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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 and the reply slip of the annual general meeting or the H Share Class 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 04607 (Preference Shares))

WORK REPORT OF THE BOARD FOR 2017
REPORT OF THE BOARD OF SUPERVISORS FOR 2017
FINAL FINANCIAL ACCOUNT PLAN FOR 2017
PROFIT DISTRIBUTION PLAN FOR 2017
APPOINTMENT OF ACCOUNTING FIRMS FOR 2018
GRANTING OF GENERAL MANDATE TO ISSUE ADDITIONAL
H SHARES TO THE BOARD
CONFIRMATION OF THE CHANGES IN THE REGISTERED
CAPITAL OF THE COMPANY
AND
NOTICE OF AGM FOR 2017

Notices 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 Friday, June 29, 2018 at 9:30 a.m. is set out on pages 32 to 35 of this circular.

If you wish to appoint a proxy to attend the AGM on your behalf, 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 appointed for holding the AGM (i.e. no later than 9:30 a.m. on Thursday, June 28, 2018, Hong Kong time) or any adjourned meeting thereof (as the case may be). If you wish to attend the AGM in person or by proxy, you are required to complete and return the accompanying reply slip on or before Saturday, June 9, 2018. 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 14, 2018

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DEFINITIONS

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

“AGM”	the annual general meeting for 2017 of the Company to be held at Conference Room 1111, 11th Floor, No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the PRC on Friday, June 29, 2018 at 9:30 a.m.
“Articles”	the current Articles of Association of China Cinda Asset Management Co., Ltd.
“Board”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“CBRC”	formerly, China Banking Regulatory Commission
“Cinda International”	Cinda International Holdings Limited
“Cinda P&C”	Cinda Property and Casualty Insurance Co., Ltd. (which has changed its name to Guoren Property and Casualty Insurance Co., Ltd.)
“Cinda Securities”	Cinda Securities Co., Ltd.
“Company Law of the PRC”	the Company Law of the People’s Republic of China
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	ordinary share(s) issued by the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB
“H Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange
“Happy Life”	Happy Life Insurance Co., Ltd.
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Jingu Trust”	China Jingu International Trust Co., Ltd.
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MOF”	Ministry of Finance of the People’s Republic of China
“NCB”	Nanyang Commercial Bank, Limited and its subsidiaries
“(our) Company”	China Cinda Asset Management Co., Ltd., a joint stock limited company incorporated in the PRC with its H Shares listed on the Hong Kong Stock Exchange
“(our) Group”	the Company and its subsidiaries
“PRC”	the People’s Republic of China excluding, for the purpose of this circular only, Hong Kong, the Macau Special Administrative Region, the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, comprising H Shares and Domestic Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Supervisor(s)”	supervisor(s) of the Company
“Zhongrun Development”	Zhongrun Economic Development Co., Ltd.

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 04607 (Preference Shares))

Executive Directors:

Hou Jianhang
Chen Xiaozhou

Non-executive Directors:

Li Honghui
Song Lizhong
Xiao Yuping
Yuan Hong
Zhang Guoqing
Liu Chong

Independent non-executive Directors:

Chang Tso Tung, Stephen
Xu Dingbo
Zhu Wuxiang
Sun Baowen

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 14, 2018

To the Shareholders

Dear Sir or Madam,

**WORK REPORT OF THE BOARD FOR 2017
REPORT OF THE BOARD OF SUPERVISORS FOR 2017
FINAL FINANCIAL ACCOUNT PLAN FOR 2017
PROFIT DISTRIBUTION PLAN FOR 2017
APPOINTMENT OF ACCOUNTING FIRMS FOR 2018
GRANTING OF GENERAL MANDATE TO ISSUE ADDITIONAL
H SHARES TO THE BOARD
CONFIRMATION OF THE CHANGES IN THE REGISTERED
CAPITAL OF THE COMPANY
AND
NOTICE OF AGM FOR 2017**

1. INTRODUCTION

The purpose of this circular is to provide you with the notice of AGM and the information on certain proposed resolutions to be considered at the AGM so that you are able to make an informed decision on whether to vote for or against those resolutions at the AGM.

LETTER FROM THE BOARD

2. MATTERS TO BE CONSIDERED AT THE AGM

Ordinary resolutions to be proposed at the AGM for the Shareholders to consider and approve include: (a) work report of the Board for 2017; (b) report of the Board of Supervisors for 2017; (c) final financial account plan for 2017; (d) profit distribution plan for 2017; and (e) appointment of accounting firms for 2018.

Special resolutions to be proposed at the AGM for the Shareholders to consider and approve include: (a) granting of general mandate to issue additional H Shares to the Board; and (b) confirmation of the changes in the registered capital of the Company.

Resolution to be proposed at the AGM for Shareholders' consideration only and not for approval is: review of work report of the independent non-executive Directors for 2017.

Details of the matters to be considered at the AGM are set out on pages 32 to 35 in the Notice of AGM for 2017, in this circular. In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make well-informed decisions, the Company has provided detailed information in this circular, including matters to be considered at the AGM for 2017 (see Appendix I), the work report of the Board for 2017 (see Appendix II), the report of the Board of Supervisors for 2017 (see Appendix III), granting of general mandate to issue additional H Shares to the Board (see Appendix IV) and the work report of the independent non-executive Directors for 2017 (see Appendix V).

3. AGM

The AGM will be held at Conference Room 1111, 11th Floor, No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the PRC on Friday, June 29, 2018 at 9:30 a.m. The notice of the AGM is set out in this circular.

