 in relation to the Company’s receipt of the *Notice of Case Filing* (Zheng Jian Li An Zi No.0382024014) issued by China Securities Regulatory Commission (the “**CSRC**”) on October 11, 2024. According to the *Notice of Case Filing*, the Company is suspected of failing to exercise due diligence in respect of sponsorship of the initial public offering of S2C Limited (“**S2C**”, formerly known as Shanghai Guwei Silcore Technology Co., Ltd). On September 25, 2024, the CSRC has decided to file a case against the Company.

In August 2021, S2C submitted an application for initial public offering on the Science and Technology Innovation Board of Shanghai Stock Exchange. In July 2022, S2C withdrew its application for offering and listing, and Shanghai Stock Exchange made the decision to terminate the review. The CSRC has initiated a case to investigate and prosecute S2C for suspected fraudulent offering and has imposed administrative penalty.

On October 25, 2024, the Company received an *Advance Notice of Administrative Penalties* (Chu Fa Zi [2024] No.151) from the CSRC. The main contents are as follows:

The CSRC has completed its investigation of this case and intends to impose administrative penalties in accordance with the law.

CICC provided sponsorship services for the initial public offering and listing (“**IPO**”) of S2C on the Science and Technology Innovation Board, with Zhao Shanjun and Chen Liren as the signing sponsor representatives.

It was found that CICC, in providing sponsorship services for S2C’s IPO on the Science and Technology Innovation Board, failed to exercise due diligence in the course of its practice. The documents it issued, such as the *Issuance Sponsorship Letter*, contained misrepresentation, including:

failure to carefully verify hardware production, failure to carefully verify software sales, failure to properly implement customer visit procedures, failure to properly implement fund flow verification procedures, and failure to carefully verify the accrual of interest on related-party loans.

The CSRC is of the opinion that CICC's failure to exercise due diligence in respect of the sponsorship of S2C's IPO on the Science and Technology Innovation Board, along with the misrepresentations in the *Issuance Sponsorship Letter* and other documents it issued, violates the provision prescribed in paragraph 2 of Article 10 of the *Securities Law of the People's Republic of China* ("**Securities Law**"), and constitutes an illegal act under Article 182 of the Securities Law. Zhao Shanjun and Chen Liren, the sponsor representatives of the S2C project, are the directly responsible officers in respect of the above-mentioned illegal act.

During the investigation by the regulatory authorities, CICC and the relevant personnel actively provided information and fully cooperated. Based on the facts, nature, circumstances and harmfulness to the society of the violation by the parties involved, the CSRC intends to make the following decisions pursuant to the provisions of Article 182 of the Securities Law:

1. an order to China International Capital Corporation Limited to rectify, warn and confiscate the sponsorship business income of RMB2 million, and to pay a fine of RMB6 million;
2. a warning to Zhao Shanjun and Chen Liren, respectively and a fine of RMB1.5 million against each.

In accordance with Article 45, Article 63, Article 64 of the *Law of the People's Republic of China on Administrative Penalty* and the relevant provisions of the *Rules of the China Securities Regulatory Commission on Administrative Penalty Hearings*, the Company and related personnel are entitled to present statements, argue, and request a hearing regarding the proposed penalty.

For the above-mentioned issues and penalties identified in the *Advance Notice of Administrative Penalties*, the Company sincerely accepts the penalties and will learn lessons from this case for comprehensive rectification. The Company is committed to an investor-oriented approach, continuously enhancing the control of professional quality, rigorously safeguarding the 'entrance' to the capital market, fulfilling its responsibility as a 'gatekeeper', and better serving the high-quality development of the capital market.

The act of violation involved in the aforementioned *Advance Notice of Administrative Penalties* does not fall under the circumstances requiring compulsory delisting for major violations as stipulated in the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*. The Company will fulfil its information disclosure obligations in strict accordance with regulatory requirements.

Currently, the operation of the Company remains normal. The Company's relevant information is subject to the announcements published by the Company on the HKEXnews website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). Investors are advised to exercise caution when making investments and be aware of risks.

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

Beijing, the PRC
October 26, 2024

As at the date of this announcement, the Executive Director of the Company is Mr. Chen Liang; the Non-executive Directors are Ms. Zhang Wei, Mr. Kong Lingyan and Mr. Deng Xingbin; and the Independent Non-executive Directors are Mr. Ng Kong Ping Albert, Mr. Lu Zhengfei, Mr. Peter Hugh Nolan and Mr. Zhou Yu.