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If you are in 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 advisers.

If you have sold or transferred all your shares in China Cinda Asset Management Co., Ltd., you should at once hand this circular and the accompanying proxy form of the annual general meeting to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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))

WORK REPORT OF THE BOARD FOR 2022
REPORT OF THE BOARD OF SUPERVISORS FOR 2022
REMUNERATION SETTLEMENT SCHEME FOR
DIRECTORS FOR 2021
REMUNERATION SETTLEMENT SCHEME FOR
SUPERVISORS FOR 2021
FINAL FINANCIAL ACCOUNT PLAN FOR 2022
PROFIT DISTRIBUTION PLAN FOR 2022
BUDGET OF INVESTMENT IN CAPITAL EXPENDITURE FOR 2023
APPOINTMENT OF ACCOUNTING FIRMS FOR 2023
EXTERNAL DONATION PLAN FOR 2023
CAPITAL INCREASE IN CINDA INVESTMENT
AND
NOTICE OF AGM FOR 2022

A notice of convening the AGM of China Cinda Asset Management Co., Ltd. at Conference Room 1111, 11th Floor, No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the PRC on Tuesday, June 20, 2023 at 10:00 a.m. is set out on pages 41 to 44 of this circular.

If you wish to appoint a proxy to attend the AGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon no later than 24 hours before the time designated for convening the AGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any adjourned meeting should you so wish.

May 30, 2023

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DEFINITIONS

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

“AGM”	the annual general meeting for 2022 of the Company to be held at Conference Room 1111, 11th Floor, No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the PRC at 10:00 a.m. on Tuesday, June 20, 2023
“Articles of Association”	the articles of association of the Company as amended from time to time
“Board”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission
“Cinda Investment”	Cinda Investment Co., Ltd., a wholly-owned subsidiary of the Company
“Cinda Real Estate”	Cinda Real Estate Co., Ltd., a subsidiary of the Company (a company listed on the Shanghai Stock Exchange, stock code: 600657)
“(our) Company”	China Cinda Asset Management Co., Ltd., a joint stock company incorporated in the PRC with limited liability, whose H Shares are listed on the Hong Kong Stock Exchange (stock code: 01359)
“Director(s)”	director(s) of the Company
“(our) Group”	China Cinda Asset Management Co., Ltd. and its subsidiaries
“H Share(s)”	ordinary share(s) of RMB1.00 each in the share capital of the Company which are listed on the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Latest Practicable Date”	May 24, 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MOF”	the Ministry of Finance of the PRC
“PRC”	People’s Republic of China, for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region
“PRC Company Law”	the Company Law of the People’s Republic of China
“Reporting Period”	the year ended December 31, 2022
“RMB”	Renminbi
“Share(s)”	ordinary share(s) of RMB1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	supervisor(s) of the Company
“Zhongrun Development”	Zhongrun Economic Development Co., Ltd., a wholly-owned subsidiary of the Company
“%”	percent

LETTER FROM THE BOARD



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))

Executive Directors:

ZHANG Weidong
LIANG Qiang
ZHAO Limin

Non-executive Directors:

HE Jieping
WANG Shaoshuang
CHEN Xiaowu
ZHANG Yuxiang
LIU Chong

Independent Non-executive Directors:

LU Zhengfei
LAM Chi Kuen
WANG Changyun
SUN Maosong
SHI Cuijun

Registered address:

No. 1 Building
9 Naoshikou Street
Xicheng District
Beijing
the PRC

*Principal place of business
in Hong Kong:*

12/F
AIA Central
1 Connaught Road Central
Central, Hong Kong

May 30, 2023

To the Shareholders

Dear Sir or Madam,

WORK REPORT OF THE BOARD FOR 2022
REPORT OF THE BOARD OF SUPERVISORS FOR 2022
REMUNERATION SETTLEMENT SCHEME FOR
DIRECTORS FOR 2021
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EXTERNAL DONATION PLAN FOR 2023
CAPITAL INCREASE IN CINDA INVESTMENT
AND
NOTICE OF AGM FOR 2022

1. INTRODUCTION

The purpose of this circular is to provide you with the notice of AGM and the information on relevant proposed resolutions to be considered at the AGM to enable you to make informed decisions on whether to vote for or against the resolutions at the AGM.

LETTER FROM THE BOARD

2. MATTERS TO BE CONSIDERED AT THE AGM

The resolutions to be proposed at the AGM for the Shareholders to consider and approve are: (1) work report of the Board for 2022; (2) report of the Board of Supervisors for 2022; (3) remuneration settlement scheme for Directors for 2021; (4) remuneration settlement scheme for Supervisors for 2021; (5) final financial account plan for 2022; (6) profit distribution plan for 2022; (7) budget of investment in capital expenditure for 2023; (8) appointment of accounting firms for 2023; (9) external donation plan for 2023; and (10) capital increase in Cinda Investment. The above resolutions (9) and (10) are special resolutions, others are ordinary resolutions.

Resolutions to be proposed at the AGM for Shareholders' consideration only and not for approval are: (1) review of the work report of the independent non-executive Directors for 2022; (2) review of the 2022 annual evaluation report of major Shareholder; and (3) review of the report on the management of related party transactions of the Group for 2022.

Details of the matters to be considered at the AGM are set out on pages 41 to 44 in the Notice of AGM. In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make decisions with adequate and necessary information, the Company has provided detailed information in this circular, including matters to be considered at the AGM (see Appendix I), work report of the Board for 2022 (see Appendix II), report of the Board of Supervisors for 2022 (see Appendix III), work report of the independent non-executive Directors for 2022 (see Appendix IV), 2022 annual evaluation report of major Shareholder (see Appendix V), and report on the management of related party transactions of the Group for 2022 (see Appendix VI).

3. AGM

The AGM will be held at Conference Room 1111, 11th Floor, No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the PRC at 10:00 a.m. on Tuesday, June 20, 2023. The notice of AGM is set out in this circular.

In order to determine the H Shareholders who are entitled to attend the AGM, the H Share register of members of the Company will be closed from Thursday, June 15, 2023 to Tuesday, June 20, 2023 (both days inclusive), during which period no transfer of H Shares will be effected. Holders of H Shares of the Company who intend to attend the AGM must deposit the share certificates together with the transfer documents at the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Wednesday, June 14, 2023. Shareholders whose names appear on the register of holders of H Shares of the Company at the close of business on Wednesday, June 14, 2023 are entitled to attend the AGM.

LETTER FROM THE BOARD

Proxy form for use at the AGM is enclosed herein and also published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk). Holders of H Shares who intend to attend the AGM by proxy shall complete and return the proxy form to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 24 hours before the time appointed for convening the AGM. Completion and return of the proxy form will not preclude you from attending the AGM and voting in person.

The voting at the AGM shall be taken by way of registered poll.

4. RECOMMENDATION

The Board considers that all resolutions set out in the notice of the AGM for consideration and approval by Shareholders are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all resolutions to be proposed at the AGM.

Yours faithfully,
By order of the Board
China Cinda Asset Management Co., Ltd.
ZHANG Weidong
Chairman

I. TO CONSIDER AND APPROVE THE WORK REPORT OF THE BOARD FOR 2022

In accordance with the applicable regulatory requirements, the Articles of Association and other relevant provisions, and based on the actual work of the Board in 2022, the Company formulated the Work Report of the Board for 2022 of China Cinda Asset Management Co., Ltd. (see Appendix II).

Such report has been considered and approved at the fourth meeting, i.e. the second regular meeting of the Board in 2023, and is hereby submitted to the AGM for consideration and approval in accordance with the Articles of Association and other relevant provisions.

II. TO CONSIDER AND APPROVE THE REPORT OF THE BOARD OF SUPERVISORS FOR 2022

In accordance with the applicable regulatory requirements, the Articles of Association and other relevant provisions, and based on the actual work of the Board of Supervisors in 2022, the Company formulated the Report of the Board of Supervisors for 2022 of China Cinda Asset Management Co., Ltd. (see Appendix III).

Such report has been considered and approved at the second meeting, i.e. the second regular meeting of the Board of Supervisors in 2023, and is hereby submitted to the AGM for consideration and approval in accordance with the relevant provisions of the Articles of Association.

III. TO CONSIDER AND APPROVE THE REMUNERATION SETTLEMENT SCHEME FOR DIRECTORS FOR 2021

In accordance with relevant policies of the Chinese government, the Company has formulated the remuneration settlement scheme for Directors for 2021. This resolution has been considered and approved at the second meeting, i.e. the first regular meeting of the Board in 2023, and is hereby submitted to the AGM for consideration and approval in accordance with the relevant provisions of the Articles of Association. Details of the scheme are set out below:

Unit: RMB10,000

Name	Position in 2021	Basic annual remuneration	Performance-based annual remuneration	Total annual remuneration (before tax)	Allowance	Benefit
ZHANG Zi'ai	Executive director and chairman	37.50	45.32	82.82	–	22.38
ZHANG Weidong	Executive director and president	37.50	45.32	82.82	–	21.18
HE Jieping	Non-executive director	–	–	–	–	–

Name	Position in 2021	Basic annual remuneration	Performance-based annual remuneration	Total annual remuneration (before tax)	Allowance	Benefit
XU Long	Non-executive director	-	-	-	-	-
WANG Shaoshuang	Non-executive director	-	-	-	-	-
CHEN Xiaowu	Non-executive director	-	-	-	-	-
ZHANG Yuxiang	Non-executive director	-	-	-	-	-
ZHANG Guoqing	Non-executive director	-	-	-	-	-
LIU Chong	Non-executive director	-	-	-	-	-
ZHU Wuxiang	Independent non-executive director	-	-	-	25.00	-
SUN Baowen	Independent non-executive director	-	-	-	25.00	-
LU Zhengfei	Independent non-executive director	-	-	-	25.00	-
LAM Chi Kuen	Independent non-executive director	-	-	-	25.00	-

Notes:

1. Non-executive directors do not receive remuneration from the Company.
2. In accordance with the allowance scheme for independent directors approved at the shareholders' general meeting of the Company, the basic annual allowance of each independent non-executive director is RMB250,000 (before tax).
3. Changes of directors:
 - 1) CHEN Xiaowu has served as a non-executive director of the Company since December 2021.
 - 2) XU Long has ceased to serve as a non-executive director of the Company since December 2021.