In order to determine the H Shareholders who are entitled to attend the AGM, the H Shares register of members of the Company will be closed from Wednesday, May 30, 2018 to Friday, June 29, 2018 (both days inclusive), during which no transfer of H Shares will be effected. H Shareholders of the Company who intend 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 at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at or before 4:30 p.m. on Tuesday, May 29, 2018. H Shareholders whose names appear on the H Shares register of members of the Company at the close of business on Tuesday, May 29, 2018 are entitled to attend the AGM.

A proxy form and a reply slip for use at the AGM are enclosed herein and also published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk). H Shareholders 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 holding the AGM.

LETTER FROM THE BOARD

(i.e. no later than 9:30 a.m. on Thursday, June 28, 2018, Hong Kong time). Completion and return of the proxy form will not preclude a Shareholder from attending the AGM and voting in person if he so wishes. H Shareholders who intend to attend the AGM in person or by proxy should complete and return the reply slip by hand, by post or by fax to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before Saturday, June 9, 2018.

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

4. RECOMMENDATION

The Directors consider that all resolutions set out in the notice of AGM for consideration and approval by Shareholders are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend 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.
Hou Jianhang
Chairman

I. TO CONSIDER AND APPROVE THE WORK REPORT OF THE BOARD FOR 2017

In accordance with the applicable regulatory requirements, the Articles and other relevant provisions, and based on the actual work of the Board in 2017, the Board formulated the Work Report of the Board for 2017 of China Cinda Asset Management Co., Ltd. (see Appendix II).

Such report has been considered and approved at the third meeting and the first regular meeting of the Board in 2018, and is hereby submitted to the AGM for consideration and approval in accordance with the Articles and other relevant provisions.

II. TO CONSIDER AND APPROVE THE REPORT OF THE BOARD OF SUPERVISORS FOR 2017

In accordance with the applicable regulatory requirements, the Articles and other relevant provisions, and based on the actual work of the Board of Supervisors in 2017, the Board of Supervisors formulated the Report of the Board of Supervisors for 2017 of China Cinda Asset Management Co., Ltd. (see Appendix III).

Such report has been considered and approved at the second meeting and the second regular meeting of the Board of Supervisors in 2018, and is hereby submitted to the AGM for consideration and approval in accordance with the Articles.

III. TO CONSIDER AND APPROVE THE FINAL FINANCIAL ACCOUNT PLAN FOR 2017

According to the 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 2017 are as follows:

(I) Overall results of operation

In 2017, total profit, net profit and net profit attributable to equity holders of the Company were RMB26,131 million, RMB18,758 million and RMB18,122 million, respectively. Earnings per share, return on average total assets, return on average shareholders' equity and capital adequacy ratio were RMB0.45, 1.5%, 13.88% (after deducting the dividend on preference shares declared for 2017) and 16.77%, respectively.

As of the end of 2017, total assets amounted to RMB1,386,938 million, representing an increase of 18.09% as compared with the beginning of 2017. Of which, assets in distressed asset management segment increased by 29.60% to RMB593,062 million. Total liabilities of the Group were RMB1,218,673 million, representing an increase of 18.72% as compared with the beginning of 2017.

APPENDIX I MATTERS TO BE CONSIDERED AT THE AGM FOR 2017

As of the end of 2017, total equity and equity attributable to equity holders of the Company were RMB168,265 million and RMB149,394 million, representing increases of 13.72% and 7.31%, respectively, as compared with the beginning of 2017.

The table below set forth the major operating data:

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

Item	2017	2016
Total assets	1,386,937.55	1,174,480.92
Total liabilities	1,218,672.89	1,026,510.90
Equity	168,264.66	147,970.02
Equity attributable to equity holders of the Company	149,394.48	139,216.72
Operating income	120,034.63	91,657.23
Total profit	26,130.82	21,765.50
Net profit	18,757.83	15,982.01
Net equity attributable to equity holders of the Company	18,122.39	15,512.15
Return on average shareholders' equity (<i>Note</i>)	14.7%	14.1%
Return on average total assets	1.5%	1.7%
Cost-to-income ratio	24.9%	27.0%
Basic earnings per share (in RMB yuan)	0.45	0.43
Capital adequacy ratio	16.77%	19.38%

Note: The return on average shareholders' equity after deducting the dividend declared for 2017 was 13.88%.

(II) Major financial income and expenses

1. Operating income

In 2017, operating income was RMB120,035 million, representing an increase of 30.96% as compared with the same period last year. Of which, income from distressed debt assets classified as receivables was RMB17,773 million, representing an increase of RMB2,234 million as compared with last year. Fair value changes on distressed debt assets were RMB8,266 million, representing an increase of RMB2,550 million as compared with last year. Investment income was RMB29,466 million, representing an increase of RMB11,474 million as compared with last year. Other income was RMB64,529 million, representing an increase of RMB12,119 million as compared with last year.

2. *Operating expenses*

In 2017, operating expenses were RMB94,237 million, representing an increase of 37.86% as compared with the same period last year. Of which, interest expense was RMB35,911 million, representing an increase of RMB12,687 million as compared with last year. Impairment losses on assets were RMB11,405 million, representing an increase of RMB6,591 million as compared with last year. Other expenses were RMB39,510 million, representing an increase of RMB5,299 million as compared with last year. Employee benefits were RMB7,411 million, representing an increase of RMB1,302 million as compared with last year. The Group's net profit attributable to the Company was RMB18,122 million, representing an increase of 16.83% as compared with last year. Based on the total wages and salaries of RMB5,537 million in 2016 (including the full year salary of NCD for 2016) and calculated using the 1:0.6 performance-based wage policy, wages and salaries, bonuses, allowances and subsidies under the payable employee benefits in 2017 increased by RMB559 million, or 10.09%, to RMB6,096 million as compared with last year.

