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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: 3908)

ISSUE OF NEW H SHARES UNDER GENERAL MANDATE

AND

STRATEGIC COOPERATION WITH TENCENT

ISSUE OF NEW H SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that, on 20 September 2017, the Company and the Subscriber, a wholly-owned subsidiary of Tencent Holdings, entered into the Subscription Agreement pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 207,537,059 new H Shares at the subscription price of HK\$13.80 per Subscription Share.

The Subscription Shares represent approximately 13.65% and 5.21% of the total issued H Shares and the total issued Shares of the Company, respectively, as at the date of this announcement and approximately 12.01% and 4.95% of the total issued H Shares and the total issued Shares of the Company, respectively, as enlarged by the allotment and issue of the Subscription Shares (assuming there will not be any change in the share capital of the Company from the date of the Subscription Agreement to the Closing Date save for the allotment and issue of the Subscription Shares).

To the best of the Company's knowledge, information and belief, having made all reasonable enquiries and as at the date of this announcement, the Subscriber and its ultimate holding company are independent of and not connected persons of the Company.

The Subscription Shares will be allotted and issued under the General Mandate granted to the Board at the annual general meeting of the Company held on 12 June 2017. As of the date of this announcement, no H Shares has been allotted and issued pursuant to the General Mandate.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and the permission to deal in, the Subscription Shares.

STRATEGIC COOPERATION FRAMEWORK AGREEMENT

The Board is pleased to announce that, on 20 September 2017, the Company and Tencent Computer entered into the Strategic Cooperation Framework Agreement pursuant to which the Company and Tencent Computer will procure and ensure the establishment of the strategic cooperation relationship between the Company and Tencent on the group level.

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

WARNING: Shareholders and potential investors should note that Completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares. Further announcement(s) will be made by the Company upon Completion in relation to additional information of the Subscription or pursuant to any applicable requirements under the Listing Rules as and when applicable.

BACKGROUND

Taking into account the remarkable mutual complementation and the broad cooperation prospect between both parties leveraging their leading positions in respective industries, the Company and Tencent have decided to pursue active strategic cooperation following in-depth communication between the parties. The cooperation will play an important role in the ecosystem construction of Tencent and will act as a significant impetus for the development of strategic businesses of the Company, including but not limited to wealth management and asset management.

For the purpose of effectively facilitating the cooperation and realising a sound investment return, the Subscriber, an entity designated by Tencent Holdings, entered into the Subscription Agreement with the Company on 20 September 2017 to subscribe for 207,537,059 new H Shares of the Company, representing 4.95% of the total issued Shares of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming there will not be any change in the share capital of the Company from the date of the Subscription Agreement to the Closing Date save for the allotment and issue of the Subscription Shares). Meanwhile, in order to ensure smooth implementation of the strategic cooperation, the Company and Tencent Computer have discussed on the overall arrangement for the strategic cooperation and entered into the Strategic Cooperation Framework Agreement on 20 September 2017.

THE SUBSCRIPTION AGREEMENT

Summarised below are the principal terms of the Subscription Agreement:

Date: 20 September 2017

Issuer: the Company

Subscriber: Tencent Mobility Limited, a wholly-owned subsidiary of Tencent Holdings

To the best of the Company's knowledge, information and belief, having made all reasonable enquiries and as at the date of this announcement, the Subscriber and its ultimate holding company are independent of and not connected persons of the Company.

The Subscription

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, the Subscription Shares at the Subscription Price of HK\$13.80 per Subscription Share, representing approximately 13.65% and 5.21% of the total issued H Shares and the total issued Shares of the Company, respectively, as at the date of this announcement and approximately 12.01% and 4.95% of the total issued H Shares and the total issued Shares of the Company, respectively, as enlarged by the allotment and issue of the Subscription Shares (assuming there will not be any change in the share capital of the Company from the date of the Subscription Agreement to the Closing Date save for the allotment and issue of the Subscription Shares). The Subscription Shares are new H Shares with a nominal value of RMB1.00 each in the share capital of the Company. The aggregate nominal value of the Subscription Shares is RMB207,537,059.

