
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China International Capital Corporation Limited, you should at once hand this circular and the accompanying form of proxy and reply slip of the Annual General Meeting to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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China International Capital Corporation Limited 中國國際金融股份有限公司

(A joint stock limited company incorporated in the People's Republic of China)
(Stock Code: 03908)

**2018 Work Report of the Board of Directors
2018 Work Report of the Supervisory Committee
2018 Annual Report
2018 Profit Distribution Plan
Change of the Accounting Firms
General Mandate to Issue Shares
Authorization on Issuances of Onshore
and Offshore Debt Financing Instruments
And
Notice of Annual General Meeting**

Notice convening the Annual General Meeting of China International Capital Corporation Limited to be held at CICC Function Room, 1/F, 5L Hotel Beijing, No.1 Jianguomenwai Avenue, Chaoyang District, Beijing, China, on Tuesday, May 28, 2019 at 9:30 a.m. are set out on pages 17 to 19 of this circular.

If you intend to appoint a proxy to attend the AGM, please complete the relevant enclosed form of proxy in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares) and the registered office of the Company at 27th and 28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing, the PRC (for holders of Domestic Shares) not less than 24 hours before the time appointed for holding the AGM (that is not later than 9:30 a.m. on Monday, May 27, 2019 (Beijing time)) or any adjournment thereof in person or by post. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish.

If you intend to attend the AGM in person or by proxy, please complete the enclosed reply slip and return the same to Computershare Hong Kong Investor Services Limited (for holders of H Shares) and the registered office of the Company (for holders of Domestic Shares) on or before Wednesday, May 8, 2019.

April 12, 2019

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DEFINITIONS

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

“2016 EGM”	the 2016 first extraordinary general meeting of the Company dated December 29, 2016
“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held at CICC Function Room, 1/F, 5L Hotel Beijing, No.1 Jianguomenwai Avenue, Chaoyang District, Beijing, China on Tuesday, May 28, 2019 at 9:30 a.m.
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board” or “Board of Directors”	the board of directors of the Company
“CICC Capital”	CICC Capital Management Co., Ltd.* (中金資本運營有限公司), a company incorporated in the PRC in March 2017 and a wholly-owned subsidiary of our Company
“CICC Fund Management”	CICC Fund Management Co., Ltd.* (中金基金管理有限公司), a company incorporated in the PRC in February 2014 and a wholly-owned subsidiary of our Company
“CICC UK”	China International Capital Corporation (UK) Limited, a company incorporated in the United Kingdom in August 2009 and a wholly-owned subsidiary of our Company
“Company”	China International Capital Corporation Limited (中國國際金融股份有限公司), a joint stock limited company incorporated in the PRC and whose H Shares are listed on the Hong Kong Stock Exchange (Stock Code: 03908)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) subscribed for or credited as fully paid in RMB
“FICC”	fixed income, commodities and currencies
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“H Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) listed on the Hong Kong Stock Exchange and is (are) subscribed for and traded in Hong Kong dollars
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“PRC”	the People’s Republic of China, but for the purposes of this circular, excluding Hong Kong, the Macau Special Administrative Region and the Taiwan region
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including Domestic Share(s) and H Share(s)
“Shareholder(s)”	the shareholder(s) of the Company
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company

LETTER FROM THE BOARD



China International Capital Corporation Limited 中國國際金融股份有限公司

(A joint stock limited company incorporated in the People's Republic of China)
(Stock Code: 03908)

The Board of Directors:

Non-executive Directors:

Ms. Zhao Haiying
Mr. David Bonderman
Mr. Liu Haifeng David
Mr. Shi Jun
Mr. Cha Mou Daid Johnson

Executive Director:

Mr. Bi Mingjian (*Chief Executive Officer*)

Independent Non-executive Directors:

Mr. Edwin Roca Lim
Mr. Liu Li
Mr. Siu Wai Keung
Mr. Ben Shenglin

Registered Office and

Head Office in the PRC:

27th and 28th Floor
China World Office 2
1 Jianguomenwai Avenue
Chaoyang District
Beijing, PRC

Principal Place of

Business in Hong Kong:

29/F, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

April 12, 2019

To the Shareholders

Dear Sir or Madam,

I. INTRODUCTION

On behalf of the Board, I invite you to attend the AGM to be held at CICC Function Room, 1/F, 5L Hotel Beijing, No.1 Jianguomenwai Avenue, Chaoyang District, Beijing, China on Tuesday, May 28, 2019 at 9:30 a.m..

The purpose of this circular is to provide you with the notice of the AGM and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM.

LETTER FROM THE BOARD

II. BUSINESS TO BE CONSIDERED AT THE AGM

Ordinary resolutions will be proposed at the AGM to approve: (1) the 2018 work report of the Board of Directors; (2) the 2018 work report of the Supervisory Committee; (3) the 2018 annual report; (4) the 2018 profit distribution plan; and (5) the change of the accounting firms.

Special resolutions will be proposed at the AGM to approve: (6) the general mandate to issue Shares; and (7) the authorization on issuances of onshore and offshore debt financing instruments.

Ordinary Resolutions:

1. 2018 Work Report of the Board of Directors

The 2018 work report of the Board of Directors was considered and approved by the Board on Friday, March 29, 2019 and is hereby proposed at the AGM for Shareholders' consideration and approval, details of which are set out in Appendix I to this circular.

2. 2018 Work Report of the Supervisory Committee

The 2018 work report of the Supervisory Committee was considered and approved by the Supervisory Committee on Friday, March 29, 2019 and is hereby proposed at the AGM for Shareholders' consideration and approval, details of which are set out in Appendix II to this circular.

3. 2018 Annual Report

The 2018 annual report was considered and approved by the Board on Friday, March 29, 2019 and is hereby proposed at the AGM for Shareholders' consideration and approval. The annual report has been published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the website of the Company (www.cicc.com) on April 12, 2019, and has been dispatched to the Shareholders.

LETTER FROM THE BOARD

4. 2018 Profit Distribution Plan¹

- (1) According to the Company Law of the PRC, the Securities Law of the PRC, other relevant laws and regulations, and the relevant requirements under the Articles of Association, the 2018 profit distribution plan of the Company is proposed as follows:

At the beginning of 2018, the Company's undistributed profits amounted to RMB1,678 million. In addition, the Company realized net profits of RMB1,854 million for 2018. After deducting the 2017 dividends allocated to the Shareholders of RMB671 million in 2018 and profits allocated to holders of other equity instruments of RMB57 million in 2018 and before appropriating the statutory surplus reserves, general risk reserves and trading risk reserves, the profits available for distribution of the Company at the end of 2018 amounted to RMB2,804 million.

Pursuant to the relevant laws and regulations and the Articles of Association, the net profits of the Company for the year of 2018 are proposed to be distributed in the following order:

- (a) RMB185 million, or 10% of the net profits of the Company in 2018, is to be appropriated to the statutory surplus reserves of the Company (the accumulated amount of the statutory surplus reserves of the Company will account for 12.7% of the registered capital of the Company after this contribution);
- (b) RMB186 million, or 10% of the net profits, 2.5% of the custodian fee income for mutual funds and 10% of the management fee income for collective assets management plans of the Company in 2018, is to be appropriated to the general risk reserves;
- (c) RMB185 million, or 10% of the net profits of the Company in 2018, is to be appropriated to the trading risk reserves.

The total amount of the three items above is RMB556 million.

