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China Cinda Asset Management Co., Ltd.

中國信達資產管理股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 01359 and 04621 (Preference Shares))

DISCLOSEABLE TRANSACTION

ENTERING INTO SHARE SUBSCRIPTION AGREEMENT

The Board is pleased to announce that on December 24, 2021, the Company, as one of the Capital Increase Subscribers, entered into the Share Subscription Agreement with the Target Company, Other Capital Increase Subscribers and Other Existing Shareholders. Pursuant to the Share Subscription Agreement, the Target Company will issue an additional registered capital of RMB22.0 billion to all Capital Increase Subscribers. Among them, the Company will invest RMB6.0 billion in subscribing for a 20.000% interest in the Target Company in cash. Upon completion of the Capital Increase, the registered capital of the Target Company will be increased from RMB8.0 billion to RMB30.0 billion and the Group will hold a 24.003% interest in the Target Company.

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the entering into of the Share Subscription Agreement constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements of the Listing Rules.

In accordance with the Articles of Association, the entering into of the Share Subscription Agreement shall be submitted to the shareholders' general meeting of the Company for approval. A circular containing (among others) further details of the Share Subscription Agreement and the transactions contemplated thereunder will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Shareholders and potential investors are reminded that the Closing is subject to the satisfaction of the conditions precedent set out in the Share Subscription Agreement, and therefore may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares and other securities of the Company.

I. SUMMARY

The Board is pleased to announce that on December 24, 2021, the Company, as one of the Capital Increase Subscribers, entered into the Share Subscription Agreement with the Target Company, Other Capital Increase Subscribers and Other Existing Shareholders. Pursuant to the Share Subscription Agreement, the Target Company will issue an additional registered capital of RMB22.0 billion to all Capital Increase Subscribers. Among them, the Company will invest RMB6.0 billion in subscribing for a 20.000% interest in the Target Company in cash. Upon completion of the Capital Increase, the registered capital of the Target Company will be increased from RMB8.0 billion to RMB30.0 billion and the Group will hold a 24.003% interest in the Target Company.

II. PRINCIPAL TERMS OF THE SHARE SUBSCRIPTION AGREEMENT

Date: December 24, 2021

Parties: Target Company;
The Company;
Other Capital Increase Subscribers; and
Other Existing Shareholders

Capital Increase: Pursuant to the Share Subscription Agreement, the Target Company proposed to issue an additional registered capital of RMB22.0 billion (the “**Additional Registered Capital**”) in aggregate to all Capital Increase Subscribers at the subscription price with a par value of RMB1 for each RMB1 of the registered capital and the total subscription price shall amount to RMB22.0 billion. Each of the Capital Increase Subscribers shall, based on the amount set out in the table below, severally and jointly subscribe for and pay up the Additional Registered Capital of the Target Company in cash:

Capital Increase Subscribers	Additional Registered Capital to be subscribed for (RMB)	Subscription price payable (RMB)
Ant Group*	11,000,000,000	11,000,000,000
Yuyue Medical*	1,097,800,000	1,097,800,000
China Cinda	6,000,000,000	6,000,000,000
Sunny Optics	1,800,000,000	1,800,000,000
Boguan Technology	1,322,200,000	1,322,200,000
Yufu Capital	780,000,000	780,000,000
Total	<u>22,000,000,000</u>	<u>22,000,000,000</u>

* existing shareholders of the Target Company

Upon completion of the Capital Increase, the registered capital of the Target Company will be increased from RMB8.0 billion to RMB30.0 billion with the following shareholding percentage:

Contributors	Amount of registered capital to be subscribed for (RMB)	Shareholding percentage before Capital Increase	Shareholding percentage after completion of Capital Increase
Ant Group*	15,000,000,000	50.000%	50.000%
NCB*	RMB1,200,800,000 or its equivalent in foreign currency	15.010%	4.003%
CUB China*	800,000,000	10.000%	2.667%
CATL*	640,000,000	8.000%	2.133%
TransInfo Technology*	560,800,000	7.010%	1.869%
China Huarong*	399,200,000	4.990%	1.331%
Yuyue Medical*	1,497,000,000	4.990%	4.990%
China Cinda	6,000,000,000	–	20.000%
Sunny Optics	1,800,000,000	–	6.000%
Boguan Technology	1,322,200,000	–	4.407%
Yufu Capital	780,000,000	–	2.600%
Total	30,000,000,000	100.000%	100.000%

* existing shareholders of the Target Company

Conditions precedent:

Conditions precedent for the Closing mainly include (among others):

1. General conditions for Closing
 - a) No government departments have enacted, promulgated, enforced or adopted any laws or orders which make (i) the Capital Increase illegal and/or non-compliant; or (ii) otherwise restrict or prohibit the Capital Increase;
 - b) The resolution of the shareholders' general meeting of the Target Company required for the Capital Increase has been approved;
 - c) The internal authorization (resolutions of the shareholders' general meeting and/or the board meeting) of the Capital Increase Subscribers and the approval, filing, consent or confirmation (if applicable) of the relevant regulatory authorities for Capital Increase Subscribers' participation in the Capital Increase has been obtained;
 - d) Approval of the banking regulatory authorities for the Capital Increase.