The Subscription Shares, when issued and fully paid, shall rank pari passu in all respects with the other H Shares in issue on or prior to the Closing Date, including the right to receive all dividends and other distributions, the record date set for determining the entitlement to which falls at any time on or after the Closing Date and will be issued free and clean of all Encumbrances.

Subscription Price

The Subscription Price of HK\$13.80 per Subscription Share represents:

- (i) a discount of approximately 10.97% to the closing price of HK\$15.50 per H Shares as quoted on the Stock Exchange on 20 September 2017, being the date of the Subscription Agreement;
- (ii) a discount of approximately 5.58% to the average of the closing prices of approximately HK\$14.62 per H Share as quoted on the Stock Exchange for the last five trading days immediately before 20 September 2017, being the date of the Subscription Agreement;
- (iii) a discount of approximately 0.85% to the average of the closing prices of approximately HK\$13.92 per H Share as quoted on the Stock Exchange for the 30 trading days immediately before 20 September 2017, being the date of the Subscription Agreement; and
- (iv) a premium of approximately 2.30% to the average of the closing prices of approximately HK\$13.49 per H Share as quoted on the Stock Exchange for the 45 trading days immediately before 20 September 2017, being the date of the Subscription Agreement.

The aggregate consideration for the Subscription Shares is approximately HK\$2,864.01 million and shall be settled by the Subscriber on the Closing Date.

The Subscription Price has been negotiated and arrived at on an arm's length basis between the Company and the Subscriber with reference to, among others, the current market conditions and the market price of the H Shares.

Subscriber's Lock-up Undertakings

The Subscriber undertakes that, at any time during the period of thirty-six (36) months following the Closing Date, unless with the prior written consent of the Company, the Subscriber shall not:

- (i) sell, contract to sell, grant any option, right, benefit or create Encumbrance over, or otherwise transfer or dispose of any Subscription Shares or any interests in the Subscription Shares;
- (ii) engage any third party (other than an Affiliate of the Subscriber) to manage the Subscription Shares on behalf of the Subscriber;
- (iii) request the Company to buy back any of the Subscription Shares;
- (iv) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in the preceding sentences; or
- (v) announce any intention to enter into or effect any such transaction described in the preceding sentences.

Notwithstanding the aforesaid requirements, the Subscriber may transfer part or all of the Subscription Shares held by the Subscriber to any of its Affiliates for tax consideration or for corporate reorganization purpose provided that (i) the Subscriber shall procure such Affiliate to remain to be bound by the terms of the Subscription Agreement as if it were a party to the Subscription Agreement and such Affiliate shall satisfy the requirements set out in the Subscription Agreement; and (ii) the transfer shall be in compliance with relevant laws and regulations, and the requirements of the CSRC or relevant stock exchanges.

The Subscriber undertakes that the Subscriber shall not, and shall procure that none of its Affiliates shall, acquire (including contract or agree to acquire) directly or indirectly additional Shares of the Company without the prior written consent of the Company, except for (i) taking up any scrip dividend, rights shares, capitalisation issue or any other share issuances whereby the shareholders of the Company are entitled to participate in under the Articles of Association or applicable laws and regulations or rules of applicable stock exchanges, provided that in any event the Subscriber's shareholding in the Company shall not be more than 4.95% of the entire issued share capital of the Company; or (ii) acquiring any voting rights in the Shares to maintain or restore its shareholding at not more than 4.95% of the entire issued share capital of the Company from time to time; or (iii) the Subscriber's percentage of voting right in the Shares being increased as a result of any share buy-back by the Company.

Company's Undertaking

In the event that the Company proposes to issue new H Shares to any independent third party(ies) (as defined in the Listing Rules) prior to the Closing Date, the Company shall promptly inform the Subscriber of such proposal in writing, and the Subscriber shall be entitled to (but is under no obligation to) request the Company to, and if so requested by the Subscriber, the Company shall, allot and issue additional H Shares to the Subscriber (the "**Additional Shares**") in priority on the same terms and conditions offered by the Company to the independent third party(ies) in order to maintain or restore its shareholding at not more than 4.95% of the entire issued share capital of the Company as at the Closing Date or the completion date of the new H Shares issuance (whichever

is later), subject to the Company's compliance with applicable laws and regulations including the Articles of Associations and the Listing Rules and the consents and approvals of all relevant PRC regulatory authorities (including the approvals of the CSRC for the issuance of the Additional Shares to the Subscriber and the new H Share to the independent third party(ies)) being obtained. The Company shall ensure that (i) the allotment and issue of new H Shares to independent third party(ies) prior to the Closing Date; and (ii) the allotment and issue of the Subscription Shares and the Additional Shares (if any) to the Subscriber, shall be made using the General Mandate and shall not in aggregate exceed the General Mandate.