After deducting the three items above, the profits available for distribution of the Company at the end of 2018 is RMB2,248 million.

¹ Certain amounts and percentage figures included in this resolution have been subject to rounding. Accordingly, the arithmetic sum shown may not be the total of the figures preceding them. Any discrepancies between the arithmetic sum shown and the total of the amounts listed are due to rounding.

LETTER FROM THE BOARD

- (2) Taking into account the long-term development of the Company and the interests of Shareholders, the profit distribution plan of the Company for 2018 is proposed as follows:
- (a) The Company will adopt the method of cash dividend payment for its 2018 profit distribution. The total proposed cash dividend to be distributed is RMB670,826,858.88 (tax inclusive) (the “**2018 Final Dividend**”). In case of any changes in the total number of issued Shares of the Company on the record date resulting from issue of shares, share repurchase or other reasons, the amount of cash dividend per Share will be adjusted accordingly, within the total amount of RMB670,826,858.88 (tax inclusive). On the basis of 4,192,667,868 Shares in issue of the Company to date, a cash dividend of RMB1.6 (tax inclusive) for every ten shares will be distributed.
 - (b) The 2018 Final Dividend is denominated and declared in RMB, and paid in RMB and in Hong Kong dollars to holders of Domestic Shares and holders of H Shares, respectively. The actual amount to be distributed in Hong Kong dollars shall be converted based on the average central parity of the exchange rate of RMB against Hong Kong dollars as announced by the People’s Bank of China for the five working days prior to the date of the AGM of the Company.

The above resolution was considered and approved by the Board on Friday, March 29, 2019 and is hereby proposed at the AGM for Shareholders’ consideration and approval.

For the purpose of determining the entitlement of holders of H Shares to the 2018 Final Dividend, the H Share register of members of the Company will be closed from Saturday, June 1, 2019 to Thursday, June 6, 2019 (both days inclusive), during which period no transfer of H Shares will be registered. Shareholders whose names appear on the H Share register of members of the Company on Thursday, June 6, 2019 are entitled to the 2018 Final Dividend. In order to be entitled to receive the 2018 Final Dividend, all share certificates, together with the instruments of transfers, must be lodged for registration with the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited (for holders of H Shares) at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, May 31, 2019.

The 2018 Final Dividend, if approved by the Shareholders of the Company at the AGM, is expected to be paid on or around Friday, July 26, 2019 to Shareholders whose names appear on the register of members of the Company on Thursday, June 6, 2019.

LETTER FROM THE BOARD

5. Change of the Accounting Firms

Reference is made to the announcement of the Company dated January 29, 2019 in relation to the proposed change of the accounting firms. The Company has appointed KPMG Huazhen LLP and KPMG (together “**KPMG**”) as the domestic accounting firm and the international accounting firm of the Company, respectively, in recent years, which have been responsible for providing the relevant audit, review and agreed-upon procedure services to the Company. In consideration of the relevant requirements of the Administrative Measures for the Appointment of Accounting Firms by Financial Enterprises (《金融企業選聘會計師事務所管理辦法》) on the tenure of service of the same accounting firms engaged by a financial institution, the Company has reached a mutual understanding with KPMG on the non-renewal of their appointment, and KPMG shall retire as the domestic and international accounting firms of the Company, respectively, at the conclusion of the AGM and will not offer themselves for re-election. To the best of the Company’s knowledge and as confirmed by KPMG, there are no matters regarding the cessation of KPMG acting as the domestic and international accounting firms of the Company that need to be brought to the attention of the Shareholders and investors, and there are no disagreements or unresolved matters between the Company and KPMG regarding the proposed change of accounting firms.

It is proposed at the AGM for Shareholders’ consideration and approval of the non-renewal of the appointments of KPMG as the domestic and international accounting firms of the Company, respectively. Accordingly, the arrangements of the Company’s audit, review and agreed-upon procedure matters for 2019 are proposed as follows:

- (1) Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu are proposed to be appointed as the domestic accounting firm and the international accounting firm of the Company for 2019, respectively, responsible for the reviewing of the interim financial statements for 2019, performing the agreed-upon procedure over the financial statements for the nine months ended September 30, 2019 and auditing of the statutory financial statements for 2019. The total fees for such audit, review and agreed-upon procedure services shall not exceed RMB5.8 million.
- (2) The Company continues to appoint KPMG Huazhen LLP to perform the agreed-upon procedure over the financial statements for the three months ended March 31, 2019 to the Company as the transitional arrangement for change of accounting firms. The total fees for such agreed-upon procedures services shall not exceed RMB600,000.

LETTER FROM THE BOARD

- (3) It is proposed that the AGM authorize the Board of Directors to adjust and determine the specific audit, review and agreed-upon procedure fees based on the actual situation, should the cap of the fees mentioned in this resolution be exceeded as a result of modification of the scope and content of the services or other changes.

The above resolution was considered and approved by the Board on Tuesday, January 29, 2019 and is hereby proposed at the AGM for Shareholders' consideration and approval.

Special Resolutions:

6. General Mandate to Issue Shares

In order to satisfy the needs for business development of the Company, implement the strategies of the Company, and ensure flexibility for the issuance of new Shares in order to better capture the right market window, based on the relevant provisions of the Listing Rules, the Articles of Association and other domestic and foreign laws and regulations, it is proposed at the AGM for Shareholders' approval to grant the Board of Directors a general mandate to issue Shares.

(1) Scope of the general mandate

Details of the scope of the general mandate include but are not limited to:

- (a) granting of a general mandate to the Board of Directors of the Company to, subject to market conditions and the needs of the Company, separately or concurrently issue, allot and deal with additional Domestic Shares and/or H Shares of the Company, during the Relevant Period (as defined below), and each of the number of the Domestic Shares and/or H Shares to be allotted or agreed conditionally or unconditionally to be allotted by the Board of Directors of the Company shall not exceed 20% of the respective numbers of the existing Domestic Shares and/or H Shares in issue on the date of approval of such resolution at the AGM (including but not limited to ordinary shares, preference shares, securities convertible into Shares and options and warrants or similar right which may subscribe for any Share or above convertible securities), and decide to make or grant offers for sale, offers, agreements, share options, power to exchange for or convert into shares or other powers as required or may be required to allot Shares. Notwithstanding the general mandate set out above, if the allotment of Shares will effectively alter the control of the Company, the Board of Directors shall separately obtain authorization by way of a special resolution at the Shareholders' general meeting before making such an allotment;

LETTER FROM THE BOARD

- (b) the Board of Directors being authorized to formulate and implement detailed issuance plan in the exercise of the above general mandate, including but not limited to the class of new Shares to be issued, pricing mechanism and/or issuance/conversion/exercise price, including price range, form of issuance, number of Shares to be issued, allottees and use of proceeds, time of issuance, period of issuance and whether to allot Shares to existing Shareholders;
- (c) the Board of Directors being authorized to engage professional advisers for matters related to the issuance, and to approve and execute all acts, deeds, documents and other related matters which are necessary, appropriate or advisable for share issuance; to approve and execute, on behalf of the Company, agreements related to the issuance, including but not limited to underwriting agreement, placing agreement, engagement agreements of professional advisers;
- (d) the Board of Directors being authorized to approve and execute, on behalf of the Company, documents in connection with the issuance to be submitted to regulatory authorities, to carry out relevant approval procedures required by regulatory authorities and place where the Company is listed, and to complete all necessary filings, registrations and records with the relevant government authorities of Hong Kong and/or any other regions and jurisdictions (if applicable);
- (e) the Board of Directors being authorized to amend, as required by regulatory authorities within or outside the PRC, the related agreements and statutory documents; and
- (f) the Board of Directors being authorized to increase the registered capital of the Company after the issuance and to make corresponding amendments to the Articles of Association relating to share capital and shareholdings and other matters, and to authorize the operating management of the Company to carry out the relevant procedures.