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

Item of major income and expenses	2017		Growth rate	2016
	Amount	Change		Amount
Income from distressed debt assets classified as receivables	17,773.02	2,233.78	14.38%	15,539.24
Fair value changes on distress debt assets	8,266.36	2,550.13	44.61%	5,716.23
Investment income	29,465.75	11,474.41	63.78%	17,991.34
Other income	64,529.50	12,119.08	23.12%	52,410.42
Total income	120,034.63	28,377.40	30.96%	91,657.23
Interest expense	(35,911.08)	(12,687.24)	54.63%	(23,223.84)
Impairment losses on assets	(11,404.68)	(6,590.98)	136.92%	(4,813.70)
Employee benefits	(7,411.34)	(1,301.69)	21.31%	(6,109.65)
Other expenses	(39,509.64)	(5,299.13)	15.49%	(34,210.51)
Total expenses	(94,236.74)	(25,879.04)	37.86%	(68,357.70)
Change in net assets attributable to other holders of consolidated structural entities	(1,284.75)	1,047.00	(44.90%)	(2,331.75)
Share of results of associates	1,617.67	819.95	102.79%	797.72
Profit before tax	26,130.82	4,365.32	20.06%	21,765.50
Income tax expense	(7,372.99)	(1,589.50)	27.48%	(5,783.49)
Net profit for the year	18,757.83	2,775.82	17.37%	15,982.01
Profit attributable to:				
Equity holders of the Company	18,122.39	2,610.24	16.83%	15,512.15
Non-controlling interests	635.44	165.58	35.24%	469.86

3. Financial position

As of the end of 2017, total assets amounted to RMB1,386,938 million, representing an increase of RMB212,457 million as compared with the beginning of 2017. Balances of assets in the three segments including distressed asset management, financial investment and asset management, and financial services were RMB593,062 million, RMB301,566 million and RMB545,216 million, representing increases of RMB135,455 million, RMB32,380 million and RMB51,436 million as compared with the beginning of 2017, respectively.

As of the end of 2017, total equity was RMB168,265 million, representing an increase of RMB20,295 million as compared with the beginning of 2017. Net assets in the three segments including distressed asset management, financial investment and asset management, and financial services were RMB88,268 million, RMB46,557 million and RMB40,316 million, representing increases of RMB11,881 million, RMB(4,123) million and RMB12,469 million as compared with the beginning of 2017, respectively.

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

	2017		As of December 31		2017		2016	
	Total assets	Percentage in total	Total assets	Percentage in total	Net assets	Percentage in total	Net assets	Percentage in total
Distressed asset management	593,061.64	42.92%	457,606.68	39.16%	88,268.41	52.64%	76,387.22	52.19%
Financial investment and asset management	301,566.34	21.82%	269,186.55	23.03%	46,557.27	27.76%	50,679.78	34.62%
Financial services	545,215.74	39.46%	493,780.08	42.25%	40,315.52	24.04%	27,846.03	19.02%
Elimination	(58,056.98)	(4.20%)	(51,970.30)	(4.45%)	(7,442.33)	(4.44%)	(8,542.20)	(5.84%)
Total amount allocatable to segments	1,381,786.74	100.00%	1,168,603.02	100.00%	167,698.86	100.00%	146,370.84	100.00%

(III) Construction of disaster contingency and recovery base

General budget for the construction of disaster contingency and recovery base was RMB1,186 million. Budget for the construction of disaster contingency and recovery base in 2017 was RMB64.16 million (including the budget for archives center of RMB58.21 million). In 2017, the construction of disaster contingency and recovery base was completed. It was actually completed at RMB6.21 million and completed at 104% of the project's budget for that year. According to the opinion of archival experts, the archives center should not be built in the recovery base, and is required to locate at a separate address. The relevant budget has not been implemented. As of the end of 2017, the construction of disaster contingency and recovery base have been completed.

Such resolution has been considered and approved at the third meeting and the first regular meeting of the Board in 2018, and is hereby submitted to the AGM for consideration and approval in accordance with the Articles and other relevant provisions.

IV. TO CONSIDER AND APPROVE THE PROFIT DISTRIBUTION PLAN FOR 2017

According to the audited financial report for 2017 of the Company, the Group recorded a net profit attributable to equity holders of the company of RMB18,122 million and the Company recorded a net profit of RMB13,940 million in 2017. Proposed profit distribution plan for 2017 is as follows:

- (I) In accordance with the Company Law of the PRC and the Articles, an appropriation of RMB1,394 million, or 10% of the net profit for 2017 of the Company of RMB13,940 million, was made to the statutory surplus reserve.
- (II) 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, the general reserve for 2017 of the Company amounted to RMB2,385 million.
- (III) Cash dividends for 2017 of RMB1.42 per 10 Shares (tax inclusive), totaling approximately RMB5,419 million, would be distributed to all Shareholders (Shareholders whose names appear in the register of shareholders after the close of business on July 11, 2018).

Such resolution has been considered and approved at the third meeting and the first regular meeting of the Board in 2018, and is hereby submitted to the AGM for consideration and approval in accordance with the Articles and other relevant provisions.