IV. TO CONSIDER AND APPROVE THE REMUNERATION SETTLEMENT SCHEME FOR SUPERVISORS FOR 2021

In accordance with relevant policies of the Chinese government, the Company has formulated the remuneration settlement scheme for Supervisors for 2021. This resolution has been considered and approved at the first meeting, i.e. the first regular meeting of the Board of Supervisors in 2023, and is hereby submitted to the AGM for consideration and approval in accordance with the relevant provisions of the Articles of Association. Details of the scheme are set out below:

Unit: RMB10,000

Name	Position in 2021	Basic annual remuneration	Performance-based annual remuneration	Total annual remuneration (before tax)	Allowance	Benefit
GONG Jiande	Chairman of the Board of Supervisors and shareholder representative supervisor	37.50	45.14	82.64	–	21.05
ZHANG Zheng	External supervisor	–	–	–	20.00	–
ZHEN Qinggui	External supervisor	–	–	–	6.89	–
CAI Xiaoqiang	External supervisor	–	–	–	6.89	–
LIU Yanfen	External supervisor	–	–	–	15.00	–
LI Chun	External supervisor	–	–	–	15.00	–
Gong Hongbing	Employee supervisor	–	–	–	2.00	–
Lu Baoxing	Employee supervisor	–	–	–	2.00	–
Yuan Liangming	Employee supervisor	–	–	–	2.00	–

Notes:

1. In accordance with the allowance scheme for external supervisors approved at the shareholders' general meeting of the Company, the basic annual allowance of each external supervisor is RMB200,000 (before tax).
2. In accordance with the allowance scheme for employee supervisors approved at the shareholders' general meeting of the Company, the basic annual allowance for each employee supervisor is RMB20,000 (before tax).
3. Changes of supervisors:
 - (1) ZHEN Qinggui and CAI Xiaoqiang have served as external supervisors of the Company since August 2021.
 - (2) LIU Yanfen and LI Chun have ceased to serve as external supervisors of the Company since August 2021.

V. TO CONSIDER AND APPROVE THE FINAL FINANCIAL ACCOUNT PLAN FOR 2022

According to the 2022 consolidated financial statements and audit report prepared in accordance with the International Financial Reporting Standards, details of the final financial account plan of the Group for 2022 are reported as follows:

(I) Overall results of operation

In 2022, the profit before tax and the net profit of the Group were RMB10.458 billion and RMB7.231 billion, and the net profit attributable to shareholders of parent company was RMB6.313 billion, representing a decrease of 47.66% as compared with last year. Basic earnings per share was RMB0.14, while the return on average total assets, return on average net assets, and the capital adequacy ratio were 0.45%, 3.38% (excluding the effect of preference shares and perpetual bonds) and 17.25%, respectively. The table below sets forth the major operating data:

Table 1 Major operating data
(in RMB millions, except for percentages)

Item	2022	2021
Operating income	80,988.38	97,731.04
Total profit	10,457.59	19,378.91
Net profit	7,231.26	13,000.47
Net profit attributable to shareholders of parent company	6,313.40	12,061.72
Return on average shareholders' equity	3.38%	7.15%
Return on average total assets	0.45%	0.84%
Cost-to-income ratio	44.02%	32.15%
Basic earnings per share (RMB)	0.14	0.29
Capital adequacy ratio	17.25%	16.18%

(II) Major financial income and expenses

1. Operating income

In 2022, the operating income was RMB80.988 billion, representing a decrease of 17.13% as compared with last year. In particular, income from distressed debt assets measured at amortized cost was RMB10.071 billion, representing a decrease of RMB3.396 billion as compared with last year, mainly due to the decrease in the average balance caused by the shrink in restructured distressed debt assets of the Company, which imposed a gradual impact on the income; Fair value changes on distressed debt assets was RMB11.284 billion, representing a decrease of RMB4.192 billion as compared with last year, mainly due to the decline in gains from disposal of the acquisition-operation assets as a result of the market environment and other factors; Fair value changes on other financial assets and investment income were RMB5.627 billion, representing a decrease of RMB9.204 billion as compared with last year, mainly due to the impact of large fluctuations in the capital market and the decrease in the valuation of some financial assets at fair value held by the Group, resulting in a large floating loss on fair value changes; Other income amounted to RMB54.006 billion, representing an increase of RMB49 million as compared with last year.

2. Operating expenses

In 2022, operating expenses were RMB79.467 billion, representing a decrease of 5.56% as compared with last year. In particular, interest expense was RMB40.081 billion, representing a decrease of RMB1.856 billion as compared with last year, mainly due to the decline in interest expenses on borrowings and bonds issued as a result of the downward market interest rate; Impairment losses on assets were RMB13.258 billion, representing an increase of RMB1.535 billion as compared with last year, mainly due to the increase in asset impairment losses compared with last year caused by the increasing pressure on the quality of some financial assets at amortized cost held by the Company as impacted by the macroeconomic situation and changes in market environment; Employee benefits were RMB6.122 billion, representing a decrease of RMB276 million as compared with last year; Other expenses were RMB20.005 billion, representing a decrease of RMB4.085 billion as compared with last year, mainly due to a year-on-year decrease of RMB4.050 billion in purchases and changes in inventories, which resulting from the decrease in realized purchases and changes in properties held for sale caused by the decrease in the project delivery scale of Cinda Real Estate in 2022.

Table 2 Statement of major income and expenses
(in RMB millions, except for percentages)

Items of major income and expenses	Amount	2022	Growth rate	2021
		Change		
Income from distressed debt assets measured at amortized cost	10,070.72	(3,395.91)	-25.22%	13,466.63
Fair value changes on distressed debt assets	11,284.30	(4,191.53)	-27.08%	15,475.83
Fair value changes on other financial instruments	5,410.37	(9,264.43)	-63.13%	14,674.80
Investment income	216.75	59.99	38.27%	156.76
Other income	54,006.23	49.21	0.09%	53,957.02
Total income	80,988.38	(16,742.66)	-17.13%	97,731.04
Interest expense	(40,081.10)	1,855.84	-4.43%	(41,936.94)
Impairment losses on assets	(13,257.95)	(1,535.01)	13.09%	(11,722.95)
Employee benefits	(6,122.29)	276.05	-4.31%	(6,398.34)
Other expenses	(20,005.21)	4,085.06	-16.96%	(24,090.27)
Total expenses	(79,466.56)	4,681.95	-5.56%	(84,148.50)
Change in net assets attributable to other holders of consolidated structured entities	(47.51)	(27.37)	135.90%	(20.14)
Share of results of associates and joint ventures	8,983.28	3,166.77	54.44%	5,816.51
Profit before tax	10,457.59	(8,921.31)	-46.04%	19,378.91
Income tax expense	(3,226.33)	3,152.11	-49.42%	(6,378.44)
Net profit for the year	7,231.26	(5,769.21)	-44.38%	13,000.47
Profit attributable to:				
Shareholders of the Company	6,313.40	(5,748.32)	-47.66%	12,061.72
Non-controlling interests	917.86	(20.89)	-2.22%	938.75

3. *Financial position*

As of the end of 2022, the Group's total assets amounted to RMB1,615.989 billion and total liabilities amounted to RMB1,407.994 billion, representing a year-on-year increase of 3.31% and 3.34%, respectively; Shareholders' equity was RMB207.995 billion and the equity attributable to Shareholders of parent company was RMB188.206 billion, representing a year-on-year increase of 3.08% and 5.26%, respectively.

The total assets in the two segments including distressed asset management and financial services were RMB991.888 billion and RMB633.543 billion, representing a decrease of RMB5.606 billion as for the total assets of distressed asset management and an increase of RMB56.185 billion as for the total assets of financial services as compared with the beginning of 2022, respectively.

The net assets in the two segments including distressed asset management and financial services were RMB121.919 billion and RMB80.615 billion, representing a decrease of RMB99 million and an increase of RMB2.947 billion as compared with the beginning of 2022, respectively.

Table 3 Changes in total assets and net assets of the business segments
(in RMB millions, except for percentages)

	As of December 31,							
	2022		2021		2022		2021	
	Total assets	Percentage in total (%)	Total assets	Percentage in total (%)	Net assets	Percentage in total (%)	Net assets	Percentage in total (%)
Distressed asset management	991,887.85	61.38%	997,493.42	63.77%	121,918.79	58.62%	122,017.90	60.47%
Financial service	633,542.50	39.20%	577,357.97	36.91%	80,615.49	38.76%	77,668.22	38.49%
Elimination and unallocated part	(9,441.38)	(0.58%)	(10,572.11)	(0.68%)	5,460.85	2.63%	2,089.36	1.04%
Total amount allocable to segments	1,615,988.98	100.00%	1,564,279.27	100.00%	207,995.12	100.00%	201,775.48	100.00%

Such resolution has been considered and approved at the fourth meeting, i.e. the second regular meeting of the Board in 2023, and is hereby submitted to the AGM for consideration and approval in accordance with the Articles of Association and other relevant provisions.

VI. TO CONSIDER AND APPROVE THE PROFIT DISTRIBUTION PLAN FOR 2022

According to the audited financial report for 2022 of the Company, the Group recorded a net profit attributable to shareholders of parent company of RMB6.313 billion, and the Company recorded a net profit of RMB6.414 billion in 2022. Proposed profit distribution plan for 2022 is as follows:

1. In accordance with the PRC Company Law and the Articles of Association, an appropriation of RMB6.414 billion, or 10% of the net profit for 2022 of the Company of RMB641 million, was made to the statutory surplus reserve.
2. Pursuant to the Administrative Measures for the Provision of Reserves of Financial Enterprises (Caijin [2012] No. 20) issued by the MOF, the balance of the general reserve shall be maintained at not less than 1.5% of the balance of the risk assets at the end of the reporting period. According to such requirement, no general reserve is required for 2022.
3. Cash dividends for 2022 of RMB0.4963 per 10 shares (tax inclusive), totaling approximately RMB1.894 billion, representing 30% of net profit attributable to shareholders of parent company, would be distributed to all Shareholders (Shareholders whose names appear in the register of shareholders on Monday, July 3, 2023).

Such resolution has been considered and approved at the fourth meeting, i.e. the second regular meeting of the Board in 2023, and is hereby submitted to the AGM for consideration and approval in accordance with the Articles of Association and other relevant provisions.

VII. TO CONSIDER AND APPROVE THE BUDGET OF INVESTMENT IN CAPITAL EXPENDITURE FOR 2023

According to relevant provisions of the Articles of Association and the Company's development needs, the Company has drawn up the budget of investment in capital expenditure of the Company for 2023 based on the actual implementation of the 2022 budget. The budget of capital expenditure for 2023 is RMB164.76 million, including:

1. budget for information construction of RMB74.00 million;
2. budget for business occupancy decoration and renovation of RMB68.72 million;
3. budget for purchasing equipment of RMB22.04 million.