The above conditions precedent may only be waived in whole or in part by the agreement between the Target Company and the Capital Increase Subscribers, each of whom shall be independent of each other as to whether or not such conditions for Closing have been satisfied.

2. Closing conditions of the Target Company

- a) No government departments have enacted, promulgated, enforced or adopted any laws or orders which make (i) the Capital Increase Subscribers' subscription of the Additional Registered Capital of the Target Company illegal and/or non-compliant; or (ii) otherwise restrict or prohibit the Capital Increase Subscribers from subscribing for the Additional Registered Capital;
- b) There are no claims initiated by or filed with any government departments or third parties against the Capital Increase Subscribers that have occurred or may occur, which would limit the Capital Increase Subscribers' obligations to subscribe for the Additional Registered Capital, or may render their participation in the Capital Increase impossible or illegal;
- c) The Capital Increase Subscribers shall have signed and delivered to the Target Company the Share Subscription Agreement and amendments to the articles of association of the Target Company;
- d) As of the Closing date, the representations and warranties made by the Capital Increase Subscribers in the Share Subscription Agreement shall be true and correct in all material respects and shall have the same force and effect as if they had been made on the Closing date.

The above conditions precedent may be waived in whole or in part by the Target Company, and each of the Capital Increase Subscribers shall be independent of each other as to whether or not such conditions for Closing have been satisfied.

3. Closing conditions of the Capital Increase Subscribers

- a) The Target Company shall have signed and delivered to the Capital Increase Subscribers the Share Subscription Agreement;
- b) As of the Closing date, the representations and warranties made by the Target Company in the Share Subscription Agreement shall be true and correct in all material respects and shall have the same force and effect as if they had been made on the Closing date.

The above conditions precedent may only be waived by the Capital Increase Subscribers.

Closing: Unless otherwise agreed by any of the Capital Increase Subscribers and the Target Company, in respect of each Capital Increase Subscribers and the Target Company, the Target Company shall issue a notice on the payment of the subscription price (the “**Payment Notice**”) to the Capital Increase Subscribers on the date when all the Closing conditions are satisfied or waived in writing by the Capital Increase Subscribers and the Target Company (provided that the Capital Increase Subscribers shall be independent of each other as to whether or not such conditions have been satisfied for Closing and the conditions that can only be satisfied as part of the Closing shall be excluded).

The Target Company and the Capital Increase Subscribers shall perform their respective Closing obligations on the 5th business day after the issue of the Payment Notice or such other date and place as may be mutually agreed in writing between the Capital Increase Subscribers and the Target Company. The date on which the Closing takes place shall be the Closing date.

III. INFORMATION ON THE PARTIES

A. Information on the Target Company

The Target Company, a limited liability company incorporated in the PRC in June 2021, has a registered capital of RMB8.0 billion. The principal business includes the offering of personal consumption loans, acceptance of deposits from domestic subsidiaries of shareholders and domestic shareholders, borrowing from domestic financial institutions, issuance of financial bonds upon approval, domestic inter-bank borrowing and lending, consultation related to consumer finance, agency business, agency factor of insurance products related to payment loans, fixed-income securities investment business, etc. As of the date of this announcement, the shareholding structure of the Target Company is as follows:

Existing shareholders	Contribution amount (RMB million)	Shareholding percentage
Ant Group	4,000.0	50.00%
NCB	1,200.8	15.01%
CUB China	800.0	10.00%
CATL	640.0	8.00%
TransInfo Technology	560.8	7.01%
China Huarong	399.2	4.99%
Yuyue Medical	399.2	4.99%
Total	<u>8,000.0</u>	<u>100.00%</u>

The following sets out a summary of the Target Company’s financial information for the period from June 4, 2021 (establishment date) to September 30, 2021, prepared in accordance with the PRC GAAP and extracted from the unaudited financial statements of the Target Company:

	For the period from June 4, 2021 (establishment date) to September 30, 2021 (RMB million)
Income	291
Profit/(Loss) before tax	(618)
Profit/(Loss) after tax	(525)
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	As of September 30, 2021 (RMB million)
Total assets	60,098
Net asset value	7,475
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B. Information on the Company

The Group is principally engaged in distressed asset management, and provides customized financial solutions and differentiated asset management services to its clients through its synergistic and diversified business platforms.