(2) *Term of the general mandate*

Except that the Board of Director may make or grant offers, agreements, options during the Relevant Period (as defined below) in relation to the issuance, which might require further promotion or implementation after the end of the Relevant Period, the exercise of the above mandate shall be within the Relevant Period.

LETTER FROM THE BOARD

The “**Relevant Period**” means the period from the approval of this proposal as a special resolution at the AGM until whichever is the earlier of:

- (a) the conclusion of the 2019 Annual General Meeting of the Company;
- (b) the expiration of the 12-month period following the approval of this proposal as a special resolution at the AGM;
- (c) the revocation or variation of this authorization by a special resolution approved at a Shareholders’ General Meeting of the Company.

The Board of Directors may only implement the plan of issuance in accordance with the Company Law of the PRC, the Securities Law of the PRC, the Listing Rules or any applicable laws, regulations and provisions of any other governments or regulatory authorities, subject to obtaining approvals from the relevant government agencies.

The above resolution was considered and approved by the Board on Friday, March 29, 2019 and is hereby proposed at the AGM for Shareholders’ consideration and approval.

7. Authorization on Issuances of Onshore and Offshore Debt Financing Instruments

In order to satisfy the business development needs of the Company, adjust debt structure, replenish working capital and reduce the funding costs, the Company may duly issue the onshore and offshore debt financing instruments based upon the capital needs. According to the Articles of Association, the issuance of corporate bonds shall be approved by the Shareholders’ General Meeting of the Company. Considering the relatively long cycle for convening Shareholders’ General Meetings and the various regulatory approvals and filing procedures that will be required afterwards, it is proposed that the Shareholders at the AGM grant the general mandate to the Company on the issuances of onshore and offshore debt financing instruments to ensure the smoothness and efficiency of related onshore and offshore debt financing arrangements. The Company will, based upon the capital needs, duly issue the onshore and offshore debt financing instruments in a positive and prudent manner to meet the capital needs for business development, optimize the financial leverage and debt structure of the Company, and constantly comply with regulatory requirements on net capital, liquidity and other risk control indicators.

LETTER FROM THE BOARD

Based on the foregoing, the relevant terms and conditions relating to the general mandate on the applied issuances of onshore and offshore debt financing instruments are submitted as follows:

(1) Types of Debt Financing Instruments

The types of onshore and offshore debt financing instruments under this resolution include:

- (a) The onshore debt financing instruments refer to the onshore instruments that the issuances of which require approval of the Shareholders' General Meeting in accordance with the related laws and regulations, the Articles of Association and the regulatory requirements, including but not limited to corporate bonds, subordinated bonds, subordinated debts, asset-backed securities (papers), and short-term commercial papers.
- (b) The offshore debt financing instruments refer to the offshore instruments that the issuances of which require approval of the Shareholder's General Meeting in accordance with the related laws and regulations, the Articles of Association and the regulatory requirements, including but not limited to U.S. dollar bonds, offshore Renminbi bonds and other foreign currency bonds (including U.S. dollar subordinated bonds and perpetual bonds), the establishment of program(s) for continuing issuances of medium-term notes and foreign currency notes (including but not limited to commercial papers and structured notes).

The onshore and offshore debt financing instruments under this resolution shall not contain any provision for conversion into shares.

(2) Issuing Entity, Size of Issuance and Method of Issuance

The Company or its wholly-owned onshore subsidiary will act as the issuing entity of the onshore debt financing instruments. The onshore debt financing instruments that will be approved by or filed with the China Securities Regulatory Commission and other relevant authorities in accordance with the relevant regulations, and will be issued on an one-off or multiple or multi-tranche issuances basis through public offerings in the PRC or through private placements to the qualified investor in accordance with relevant regulations or other methods permitted by the relevant regulations.

The Company or its wholly-owned offshore subsidiary will act as the issuing entity of the offshore debt financing instruments. The offshore debt financing instruments will be issued on a one-off or multiple or multi-tranche issuances basis through public offering or private placements outside the PRC.

LETTER FROM THE BOARD

Excluding the size of issuance of short-term commercial papers, the size of issuances of the onshore and offshore debt financing instruments under this resolution will be no more than RMB80 billion in aggregate (RMB80 billion inclusive, calculated based on the aggregate outstanding balance of the instruments issued and, in case of an instrument denominated in a foreign currency, based on the median price of the exchange rate announced by the People's Bank of China on the date of the each issuance), and shall be in compliance with the requirements prescribed in the relevant laws and regulations on the maximum amount of the debt financing instruments to be issued.

The Company shall, based on the capital needs, duly issue short-term commercial papers to replenish the working capital of the Company, and after each issuance, the maximum balance of short-term commercial papers to be repaid shall not exceed 60% of the net capital of the Company or the maximum balance as approved and determined by the People's Bank of China.

(3) Term of the Debt Financing Instruments

The term of each onshore and offshore debt financing instrument of the Company with fixed maturity shall be no longer than 15 years (inclusive), with a single term or hybrid type with multiple terms. The term of each onshore and offshore debt financing instrument of the Company without fixed maturity shall not be subject to the limitation hereinbefore.

(4) Interest Rate of Debt Financing Instruments

The interest rate of the onshore and offshore debt financing instruments under this resolution to be issued as well as the method of determination, calculation and payment thereof shall be determined in accordance with the then prevailing domestic market conditions and the relevant regulations in respect of the administration on the interest rate of the debt financing instruments (in the case and at the time of an issuance of the onshore debt financing instruments) or in accordance with the then prevailing overseas market conditions (in the case and at the time of an issuance of the offshore debt financing instruments).

(5) Guarantee and Other Arrangements

Depending on the structure of each issuance, the Company, its subsidiary or a third party can provide a guarantee (counter guarantee included) or letter of support and/or keep-well agreement for the issuance of onshore and offshore debt financing instruments under this resolution.

LETTER FROM THE BOARD

(6) *Use of Proceeds*

The proceeds raised from the issuances of the onshore and offshore debt financing instruments under this resolution will be used to meet the business operation needs of the Company, adjust the debt structure of the Company, replenish the working capital of the Company, inject capital into subsidiaries and/or make investments.

(7) *Listing of the Debt Financing Instruments*

The onshore and offshore debt financing instruments under this resolution may apply for listing in accordance with the applicable laws and regulations, the actual conditions of the Company, and the then prevailing conditions of the domestic and overseas markets.

(8) *Measures to Ensure Repayment of the Onshore Debt Financing Instruments*

It is proposed at the AGM to authorize the Board of Directors and agree the Board of Directors in turn to authorize the Chief Executive Officer and/or the Chief Financial Officer, in respect of the issuances of the onshore debt financing instruments under this resolution, to determine the adoption of the measures by the onshore issuer in accordance with the mandatory requirements of the laws, regulations or regulatory documents when there is an expected default to repay the principal and interest of the bonds or an actual default to repay the principal and interest of the bonds on the due date.