The budget of capital expenditure for 2022 was RMB107.54 million, and the actual amount for the year was RMB71.88 million. The overall implementation is sound, with a budget implementation rate of 66.8%.

Such resolution has been considered and approved at the fourth meeting, i.e. the second regular meeting of the Board in 2023, and is hereby submitted to the AGM for consideration and approval in accordance with the Articles of Association and other relevant provisions.

VIII. TO CONSIDER AND APPROVE THE APPOINTMENT OF ACCOUNTING FIRMS FOR 2023

In accordance with the requirements under the Notice on Printing and Distributing Administrative Measures for the Appointment of Accounting Firms by State-owned Financial Enterprises (Caijin [2020] No. 6) issued by the MOF (the “**Notice**”), a state-owned financial enterprise shall employ the same accounting firm for a period of not more than 8 consecutive years. The Company’s current accounting firms, Ernst & Young Hua Ming LLP and Ernst & Young (hereinafter collectively referred to as “**E&Y**”), have provided audit services to the Company for 8 consecutive years and are subject to change. In accordance with the requirements of the Notice and the Rules for Centralized Procurement Management of the Company, the Company has organized the selection and appointment of the new accounting firms.

According to the selection and appointment results, the Company intends to appoint PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers as the onshore and offshore accounting firms of the Company in 2023 to take charge of the audit of annual financial statements, review of the interim financial statements, audit of internal control and other professional services in 2023. The total audit fees will be RMB12.16 million (excluding audit fees of subsidiaries), which includes the audit (review) fees of financial reports of RMB10.96 million, and the audit fees of internal control of RMB1.20 million.

Ernst & Young has confirmed that there are no matters that need to be brought to the attention of the Shareholders of the Company in connection with the change of auditors. The Board also confirmed that there were no disagreements or unresolved matters with E&Y regarding the change of auditors, and there were no matters that needed to be brought to the attention of the Shareholders of the Company.

For details of the appointment of accounting firms in 2023, please refer to the announcement of the Company dated April 21, 2023.

Such resolution has been considered and approved at the fifth meeting of the Board in 2023, and is hereby submitted to the AGM for consideration and approval in accordance with the Articles of Association and other relevant provisions.

IX. TO CONSIDER AND APPROVE THE EXTERNAL DONATION PLAN FOR 2023

In order to actively fulfill corporate social responsibility and establish a good corporate image with responsibility, the Company intends to arrange the Group's external donation of RMB25.45 million in accordance with the decision and deployment of the Central Committee of the Communist Party of China and the State Council on comprehensively promoting rural revitalization and the requirements of the National Rural Revitalization Administration and based on the funding needs for assistance work in 2023 and the use of assistance funds in previous years. The major arrangements of external donations are as follows:

1. The Company will make external donations of RMB4.61 million, including RMB1.99 million to Ledu, Qinghai, RMB0.6 million to Lintao County and Hezheng County, Gansu, and RMB2.02 million to assistant sites of the branches.
2. Subsidiaries will donate RMB20.84 million, of which RMB18.01 million will be donated to Ledu, Qinghai, and other donations of subsidiaries will be RMB2.83 million.

Such resolution has been considered and approved at the fifth meeting of the Board in 2023, and is hereby submitted to the AGM for consideration and approval in accordance with the Articles of Association and other relevant provisions. It is also proposed at the AGM to authorize the Board, and the Board to authorize the President or other persons authorized by the President to handle the specific matters of external donations for 2023 (including the adjustment of the amount between the Company and its subsidiaries and the adjustment of the use of donations) in accordance with regulatory requirements and the actual situation of the Company in fulfilling its social responsibilities within the donation limit of the Group.

X. TO CONSIDER AND APPROVE THE CAPITAL INCREASE IN CINDA INVESTMENT

To implement in full the requirements of the CPC Central Committee during the disciplinary inspection and regulatory guidelines of the CBIRC for 2022, the Company focuses on higher consciousness of the need to maintain political integrity, stronger sense of responsibility, more efficient work implement, better ability to draw inferences, and more rigorous supervision and accountability; ensures integration into ideological building, team construction, integrity improvement, and business; continues to compress levels and remove unnecessary departments; and optimize the shareholding structure of its subsidiaries. The Company intends to make a capital increase (the “**Capital Increase**”) to Cinda Investment with 90% of its equity interest in Zhongrun Development, as follows:

(I) Scheme for capital increase

1. Method

The Company intends to increase the capital of Cinda Investment with its 90% equity interest in Zhongrun Development. After the capital increase, Zhongrun Development will become a wholly-owned subsidiary of Cinda Investment. The shareholding structure of Zhongrun Development before and after the capital increase is as follows:

	Before the capital increase	After the capital increase
The Company	90%	–
Cinda Investment (a wholly-owned subsidiary of the Company)	10%	100%

2. Price

In accordance with the relevant provisions of the PRC Company Law, the Company will make a capital increase to Cinda Investment at the consideration of its 90% equity interest in Zhongrun Development, calculated with reference to the net assets in the unaudited financial statement of Zhongrun Development for the year 2022, the amount of the capital increase is approximately RMB1.733 billion, and the final capital increase price is subject to the recorded evaluation results of Zhongrun Development.

3. *Transition period arrangement*

Zhongrun Development will not make any profit distribution during the period from the base date (December 31, 2022) to the settlement date (the “**Transition Period**”), and the gains and losses arising from the Transition Period will be enjoyed/bears by Cinda Investment.

(II) Relevant matters

The Capital Increase is necessary to implement the requirement of the CPC Central Committee during the disciplinary inspection for rectifying and optimizing the equity structure of subsidiaries which is conducive to the Company’s further integration of resources and improvement of quality and efficiency; meanwhile, according to the strategic planning of the Company and the strategic positioning of its subsidiaries, it is necessary to integrate the equity of Zhongrun Development through Cinda Investment, expand Cinda Investment’s distressed assets business coverage, enhance functional synergy and actively empower the main business of the Group; the Capital Increase will be conducive to enhancing the capital strength and financing capacity of Cinda Investment.

The capital increase by the Company to Cinda Investment at the consideration of its 90% equity interest in Zhongrun Development constitutes an internal related party transaction under the CBIRC. the Capital Increase does not constitute a discloseable transaction or a connected transaction under the Listing Rules.

Such resolution has been considered and approved at the fourth meeting, i.e. the second regular meeting of the Board in 2023, and is hereby submitted to the AGM for consideration and approval. It is also proposed at the AGM to authorize the Board, and the Board to authorize the Chairman or other persons authorized by the Chairman to sign the relevant legal documents and other documents that need to be signed by the Company to implement the specific matters of the Capital Increase.

XI. TO REVIEW THE WORK REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS FOR 2022

In accordance with the Articles of Association and other relevant provisions, the independent non-executive Directors of the Company are required to submit a work report to the shareholders’ general meeting on an annual basis. The work report of the independent non-executive Directors of the Company has been reviewed and finalized by each independent non-executive Director.

The work report of the independent non-executive Directors for 2022 is hereby submitted to the AGM, the full text of which is set out in Appendix IV of this circular for the Shareholders to review. However, it is not subject to the approval of Shareholders.

XII. TO REVIEW THE 2022 ANNUAL EVALUATION REPORT OF MAJOR SHAREHOLDER

In accordance with the Measures for the Supervision of the Behavior of Major Shareholders of Banking and Insurance Institutions (Trial) and other relevant regulations, the Board of the Company is required to evaluate the situation of major Shareholder on an annual basis and to inform the Shareholders at the general meeting.

The 2022 annual evaluation report of major Shareholder is hereby submitted to the AGM, the full text of which is set out in Appendix V of this circular for the Shareholders to review. However, it is not subject to the approval of Shareholders.

XIII. TO REVIEW THE REPORT ON THE MANAGEMENT OF RELATED PARTY TRANSACTIONS OF THE GROUP FOR 2022

In accordance with the regulatory requirements and the relevant provisions of the management of related party transactions of the Company, the report on the management of related party transactions of the Group for 2022 is hereby submitted to the AGM, the full text of which is set out in Appendix VI of this circular for the Shareholders to review. However, it is not subject to the approval of Shareholders.

China Cinda Asset Management Co., Ltd.**Work Report of the Board for 2022**

In 2022, the foundation of China's economic recovery remained relatively weak under the triple pressures of shrinking demand, supply shock and weakening expectations. However, with strong resilience, great potential and vitality in China's economy, the effects of various policies continued to emerge, and the economic operation remained in a reasonable range. The Board of Directors of the Company insisted on taking Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as its guidance, took the central inspection and the audits and rectification of the National Audit Office as important opportunities, highlighted a problem-oriented approach, deepened the application of rectification results, fulfilled the political and people-oriented nature of financial work, actively implemented the decision and deployment of the Central Committee of the Communist Party of China and the State Council, focused on the main responsibilities and core business, prevented and resolved financial risks, supported the development of the real economy, promoted the deep integration of strengthening the Party's leadership and improving corporate governance, optimized the corporate governance mechanism, continuously improved the comprehensive risk management system, effectively enhanced the level of internal control and compliance, and further consolidated the foundation of the Company's high-quality development.

As at December 31, 2022, the consolidated total assets of the Company amounted to RMB1,615.989 billion, representing an increase of 3.31% year on year; the equity attributable to equity holders of the Company was RMB188.206 billion, representing an increase of 5.26% year on year; the net profit attributable to equity Shareholders of the Company was RMB6.313 billion; the return on average shareholders' equity (ROE) was 3.38%; and the return on average assets (ROA) was 0.45%.

I. STRENGTHENING THE GUIDANCE OF STRATEGIC PLANNING AND PROPELLING THE HIGH-QUALITY DEVELOPMENT OF THE COMPANY**(I) Closely following the pace of the new era, and revising and improving the strategic "Third Five-Year Plan"**

In order to thoroughly implement General Secretary Xi Jinping's important exposition on financial work and adapt to the major changes in the internal and external environment of the Company, the Board of the Company organized the revision of the "Third Five-Year Plan", guided the Company to conduct in-depth research on the current economic and financial situation, implemented the spirit of the 20th National Congress of the Party, resolutely implemented the requirements of the central inspection and the audits and rectification of the National Audit Office, and highlighted the high-quality development, the main responsibilities and core business, as well as the problem-oriented approach. Based on the functional positioning of preventing and mitigating financial risks and serving the real economy, the Company will consolidate and give full play to the advantages of the main business of distressed assets, and improve the professional ability of collaborative services centering on the main business to become an industry-leading modern financial asset management company with Chinese characteristics and outstanding core competitiveness.