Nomination of Director

The Subscriber shall be entitled to nominate in accordance with the Articles of Association one candidate reasonably agreed by the Company and the Subscriber as suitable to be elected as a Director of the Company upon Completion, and such nomination shall, subject to fulfilment of the requirements relating to the qualifications of directors under the Listing Rules, the Articles of Association and applicable laws, regulations as well as requirements of the relevant authorities, be approved by the Board, provided that such approval is subject to the Directors fulfilling their fiduciary duty owed to the Company, and approval of the appointment by the Shareholders of the Company.

The Company shall use all reasonable endeavours to assist with the Subscriber to obtain all approvals required for the appointment of the candidate nominated by the Subscriber and shall use all reasonable endeavours to convene a general meeting for the Shareholders of the Company to consider, and if thought fit, approve the appointment of such candidate as soon as practicable and in any event not later than four (4) months after CSRC has approved the nomination of such candidate or such other time as agreed in writing by the Company and the Subscriber.

Conditions Precedent

Completion of the Subscription shall be conditional upon the following Conditions Precedent being satisfied or waived (as applicable):

- (i) the Listing Committee of the Stock Exchange having granted listing of and permission to deal in the Subscription Shares;
- (ii) the consents and approvals of all relevant PRC regulatory authorities (including the approvals of the CSRC for the issuance of the Subscription Shares) having been obtained;
- (iii) the permission, consent and approval referred above having not been subsequently revoked and having remained in full force and effect on the Closing Date; and
- (iv) the warranties given by the Company and the Subscriber having remained true, accurate and not misleading as of the Closing Date.

Neither the Company nor the Subscriber may waive the Conditions Precedent set out in (i), (ii) and (iii) above. If the Conditions Precedent have not been fulfilled in full or waived at or before 5:00 p.m. on the Long Stop Date, the Subscription Agreement may be terminated automatically with immediate effect.

Completion

Completion shall take place on the Closing Date at such place as the Company and the Subscriber may agree in writing subject to the fulfilment or waiver (as applicable) of all the Conditions Precedent as set out in the Subscription Agreement.

Termination

The Subscription Agreement may be terminated:

- (i) automatically with immediate effect if the Conditions Precedent have not been fulfilled in full or waived at or before 5:00 p.m. on the Long Stop Date;
- (ii) by the Company in the event there is a material breach of the Subscription Agreement on the part of the Subscriber;
- (iii) by the Subscriber in the event there is a material breach of the Subscription Agreement on the part of the Company; or
- (iv) with the written consent of the Company and the Subscriber.

GENERAL MANDATE

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Board at the annual general meeting of the Company held on 12 June 2017. Under the General Mandate, the Board is allowed to allot and issue up to 304,035,473 H Shares. As at the date of this announcement, no new H Shares has been issued under the General Mandate and the number of Subscription Shares is within the scope of the General Mandate. The Subscription is therefore not subject to Shareholders' approval.

APPLICATION FOR LISTING

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and the permission to deal in, the Subscription Shares.

EQUITY FUND RAISING ACTIVITY IN THE LAST 12 MONTHS

The Company has not conducted any fund raising exercise on any issue of equity securities in the past 12 months preceding the date of this announcement.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the date of this announcement and immediately after the Completion is as follows (assuming there will not be any change in the share capital of the Company from the date of the Subscription Agreement to the Closing Date save for the allotment and issue of the Subscription Shares):