(9) *Validity Period of the Authorization*

This resolution to be approved by the Shareholders at the AGM shall be valid from the date of approval by the Shareholders at the AGM to the conclusion of the 2021 Annual General Meeting of the Company. Upon effectiveness of this resolution, the effect of the authorizations under the *Resolution regarding Authorization of Issuance of Onshore and Offshore Debt Financing Instruments* considered and adopted by the Shareholders at the 2015 Annual General Meeting of the Company, and the *Resolution regarding Increasing of the Issuance Size of the Company's Onshore and Offshore Corporate Debt Financing Instruments* considered and adopted by the Shareholders at the 2016 EGM, and the *Resolution regarding Increasing of the Issuance Size of the Company's Onshore and Offshore Corporate Debt Financing Instruments and Extending the Validity Period of the Resolution by the Shareholders' General Meeting* considered and adopted by the Shareholders at the 2017 Annual General Meeting of the Company shall be terminated at the same time. Prior to the effectiveness of this resolution, the approved amount to be issued and the outstanding amount of the onshore and offshore debt financing instruments under the aforesaid authorizations will continue to be valid and included in the size of this authorization.

LETTER FROM THE BOARD

If the Board of Directors and/or its authorized persons have, during the term of the authorization, decided the issuance or partial issuance of the onshore and offshore debt financing instruments, and provided the Company has also, during the term of the authorization, obtained the approval permission, filing or registration (if applicable) from the regulatory authorities regarding the issuance, the Company may, during the validity period of such approval, permission, filing or registration (if applicable), complete the issuance or partial issuance of the onshore and offshore debt financing instruments.

(10) Authorization for the Issuances of the Onshore and Offshore Debt Financing Instruments

For the specific matters in the issuances of the onshore and offshore debt financing instruments under this resolution, it is proposed at the AGM to authorize the Board of Directors and agree the Board of Directors to further authorize the Chief Executive Officer and/or the Chief Financial Officer with full authority to deal with all matters in connection with the issuances of the onshore and offshore debt financing instruments in accordance with the relevant laws and regulations and opinions and advices from the regulatory authorities, within the framework and under the principles approved at the AGM, including but not limited to:

- (a) formation and adjustment of specific plans for the issuances of the onshore and offshore debt financing instruments in accordance with the applicable laws and regulations and relevant provisions from the regulatory authorities as well as resolutions approved at the Shareholders' General Meeting for such purposes, and based on the needs of the Company and the market conditions, including but not limited to, determination of the suitable issuing entity, type of issuance, timing of issuance, specific size (amount) and method of issuance, terms of issuance, targets and duration (including extension of duration), nominal value, interest rate or the ways in which the interest rate are determined and adjusted (if any), currency, pricing method, issuance arrangements, (counter) guarantee and/or agreement, letter of support and/or keep-well agreement, rating arrangement, specific methods of subscription, whether to set put-back and redemption terms, placement arrangement, use of proceeds, registration, listing and listing venue, measures to mitigate repayment risks, measures to ensure debt repayment and all other matters relating to the issuances of the onshore and offshore debt financing instruments under this resolution;
- (b) determining and engaging intermediary agency, signing, executing, amending and completing all agreements and documents relating to the issuances of the onshore and offshore debt financing instruments and disclosing the relevant information in accordance with the relevant laws and regulations;

LETTER FROM THE BOARD

- (c) selecting and engaging trustee(s) and clearance manager(s) for the issuances of the onshore and offshore debt financing instruments under this resolution, signing the trust agreements, clearance management agreements, escrow agreements and other relevant agreements, and (if applicable) formulating rules for meetings of the holders of the onshore and offshore debt financing instruments and other rules/principles;
- (d) undertaking all applications and filings as well as listing matters with regard to the issuances of the onshore and offshore debt financing instruments under this resolution, including but not limited to, signing the relevant application and filing documents and other legal documents;
- (e) adjusting relevant issuances of the onshore and offshore debt financing instruments under this resolution and put-backs, redemptions, interest payments, debt repayments and other arrangements within the duration, according to the opinions and changes in the policies of the regulatory authorities or the changes in market conditions, or deciding whether to continue with all or part of the work in respect of the issuances of the onshore and offshore debt financing instruments under this resolution in accordance with the actual situation, unless re-approval by the Shareholders' General Meeting is otherwise required pursuant to the relevant laws and regulations and the Articles of Association; and
- (f) dealing with other matters in relation to the issuances of the onshore and offshore debt financing instruments under this resolution.

The above authorization shall be remain valid and effective on and from the date of approval by the Shareholders at AGM to the date when the resolutions approved at the Shareholders' General Meeting approving this resolution cease to be effective or to the date when matters authorized above have been completed (depending on whether the issuances of the onshore and offshore debt financing instruments under this resolution have been completed).

In addition, for the outstanding onshore and offshore debt financing instruments that were issued before the approval of this resolution by the Shareholders at the AGM, and for the to-be-issued onshore and offshore debt financing instruments which have obtained the approval, license, filling or registration from the regulatory authorities on the issuances (if applicable), it is proposed at the AGM to authorize the Board of Directors and agree the Board of Directors to further authorize the Chief Executive Officer and/or the Chief Financial Officer with full authority to deal with the relevant subsequent matters in accordance with the authorization within the scope of this resolution by the Shareholders at the AGM.

LETTER FROM THE BOARD

The above resolution was considered and approved by the Board on Friday, March 29, 2019 and is hereby proposed at the AGM for Shareholders' consideration and approval.

III. THE AGM

The form of proxy and the reply slip of the AGM are enclosed herewith.

If you intend to appoint a proxy to attend the AGM, please complete the relevant enclosed form of proxy in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares) and the registered office of the Company at 27th and 28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing, the PRC (for holders of Domestic Shares) not less than 24 hours before the time appointed for holding the AGM (that is not later than 9:30 a.m. on Monday, May 27, 2019 (Beijing time)) or any adjournment thereof in person or by post. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish.

If you intend to attend the AGM in person or by proxy, please complete the enclosed reply slip and return the same to Computershare Hong Kong Investor Services Limited (for holders of H Shares) and the registered office of the Company (for holders of Domestic Shares) on or before Wednesday, May 8, 2019.

IV. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. As such, the chairman of the AGM will exercise his power under the Articles of Association to demand a poll for all resolutions proposed at the AGM.

V. RECOMMENDATION

The Board considers that all resolutions proposed at the AGM are in the interests of the Company and its Shareholders as a whole. As such, the Board recommends you to vote in favor of all resolutions proposed at the AGM.

Yours faithfully,

By order of the Board

China International Capital Corporation Limited

Secretary to the Board

Xu Yicheng

NOTICE OF ANNUAL GENERAL MEETING



China International Capital Corporation Limited 中國國際金融股份有限公司

(A joint stock limited company incorporated in the People's Republic of China)
(Stock Code: 03908)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of China International Capital Corporation Limited (the “Company”) will be held at CICC Function Room, 1/F, 5L Hotel Beijing, No.1 Jianguomenwai Avenue, Chaoyang District, Beijing, China on Tuesday, May 28, 2019 at 9:30 a.m. for the following purposes. Unless otherwise defined, terms used in this notice shall have the same meanings as those used in the circular of the Company dated April 12, 2019 (the “Circular”), which contains details of the following resolutions.