(II) Focusing on the strategy of main responsibilities and core business and carrying out the duties and missions of an asset management company

The Board maintained its strategic position, strictly implemented the regulatory requirements, focused on the main responsibilities and core business, promoted business transformation and upgrading, consolidated the development foundation, improved the quality of development, and played an active role in effectively preventing and controlling financial risks, serving the real economy, and helping to smooth the economic and financial cycle, etc. First, consolidating the advantages of the core business while the traditional distressed asset acquisition scale continued to grow. The Company held the mainstay of distressed assets of banks, actively developed distressed assets acquisition channels, and continued to maintain a leading position in the public market business of bulk transfers. Second, encouraging the mitigation of major risks. The Company participated in the design of risk resolution of certain small and medium-sized financial institutions, and provided consultation and guidance; participated in the risk disposal of large real estate enterprises, explored new modes for real estate enterprises to overcome difficulties and solve crises, and effectively secured the delivery of housing projects, stability and people's livelihood. Third, smoothing the economic and financial cycle. The Company supported the central enterprises and state-owned enterprises in strip of "non-main business, non-dominant business" and "inefficient assets, ineffective assets" and the revitalization of stock assets, to promote the exit of excess capacity and the clearing out of "zombie enterprises", enhanced the development of business in the new economy, reasonably expanded the business related to the restructuring of state-owned enterprises, and successfully supported the conclusion of the three-year reform campaign of state-owned enterprises.

(III) Promoting the construction of "Digital Cinda" and building a new driving force for strategic development

In the face of external market changes and increasingly fierce competition, the Board stood fast to the strategic goal of "Digital Cinda" to achieve productivity improvement in all respects through information technology. First, the Board continued to invest more in information technology construction, monitored budget execution, supported the Company to focus on the construction of new core business system around "Digital Cinda", vigorously developed financial technology, empowered business innovation, improved overall operational capabilities, and consolidated the foundation for medium-and long-term development. Second, the Board paid close attention to the implementation of the "Outline of the Company's Informatization Plan (2021-2025)", listened to the report on the implementation of the information plan, and promoted the Company to expedite the digital transformation based on the implementation roadmap of the informatization plan to support business development and empower sound and efficient operations. Third, the Board effectively performed data governance responsibilities, considered annual data governance reports, implemented data governance mechanisms, and comprehensively promoted data governance in terms of data governance organization and system, data standards, data quality, etc.

II. IMPROVING THE EFFICIENCY OF CAPITAL UTILIZATION AND STRENGTHENING LIQUIDITY MANAGEMENT

(I) Formulating capital management plan and promoting capital replenishment in an orderly manner

First, based on the comprehensive assessment of the implementation of capital plan for 2019-2021, the Board studied and formulated the Company's Capital Management Plan for 2022-2024, taking into account various factors such as capital management objectives, the development needs of the main business and the Group's risk appetite. The Board considered the capital adequacy assessment report, closely monitored the Company's capital adequacy status, and developed measures to relieve capital pressure and enhance capital adequacy. Second, the Board promoted the Company to actively seize market opportunities and explore multi-level and multi-channel capital replenishment. The Board supported the Company to issue RMB12 billion undated capital bonds to supplement the capital scale, optimize the capital structure, strengthened the allocation of main business and consolidated the anti-risk capacity. Taking into account the characteristics of the Company's capital structure and the domestic and overseas market conditions, the Board formulated a capital replenishment plan of the new issuance of RMB10 billion tier-2 capital bonds to replace part of the preference shares, which was considered and approved by the general meeting.

(II) Strengthening intensive capital management and optimizing resource allocation efficiency

The Board urged the management to strengthen the level of intensive capital management comprehensively, aligned the capital plan with annual business plan and risk appetite, and quantified and implemented annual capital management objectives by fulfilling the guiding and constraining functions of capital allocation; adjusted the pricing mechanism dynamically and gave priority to main business to enhance allocation efficiency; increased the efforts to revitalize the stock assets, improved the efficiency of asset turnover comprehensively and promoted the formation of a virtuous cycle of assets and liabilities.

(III) Improving liquidity management capability and ensuring the liquidity safety of the Group

The Board attached great importance to liquidity risk management and urged the management to improve the foresight and refinement of liquidity management to ensure the liquidity safety of the Group. First, the Board continued to optimize the liquidity management system, constantly improved the construction of information management system, enhanced the refinement level of liquidity forecast, tightened the constraints on the allocation of new investment terms, and reasonably controlled the maturity mismatch gap of assets and liabilities. Second, the Board guided the subsidiaries to strengthen the turnover of stock assets, enhance the construction of financing system, and optimize the matching of assets and liabilities, and formed a virtuous cycle of assets and liabilities to ensure the liquidity safety of the Group. Third, the Board made forward-looking predictions on the changes in the overseas market environment, increased its efforts to revitalize its overseas stock projects from the asset side and prepared for overseas financing in advance from the liability side, and steadily responded to overseas debt repayment needs to ensure the safety of overseas liquidity.

III. IMPROVING THE CORPORATE GOVERNANCE MECHANISM AND STRENGTHENING THE BOARD CONSTRUCTION

(I) Improving the corporate governance system and regulating the operation of the Board

First, the Board revised and improved the corporate governance system to reinforce the foundation of scientific decision-making. In order to implement the new spirit and new requirements of state-owned enterprise management and financial supervision, further consolidate the foundation of corporate governance and improve the corporate governance mechanism in the new era, the Board organized amendments to the Articles of Association, the Rules of Procedures of General Meetings, the Rules of Procedures of Board Meetings, and other corporate governance systems, internalized the regulatory spirit into the corporate system, continuously improved the governance system and further built the foundation of legal governance. Second, the Board standardized the operation of the Board and made scientific decisions in compliance with laws and regulations. The Board actively promoted the deep integration of strengthening Party's leadership and improving corporate governance, continuously enhanced the improvement of the communication mechanism between the Party committee and the Board, and strictly implemented the "three important and one great" decision-making system, with all major matters considered by the Board being submitted to the Party committee for study and discussion in advance. The special committees of the Board gave full play to their respective professional advantages to review major proposals in advance, played the role of assisting the Board in performing its duties and improved the scientific decision-making of the Board. The Board held governance meetings in strict accordance with domestic and overseas regulatory rules and governance procedures to fully protect the voices of directors to speak. Supervisors were invited to attend the meetings, providing conditions for the effective supervision by the Board of Supervisors. In 2022, the Board of the Company convened a total of 7 general meetings, at which 20 resolutions were considered and approved, and 2 reports were reviewed; convened 13 Board meetings, at which 57 resolutions were considered and approved, and 24 reports were reviewed; convened 30 meetings of special committees, at which 60 resolutions were considered and approved, and 30 reports were reviewed; convened 9 discussion meetings relating to proposals, at which 53 proposals were reported and discussed.

(II) Optimizing the structure of the Board, and enhancing the ability of the Directors to perform their duties

First, the Company continued to optimize the structure of the Board and strengthen the construction of the Board. In 2022, the Company completed the re-election of the Board, with 5 new Directors and 4 resigned Directors, and supplemented the expert Directors in information technology, financial management and other aspects. The diversity and professionalism of the Board members were further strengthened, and the structure of the Board was continuously optimized. Second, the Company optimized the duty performance guarantee mechanism for Directors and consolidated the foundation for duty performance guarantee for Directors. The Board of the Company continued to promote and improve the information communication mechanism between the management and the Board, listened to the reports of the management on a regular or irregular basis, and further protected the Directors' right to know; established a tracking mechanism for the implementation of opinions and

suggestions of Directors, and fully protected the Directors' right to propose; organized Directors to deeply participate in various work related to better performance of duties, attended the meetings of the management in accordance with laws and regulations, conducted in-depth research in branches, subsidiaries and grassroots units, and actively participated in various business training to improve the professionalism and effectiveness of the Board's decision-making.

(III) Carrying out the evaluation of the performance of the Directors, and improving Directors' motivation to perform their duties

The Board of the Company carried out the evaluation of the performance of Directors for the year 2022 in accordance with the Articles of Association and other requirements. According to the evaluation of the performance of Directors, all of the results of the performance evaluation of 12 directors participating in the performance evaluation in 2022 were "competent". In 2022, all Directors of the Company strictly complied with laws and regulations, regulatory requirements and the Articles of Association, and fulfilled their duties of loyalty and diligence. All Directors actively attended general meetings, Board meetings, meetings of special committees of the Board and other relevant meetings, gave full play to their own professional advantages, independently expressed opinions and suggestions, and earnestly performed their duties of decision-making and supervision; actively participated in the Company's operation briefing meetings, proposals communication meetings and special seminars through various means to keep abreast of the Company's operation, business development and risk compliance management and control, providing strong decision-making support for the Company's prudent operation; actively participated in research activities, deeply visited branches, subsidiaries and related project sites, listened to work reports, and put forward reasonable suggestions from a professional perspective based on the current financial market environment and the actual business operation of the Company; paid attention to and actively participated in the Company's multi-field knowledge training, and constantly updated their own "knowledge base" to improve their own professional quality and business ability. During the performance of their duties, all Directors earnestly safeguarded the legitimate rights and interests of the shareholders and the Company, and played an important role in safeguarding the prudent operation and standardized operation of the Company.

IV. IMPROVING THE LEVEL OF RISK MANAGEMENT AND CONSOLIDATING THE QUALITY OF ASSETS

(I) Implementing risk appetite transmission and improving the refinement of risk management

The Board of the Company scientifically formulated the risk appetite and risk management policies for 2022, urged the management to take effective measures to implement risk appetite transmission and continuously monitored the implementation of the Group's risk appetite and risk management policies. The Board of the Company considered the update of the recovery plan of the Company (2022) to provide an effective plan for the Company to undertake risk challenges in extreme situations and further improve the systemic risk control mechanism. The Board of the Company vigorously promoted the Company to effectively control incremental risks, strengthened differentiated control of credit risk and customer concentration, and enhanced the research, monitoring and warning of large risk exposure.