V. TO CONSIDER AND APPROVE THE APPOINTMENT OF ACCOUNTING FIRMS FOR 2018

In accordance with the requirements under the Administrative Measures of the Tendering Procedures for the Appointment of Accounting Firms by Financial Enterprises (Provisional) (Caijin [2010] No. 169) issued by the MOF and Rules for Centralized Procurement Management of the Company, the Company appointed Ernst & Young Hua Ming LLP and Ernst & Young as the onshore and offshore accounting firms for 2015 by means of invited tendering to take charge of the audit of annual financial statements, review of the interim financial statements, audit of internal control and other professional services for 2015. For the past three years, Ernst & Young Hua Ming LLP and Ernst & Young provided professional services and completed related work in accordance with the contract. The year 2018 is the fourth service year of Ernst & Young Hua Ming LLP and Ernst & Young.

In accordance with Administrative Measures of the Appointment of Accounting Firms by Financial Enterprises (Caijin [2016] No. 12) issued by the MOF, once the accounting firms have won the bid, the validity period shall not exceed five years unless otherwise specified. During the validity period of the tender, if the financial enterprise reappoints the same accounting firms, tendering is not required and the reappointment shall be subject to the company's governance process.

The Company proposed to continue the appointment of Ernst & Young Hua Ming LLP and Ernst & Young as the onshore and offshore accounting firms for 2018 to take charge of the audit of financial statements, review of the interim financial statements, audit of internal control and other professional services for 2018. The total auditing fee will be RMB13.80 million (excluding audit fees of subsidiaries), which includes the audit (review) fees of financial reports of RMB12.20 million, and the audit fees of internal control of RMB1.60 million.

Such resolution has been considered and approved at the third meeting and the first regular meeting of the Board in 2018, and is hereby submitted to the AGM for consideration and approval in accordance with the Articles and other relevant provisions.

VI. TO CONSIDER AND APPROVE THE PROPOSAL OF GRANTING OF GENERAL MANDATE TO ISSUE ADDITIONAL H SHARES TO THE BOARD

In order to further improve the capital supplementation mechanism and structure of the Company and to improve the efficiency of relevant corporate governance procedures, and to make full use of the opportunities that favourable market conditions may bring to supplement the Company's core tier 1 capital, with reference to the operating practices of H-share listed companies, the Board proposed to the AGM to grant to the Board the mandate to issue new shares to no more than 10 external investors in an amount of no more than 20% of the Company's issued H Shares, which is 2.714 billion shares, under the appropriate market window.

It is proposed that the Board shall be authorized by the AGM to issue, allot or deal with the new shares of the Company's H Shares within the authorized period in an amount of no more than 20% of the Company's issued H Shares. The Board shall be authorized to decide on specific timing of issuance, amount of single issuance, issuance method, target, use of proceeds raised, and other issues that may be related to the issuance of additional shares. The Board shall also be authorized to increase the registered capital of the Company and make corresponding amendments to the Articles when it deems appropriate to reflect the new share capital structure after issuance of shares. The Board shall be authorized to further authorize the specific persons to deal with matters related to issuance of shares. Details of this proposal are set out in Appendix IV of this circular.

Such resolution has been considered and approved at the third meeting and the first regular meeting of the Board in 2018, and is hereby submitted to the AGM for consideration and approval in accordance with the Articles and other relevant provisions.

VII. TO CONSIDER AND APPROVE THE CONFIRMATION OF THE CHANGES IN THE REGISTERED CAPITAL OF THE COMPANY

The original registered capital of the Company was RMB36,256,690,035. On 30 June 2016, the annual general meeting of the Company for 2015 approved the Proposal of Granting of General Mandate to Issue Additional H Shares to the Board. On 18 November 2016, in the eighth meeting of the Board for 2016, the Company passed the Resolution on the Proposal on Private Placing of New H Shares of the Company in 2016. On 28 November 2016, the CBRC issued the Reply to Non-public Offering of H Shares Scheme by Cinda Asset Management Co., Ltd. (Yinjianfu [2016] No. 391), and agreed to the plan for the private placing of additional new H shares. On 16 December 2016, the China Securities Regulatory Commission issued the Approval for Approving China Cinda Asset Management Co., Ltd. for the Issuance of Overseas-listed Foreign-Invested Shares (Zhengjianxuke [2016] No. 3100), which approved the Company to issue no more than 2,331,951,543 H shares. On 29 December 2016, the Company completed the issuance of 1,907,845,112 H Shares (the “**Placing**”). After the completion of the Placing, the registered capital of the Company increased from RMB36,256,690,035 to RMB38,164,535,147.

At present, the proceeds from the Placing were already received and capital verification procedures had been completed. On 23 June 2017, the CBRC issued the Approval by CBRC of the Change of Registered Capital by Cinda Asset Management Co., Ltd. (Yinjianfu [2017] No. 190), approving that the registered capital of the Company should be changed from RMB36,256,690,035 to RMB38,164,535,147.

According to the actual issuance of the Placing and the relevant procedural requirements for local industrial and commercial registration, it is hereby submitted to the AGM for confirmation that the registered capital of the Company has been changed from RMB36,256,690,035 to RMB38,164,535,147, and to amend the relevant contents on the registered capital of the Company in the Articles accordingly.

Such resolution has been considered and approved at the third meeting and the first regular meeting of the Board in 2018, and is hereby submitted to the AGM for consideration and approval in accordance with the Articles and other relevant provisions.