ORDINARY RESOLUTIONS

1. To consider and approve the 2018 work report of the Board of Directors;
2. To consider and approve the 2018 work report of the Supervisory Committee;
3. To consider and approve the 2018 annual report;
4. To consider and approve the 2018 profit distribution plan;
5. To consider and approve the change of the accounting firms;

SPECIAL RESOLUTIONS

6. To consider and approve the general mandate to issue shares; and
7. To consider and approve the authorization on issuances of onshore and offshore debt financing instruments.

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

Beijing, the PRC, April 12, 2019

As at the date of this notice, the Executive Director of the Company is Mr. Bi Mingjian; the Non-executive Directors are 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.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of Shareholders at a general meeting must be taken by poll. As such, each of the resolutions set out in the notice of AGM will be voted by poll. Results of the poll voting will be published on the Company's website at www.cicc.com and the HKEXnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the AGM.
2. Any Shareholder entitled to attend and vote at the AGM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
3. In order to be valid, the form of proxy together with the notarized power of attorney or other documents of authorization, if any, must be completed and returned to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H Shares) or the registered office of the Company at 27th and 28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing, the PRC (for holders of Domestic Shares), not less than 24 hours before the time appointed for holding the AGM (that is not later than 9:30 a.m. on Monday, May 27, 2019 (Beijing time)) or any adjournment thereof. Computershare Hong Kong Investor Services Limited is located at 17M/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the AGM or any adjournment thereof should he/she so wish.
4. The H Share register of members of the Company will be closed, for the purpose of determining the entitlement of holders of H Shares to attend the AGM, from Sunday, April 28, 2019 to Tuesday, May 28, 2019 (both days inclusive), during which period no transfer of H Shares will be registered. In order to attend the AGM, all share certificates, together with the instruments of transfers, must be lodged for registration with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (for holders of H Shares) at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, April 26, 2019.
5. The Company proposed to adopt the method of cash dividend payment for its 2018 profit distribution. The total proposed cash dividend to be distributed was RMB670,826,858.88 (tax inclusive) (the **"2018 Final Dividend"**). In case of any changes in the total number of issued shares of the Company on the record date (being Thursday, June 6, 2019) by reason of placing of shares or share repurchase, the amount of cash dividend per share will be adjusted accordingly, within the total amount of RMB670,826,858.88 (tax inclusive). On the basis of 4,192,667,868 shares issued to date, a cash dividend of RMB1.6 (tax inclusive) for every ten shares held will be distributed.

The H Share register of members of the Company will be closed, for the purpose of determining the entitlement of holders of H Shares to the 2018 Final Dividend, from Saturday, June 1, 2019 to Thursday, June 6, 2019 (both days inclusive), during which period no transfer of H Shares will be registered. Shareholders whose names appear on the H Share register of members of the Company on Thursday, June 6, 2019 are entitled to the 2018 Final Dividend. In order to be entitled to receive the 2018 Final Dividend, all share certificates, together with the instruments of transfers, must be lodged for registration with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (for holders of H Shares) at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, May 31, 2019.

The 2018 Final Dividend, if approved by the Shareholders of the Company at the AGM, is expected to be paid on or around Friday, July 26, 2019 to Shareholders whose names appear on the register of members of the Company on Thursday, June 6, 2019.

6. Where there are joint holders of any shares, the one whose name stands first in the register of members shall be entitled to attend and vote at the AGM in respect of such shares.
7. Shareholders of the Company intending to attend the AGM in person or by their proxies should return the reply slip for attending the AGM in person or by post to the Company's H Share registrar, Computershare Hong Kong Investors Services Limited (for holders of H Shares) or the registered office of the Company (for holders of Domestic Shares) on or before Wednesday, May 8, 2019.

NOTICE OF ANNUAL GENERAL MEETING

8. Shareholder or his/her proxy shall produce proof of identity when attending the AGM:
 - (1) Legal representatives of legal person shareholders who attend the meeting shall produce their own identity cards and effective proof of their capacity as legal representatives. Proxies of legal person shareholders shall produce their own identity cards and the form of proxy duly signed by the legal representatives or the board of directors or other governing body of the legal person shareholders according to laws.
 - (2) Individual shareholders who attend the meeting in person shall produce their identity cards or other effective document or proof of identity and stock account cards. Proxies of individual shareholders shall produce effective proof of identity and form of proxy.
9. The AGM is expected to be held for less than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
10. Computershare Hong Kong Investor Services Limited is located at 17M/F and Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
11. The registered office of the Company is located at 27th and 28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing, the PRC.

Tel: 86 (10) 6505 1166

Fax: 86 (10) 6505 1156

**2018 WORK REPORT OF THE BOARD OF DIRECTORS OF
CHINA INTERNATIONAL CAPITAL CORPORATION LIMITED**

Dear Shareholders,

Pursuant to the relevant requirements of laws, regulations and the articles of association (the “**Articles of Association**”) of China International Capital Corporation Limited (the “**Company**” or “**CICC**”, along with its subsidiaries, the “**Group**”), the work performed by the board of directors (the “**Board**”) of China International Capital Corporation Limited in 2018 and the work arrangements for 2019 are hereby reported as follows:

In 2018, stock indices and prices of various assets in the global capital markets fell sharply amid significant volatility. A-share indices, trading volumes and the size of capital raising in the domestic market went down, placing great pressure on traditional businesses of securities companies. However, thanks to our forward-looking strategic positioning and effective execution, the Group’s revenue and net profit in 2018 recorded a positive growth year on year, and significantly outperformed the industry.

In 2018, the Group realized total revenue and other income^(Note) of RMB18,539.7 million, representing a year-on-year increase of 21.5%; and net profit^(Note) of RMB3,492.2 million, representing a year-on-year increase of 26.2%. The weighted average return on net assets was 8.8%.

I. Major Work of the Board in 2018

During 2018, the Board of the Company convened 1 shareholders’ general meeting, in which 8 resolutions were considered and approved; and convened 9 Board meetings, in which 33 matters were considered and discussed. Among the Board Committees, the Remuneration Committee convened 5 meetings and considered and discussed 12 matters; the Nomination and Corporate Governance Committee convened 3 meetings and considered and discussed 4 matters; the Audit Committee convened 5 meetings and considered and discussed 21 matters; the Risk Management Committee convened 4 meetings and considered and discussed 9 matters.

Note: Our Group has included CISC in our consolidated financial statements since March 31, 2017, and therefore the Group’s operating results for 2017 consolidated the corresponding amount of CISC for the period from April 1, 2017 to December 31, 2017, and its operating results for 2018 consolidated the corresponding amount of CISC for the year from January 1, 2018 to December 31, 2018.

Net profit refers to profit for the year attributable to shareholders of the Company and holders of other equity instruments.

During the year, the major focuses of the Board of the Company were as follows:

1. *Integration with CISC*

In April 2017, the Company completed the acquisition of China Investment Securities Company Limited (“CISC”). During the same year, following the guidance of the Board, initial integration was achieved through the tireless efforts of all staff of CICC and CISC.

In 2018, following the constant guidance and attention of the Board, our Group has achieved meaningful progress in its integration with CISC in areas such as business operations, IT systems and middle and back offices. Both parties closely cooperated in four areas of the wealth management business, namely products, investment and research, training, and marketing, and developed effective coordination mechanisms and work procedures. By incorporating the research resources of CISC, the research department of CICC established Research Department II. This department focuses on providing high-quality investment advisory services to wealth management customers. Furthermore, good progress has been made in business cooperation with more than 300 various investment banking project leads sourced by CISC branches. For middle and back offices, CISC was fully integrated into the comprehensive risk management system of the Group with the implementation of unified balance sheet management, and as a result improvements were seen in capital utilization rate. On the state of IT applications, a preliminary system integration plan was developed and a unified reporting and resource sharing mechanism was established.