(II) Improving the related party transactions management system and optimizing the related party transactions management mechanism

The Board of the Company effectively strengthened the management of related party transactions, implemented the management system of related party transactions of the CBIRC, organized the revision of the Company's related party transaction management system, and urged its subsidiaries to revise the relevant system in a timely manner to improve the quality and efficiency of the management of related party transactions. The Connected Transaction Control Committee of the Board regularly examined and determined related parties of the Company, listened to reports on the management of related party transactions on a quarterly basis, and timely reported to the Board for filing. The Board reviewed and approved major related party transactions, focusing on the necessity, compliance and fairness of related party transactions, and independent directors provided independent opinions on major related party transactions.

(III) Promoting the construction of risk management information system and improving the informatization level of risk management

The Board of the Company actively promoted the Company to strengthen the construction of information systems related to risk management and successfully launched the risk monitoring platform to form a comprehensive monitoring system covering all risk types; innovatively developed customer default probability prediction system and dynamic collateral monitoring system to enhance the foresight and effectiveness of risk management; further optimized and improved the internal rating system, the related party transaction system, the collateral management system and the risk warning system to continuously improve the information level of risk management.

V. SHORING UP THE WEAKNESS WITHIN THE SYSTEM AND MECHANISM, AND CONSOLIDATING THE COMPLIANCE DEFENSE LINE**(I) Improving the system of internal control and compliance and facilitating the Company's high-quality development**

In 2022, the Board of the Company continued to promote the improvement of the construction of the internal control and compliance system, urged the Company to benchmark itself against the regulatory spirit, deeply analyzed the problems pointed out by internal and external inspections such as the central inspection and the audits of the National Audit Office, reflected on the causes of the problems at the system and process levels, carried out system reinspection, further verified the policy compliance of the Company's system, and improved the completeness and systematization of the system.

(II) Playing the role related to internal audit and supervision and enhancing the effectiveness of internal control

The Board of the Company evaluated the effectiveness of the Company's internal control for the year 2021, and the Company had no major defects in internal control of financial reports and no major defects identified in internal control of non-financial reports. The Directors of the Company approved the Company's internal audit work plan for the year 2022 and approved the adjustment of audit projects and audit budget in a timely manner according to the actual demand of audit work, listened to the annual audit work report and special audit report, paid attention to the implementation of rectification and improvement of issues found by internal audit and urged the Company to effectively apply the results of internal audit.

(III) Achieving the all-round and full-process coverage of compliance management and ensuring the effective implementation of anti-money laundering duties

The Board of the Company reviewed the annual work reports on compliance management, listened to work reports on case prevention and employee behavior assessment reports, etc., to promote the Company to actively improve its compliance management capabilities, strengthen compliance trainings, and promote the communication and implementation of regulatory policies, cultivating a culture of compliance and stable operation in a continuous manner. The Board of the Company regularly listened to work reports on anti-money laundering, urged the Company to conscientiously implement regulatory requirements, further improved its money laundering risk management system and effectively fulfilled its legal obligations and social responsibilities in anti-money laundering.

VI. PAYING ATTENTION TO THE DEMANDS OF STAKEHOLDERS, AND ACTIVELY FULFILLING SOCIAL RESPONSIBILITIES**(I) Improving the information disclosure process, and enhancing information transparency**

The Board of the Company continuously promoted the Company to improve the information disclosure mechanism and process and enhanced the quality and efficiency of information disclosure work. The Board of the Company urged the Company to enhance the richness, effectiveness and transparency of periodic reports disclosure in the light of the Company's business and investors' concerns; disclosed interim announcements timely and accurately to protect investors' right to know, focused on the key concerns of the market, and actively carried out voluntary disclosure.

(II) Strengthening the initiative of investor communication, and enhancing investors' confidence

The Board of the Company attached great importance to communication with investors, urged the Company to establish multi-level and all-round interactive communication channels for investors, actively listened to their opinions and suggestions, conducted two-way communication with investors to help them correctly understand its value and enhance their confidence, fully demonstrated its expertise and commitments to social responsibilities to further improve the recognition and brand influence of the Company in the capital market.

(III) Strengthening ESG management, and building a good cultural atmosphere

The Board of the Company guided the Company to establish a comprehensive ESG work system and effective working mechanism in strict compliance with the requirements of the Environmental, Social and Governance Reporting Guidelines of the Hong Kong Stock Exchange, and continuously promoted the incorporation of ESG requirements into the Company's corporate operations and management. The Company's outstanding performance in ESG has been recognized by the society and the public, and it was successfully named in the Fortune's China ESG Impact List (2022) and Forbes China ESG50 List in 2022. The Board of the Company adhered to core socialist values, focused on the Company's strategy and central work, enhanced the integration of corporate culture construction and operation management, built a good cultural atmosphere and provided cultural guarantee for the Company's high-quality development.

In 2023, the Board of the Company will follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implement the spirit of the 20th CPC National Congress and the Central Economic Work Conference, adhere to the concept of "Professional Cinda, Efficient Cinda and Valuable Cinda", promote the Company to further focus on the main responsibilities and core business, achieve structure adjustment, transformation promotion and capability enhancement, continue to improve the high-quality development of the Company, and effectively play a professional role and make due contributions in resolving financial risks, serving the real economy and deepening financial reform.

China Cinda Asset Management Co., Ltd.**Report of the Board of Supervisors for 2022**

In 2022, the Board of Supervisors followed the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, insisted on the political and people-oriented nature of financial work, focused on the main responsibilities and core business, prevented and defused financial risks, and supported real economy development. The Board of Supervisors, in accordance with the laws, regulations and the Articles, conscientiously implemented the inspection and rectification to perform its supervisory duties, continuously enhanced the supervision effectiveness, promoted the in-depth integration between Party construction and corporate governance, and facilitated the compliant operation of the Company.

I. MAJOR WORK COMPLETED

Convene the Board of Supervisors meetings in accordance with the law. The Board of Supervisors held eight meetings in 2022, and considered 18 resolutions, including the Company's regular reports, internal control evaluation report, performance evaluation reports and the nomination of Supervisors. The Performance and Due Diligence Supervision Committee held six meetings and the Finance and Internal Control Supervision Committee held five meetings. Three other special meetings were also held. The Board of Supervisors focused such work priorities as the implementation of major national decisions and arrangements, prevention and mitigation of major risks, solid promotion of inspection and rectification, kept abreast of the Company's main operating conditions, challenges and measures in a timely manner, and put forward opinions and suggestions. Supervisors performed their duties faithfully and diligently and provided independent opinions on the compliance operation, financial report, duty performance of relevant parties, and internal control of the Company for 2022 in accordance with the relevant laws and regulations.

Systematically perform the due diligence supervision. Supervisors earnestly attended general meetings, actively participated in important meetings such as the working meetings of the Board and its special committees' meetings, the Company's working meetings, operational situation analysis meetings and regulatory agency's latest requirements briefings, Supervisors also continued deepening the due diligence supervision by carrying out seminars, researches and consulting materials. The Board of Supervisors revised the Measures on the Performance Supervision of the Board of Supervisors based on the latest regulatory requirements, further improved the performance evaluation mechanism, and promoted the improvement of corporate governance. The Board of Supervisors conducted annual performance evaluation, formulated the evaluation report on the annual performance of duties of the Board, the Board of Supervisors, Senior Management and their members in light of the routine regulation, and reported the evaluation of the performance of duties to the general meeting and the regulatory authorities in accordance with the regulations.

Constantly strengthen financial supervision. The Board of Supervisors earnestly performed the duty of financial reporting supervision, maintained daily communication with the audit institution, continuously followed up on matters such as audit plans, major audit adjustments and audit results, and put forward opinions and suggestions on issues such as the establishment of a long-term mechanism for promoting the implementation of rectification and reflection on financial work in light of the problems found in the inspection and rectification. The Board of Supervisors regularly listened to the analysis of the Company's operation, paid attention to the Company's profitability and internal and external risks and challenges, provided opinions and suggestions on strengthening the guidance and publicity of business strategies of all business lines of the Company during the economic downturn, focusing on the impact of the current downturn of the real estate industry on the Company's real estate business, and paying attention to the pressure of continuous decline in asset quality of the real estate business.

Practically carry out internal control and compliance supervision. Being concerned about the improvement of the internal control and compliance system, the Board of Supervisors regularly listened to reports on internal audit findings and rectifications, internal control evaluation and supervisory inspections, progress of rectification of disclosed problems, anti-money laundering, and case prevention to supervise the faithful rectification of key problems. The Board of Supervisors continued to follow up and conducted research on the Company's implementation of key regulatory measures of the CBIRC, summarized the problems existing in the operation of the Company according to the regulatory requirements, and put forward suggestions on the acquisition of financial distressed assets, the development quality of non-financial business, and the progress of disposal of endogenous distressed assets.

Constantly deepen risk management supervision. Paying continuous attention to the impact of the external environment on the Company's operation and development in the new situation, the Board of Supervisors focused on changes in asset quality and strengthened risk management supervision. The Board of Supervisors focused on compliance risk, credit risk, concentration risk, liquidity risk and reputational risk management. The Board of Supervisors formulated a reminder on the Company's asset quality, pointed out the main problems faced by the Company, and put forward suggestions on increasing effective investments, controlling key aspects, implementing regulatory requirements, and improving disposal capabilities. The Board of Supervisors regularly received reports on the Company's related party transactions, focusing on the internal control mechanism of related party transactions and the examination and approval of major projects. The Board of Supervisors organized joint meetings on supervision and coordination to jointly promote the resolution of key issues.

Take full advantage of the effectiveness of supervision. The Board of Supervisors formulated the Measures for Special Meetings of the Board of Supervisors to improve the implementation mechanism of supervision opinions and suggestions of the Board of Supervisors, optimized the supervision method and completed the convergence of supervision information and business data system. The Board of Supervisors strengthened the communication with the Board and the management and conducted regular discussions with the CBIRC to effectively connect regulatory priorities with the supervision arrangements. From

the aspects of strategic supervision, effectiveness of risk supervision, effectiveness of supervision and rectification and self-capacity construction, the Board of Supervisors conducted in-depth analysis on the problems and causes of its current work and conducted in-depth exploration and achieved certain results in improving the supervision work mechanism, improving the level of supervision standardization, and highlighting the pertinence of supervision content.