Shareholders (Note 1)	Class of Shares	As at date of this announcement		Immediately after the Completion	
		No. of Shares	Approximate percentage of total issued shares	No. of Shares	Approximate percentage of total issued shares
Huijin and parties acting in concert with it (Note 2)	Domestic Shares	2,337,390,480	58.65%	2,337,390,480	55.75%
China National Investment and Guaranty Corporation	Domestic Shares	127,562,960	3.20%	127,562,960	3.04%
GIC Private Limited	H Shares	245,631,835	6.16%	245,631,835	5.86%
TPG Asia V Delaware, L.P.	H Shares	171,749,719	4.31%	171,749,719	4.10%
KKR Institutions Investments L.P.	H Shares	166,747,300	4.18%	166,747,300	3.98%
Mingly Corporation	H Shares	122,559,265	3.08%	122,559,265	2.92%
The Great Eastern Life Assurance Company Limited	H Shares	83,373,650	2.09%	83,373,650	1.99%
OppenheimerFunds, Inc.	H Shares	80,388,800	2.02%	80,388,800	1.92%
The Subscriber	H Shares	0	0%	207,537,059	4.95%
Other Shareholders	H Shares	649,726,800	16.31%	649,726,800	15.49%
Total		<u>3,985,130,809</u>	<u>100%</u>	<u>4,192,667,868</u>	<u>100%</u>

Notes:

1. The shareholding information of the Shareholders as of the date of this announcement is based on the information recorded in the register required to be kept by the Company under section 336 of the Securities and Futures Ordinance.
2. As of the date of this announcement, each of China Jianyin Investment Ltd. (中國建銀投資有限責任公司), JIC Investment Co., Ltd. (建投投資有限責任公司) and China Investment Consulting Co., Ltd. (中國投資諮詢有限責任公司) is directly or indirectly wholly owned by Huijin. Therefore, Huijin is deemed to be interested in Domestic Shares held by China Jianyin Investment Ltd., JIC Investment Co., Ltd. and China Investment Consulting Co., Ltd. for the purpose of the Securities and Futures Ordinance.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The issue of the Subscription Shares and introduction of the strategic investor serve as an important part of the Company's strategic measures to enlarge the scale of its wealth management business and accelerate wealth management transformation by applying financial technology so as to further improve its leading position in the areas of wealth management and asset management. Tencent, being one of the leading integrated Internet service providers in the PRC, has a very extensive customer base in the PRC and prominent advantages in cutting-edge technologies such as big data processing and artificial intelligence, as well as Internet security technologies, online platform and services, Internet user demand understanding, etc. The in-depth cooperation between the Company and Tencent in areas such as precision marketing and big data analysis will enable the Company to enlarge its customer base and provide more personalized and diversified wealth management products and services for customers. The Company will also be able to better serve the real economy and promote innovation in the field of inclusive finance through combination of technological and financial expertise.

The issue of the Subscription Shares will also further enhance the overall scale and capital strength of the Company, support the sustainable growth of the businesses and provide necessary funds for future strategic investments and acquisitions.

The Directors consider that the terms of the Subscription Agreement were entered into on normal commercial terms after arm's length negotiations and the terms therein are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The gross proceeds of the Subscription will amount to approximately HK\$2,864.01 million. After deducting the relevant expenses, the estimated net proceeds from the issue of the Subscription Shares will amount to approximately HK\$2,861.12 million. The net price for each Subscription Share is estimated to be approximately HK\$13.79. The Company intends to use the net proceeds to replenish the capital of the Company and support the Company's domestic and overseas business development by further strengthening capital base.

STRATEGIC COOPERATION FRAMEWORK AGREEMENT

On 20 September 2017, the Company and Tencent Computer entered into a Strategic Cooperation Framework Agreement, pursuant to which the Company and Tencent Computer will procure and ensure the establishment of the strategic cooperation relationship between the Company and Tencent on the group level. Both parties agree that their respective management will actively promote the effective implementation of the strategic cooperation, including setting up a Steering Committee co-chaired by the senior management of both parties.

The cooperation will mainly focus on financial services. Both parties will leverage upon their respective resources in the relevant industries to actively explore and identify specific cooperation projects and areas and will give full play of their respective advantages in the cooperation.

The Company and Tencent have initially identified certain key directions for potential cooperation including precision marketing and big data analysis. The parties will commence discussion on these cooperation directions and other potential cooperation directions as soon as practicable after execution of the Strategic Cooperation Framework Agreement.