2. *Promotion of Cross-Departmental Cooperation and Enhancement of Key Asset Management Capabilities*

Under the active advocacy of the Board, cross-departmental cooperation has always been one of the key tasks of the Company’s corporate culture building. In 2018, the Company carried out various forms of cross-departmental cooperation in all business areas. Positive outcomes have been recorded in the exploration of the “investment bank + investment” business model between the investment banking department and CICC Capital, acquisition of listed companies using derivatives through collaboration between the equities department and the investment banking department, the creation and issuance of beneficiary certificates through collaboration between the wealth management department and the FICC department, and the design and provision of diversified financial products including beneficiary certificates suitable for retail customers for CISC through collaboration among the equities department, FICC and others.

In accordance with the strategic development plan of the assets management business of the Group, thanks to the support of the Board and strong execution of the management, solid results were achieved in improving key capabilities of assets management in various business areas. As of the end of 2018, the scale of assets under management of the Group reached RMB662 billion, representing an increase of 11.7% over the end of 2017.

3. Expansion and Continuous Improvement in the Management of the Balance Sheet

In 2018, to cope with the challenging market conditions and regulatory situation, the Group achieved stable expansion in the scale of balance sheet under the guidance of the Board and the strong execution of the management by adjusting investment strategies and encouraging FICC and other businesses to make full use of the balance sheet. The Group explored innovative utilization of the balance sheet in various businesses, as a result of which the extent and efficiency of the capital business improved. In respect of balance sheet management, the Group officially rolled out the Asset and Liability Management Committee mechanism to unify decision-making and management and deployment of the Group's assets, capital, and financing as well as regulatory indicator management. These efforts served to unify the balance sheet management with CISC and optimize financial resource allocation efficiency. The Company increased debt financing more proactively by capturing favorable market windows to maintain competitive financing costs and reduce liquidity risk at the same time. It also continuously improved relevant policies and mechanism in relation to liquidity risk management.

4. Further Strengthening Cross-Border Business Capabilities

In 2018, the Company put the Board's strategy of speeding up internationalization into action. It obtained the qualification to conduct certain pilot cross-border businesses and established the Frankfurt office, which further broadened the network layout in Europe. CICC UK became the first global depositary receipt cross-border conversion institution in UK for the Shanghai-London Stock Connect program, which further improved its cross-border business capability. The Company actively grasped the strategic opportunities brought by the "Belt and Road" Initiative, entered into a capacity cooperation framework agreement with the National Development and Reform Commission and actively conducted strategic cooperation with Astana International Exchange and Moscow Exchange. The Company published a White Paper on the "Belt and Road" Initiative to assist enterprises involved in the Initiative in participating in capital operation and successfully created a "Belt and Road" Initiative ETF product through the cooperation with Krane Funds Advisors, LLC. In 2018, the overseas business revenue of the Group recorded approximately a year-on-year increase of 33% and accounted for around 19% of the revenue of the Group.

5. Cooperation with Tencent and Initial Exploration of Digital Transformation

In September 2017, with the approval of the Board, the Company announced the introduction of Tencent Holdings Limited (“**Tencent**”) as a strategic investor, and entered into a strategic cooperation framework agreement with a wholly-owned subsidiary of Tencent.

In 2018, the Company achieved initial success in strategic cooperation with Tencent. Efforts were made by both parties to explore collaborative opportunities in the areas of user experience, customer profiling, research, products and online and offline marketing activities. The Company launched its first LOF product on the WeChat platform of Tencent, where a dedicated zone was also established to CICC research views showcase. A cash management product of CICC Fund Management was officially launched on the platform of Tencent Li Cai Tong (理財通). In addition, Tencent provided in-depth consultation and advice on how to optimize user experience in the wealth management business. Separately, the Company undertook a number of research and investigation missions to explore cooperation with Fintech companies and promote digital transformation via breakthroughs in wealth management.

6. Continued Institutional Development

The Board placed great emphasis on institutional development. Under the continuous guidance of the Board and the Remuneration Committee, in 2018, the Participating Managing Director (“**PMD**”) Program was established. The first batch of PMDs was identified and two plenary meetings were successfully convened. Five PMD committees were set up to cover key subjects such as strategy, regionalization and internationalization, cooperation and innovation, technology and investment, and talent and culture. Based on the PMD Program, the Company has started efforts in “talent screening and successor planning” and expects to identify a core team, therefore further building and upgrading the Company’s talent pool. In addition, the Board continued to promote the preparatory establishment of CICC Institute, with a view to better disseminating the corporate history and culture and nurturing talents at different levels.

7. Use of Information Technology

The Board fully values the Company’s utilization of the information technology. In the first quarter of 2018, the Board heard and discussed a special report on IT development of the Company and requested the Company to continue to increase resource commitment. In 2018, the Company continued to upgrade and improve its existing core business systems, while continuously developing new systems to meet business development needs. Through the integration of new and old business systems, design and the building of the supporting platforms for prime brokerage, fixed income, wealth management, asset management, operation and risk management, the Company preliminarily set up a comprehensive, well-established and scalable business support

system. In addition, while focusing on utilizing information technology services to promote business development, the Company continued to strengthen the operating environment and security of the information systems.

8. *Optimizing the Shareholding Structure of the Company*

In 2018, under the strategic guidance of the Board, the Company strived to further optimize the shareholding structure and enhance the secondary market liquidity of the Company's stock, while maintaining relatively stable stock prices. In 2018, the Company had allotted and issued 207,537,059 new H shares to a wholly-owned subsidiary of Tencent, representing approximately 4.95% of the enlarged total issued shares of the Company. The proceeds from the allotment and issuance amounted to approximately HK\$2,860.82 million. During the same year, Central Huijin Investment Ltd. ("**Huijin**"), the largest shareholder of the Company, entered into a share transfer agreement with Haier Group (Qingdao) Financial Holdings Ltd., pursuant to which, Huijin agreed to transfer its 398,500,000 domestic shares in the Company to Haier Group (Qingdao) Financial Holdings Ltd., representing approximately 9.5% of the total issued shares of the Company. Such share transfer was completed on March 11, 2019.

9. *Risk Management and Compliance*

The Company believes that risk management creates value. The risk management of the Company aims to effectively allocate risk-based capital, limit risks to a controllable level, maximize the corporate value and constantly solidify the foundation for steady and sustainable development of the Company. In 2018, the Board considered and approved the Company's amendment of the "Risk Appetite Statement of China International Capital Corporation Limited" and adjusted the total Value at Risk (VaR) limit of the Group's investment portfolio to match with the 2018 Operating Plan of the Company and the market risks borne by the Company. In addition, the Board considered and approved the "2017 Risk Assessment Report of China International Capital Corporation Limited" and the "2018 Interim Risk Assessment Report of China International Capital Corporation Limited". The Board attached high importance to comprehensive risk management, and continued to hear the report of the Chief Risk Officer in meetings on a regular basis, as well as gave guidance and requests in respect of key issues. Confronted with the stringent capital market and regulatory environment in 2018, the Company continued to strengthen the management of various businesses and risk categories, and improve the associated measurement and IT automation in order to reduce risks in existing businesses, control risks emerging from new businesses as well as ensure risks were timely reported, responded to, and dealt with.