VIII. TO REVIEW THE WORK REPORT OF INDEPENDENT NON-EXECUTIVE DIRECTORS FOR 2017

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

The above-mentioned report is hereby submitted to the AGM. The work report of independent non-executive Directors for 2017 is set out in Appendix V 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 2017

In 2017, facing the complicated and changing domestic and overseas economic situation and the increasingly stringent financial regulatory environment, the Board of the company adhered to the general guidelines to achieve steady progress. The Board had conscientiously performed all the duties conferred by the Articles, which proactively embraced the new era and explored new ideas for development. Strategic optimization was promoted, for which governance was improved, scientific decisions were made, reforms were more in-depth, and there were more prevention and control over risks. The Company continued to maintain a good momentum of development, with quality and efficiency continued to improve.

As of December 31, 2017, the consolidated total assets of the Group amounted to RMB1,386.938 billion, representing an increase of 18.09% as compared to the previous year; net profit of the Group amounted to RMB18.758 billion, representing an increase of 17.37% as compared to the previous year; equity and net profit attributable to equity holders of the Company were RMB149.394 billion and RMB18.122 billion, representing increases of 7.31% and 16.83% respectively as compared to the corresponding period of the previous year; return on average shareholders' equity was 14.7% and return on average total assets was 1.5%.

In 2017, the Company was awarded the “Gold Medal List for Financial Institutions in China 2017 – Best Asset Management Company of the Year” by Financial Times, “China Financing Award 2017 – Best Listed Company Award” by China Financing and “China Top 100 Enterprise Award” by the 17th China Top 100 Listed Companies Summit. The Company was also awarded “Best Investment Value Listed Companies” and “Best Investor Relations Management Listed Companies” in the “The Seventh China Securities Golden Bauhinia Award” organized by Ta Kung Po and Wen Wei Po Media Group in Hong Kong as well as Quam Capital Partners Premier Investor Relations Award 2016 (Main Board) by Quam Hong Kong. The work completed by the Board in 2017 were set out as follows:

I. STRENGTHENED THE GUIDANCE OF STRATEGIC MANAGEMENT TO ENHANCE SUSTAINABLE DEVELOPMENT

The Board thoroughly studied and implemented the principles of the Nineteenth National Congress of CPC and the National Financial Work Conference. While conscientiously promoting the implementation of strategic planning, the Company had earnestly implemented its regulatory requirements. By combining with the actual circumstances of the Company, the Board had comprehensively reviewed and evaluated the pre-determined development strategies, with emphasis in “focusing on the principal operations and developing expertise”. Through servicing the real economy, the Company assisted in supply-side structural reforms and state level development strategies, and outlined proposed for the perfection of the strategic development plan. This had laid foundation to procuring high quality development for the Company.

Firstly, the Company consolidated and broadened the acquisition channels for distressed assets so as to maintain leadership in the market. On the one hand, the Company continued to promote acquisition of distressed assets from banks, strengthen the construction of core capabilities such as valuation of distressed assets, and improve accuracy of market quotation. On the other hand, the Company actively explored reverse acquisition of non-performing loans from distressed companies and assets, increased the acquisition of distressed assets such as risk assets from non-financial institutions and accounts receivable, so as to realize steady development of restructured distressed assets business. This had provided powerful support to improve liquidity of real entities.

Secondly, the Company actively implemented debt-to-equity swaps so as to assist the real economy in deleveraging. The Company capitalized on its advantages arising from the experiences and technologies accumulated from the course of policy debt-to-equity swaps, and provided a large number of recommendations for the market-oriented debt-to-equity swap. Meanwhile, the Company actively participated in implementing and exploring various effective means of market-oriented debt-to-equity swaps, thereby realizing a number of debt-to-equity conversion projects. This had effectively supported deleveraging and cost savings of the real entities.

Thirdly, by serving supply-side structural reforms, the Company supported a significant development strategy of the state. By leveraging on the advantages of its diversified products, the Company deployed a variety of financial services in a comprehensive manner, focusing on the key industries supported by the state. The Company actively participated in the mixed-ownership reform of state-owned enterprises, which promoted the separation between their principal and secondary business and merger and reorganization of state-owned enterprises. This had supported the leading companies to carry out mergers and acquisitions and restructurings. Through the assistance the state-owned enterprises became stronger and bigger, which resolved excess production capacity, and optimized industry structure. The Company's branches and subsidiaries fully utilized their geographical advantages and resource endowments and actively collaborated with the major development strategies of the state. Concrete actions were taken to support the "Belt and Road" initiative, the coordinated development of Beijing – Tianjin – Hebei region, the construction of the Guangdong – Hong Kong – Macao Greater Bay Area, Xiongan New Area and other national strategies.

II. ACCELERATED CONSOLIDATION AND OPTIMIZATION OF PLATFORMS, WHICH FACILITATED THE DIFFERENTIATION AND FEATURED OPERATION OF THE COMPANY

The Board continued to promote the optimization and integration of the Group's resources in accordance with the principle of "highlighting the principal operations with relatively high concentration". The pace of consolidating subsidiaries was accelerated, which strengthened support for key subsidiaries, and rationalized the leaning of enterprise. The first initiative was the consideration and approval of internal asset reorganization plan for the securities operation segment in the mainland and overseas, according to which Cinda Securities shall directly hold

Cinda International. The second initiative was to introduce strategic investors for Jingu Trust and to increase its capital. The third initiative was to rationalize the development mechanism for Zhongrun Development, and to procure its transformation in strategies. The fourth initiative was to promote the transfer of equities in Cinda P&C, capital increase in Happy Life Insurance and capital replenishment of NCB. All of which were completed as scheduled.