II. INDEPENDENT OPINIONS ON RELEVANT MATTERS

Lawful operation

During the Reporting Period, the operation of the Company was in compliance with laws and regulations, and its decision-making procedures were in compliance with relevant laws, regulations and the requirements of the Articles. The Board of Supervisors had no objection to the matters submitted to the general meetings for consideration. The Board duly implemented the resolutions approved at the general meetings. Directors and Senior Management duly performed their duties. The Board of Supervisors was not aware of any breach of laws, regulations and the Articles or any act detrimental to the interests of the Company by any of the Directors or Senior Management in performing their duties.

Financial reports

The financial reports for the year reflected the financial position and operating results of the Company truthfully and fairly.

Opinions on the performance evaluation of Directors, Supervisors and Senior Management of the Company

The results of the performance evaluation of all Directors, Supervisors and Senior Management for 2022 were competent.

Internal control

In 2022, the Company continued to improve internal control and the Board of Supervisors had no disagreement with the evaluation opinions on internal control of the Company for 2022.

China Cinda Asset Management Co., Ltd.**Work Report of the Independent Non-Executive Directors For 2022**

The independent non-executive Directors of the Company strictly complied with the relevant domestic and foreign laws and regulations, and normative documents, such as the PRC Company Law, the Corporate Governance Guidelines for Banking and Insurance Institutions, the Listing Rules and its Appendix 14, Corporate Governance Code, the Articles of Association and the working rules for independent Directors of the Company, performed their duties faithfully and diligently, giving full play to the role of an independent director, continuously promoting the enhancement of the decision-making of the Board of Directors and special committees, and earnestly safeguarded the overall interests of the Company and legitimate rights and interests of all shareholders. The performance for the year 2022 is reported as follows:

I. INFORMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

As of December 31, 2022, there were four independent non-executive Directors of the Company, namely Mr. LU Zhengfei, Mr. LAM Chi Kuen, Mr. WANG Changyun and Mr. SUN Maosong, among whom Mr. WANG Changyun and Mr. SUN Maosong officially performed their duties after obtaining the approval of their qualifications as Directors from the CBIRC on September 7, 2022. Mr. ZHU Wuxiang and Mr. SUN Baowen, the former independent non-executive Directors, resigned on the same day. From May 18, 2022 to June 28, 2022, the number of independent non-executive Directors did not meet the requirement of the Hong Kong Listing Rules that independent directors must represent at least one-third of the Board for a short period of time. The standard was met subsequently. From October 27, 2022, the Company temporarily did not comply with the requirement of the Listing Rules, which required that the independent non-executive Directors representing at least one-third of the Board. The Company has complied with the requirement of the Listing Rules about the number of independent non-executive Directors on March 26, 2023. The three special committees under the Board of the Company, namely the Audit Committee, the Connected Transaction Control Committee and the Nomination and Remuneration Committee all have independent non-executive Directors as chairmen.

(I) Biographies of independent non-executive Directors

Please refer to the relevant contents in the 2022 annual report of the Company for the biographies of independent non-executive Directors.

(II) Independence of independent non-executive Directors

The qualification of the independent non-executive Directors of the Company have complied with the regulatory requirements. The independent non-executive directors do not have any business or financial interest in the Company or its subsidiaries and do not hold any management position in the Company. The Company has received annual confirmation letters from each of the current independent non-executive Directors to confirm their independence and consider them to be independent.

II. ANNUAL PERFORMANCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

(I) Attendance of meetings and relevant resolutions

During the Reporting Period, the Board of the Company held seven general meetings, thirteen Board meetings and thirty meetings of the special committees of the Board. Independent non-executive Directors fully understood the contents of the resolutions through attending the communication meetings on resolutions and reviewing meeting materials; the Independent Directors carefully listened to the report on each proposal, and made use of their experience in different fields and in combination with the actual business operation of the Company, expressed professional opinions and suggestions independently, objectively and prudently, and effectively played a supporting role in decision-making. The independent non-executive Directors regularly listened to the report on the implementation of the resolutions of the Board of Directors and followed up on the progress of major issues.

In 2022, the independent non-executive Directors of the Company put forward professional and feasible opinions and suggestions for the Company's strategic planning, corporate governance, risk management, internal control and compliance, related party transaction management, internal and external audits and Digital Cinda construction, and had no objection to the resolutions of the Board and its special committees. At the same time, independent opinions were expressed on major issues such as profit distribution plan, major related party transactions, nomination of candidates for Directors, appointment of senior management, appointment of external auditors, in which way the independent non-executive Directors played a leading and promoting role in the standardized and scientific operation and the optimization and upgrading of the decision-making mechanism of the Board, as well as the long-term stable development of the Company.

During the Reporting Period, the attendance of independent non-executive Directors of the Company at shareholders' general meetings, and meetings of the Board and its special committees is as follows:

Independent non-executive Directors	Number of meetings attended/required to attend						
	Shareholders' general meetings	Meetings of special committees of the Board					
		Board meetings	Strategic development committee	Audit committee	Risk management committee	Nomination and remuneration committee	Connected transaction control committee
LU Zhengfei	6/7	13/13	-	4/4	5/5	-	7/7
LAM Chi Kuen	7/7	13/13	7/7	4/4	-	-	3/3
WANG Changyun	1/1	3/3	-	1/1	-	3/3	2/2
SUN Maosong	1/1	3/3	2/2	-	1/1	3/3	-
Resigned during the Reporting Period							
ZHU Wuxiang	6/6	10/10	-	-	-	4/4	5/5
SUN Baowen	6/6	10/10	5/5	3/3	-	4/4	-

Note: "Number of meetings attended" includes attendance at the scene, participation in the conference by telephone, or video. Directors who were unable to attend the meetings of the Board of Directors and special committees in person appointed other Directors to attend and vote on their behalf.

(II) Operation of the Board and its special committees

1. The operation of the Board. In 2022, the Board held thirteen meetings, including four regular meetings and nine extraordinary meetings, at which 57 resolutions were considered and approved and 24 work reports were debriefed. Among the resolutions considered and approved, there were 19 resolutions on operational and management matters, four resolutions on major transactions, nine resolutions on work reports, 13 resolutions on the nomination of candidates, 1 resolution on remuneration and insurance matters and 11 resolutions on other matters.
2. The operation of special committees of the Board. The operation of special committees of the Board in 2022 was as follows:

The Strategic Development Committee held seven meetings to consider 18 resolutions, mainly including the final financial account plan for 2021, the annual consolidated operation plan of the Group for 2022, the budget of investment in capital expenditure for 2022, the Group consolidated management report for 2021, the capital management plan for 2022-2024, the issuance plan of tier-2 capital bonds, and debriefed on four reports including the 2021 corporate governance report.

The Audit Committee held four meetings to review 10 resolutions including the 2021 annual report (annual results announcement), the internal control evaluation report for 2021, the risk management report for 2021, the internal audit work plan for 2022, the appointment of accounting firms for 2022, the 2022 interim report (interim results announcement), and debriefed on 11 reports including the report on internal audit work for 2021, auditor's report on the Company's 2021 management recommendations, 2022 interim financial statements review plan, and 2022 financial statements audit plan.

The Risk Management Committee held five meetings to review 8 resolutions, mainly including the 2021 risk management report, the internal control evaluation report for 2021, the Risk Appetite Statement of the Group (2022), the risk management policy of the Group for 2022, the recovery plan of the Company (2022) and debriefed on six reports including the quarterly risk management reports and the anti-money laundering work report for 2021.

The Nomination and Remuneration Committee held seven meetings to consider 13 resolutions, mainly including the nomination of candidates for the Directors, the nomination of members for special committees of the Board, preliminary review of the eligibility of the President, and renewal of liability insurance for Directors, Supervisors and Senior Management, discussed the structure and composition of the Board as well as the performance of Directors and the independence of independent non-executive Directors, and debriefed on the 2022 work plan of the Nomination and Remuneration Committee.

The Connected Transaction Control Committee held seven meetings to consider 11 resolutions which mainly included the quarterly identification of related parties under the regulatory standards of the CBIRC, the related party transactions management report for 2021 and the revision of the related party transactions management system of the Company, and debriefed on seven reports including the quarterly reports on related party transactions and the 2022 work plan of the Connected Transaction Control Committee of the Board.

(III) Cooperation between the Company and independent non-executive Directors in work implementation

In 2022, the Company continued to provide the necessary working conditions for the independent non-executive Directors to better perform their duties. In order to overcome the impact of the pandemic, the Company actively provided various supporting measures, and assisted the independent non-executive Directors in convening and participating in governance meetings through video conferences and telephone conferences. The Company attached great importance to and continuously improved the communication mechanism with independent non-executive Directors, strived to ensure the Directors' right to know. The Company regularly reported the operation to the Directors, organized investigation and research in branches and subsidiaries for the Directors and arranged relevant business training, through which promoted independent non-executive Directors' in-depth understanding of the Company's operations and timely acknowledgement of the changes in regulatory policies and market economic environment, so as to enhance their ability to perform their duties. The Company has established a mechanism to safeguard the implementation of directors' recommendations and timely responded to and adopted the recommendations and opinions of all directors including the independent non-executive Directors.

III. KEY CONCERNS ON THE PERFORMANCE OF DUTIES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS FOR THE YEAR

The independent non-executive Directors of the Company focused on the Company's strategic planning, qualifications of Directors and senior management, management of related party transactions, information disclosure, risk management and compliance and internal control, appointment of accounting firms. They made clear judgment on relevant key matters in accordance with laws and regulations and provided the Company with independent, objective and prudent opinions and suggestions.

(I) Formulation and implementation of strategic planning of the Company

The independent non-executive Directors paid close attention to the implementation of the Company's strategic planning, debriefed the Implementation Assessment Report (2021) of the Strategic Development Plan Outline of China Cinda Asset Management Co., Ltd. (2021-2025) by participating in meetings of the Board of Directors and relevant special committees. The independent non-executive Directors also evaluated the implementation of the strategic planning by participating in seminars with the Chairman, listening to reports of the management and conducting investigations at the grassroots level, and put forward suggestions and opinions on the problems existing in the implementation of the strategic planning. The independent non-executive Directors actively participated in the revision of the Company's strategic planning and made valuable suggestions for the revision of the Company's strategic planning in light of the current economic and financial situation.

(II) Qualifications of the Directors and senior management

During the Reporting Period, the Board of the Company nominated seven new Directors, nominated seven Directors for re-election, elected the Chairman of the Board and chairman and members of the special committees under the Board, and appointed the President of the Company. The independent non-executive Directors carefully reviewed the qualifications of candidates nominated in strict compliance with laws, regulations and the Articles of Association.