The approaches of cooperation shall include but not limited to jointly establishing trial projects or entering into cooperation agreements for specific businesses, which will be determined in accordance with the then specific conditions.

INFORMATION ON THE COMPANY

The principal businesses of the Company are investment banking, equities, fixed income, commodities and currencies, wealth management, investment management and relevant financial services.

INFORMATION ON TENCENT HOLDINGS

Tencent Holdings is a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange (Stock Code: 700). Tencent Holdings is principally engaged in the provision of Internet value-added services and online advertising in the PRC.

INFORMATION ON TENCENT COMPUTER

Tencent Computer is a company incorporated in the PRC with limited liability which primarily engages in the provision of Internet value-added services and online advertising in the PRC. Tencent Computer is a wholly-owned subsidiary of Tencent Holdings.

INFORMATION ON THE SUBSCRIBER

Tencent Mobility Limited is a company incorporated in Hong Kong with limited liability which primarily engages in development and operation of entertainment applications, provision of promotion activities for WeChat and investment holding. The Subscriber is a wholly-owned subsidiary of Tencent Holdings.

WARNING: Shareholders and potential investors should note that Completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares. Further announcement(s) will be made by the Company upon Completion in relation to additional information of the Subscription or pursuant to any applicable requirements under the Listing Rules as and when applicable.

DEFINITIONS

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

“Affiliate”	in respect of an entity, any person that directly or indirectly controls or is controlled by, or is under common control with such entity
“Articles of Association”	the articles of association of the Company
“Board”	the board of directors of the Company

“Business Day”	any day (excluding a Saturday, Sunday or public holiday in Hong Kong or the PRC) on which banks are generally open for business in Hong Kong and the PRC
“China” or “PRC”	the People’s Republic of China, which for the purpose of this announcement, shall not include Hong Kong, Macau Special Administrative Region of the PRC and Taiwan Region
“Closing Date”	the date on which the Completion shall take place, which shall be the fifth Business Day after (and excluding) the date on which the last of the applicable Conditions Precedent is satisfied or waived, or such other date as may be agreed in writing between the Company and the Subscriber
“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 Stock Exchange (Stock Code: 3908)
“Completion”	completion of the Subscription in accordance with the Subscription Agreement
“Conditions Precedent”	the conditions precedent to Completion of the Subscription set out in Subscription Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	issued 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
“Encumbrance”	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, or other encumbrance or security interest having similar effect
“General Mandate”	the general mandate granted to the Board by the resolution of the Shareholders passed at the annual general meeting of the Company held on 12 June 2017 to issue, allot and deal with additional Domestic Shares and/or H Shares of the Company, 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 shall not exceed 20% of the respective number of the existing Domestic Shares and/or H Shares in issue on the date of passing of such resolution

“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 Stock Exchange and is (are) subscribed for and traded in HK\$
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Huijin”	Central Huijin Investment Ltd.* (中央匯金投資有限責任公司), a wholly state-owned company ultimately owned by the PRC Government, which directly and indirectly held approximately 58.65% of the equity interests in our Company as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	31 May 2018, or such later date as agreed between the Company and the Subscriber
“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)
“Shareholders”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Cooperation Framework Agreement”	the strategic cooperation framework agreement entered into between the Company and Tencent Computer dated 20 September 2017 in relation to the strategic cooperation
“Subscriber”	Tencent Mobility Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Tencent Holdings
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into between the Company and the Subscriber dated 20 September 2017 in relation to the subscription of Subscription Shares by the Subscriber
“Subscription Price”	the subscription price of HK\$13.80 per Subscription Share
“Subscription Shares”	207,537,059 new H Shares to be subscribed under the Subscription

“Tencent”	Tencent Holdings and its subsidiaries
“Tencent Computer”	Shenzhen Tencent Computer Systems Company Limited, a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Tencent Holdings
“Tencent Holdings”	Tencent Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange (Stock Code: 700)
“%”	per cent

* *The English translation or transliteration of the Chinese name(s) in this announcement, where indicated, is included for information purposes only, and should not be regarded as the official English name(s) of such Chinese name(s).*

By Order of the Board
China International Capital Corporation Limited
Secretary to the Board
Wu Bo

Beijing, the PRC, 20 September 2017

As at the date of this announcement, 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.