III. CORPORATE GOVERNANCE MECHANISMS WERE IMPROVED SO AS TO ENHANCE CORPORATE GOVERNANCE STANDARDS

(I) Standardization in convening governance meetings so as to make scientific decisions on major company issues

The Board strictly complied with the relevant authorizations, deliberated and decided on major issues of the Company, held various types of meetings in accordance with prescribed procedures, and promoted the implementation of important decisions. During the year, the Company convened 4 general shareholders meetings, reviewed 18 proposals and 1 report. The Board convened meetings 6 times to consider 30 proposals and 9 reports. The details were concerned with corporate governance, finance costs, major business projects, director selection, major financing and other aspects. The Board earnestly executed and implemented the relevant resolutions in accordance with the resolutions of the general meeting of shareholders.

(II) Full play was given to the role of special committees to improve efficiency in decision-making

In 2017, pursuant to the Articles and related rules of procedure, all the special committees of the Board focused on the annual highlights of the Board, capitalized on their respective professional advantages and earnestly performed their duties. These committees had given in-depth understanding to the business operations, carried out serious research and discussion of various proposals. Attention was drawn on strategic development, audit supervision, internal control, group level risk, and connected transactions management. These committees have effectively assisted the Board in fulfilling its duties. In the whole year, a total of 19 meetings of the special committees of the Board were held, during which 28 proposals were considered and 12 reports were received.

(III) Recognition of the role of the Party in state-owned enterprise was finalized upon amendment of articles of association

In accordance with the general requirements for strengthening the Party-building work in state-owned enterprises, the Board carefully studied the relevant principles in the guidelines, and actively researched and demonstrated the concrete means of such recognition into the Articles. Guidance were given to the Company in following the regulatory requirements of the Guidelines for Corporate Governance of Commercial Banks of the CBRC, and combined its own governance practices to complete the

amendment of the Articles. The amended Articles clarified and recognized the statutory status and main responsibilities of the Party organizations in the governance structure of the Company, and organically combined the Party's leadership with the corporate governance structure.

(IV) The Directors had performed their duties in assisting the Board to make scientific decisions

The Board continued to strengthen its own construction so as to continuously improve its performance and decision-making level. The Directors diligently performed their duties and actively participated in the communication meetings and business briefings for the resolutions and non-executive Directors seminars. The Directors attended management meetings, which strengthened communication with company management, and deepened understanding of the Company's business. All Directors attended the shareholders general meetings and meetings of the Board and the special committees on time. Before the meeting, they conducted in-depth research on the contents of the proposals, communicated with the relevant departments, and independently expressed their opinions, which provided the basis for the Board to make scientific decisions. The Directors continuously paid attention to the implementation of strategies and management at the Company, which actively participated in the field research of subsidiaries, and heard voices of the front-line. The Directors also tracked the changes in financial regulatory policies, reviewed and evaluated the development strategies of the Company and their implementation. Recommendations were given on the development strategies of the Company, which ensured the operations of the Company met the regulatory requirements.

IV. RISK MANAGEMENT WAS ENHANCED COMPREHENSIVELY WITH REINFORCEMENT IN SUPERVISION OVER INTERNAL AUDIT

(I) Comprehensive risk management was continuously strengthened with the construction of risk management system improved

In 2017, the Board insisted on adhering to the risk management concept of "active management and securing the bottom line". The Company steadily proceeded to construct a comprehensive risk management system that matches its development strategy, and further improved its risk management policies and systems. The first initiative was to improve the risk management system. Through the implementation of the "Compliance Year", the Group formulated six systems including the "Group Risk Management Measures" and others and amended the "Comprehensive Risk Management Regulations" and other risk management systems to further improve the comprehensive risk management system. The second initiative was to stress the group's unified risk management policy and achieved a major breakthrough in the construction of the Group's risk appetite system. In 2017, the Company closely focused on national industrial policies, regulatory requirements, and corporate development strategies, which formulated the "Group Risk Appetite Statement" and related management mechanisms.

Preference indicators have been formulated targeting at each business line and risk category, thereby achieving full coverage of the Group. The third initiative was that the Company continued to strengthen risk monitoring and control. The Company strengthened the monitoring and control of major risks such as credit risk, market risk, operational risk and concentration risk. Monitoring and evaluation of risk exposure and risk assessment standards continued to improve with monitoring and evaluation being conducted on regular basis. The Company further strengthened the accountability mechanism and implemented accountability for operational risks.

(II) Internal control and audit supervision were reinforced and operation was adhered to comply with laws and regulations

In 2017, the Board closely focused on regulatory requirements and development strategies of the Company, which continuously improved the internal control system, and periodically reviewed the effectiveness of the internal control system in accordance with the requirements of the Listing Rules. The first initiative was to implement the “Compliance Year”, which emphasized system clearing and process optimization. The management system and internal control system of the Company were reviewed and scrutinized, with reference to regulations and policies. Management responsibilities were clarified and operation process were optimized, and an internal control system with complete structure, clear logic, refined content, and standardized specifications was formed. The second initiative was to actively promote the construction of an internal control compliance culture. Several related trainings were commenced to enhance the compliance awareness and the ability of compliance for such internal control management personnel. In addition, the core values of internal control compliance are promoted through publicity and research.