(III) Management of related party transactions

During the Reporting Period, the independent non-executive Directors paid close attention to the management of related party transactions of the Company, supervised the Company to regularly collect and update the information of related parties, timely completed the regular reports and special reports on related party transactions as required, and standardized the information disclosure of related party transactions. The independent non-executive Directors guided the Company to timely organize the revision of the Company's related party transaction management system in accordance with the latest regulatory requirements, continuously optimize the related party transaction management information system, ensure the effective operation of the system, and effectively improve the digitization and informatization level of the Company's related party transaction management. Following the principles of impartiality, fairness, objectiveness and independence, the independent non-executive Directors diligently and prudently considered the material related party transactions with focus on the necessity, fairness and compliance of the related party transactions, and issued their independent opinions on the four proposals on material related party transactions submitted to the Board for consideration.

(IV) Implementation of information disclosure

In 2022, the Company prepared and disclosed the 2021 annual report, 2022 interim report and various temporary announcements in strict compliance with regulatory requirements and information disclosure requirements for listed companies. The independent non-executive Directors actively and earnestly performed their duties and obligations in relation to the preparation and disclosure of annual reports, and supervised and verified the information disclosed in the announcements, urged the Company to continuously improve the information disclosure mechanism and process, improve the quality and efficiency of information disclosure, and fulfill the information disclosure obligations in a timely, accurate, true and complete manner in strict accordance with regulatory requirements to ensure that there are no false records, misleading statements or major omissions. Meanwhile, the independent non-executive Directors supervised and required the Company to strictly implement the registration and filing of insiders and strengthen the confidentiality of the Company's inside information.

(V) Implementation of risk management and internal control and compliance

The independent non-executive Directors actively promoted the improvement of the Company's comprehensive risk management system, enhanced risk management and control, supervised and improved the internal control system, strengthened compliance construction, and participated in reviewing the effectiveness of the Company's risk management and internal control system. By considering and debriefing the Company's risk management report, internal control evaluation report, internal audit work report, compliance management report, the independent non-executive Directors recognized the effectiveness of the Company's risk management and internal control, and were of the view that the Company had no major defects in internal control of financial reports and no major defects identified in internal control of non-financial reports.

(VI) Appointment of accounting firms

The independent non-executive Directors considered that the domestic and international accounting firms engaged by the Company maintained independent and objective practice standards in the auditing, issued professional, objective and fair reports for the Company on time, and had sufficient independence and professional competence after reviewing the relevant information filed by Ernst & Young Hua Ming LLP and Ernst & Young, and listening to the audit work report of Ernst & Young, and therefore agreed to re-appoint Ernst & Young Hua Ming LLP and Ernst & Young as the auditors of the Company for 2022.

(VII) Profit distribution

The independent non-executive Directors considered and approved the 2021 profit distribution plan of the Company and were of the view that the formulation of the profit distribution plan of the Company complied with the provisions of the Articles of Association, the dividend distribution standards and proportion were clear and definite, and the procedures and mechanism of decision-making were complete, which ensured reasonable returns for shareholders and were not detrimental to the interests of the shareholder of the Company, especially that of minority shareholders.

IV. GENERAL EVALUATION

In performing duties in 2022, the independent non-executive Directors of the Company strictly complied with the provisions and requirements of relevant laws and regulations and the Articles of Association for independent Directors, faithfully and diligently performed their duties, independently and prudently expressed their opinions, earnestly performed their duties of decision-making and supervision, continued to promote the enhancement of operation quality and efficiency of the Board, and safeguarded overall interests of the Company and legitimate rights and interests of all shareholders.

In 2023, the independent non-executive Directors will focus on various tasks of the Board, give full play to their unique role as independent non-executive Directors, strive to perform their duties and responsibilities, enhance training and learning, and further improve their ability to perform their duties, so as to contribute their wisdom and strength to promote scientific and effective decision-making by the Board and practically safeguard the overall interests of the Company and the legitimate interests of all shareholders.

Independent Non-executive Directors:

LU Zhengfei, LAM Chi Kuen, WANG Changyun, SUN Maosong, ZHU Wuxiang, SUN Baowen

China Cinda Asset Management Co., Ltd.

2022 Annual Evaluation Report of Major Shareholder

According to the Measures for the Supervision of the Behavior of Major Shareholders of Banking and Insurance Institutions (Trial), issued by the CBIRC (Yin Bao Jian Fa [2021] No. 43), hereinafter referred to as the “**Measures for the Supervision of Major Shareholders**” and other relevant requirements, the Board of the Company has conducted a full assessment on the qualifications, financial position, equity holdings, related party transactions in the previous year, exercise of shareholders’ rights, performance of responsibilities and commitments, implementation of the Articles of Association and the agreement clauses, and compliance with laws, regulations and regulatory requirements of major shareholder in 2022, and it is hereby reported as follows.

I. MAJOR SHAREHOLDER

According to the relevant standards stipulated in Article 3 of the Measures for the Supervision of Major Shareholders, the “Ministry of Finance of the People’s Republic of China” (hereinafter referred to as the “**MOF**”) holds 22,137,239,084 shares, representing 58.00% of the total issued share capital of the Company, dispatches four Directors and is the major shareholder of the Company.

II. RESULTS OF SHAREHOLDER EVALUATION

The qualification of the MOF as a shareholder complies with laws and regulations and regulatory requirements. The MOF is a government agency legal person and is not applicable to evaluation of financial data information.

The MOF has long-term and stable investment in the Company, with clear and transparent shareholding relationship. The MOF invested in the Company with its own funds from legitimate sources, and earnestly performed its capital contribution obligations. There was no situation where it entrusted others or being entrusted to hold the shares of the Company, and there was no hidden actual controller, concealed related relations, shareholding entrustment, voting rights entrustment, acting-in-concert agreement, etc. The MOF did not transfer any equity held within five years from the date of acquiring the equity of the Company, nor did it pledge any equity of the Company, nor did it have any related party transactions with the Company. The MOF holds more than one controlling financial asset management companies or more than two participating financial asset management companies, and as the MOF is an investment entity holding equity in financial asset management companies under the authorization of the State Council, it is not subject to relevant regulations.

The MOF strictly abides by laws and regulations, regulatory provisions and the Articles of Association, legally exercises shareholder's rights and performs shareholder's obligations in accordance with the provisions. To properly exercise shareholder's rights and safeguard the independent operation of the Company through corporate governance procedures, the MOF does not abuse shareholder's rights to interfere with the decision-making of the Board or the operation and management of the Company, exercises the right to nominate directors of the Company in a prudent manner, while the nominated candidates are in compliance with relevant regulatory requirements, and strengthens the supervision of the performance of duties of directors nominated by it. The MOF actively supports the Company's multi-channel and sustainable capital replenishment, optimizes capital structure, and enhances the Company's ability to serve the real economy and resist risks.

Based on the above, after careful assessment of the relevant situation of major shareholder, the Company is of the view that the major shareholder of the Company is in compliance with the relevant regulations and requirements in all aspects, and no relevant problems and risks are found.

China Cinda Asset Management Co., Ltd.**Report on the Management of Related Party
Transactions of the Group for 2022**

In accordance with the regulatory requirements and the relevant provisions on the management of related party transactions of the Company, the management of related party transactions of the Company for 2022 is hereby reported as follows:

I. MAJOR WORK

In 2022, the Company conscientiously implemented the relevant regulatory requirements of the CBIRC and the Hong Kong Stock Exchange on related party transactions, effectively strengthened the management of related party transactions, and ensured that all related party transactions of the Company were carried out in a compliant, healthy and orderly manner.

- (I) The Connected Transaction Control Committee of the Board actively performed the management duties of related party transactions.** The primary duties of the Connected Transaction Control Committee of the Board include identifying related parties of the Company, reviewing the basic management system of related party transactions of the Company, conducting preliminary review of related party transactions to be approved by the Board or the general meeting, and accepting the filing of related party transactions. The Connected Transaction Control Committee of the Board consists of four members, including three independent Directors and one non-executive Director. The director of the committee is an independent Director. In 2022, the Connected Transaction Control Committee of the Board held seven meetings to consider 11 resolutions, mainly including major related party transactions, confirmation of related parties of the Company and the 2021 management report on related party transactions; and listened to seven reports, mainly including quarterly reports on related party transactions.
- (II) Continuing to improve the management system of related party transactions.** In 2022, the Administrative Measures for the Related Party Transactions of the Company was implemented after being approved by the fifth meeting of the Board of the Company in 2022. Meanwhile, all the first-level holding subsidiaries completed the revision and implementation of the related party transaction management system of their own units.
- (III) The balance of external related party transactions decreased steadily.** As of the end of 2022, the balance of external credit and credit business of the parent company and non-financial holding subsidiaries to external related parties was RMB29.272 billion, which did not exceed 50% of the net capital of the parent company and non-financial holding subsidiaries at the end of the previous quarter, and was in compliance with the regulatory ratio requirements.

- (IV) **The daily management work is running smoothly and in compliance with regulations.** Firstly, the Company regularly updated and released the information of related parties under various regulatory standards, completed regular and special reports on related party transactions in accordance with regulations, and standardised disclosure of information on related party transactions to ensure that all shareholders and investors have smooth channels to acknowledge the relevant information of the Company. Secondly, the Company carried out special training on related party transactions to improve the compliance awareness, risk identification and control ability of all employees on related party transactions. Thirdly, the Company continued to optimise the related party transaction management information system and promoted steadily the improvement of management.
- (V) **Implementing regulatory requirements to promote the completion of rectification of problems.** The Company earnestly implemented regulatory requirements and promoted the rectification of problems identified, including audit inspections, regular special rectification of equity and related party transactions, and special audit of related party transactions. As of the end of the Reporting Period, the completion rate of rectification was 95%.

II. RELATED PARTIES

As of the end of 2022, there were a total of 8,486 related parties under the regulatory standards of the CBIRC, including 397 internal related parties, 1,211 external related legal persons and unincorporated organisations, and 6,878 external related natural persons. The Company had 486 related parties under the regulatory standards of the Stock Exchange, including 89 related legal persons and 397 related natural persons.

III. RELATED PARTY TRANSACTIONS

(I) Related party transactions under the regulatory standards of the Stock Exchange

In 2022, the Company had 58 related party transactions on the Stock Exchange, with a transaction amount of RMB51 million (the Project of Absorption and Merger of Huainan Mining Group by Huaihe Energy, which was approved by the Board at the beginning of the year, was terminated and did not constitute the amount for the year), representing a year-on-year decrease of 87.16%. No reporting, announcement, submission to the Board for consideration or independent shareholders' approval was required.