The Board attaches great importance to compliance and ensures the Company strictly controls business risk and safeguards the bottom line of compliance. In 2018, the Board considered and approved the "2017 Annual Compliance Report of China International Capital Corporation Limited" and the "2018 Interim Compliance Management Report of China International Capital Corporation Limited". The Board

directly communicated with the Chief Compliance Officer, heard the report of the Chief Compliance Officer and acquired the detailed knowledge of compliance management of the Company in meetings on a regular basis, as well as discussed and made recommendations on relevant matters. During 2018, no cases of major compliance event or compliance risk occurred in the Company and sound operation was maintained. The Company was granted a Class-A supervision rating by the China Securities Regulatory Commission (“CSRC”) for ten consecutive years since the CSRC adopted the classification and supervision rating framework for securities companies in 2007.

10. Achievement of Internal Control Objectives

In accordance with the requirements of the “Guidelines for Internal Control of Securities Companies” and other relevant laws and regulations, as well as with reference to the requirements of the “Basic Norms of Internal Control for Enterprises” and the provisions of its supporting guidelines, all departments conducted a self-assessment of the Group led by the management of the Company in respect of the effectiveness of the design and implementation of internal control measures as of 31 December, 2018, which was submitted to the Board for consideration. In relation to this, CISC set up a leading group and a work group led by the management of CISC to conduct the self-reassessment. The risk advisory team of KPMG was engaged to check the result of self-assessment and the management of CISC issued a self-assessment opinion based on the KPMG testing results. The scope of the internal control assessment included the design and implementation of internal control of CICC and its subsidiaries, using the risk orientation principles to identify the major companies, businesses and matters, and high-risk areas that need to be assessed, covering investment banking, FICC, wealth management, equities, investment management, research, financial management, treasury, compliance, human resources, information technology and other main businesses and back office support functions. Particular attention was paid to critical control points with a higher risk, and new control points emerging in the launch of new products and businesses of all departments and business lines. The assessment centered on internal environment, risk assessment, internal control activities, information and communication, internal supervision and other factors. During the reporting period, the Company established an internal control system for businesses and matters covered by the assessment and effectively implemented the system, hence achieving the Company’s internal control objectives. No material or significant deficiencies were noted in the system.

The internal audit department carried out an independent assessment of the Company’s internal control situation as of December 31, 2018. During the assessment, the internal audit department engaged necessary procedures including inquiry, observation, and inspection, taking into account the actual business situation. Based on the internal audit department’s understanding, testing, and assessment of the internal control procedures, as of December 31, 2018, the Company has established a sound internal control system in all important aspects and effectively implemented the system, hence achieving the internal control objectives. No material or significant deficiencies were noted in the Company’s internal control system.

The Company engaged KPMG Huazhen LLP to carry out testing on the internal control of the Company in accordance with the relevant provisions of China's Auditing Standards for the PRC Certified Public Accountants. KPMG Huazhen LLP was not aware of any material weaknesses of internal controls, in connection with the preparation of the financial statements as at December 31, 2018, that may lead to material misstatements of the financial statements which are not prevented or detected on a timely basis and issued the "2018 Internal Control Report of China International Capital Corporation Limited".

11. Information Disclosure and Connected Transaction Management

In 2018, in strict compliance with the requirements of domestic and foreign laws and regulations, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the Articles of Association and the Policy on Information Disclosure Management of China International Capital Corporation Limited, the Company made true, accurate, legal and timely disclosure of information without any false statements, misleading statements or material omissions, to ensure that investors were able to receive the disclosed information fairly, in a timely manner, and effectively. In 2018, the Company made a total of 108 information disclosures on the websites of The Stock Exchange of Hong Kong Limited, the Shanghai Stock Exchange and the Company, the contents of which include but are not limited to regular reports, announcements, circulars and corporate governance documents, and such information disclosures were in compliance with legal and regulatory requirements.

In 2018, the Company managed connected transactions in strict compliance with the Listing Rules, Policy on Information Disclosure Management of China International Capital Corporation Limited and Policy on Management of Connected Transactions of China International Capital Corporation Limited, to ensure that the Company's connected transactions were fair and reasonable, and in the best interests of the Company and shareholders as a whole.

12. Emphasis of Effective Investor Relation Management

The Company has actively performed its duties of a listed company: established an investor relations service management system, formed an investor relations service team led by the Secretary to the Board, set up a hotline and mail box for investor relations services and an investor relations forum on the official website of the Company, to ensure the true, effective and timely communication of corporate information with investors, endeavoring to safeguard the interests of shareholders and their rights to information.

In 2018, our Company received over 200 visits from domestic and overseas institutional investors and analysts, organized various forms of investor and analyst exchanges, including over 140 occasions of group/one-to-one telephone/video conferences, effectively enhancing the investors' understanding of the Company's

strategic roadmap and growth prospects; continuously upgrading and optimizing the investor relations forum on the official website of the Company, so that investors could be kept updated of the latest strategic roadmap and business developments of our Company comprehensively.

On May 18, 2018, the Company held the Annual General Meeting, during which Directors, Supervisors and Management attended and answered questions from investors. In conjunction with the announcement of the regular reports, the Company held the 2017 annual result press conference and analysts' conference, conducted 2017 Annual Report and 2018 Interim Results Roadshows in Beijing, Shanghai, Shenzhen, Hong Kong and Singapore, and participated in the Company's Investment Forum and the Corporate Day activities in New York and London.

13. Convention of Shareholders' General Meetings and Full Implementation of its Resolutions

The Board diligently performed the duties as the convener for shareholders' general meetings in accordance with the relevant requirements of laws, regulations and the Articles of Association. One shareholders' general meeting was convened in 2018 where eight resolutions were considered and approved.

The Board actively organized and implemented the resolutions of the shareholders' general meeting such as: amendments of the Articles of Association, profit distribution, issuance of new H shares to Tencent, issuances of onshore and offshore debt financing instruments, and actively engaged in the deeper integration with CISC.

14. Social Responsibilities

The Board attaches importance to and encourages the Company's corporate social responsibilities to pass on the people-oriented corporate culture of caring for the society and promote the active participation of employees in social welfare and charity. In 2018, CICC adhered to the corporate culture of "people-oriented with nation in mind", actively participated in and carried out social welfare and charity projects for child development in poverty-stricken regions and the improvement of medical and hygienic conditions in poverty-stricken regions, and donated a total of approximately RMB12 million to the society.

In 2018, the social welfare projects in education area that CICC participated in cover each key growth stage of the newborns, children and adolescents aged 0-3-6-12-15, which mainly include: rural midwife training and maternal/newborn healthcare, the "Huiyu China: Early Childhood Nurturing Pilot Project" targeting at child aged from 6 months to 36 months, the Mountain Village Kindergarten Project Volunteer Teachers Development Fund to provide training opportunities to kindergarten teachers, the Education Subsidy Project aiming to improve elementary and middle school teaching conditions, the CICC Teacher Development Fund to provide training subsidy to middle school teachers.