V. INFORMATION DISCLOSURE SYSTEM WAS IMPROVED AND INVESTOR RELATIONS MANAGEMENT WAS OPTIMIZED

(I) Information disclosure system was improved and information disclosure level continued to enhance

In 2017, the Board strictly followed the principles of truthfulness, accuracy, completeness, timeliness and fairness, and prepared and disclosed regular reports and interim announcements. Relevance, effectiveness and transparency of information disclosure were enhanced continuously. The method for preparing regular reports were revised and the working mechanism for preparing reports were improved. The registration and confidentiality management of insider information were conducted strictly according to the regulatory rules and the company mechanisms. Business training on information disclosure were conducted regularly so as to implement the deployment of “Compliance Year” of the Company, and to reinforce the building of compliance culture.

(II) Investor relations management was consolidated and communication with capital market was continuously strengthened

The Board has always regarded adequate, timely, compliant, fair and efficient as the standards for investor relations management. The Company continued to strengthen its communication and exchange with investors and pays attention to their opinions. The Company interacted with investors in various forms, including performance release activities, non-transaction roadshows, participation in large-scale investment forums and investment bank summits, daily reception of investors visiting research, etc., so as to introduce investors to the industry development situation, company strategy, business philosophy, competitive advantages and business development. The concerns of investors were responded in a timely manner, which helped investors to understand the corporate values, social responsibilities and commitments. This had strengthened investors' confidence in sharing the development results of the Company.

In 2018, the Board will continue to implement the principles of the 19th National Congress of the CPC and adhered to the new development concept. The Board shall capture opportunities arising in the new era and adapt to new regulatory requirements. With emphasis on “focusing on the principal operations and developing expertise”, in order to maintain and deepen the cultivation of distressed assets as the principal operation, focuses should place to optimize the structure and increase efficiency. Innovation in the mechanisms of management system is the breakthrough point. The development plan of the Company will be promoted unswervingly, which will continuously strengthen the corporate governance mechanism. The level of decision-making and business management will enhance, which will further promote the sustainable and healthy development of all businesses.

CHINA CINDA ASSET MANAGEMENT CO., LTD.
REPORT OF THE BOARD OF SUPERVISORS FOR 2017

In 2017, pursuant to the national laws, regulations, regulatory requirements and the requirements of the Articles, and in response to the spirits of the 19th National Congress of the CPC and the National Financial Work Conference, the Board of Supervisors strictly implemented the regulatory requirements and to effectively carry through the belief in “Creating Value through Compliance, Enhancing Efficiency through Internal Control”. Based on the operation development of the Company, the Board of Supervisors adhered to its original intention, focused on its mission and played its due role on the continuous improvement of corporate governance, implementation of strategic transformation and healthy development of the Company by implementing a Comprehensive Risk Management Guideline, promoting system improvement, enhancing duty performance efficiency, facilitating the reasonable resource allocation and strengthening the ability of comprehensive supervision.

I. MAJOR WORK COMPLETED

Diligently carrying out the supervision of duty-performance. The Board of Supervisors paid attention to the performance of the Board and the Senior Management in implementing the national macro-economic policies, serving the supply-side structural reform, supporting the real economy and implementing the regulatory requirements. According to the regulatory requirements and the requirement of including the Party building clauses in the articles of association, the Board of Supervisors made amendment to the Measures on the Performance Supervision of the Board of Supervisors, optimized the supervision methods, emphasized on the effectiveness of duty performance, and improve the completeness and effectiveness of performance supervision. Based on core missions of the companies, the Board of Supervisors issued the Key Areas of the Performance Supervision of Directors and Senior Management for 2017 concentrating on the implementation of strategic plans of the Company, comprehensive risk management and improvement of internal control system. The Board of Supervisors also issued performance supervision opinions of the Board, the Senior Management and its members, and reported the opinions in accordance with relevant requirements.

Strengthening the supervision of risk internal control. The Board of Supervisors sought to promote compliant operation, strengthen awareness on risk control, and consolidated internal risk control mechanism. The Board of Supervisors also facilitated the improvement of the comprehensive risk management system, the formulation and implementation of the Company’s risk management strategies, risk appetite and risk limit policies. The Board of Supervisors also urged the Board of Directors and the management to conduct regular assessment on the effectiveness of risk management, and facilitated the comprehensive implementation of risk management duties. The Board of Supervisors proposed to effectively integrate risk management with internal control and enhance the overall efficiency of collaborative supervision, thereby facilitating the continuous improvement of internal control system of the Company.

Diligently performing financial supervision. The Board of Supervisors closely followed up with the impact of IFRS 9 implementation on the financial work of the Company, and diligently reviewed periodic reports, as well as followed up with the latest in operating conditions and audit reports, and focused on the compliance of report preparation, reviewing and disclosure, and analyzed all significant issues that may affect the authenticity, accuracy and completeness of the financial report. The Board of Supervisors also conducted in-depth investigations and formulated reports on the tax planning and management of the Company to allow the Group to reasonably estimate its tax costs so as to effectively prevent and contain tax risks.

Seeking to improve its own operation. Under the regulatory situation of strict supervision and strong accountability, the Board of Supervisors conducted in-depth investigation and research, and uncovering the key points of supervision to put forward targeted suggestions. The Board of Supervisors actively participated in duty performance training and paid attention to working communications with the board of supervisors of industry peers and subsidiaries to constantly improve the ability of supervisors to perform their duties. The Board of Supervisors continuously improved its own establishment in accordance with regulatory requirements and based on its practice.

