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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 DECISION OF ADMINISTRATIVE PENALTIES FROM CHINA SECURITIES REGULATORY COMMISSION

References are made to the announcements of China International Capital Corporation Limited (the “**Company**” or “**CICC**”) dated October 11, 2024 and October 26, 2024 in relation to the Company’s receipt of the *Notice of Case Filing* (Zheng Jian Li An Zi No. 0382024014) and the *Advance Notice of Administrative Penalties* (Chu Fa Zi〔2024〕No. 151) issued by China Securities Regulatory Commission (the “**CSRC**”) on October 11, 2024 and October 25, 2024, respectively.

In August 2021, S2C Limited (“**S2C**”, formerly known as Shanghai Guowei Silcore Technology Co., Ltd) submitted an application for initial public offering on the Science and Technology Innovation Board of the Shanghai Stock Exchange. In July 2022, S2C withdrew its application for offering and listing, and the Shanghai Stock Exchange made the decision to terminate the review. The CSRC has initiated a case to investigate and prosecute S2C for its suspected fraudulent offering and has imposed administrative penalties.

On December 20, 2024, the Company received the *Decision of Administrative Penalties* (〔2024〕No. 152) from the CSRC. The main contents are as follows:

It was found that, in providing sponsorship services for S2C’s IPO on the Science and Technology Innovation Board, the documents CICC issued, such as the *Issuance Sponsorship Letter*, contain misrepresentations, and CICC failed to exercise due diligence in the course of its practice, 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 (the “**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 has made 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.

The Company sincerely accepts the above-mentioned issue and penalties identified in the *Decision of Administrative 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 *Decision 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 the Shanghai Stock Exchange*. The Company fulfills 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
December 20, 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 and Mr. Kong Lingyan; and the Independent Non-executive Directors are Mr. Ng Kong Ping Albert, Mr. Lu Zhengfei, Mr. Peter Hugh Nolan and Mr. Zhou Yu.