In February 2018, CICC was awarded the “2017 Outstanding Contribution Award of Poverty Reduction and Child Development in China” by the China Development Research Foundation. In October 2018, CICC won the “2018 Outstanding Poverty Alleviation through Education in Securities and Futures Industry of China Award” at “We Are In Action” 2018 China Securities Industry Poverty Alleviation Exchange Meeting held by the Securities Association of China and the China Futures Association under the guidance of the CSRC and the State Council Leading Group Office of Poverty Alleviation and Development.

II. Performance of Directors’ Duties in 2018

In 2018, all Directors performed statutory responsibilities in strict compliance with laws and regulations, honestly and reliably, diligently and conscientiously, pursuant to the requirements of relevant laws and regulations, including the Company Law of the PRC and the Securities Law of the PRC, the Articles of Association, and the Rules of Procedures of the Meeting of Board of Directors of China International Capital Corporation Limited. The Directors actively participated in meetings of Board and Board Committees, carefully considered and reviewed all proposals, gave advices and recommendations, and made decisions in areas such as development strategies, business plans, adjustment of the structure of internal organizations, capital deployment and financing arrangements, risk management, compliance, and internal control by a systematic process and safeguarded shareholders’ interests, to promote sustainable and healthy development of the Company.

All members of Board Committees fully utilized their professional skills to provide strong support for Board decisions, effectively enhancing the systematic process for Board decisions. The independent directors performed their duties with loyalty and honesty, protected the interests of the Company as a whole, with a focus on minority shareholders’ legitimate interests and ensured the independence and objectivity of the Board’s decisions.

During 2018, the Board convened a total of 9 meetings. The attendance of Directors at the Board meetings was as follows:

Name	Required Attendance	Attendance in person	Attendance by proxy
Bi Mingjian	9	9	0
Zhao Haiying	9	8	1
David Bonderman	9	7	2
Liu Haifeng David	9	6	0
Shi Jun	9	8	0
Cha Mou Daid Johnson	9	9	0
Edwin Roca Lim	9	9	0
Liu Li	9	8	0
Siu Wai Keung	9	8	1
Ben Shenglin	9	7	1

III. Plan of the Board in 2019

The year 2019 marks the 70th anniversary of the founding of the People's Republic of China, and is a critical year in the building of "a moderately prosperous society in all aspects". However, China's economic growth continued to face uncertainty even though the government has been rolling out stabilization measures since mid-2018. The 2018 Central Economic Work Conference described the economic situation as "the economy remained stable but was also facing many issues and downward pressure, especially challenges arisen from a complex global environment". Although uncertainties in the macro economy and the general market are expected to persist in the short term, we believe that the Chinese economy would remain stable along upward direction. The overall state of national development is and will remain in the critical period of strategic opportunities in the long term.

In 2019, while keeping on track with the overall corporate strategies, the Group intends to maintain prudent risk control and cost management, and improve business capabilities and institutional development. The Group is ready to adapt to all changes in circumstances while consolidate its resources allocation and potential, in order to capture new opportunities amid varying conditions and accelerate its own transformation, to attain the goal of becoming one of the world's leading investment banks.

In 2019, the Board of the Company intends to focus on the following areas: first, guiding the Company to navigate the uncertain operating environment to achieve sound business growth; second, continuously facilitating institutional development and improving key competitive capabilities to lay a solid foundation for long-term growth; third, supervising execution of the Company's operating plan, including but not limited to gathering assets, accelerating the integration and transformation of wealth management and further internationalization; fourth, continuously evaluating various strategic measures to promote the long-term development of the Company, including but not limited to potential equity financing, mergers and acquisitions and cooperation with strategic partner.

The 2018 Work Report of the Board is set out above for consideration and approval by shareholders of the Company.

Board of Directors
China International Capital Corporation Limited

2018 WORK REPORT OF THE SUPERVISORY COMMITTEE

Dear Shareholders,

Pursuant to the relevant requirements of laws, regulations and the Articles of Association of China International Capital Corporation Limited (the “**Articles of Association**”), the work performed by the Supervisory Committee of the China International Capital Corporation Limited (the “**Company**” or “**CICC**”) for 2018 is hereby reported as follows:

In 2018, the Supervisory Committee performed its duties lawfully and independently in strict accordance with the laws and regulations, including the Company Law of the PRC and the Securities Law of the PRC, the Articles of Association and the Rules of Procedures of the Meeting of Supervisory Committee of China International Capital Corporation Limited, supervised the execution of resolutions of the shareholders’ general meeting by the Board and examined the daily operations and financial position of the Company on a regular basis, which safeguarded the legitimate interests of the Company and its shareholders and guaranteed the regulated operation of the Company.

I. Meetings of the Supervisory Committee in 2018

During 2018, the Supervisory Committee convened 4 formal meetings, the details of which are as follows:

1. On January 31, 2018, the tenth meeting of the first session of the Supervisory Committee was convened and the following proposal was considered and adopted: (i) Proposal regarding the 2017 Work Summary and 2018 Work Plan of the Supervisory Committee of CICC.
2. On March 23, 2018, the eleventh meeting of the first session of the Supervisory Committee was convened and the following proposals were considered and adopted: (i) Proposal regarding the 2017 Work Report of the Supervisory Committee of CICC; (ii) Proposal regarding the 2017 Annual Report and 2017 Annual Results Announcement of CICC; (iii) Proposal regarding the 2017 Profit Distribution Plan of CICC; (iv) Proposal regarding the 2017 Annual Compliance Report of CICC; (v) Proposal regarding the 2017 Internal Controls Assessment Report of CICC; and (vi) Proposal regarding the 2017 Risk Assessment Report of CICC.
3. On August 24, 2018, the twelfth meeting of the first session of the Supervisory Committee was convened and at the meeting, the Supervisory Committee considered and adopted (i) Proposal regarding the 2018 Interim Report and 2018 Interim Results Announcement of CICC; heard (ii) Report on the 2018 Interim Compliance Management Report of CICC and (iii) Report on the 2018 Interim Risk Assessment Report of CICC.

4. On November 13, 2018, the thirteenth meeting of the first session of the Supervisory Committee was convened and at the meeting, the Supervisory Committee heard (i) Report on the 2018 Third Quarter Compliance Management Report of CICC and (ii) Report on the 2018 Third Quarter Risk Assessment Report of CICC.

II. Performance of Supervisors' Duties in 2018

During 2018, the Supervisory Committee convened 4 meetings, of which the Supervisors' attendance is as follows:

Name	Required Attendance	Attendance in person	Attendance by proxy
Gao Tao	4	4	0
Liu Haoling	4	3	1
Jin Lizuo	4	4	0

In 2018, with the active support of the Board of Directors and the management, the Supervisory Committee of the Company performed its duties lawfully and diligently in strict accordance with the laws and regulations, including the Company Law of the PRC, the Securities Law of the PRC, the Articles of Association and the Rules of Procedures of the Meeting of Supervisory Committee of China International Capital Corporation Limited, with the aim of safeguarding the interests of the Company and all shareholders. During 2018, members of the Supervisory Committee attended all meetings of the Supervisory Committee and attended all on-site Board meetings, shareholders' general meeting of the Company and also attended substantially all the regular meetings of the management and on-site meetings of Board Committees, effectively supervised the performance of duties by the Board and the management of the Company and the financial position and compliance and risk control situation of the Company, so as to safeguard the interests of the Company and its shareholders.

The 2018 Work Report of the Supervisory Committee is set out above for consideration and review by all shareholders.

Supervisory Committee
China International Capital Corporation Limited