C. Information on Existing Shareholders and Other Capital Increase Subscribers

Ant Group

Ant Group is a company incorporated in the PRC, and provides comprehensive digital payment services, digital financial services and digital daily life services for consumers and operators of small and micro enterprises in China and across the world. Hangzhou Junhan Equity Investment Partnership (Limited Partnership) (“Hangzhou Junhan”) and Hangzhou Junao Equity Investment Partnership (Limited Partnership) (“Hangzhou Junao”) hold approximately 29.86% and 20.66% (together approximately 50.52%) of Ant Group’s total issued shares, respectively. Hangzhou Yunbo Investment Consulting Co., Ltd. (“Hangzhou Yunbo”) is the executive partner and general partner of, and controls, Hangzhou Junhan and Hangzhou Junao.

Mr. Jack Ma holds a 34% equity interest in Hangzhou Yunbo and each of Mr. Eric Jing, Mr. Simon Xiaoming Hu and Ms. Fang Jiang holds a 22% equity interest in Hangzhou Yunbo. Pursuant to a concert party agreement entered into between them and the articles of association of Hangzhou Yunbo, Mr. Jack Ma has ultimate control over Ant Group.

NCB

NCB is a commercial bank and a subsidiary of the Company. Its principal business and branches are located in Hong Kong and Mainland China, providing comprehensive personal and commercial banking services to individual and corporate customers, respectively. As at the date of this announcement, the ultimate beneficial owner of NCB is the Ministry of Finance of the PRC.

CUB China

CUB China is a company incorporated in the PRC with limited liability in 2018. It continues to develop and promote the execution of various businesses within the approved business scope, operates foreign exchange business for various types of customers, conducts RMB business for customers other than PRC domestic citizens, etc. As of the date of this announcement, the ultimate beneficial owner of CUB China is Cathay Financial Holding Co., Ltd.

CATL

CATL is a joint stock company incorporated in the PRC with limited liability in 2011, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 300750). It is principally engaged in the research and development, production and sales of power battery system and energy storage system and the provision of first-class solutions and services for global new energy applications. As of the date of this announcement, the ultimate beneficial controllers of CATL are Mr. Zeng Yuqun and Mr. Li Ping.

TransInfo Technology

TransInfo Technology is a joint stock company incorporated in the PRC with limited liability in 2002, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002373). It is a leading provider of industrial digital solutions and big data services in China, mainly engaged in smart transportation and smart IoT business. As of the date of this announcement, the ultimate beneficial controller of TransInfo Technology is Mr. Xia Shudong.

China Huarong

China Huarong is a joint stock company incorporated in the PRC with limited liability in 1999, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 02799); and is principally engaged in distressed asset management, financial services and asset management and capital investment. As of the date of this announcement, the ultimate beneficial controller of China Huarong is the Ministry of Finance of the PRC.

Yuyue Medical

Yuyue Medical is a joint stock company incorporated in the PRC with limited liability in 1998, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002223). It is principally engaged in the research and development, manufacture and sale of medical device products and provision of related solutions. As of the date of this announcement, the ultimate beneficial controller of Yuyue Medical is Mr. Wu Guangming.

Sunny Optics

Sunny Optics is a limited liability company incorporated in the PRC in 1984 and a subsidiary of Sunny Optical Technology (Group) Company Limited, whose shares are listed on the Main Board of the Stock Exchange (stock code: 02382). It is mainly engaged in the design, research and development, manufacture and sale of optical and optical-related products. As of the date of this announcement, the ultimate beneficial owner of Sunny Optics is Mr. Wang Wenjian.

Boguan Technology

Boguan Technology is a limited liability company incorporated in the PRC in 2003, principally engaged in the design and production of game software. As of the date of this announcement, the ultimate beneficial controller of Boguan Technology is Net Ease Inc, whose shares are listed on the Main Board of the Stock Exchange (stock code: 0999) and NASDAQ (stock code: NTES).

Yufu Capital

Yufu Capital is a company incorporated in the PRC with limited liability in 2004 and is principally engaged in asset acquisition and disposal and capital investment of related industries within the scope authorized by the municipal government, investment consulting, financial consulting, corporate and asset custody. As of the date of this announcement, the ultimate beneficial controller of Yufu Capital is Chongqing State-owned Assets Supervision and Administration Commission.