(II) Related party transactions under the regulatory standards of the CBIRC

1. External Related Party Transactions. In 2022, the Company conducted 190 external related party transactions under the regulatory standards of the CBIRC, with a transaction amount of RMB55.171 billion representing a year-on-year increase of

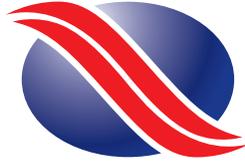
20.52%. Among them, the transaction amount of inter-bank lending, borrowing and other types (forfeiting in the secondary market) ranked top three, with a total amount of RMB40.342 billion, accounting for 73.12% of the total transaction amount.

2. Internal Related Party Transactions. In 2022, the Company had 199 internal related party transactions under the regulatory standards of the CBIRC, with a transaction amount of RMB64.186 billion, representing a year-on-year decrease of 24.45%. Among them, the transaction amount of capital lending, guarantee and asset trading ranked top three, totaling RMB60.306 billion, accounting for 93.96% of the total transaction amount.
3. Major Related Party Transactions. In 2022, the Company conducted 101 major related party transactions under the regulatory standards of the CBIRC, with an amount of RMB42.652 billion. Among which, the parent company had one major related party transaction (the Company provided liquidity support to Cinda Investment, a subsidiary of the Company) with an amount of RMB6.9 billion; the subsidiaries had 100 major related party transactions (13 major external related party transactions and 87 major internal related party transactions) with an amount of RMB35.752 billion.

IV. WORK ARRANGEMENTS FOR 2023

In 2023, the Company will continue to strictly implement the regulatory policies, resolutely implement the rectification requirements for problems identified by the central inspection and audit, strengthen the business guidance and on-site supervision and inspection on the management of related party transactions of branches and subsidiaries, and ensure the effective implementation of regulatory policies and the Company's systems within the Group. The Company will continue to promote the rectification of problems found in the inspection by the central government, internal and external audits and special rectification of related party transactions, strengthen the review of related party transactions, reasonably control the scale of related party transactions, prudently carry out related party transactions under the regulatory standards of the Company, strengthen the management of related party transaction data, and properly report and disclose related party transaction information.

NOTICE OF AGM FOR 2022



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))

NOTICE OF AGM FOR 2022

NOTICE IS HEREBY GIVEN that the annual general meeting of China Cinda Asset Management Co., Ltd. (the “**Company**”) for 2022 (the “**AGM**”) will be held at Conference Room 1111, 11th Floor, No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the People’s Republic of China (the “**PRC**”) at 10:00 a.m. on Tuesday, June 20, 2023 for considering and, if thought fit, passing the following resolutions:

Ordinary Resolutions

1. To consider and approve the work report of the Board for 2022
2. To consider and approve the report of the Board of Supervisors for 2022
3. To consider and approve the remuneration settlement scheme for Directors for 2021
4. To consider and approve the remuneration settlement scheme for Supervisors for 2021
5. To consider and approve the final financial account plan for 2022
6. To consider and approve the profit distribution plan for 2022
7. To consider and approve the budget of investment in capital expenditure for 2023
8. To consider and approve the appointment of accounting firms for 2023

Special Resolutions

9. To consider and approve the external donation plan for 2023
10. To consider and approve the capital increase in Cinda Investment

NOTICE OF AGM FOR 2022

As Reporting Documents

1. To review the work report of the independent non-executive Directors for 2022
2. To review the 2022 annual evaluation report of major Shareholder
3. To review the report on the management of related party transactions of the Group for 2022

Notice of Closure of Register of Members

The register of holders of H Shares of the Company will be closed from Thursday, June 15, 2023 to Tuesday, June 20, 2023 (both days inclusive), during which period no transfer of H Shares will be registered. Any holder of H Shares of the Company who wishes to attend the AGM shall deposit the share certificates together with the transfer documents at the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited no later than 4:30 p.m. on Wednesday, June 14, 2023. Shareholders whose names appear on the register of holders of H Shares of the Company at the close of business on Wednesday, June 14, 2023 will be entitled to attend and vote at the AGM.

The address of the H Share Registrar of the Company:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716,
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Details of the above resolutions are set out in the circular for the AGM of the Company dated May 30, 2023. Unless otherwise stated, terms defined in the circular shall have the same meanings in this notice.

By order of the Board
China Cinda Asset Management Co., Ltd.
ZHANG Weidong
Chairman

Beijing, the PRC
May 30, 2023

As at the date of this notice, the Board of the Company consists of Mr. ZHANG Weidong, Mr. LIANG Qiang and Mr. ZHAO Limin as executive directors, Mr. HE Jieping, Mr. WANG Shaoshuang, Mr. CHEN Xiaowu, Ms. ZHANG Yuxiang and Mr. LIU Chong as non-executive directors, and Mr. LU Zhengfei, Mr. LAM Chi Kuen, Mr. WANG Changyun, Mr. SUN Maosong and Ms. SHI Cuijun as independent non-executive directors.

NOTICE OF AGM FOR 2022

Notes:

1. The register of members of the Company will be closed from Thursday, June 15, 2023 to Tuesday, June 20, 2023 (both days inclusive). Holders of H Shares and domestic shares whose names appear on the register of members of the Company at the close of business on Wednesday, June 14, 2023 shall be entitled to attend and vote at the AGM. Holders of H Shares of the Company who wish to attend and vote at the AGM shall lodge all transfer documents accompanied by the relevant share certificates with the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, June 14, 2023.
2. The register of members of the Company will be closed from Wednesday, June 28, 2023 to Monday, July 3, 2023, both days inclusive. Holders of H Shares and domestic shares whose names appear on the register of members of the Company on Monday, July 3, 2023, Hong Kong time shall be entitled to receive cash dividend of RMB0.4963 (tax inclusive) per 10 shares for 2022 subject to the approval of the Shareholders at the AGM. Dividends on H Shares will be paid in Hong Kong dollars, and the actual amount paid in Hong Kong dollars will be calculated based on the average benchmark exchange rate for RMB to Hong Kong dollars as announced by the People's Bank of China one week prior to and including the date of the AGM. Holders of H Shares of the Company who wish to receive the cash dividend for 2022 shall lodge all transfer documents accompanied by the relevant share certificates with the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, No. 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, June 27, 2023 (Hong Kong time). The last trading day for H Shares of the Company before ex-dividend will be Friday, June 23, 2023, and the ex-dividend date will be Monday, June 26, 2023.

Withholding and Payment of Enterprise Income Tax for Foreign Nonresident Enterprise Shareholders

Pursuant to the Enterprise Income Tax Law of the People's Republic of China and its implementation regulations and other relevant rules and regulations, the Company is required to withhold enterprise income tax at the rate of 10% when distributing the annual dividend for 2022 to non-resident enterprise Shareholders whose names appear on the H Shares register of members of the Company. Any shares registered in the name of non-individual Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations, will be treated as being held by non-resident enterprise Shareholders and therefore will be subject to the withholding of the enterprise income tax. A non-PRC resident enterprise Shareholder which is entitled to a preferential tax rate under a tax agreement or an arrangement may, directly or through its entrusted agent or withholding agent, apply to the competent tax authorities for a refund of the excess amount of tax withheld.

Withholding and Payment of Individual Income Tax for Individual Foreign Shareholders

Pursuant to the Individual Income Tax Law of the PRC, the Implementation Regulations of the Individual Income Tax Law of the PRC and other relevant laws and regulations and regulatory documents, the Company shall, as a withholding agent, withhold and pay individual income tax at the rate of 10% the individual holders of H Shares in respect of the final dividend for the year 2022 to be distributed to them. However, if there are the tax treaties or arrangements between the People's Republic of China ("PRC") and the countries (regions) in which the individual holders of H Shares are domiciled, the Company will withhold and pay individual income tax on behalf of the individual H Shareholders at the effective tax rate stipulated in the relevant tax treaty or arrangement. If the tax treaty or arrangement with the PRC stipulates a tax rate of less than 10%, the Company will temporarily withhold and pay individual income tax at the rate of 10% on behalf of the individual H Shareholders, and the individual holders of H shares may be entitled to certain tax preferential treatments.

Dividend Distribution for Investors of Southbound Trading

For investors of the Shanghai Stock Exchange or Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares of the Company (the "Southbound Trading"), the Company will distribute the cash dividend for 2022 to China Securities Depository and Clearing Corporation Limited which, as the nominee of the investors of H Shares of Southbound Trading, will then distribute the cash dividends to the relevant investors of H Shares of Southbound Trading through its depository and clearing system. Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) and the Notice on Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No. 127), for domestic individual investors, the Company shall withhold and pay individual

NOTICE OF AGM FOR 2022

income tax at the rate of 20% on behalf of the investors. For domestic securities investment funds, the tax payable shall be the same as that for individual investors. The Company will not withhold and pay the income tax of dividends for domestic enterprise investors which shall report and pay the relevant tax themselves.

The record date and the date of distribution of cash dividends and other arrangements for the investors of Southbound Trading will be the same as those for the H Shareholders of the Company. Should the H Shareholders of the Company have any doubts in relation to the aforesaid arrangements, they are recommended to consult their tax advisors for the relevant tax impacts in mainland China, Hong Kong (or Macau) and other countries (regions) on the possession and disposal of the H Shares of the Company.

3. A Shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a Shareholder of the Company, but he/she must attend the AGM in person to represent the relevant Shareholder.
4. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his/her attorney duly authorized in writing. If the Shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its director(s) or duly authorized attorney. If that instrument is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.
5. In order to be valid, the proxy form for the AGM, the notarized power of attorney or other authorization document (if any) must be delivered to the Board of Directors' Office of the Company for holders of domestic shares and at the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares not less than 24 hours before the time designated for convening the AGM or any adjournment thereof (as the case may be) (i.e. no later than 10:00 a.m. on Monday, June 19, 2023, Hong Kong time). Completion and return of a proxy form will not preclude a Shareholder from attending and voting in person at the AGM or any adjournment thereof.
6. Pursuant to the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll. As such, all resolutions set out in the notice of the AGM will be voted on by poll. Voting at the AGM will be conducted by way of on-site voting.
7. The AGM is expected to last for half a day. Shareholders (in person or by proxy) attending the AGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the AGM shall produce their identity documents.
8. In the case of joint Shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholder(s), and for this purpose, seniority will be determined by the order in which the names stand on the register of members in respect of the relevant joint Shareholders.