Save as disclosed in this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the above parties and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

IV. REASONS FOR AND BENEFITS OF ENTERING INTO THE SHARE SUBSCRIPTION AGREEMENT

Under the backdrop of increasing consumer demand and improving regulatory system, the scale of consumer finance industry continues to expand, and technology has driven financial innovation with the applying of fintech. The Directors believe that the Target Company, which is empowered by fintech, has the value of investment based on its business scenarios and customer traffic. By participating in the Capital Increase, the Company can establish close cooperation with the leading consumer financial service providers in the industry, and draw on each other's strengths and achieve win-win results in customer sharing, fintech, financial industry chain services and other aspects.

Having considered the above, the Directors consider that the terms of the Share Subscription Agreement (including the subscription price) are on normal commercial terms, fair and reasonable and in the interest of the Company and its Shareholders as a whole.

V. LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the entering into of the Share Subscription Agreement constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements of the Listing Rules. In addition, the entering into of the Share Subscription Agreement does not constitute a transaction under Chapter 14A of the Listing Rules.

VI. SHAREHOLDERS' APPROVAL

Although the entering into of the Share Subscription Agreement is not subject to Shareholders' approval under the Listing Rules, pursuant to the Articles of Association, the entering into of the Share Subscription Agreement shall be submitted to the shareholders' general meeting of the Company for approval. No shareholder is required to abstain from voting on the special resolutions in relation to the entering into of the Share Subscription Agreement to be proposed at the shareholders' general meeting. A circular containing (among others) further details of the Share Subscription Agreement and the transactions contemplated thereunder will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

VII. CAUTION

Shareholders and potential investors are reminded that the Closing is subject to the satisfaction of the conditions precedent set out in the Share Subscription Agreement, and therefore may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares and other securities of the Company.

VIII. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have meanings as follows:

“Ant Group”	Ant Group Co., Ltd.
“Articles” or “Articles of Association”	the articles of association of the Company
“Board”	the board of Directors of the Company
“Boguan Technology”	Guangzhou Boguan Telecommunication Technology Co., Ltd.
“business day(s)”	any day other than Saturday, Sunday and the statutory holiday(s) determined by the State Council of PRC
“Company”	China Cinda Asset Management Co., Ltd.
“Capital Increase”	the increase of registered capital of the Target Company and the subscription of additional shares by the Capital Increase Subscribers pursuant to the Share Subscription Agreement

“Capital Increase Subscriber(s)”	Ant Group, Yuyue Medical, the Company, Sunny Optics, Boguan Technology and Yufu Capital, individually or collectively (as the case may be)
“CATL”	Contemporary Amperex Technology Co., Limited
“China” or “PRC”	the People’s Republic of China
“China Huarong”	China Huarong Asset Management Co., Ltd.
“TransInfo Technology”	China TransInfo Technology Co., Ltd.
“Closing”	closing of the Capital Increase
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“CUB China”	Cathay United Bank (China) Co., Ltd.
“Directors”	directors of the Company
“Existing Shareholders”	the existing shareholders of the Target Company (including Ant Group, NCB, CUB China, CATL, TransInfo Technology, China Huarong and Yuyue Medical), individually or collectively (as the case may be)
“Group”	the Company and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“NCB”	Nanyang Commercial Bank, Limited
“Other Capital Increase Subscribers”	the Capital Increase Subscribers other than the Company
“Other Existing Shareholder(s)”	the exiting shareholders not participating in the Capital Increase, i.e., NCB, CUB China, CATL, TransInfo Technology and China Huarong, individually or collectively (as the case may be)
“RMB”	RMB, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of share(s) of the Company
“Share Subscription Agreement”	the share subscription agreement entered into by the Company and the Target Company, Other Capital Increase Subscribers and Other Existing Shareholders on December 24, 2021 for the Capital Increase

“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Sunny Optics”	Zhejiang Sunny Optics Co., Ltd.
“Target Company”	Chongqing Ant Consumer Finance Co., Ltd.
“Yufu Capital”	Chongqing Yufu Capital Operation Group Co., Ltd.
“Yuyue Medical”	Jiangsu Yuyue Medical Equipment & Supply Co., Ltd.
“%”	percentage

By order of the Board
CHINA CINDA ASSET MANAGEMENT CO., LTD.
ZHANG Zi'ai
Chairman

Beijing, China
December 24, 2021

As at the date of this announcement, the Board of the Company consists of Mr. ZHANG Zi'ai and Mr. ZHANG Weidong as executive directors, Mr. HE Jieping, Mr. WANG Shaoshuang, Mr. CHEN Xiaowu, Ms. ZHANG Yuxiang, Mr. ZHANG Guoqing and Mr. LIU Chong as non-executive directors, and Mr. ZHU Wuxiang, Mr. SUN Baowen, Mr. LU Zhengfei and Mr. LAM Chi Kuen as independent non-executive directors.