Performing supervisory duties according to law. In accordance with the regulatory requirements and the actual work requirements, the Board of Supervisors conducted revision on governance systems such as the Articles (related to the Board of Supervisors), “Rules of Procedures for the Meetings of the Board of Supervisors” and “Working Rules for the Special Committee of the Board of Supervisors” so as to constantly improve the supervision mechanism of the Board of Supervisors. In 2017, the members of the Board of Supervisors had diligently performed their duties, and conscientiously reviewed relevant proposals, in addition they effectively performed their duties of supervision with attention on the application of closed-loop thinking in management and actively promoted the implementation of regulatory opinions.

II. INDEPENDENT OPINIONS ON RELEVANT MATTERS

(I) Lawful operation

During the Reporting Period, operation of the Company was in compliance with laws and regulations, and its decision-making procedures conformed to relevant laws, regulations and the Articles. The Board of Supervisors had no objection to the matters submitted to the Shareholders’ general meeting for resolution. The Board duly implemented the resolutions approved at the Shareholders’ general meetings. Directors and Senior Management duly performed their duties. The Board of Supervisors is 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.

(II) Financial reports

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

(III) Opinions on the performance evaluation of Directors and Senior Management of the Company

The results of the performance evaluation of all Directors and senior management for 2017 were that they were competent.

(IV) Internal control

During the reporting period, the Company continued to improve its internal control and the Board of Supervisors had no objections to the evaluation opinions on internal control of the Company for 2017.

(V) Use of proceeds raised

During the reporting period, the issuance of overseas preferred shares by the Company and the use of proceeds raised under the general mandate of the Board for the issuance of additional H shares pursuant to the 2015 Annual General Meeting of Shareholders were consistent with the uses undertaken by the Company.

**GRANTING OF GENERAL MANDATE TO ISSUE ADDITIONAL H SHARES
TO THE BOARD**

In order to meet the long-term development needs of the Company, and to enhance the efficiency of relevant corporate governance processes, so that the Company may make full use of the opportunities that favourable market conditions may bring to supplement the core tier 1 capital of the Company, with reference to the operating practices of H-share listed companies, the Board hereby proposes to the AGM to grant the Board a general mandate to issue ordinary shares in an amount of no more than 20% of issued H shares of the Company, and to authorized the Board to make corresponding amendments to the Articles so as to reflect the capital structure after the completion issuance. The above mandate allowed the Board to issue new shares to no more than 10 external investors under the appropriate market window, so as to supplement core tier 1 capital of the Company.

Particulars of the general mandate are set out as follows:

- (I) To authorize the Board to issue additional overseas listed foreign shares (“H Shares”) (additional H shares referred to as “New Shares”) after taking into account the market conditions and the Company’s needs, in an amount of no more than 20% of the issued H Shares of the Company as at the date of passing of this general mandate resolution at the AGM.
- (II) Particulars of the mandate include but are not limited to:
 - 1. To authorize the Board to individually or simultaneously allot, issue and dispose of New Shares in accordance with the Company Law of the PRC and the regulatory requirements of the jurisdictions in which the Shares of the Company are listed based on the market conditions and the needs of the Company, after obtaining the approval of the China Securities Regulatory Commission and other relevant PRC government departments. The number of the New Shares to be allotted and issued (whether pursuant to a share option or otherwise) shall not exceed 20% of the total issued H Shares of the Company as at the date of passing of this resolution.
 - 2. To authorize the Board to exercise all the powers of the Company, to determine the terms and conditions for the allotment and issuance of the New Shares, which include the following:
 - (1) the class and number of the New Shares to be allotted and (or) issued;
 - (2) issuance method;
 - (3) the target of the issuance and the use of proceeds;
 - (4) pricing method and (or) the issue price (including the price range and the final price) of the New Shares;

- (5) the commencing and closing dates of the issuance;
 - (6) the class and number of the New Shares to be issued to existing Shareholders;
and
 - (7) the making or granting of offers for sale, agreements and options which may require the exercise of such powers.
3. To authorize the Board to execute all necessary documents, to complete the necessary formalities and to take other necessary actions in order to complete the allotment, issuance and listing of the New Shares, provided that there is no violation of the relevant laws, administrative regulations, the regulatory requirements of the jurisdictions in which the Shares of the Company are listed and the Articles, including but not limited to:
- (1) to consider, approve and execute, on behalf of the Company, the agreements in relation to the issuance, including but not limited to the placing underwriting agreement and engagement letters of intermediaries;
 - (2) to consider, approve and execute, on behalf of the Company, legal documents in relation to the issuance which shall be submitted to the relevant regulatory authorities, and to fulfill the relevant approval processes according to the requirements of the regulatory authorities and the jurisdictions in which the Shares of the Company are listed;
 - (3) to amend the relevant agreements and legal documents mentioned in (1) and (2) above in accordance with the requirements of domestic and overseas regulatory authorities;
 - (4) to decide on the affixing of the Company's seal on the agreements and legal documents in relation to the issuance;
 - (5) to engage intermediaries related to the issuance, to approve and execute all necessary, appropriate, desirable or relevant acts, deeds, documents and other related matters.
4. Subject to the approval of the relevant PRC authorities and in accordance with the Company Law of the PRC, to authorize the Board to increase the registered capital of the Company to the required amount according to the actual condition of the Company's shareholding structure at the time of completion pursuant to the share issuance method, class and number, and take any other required actions and procedures to handle changes in registered capital (including, but not limited to, obtaining approval from relevant regulatory authorities and filing procedures for industrial and commercial registration, etc.).

5. To authorize the Board to make amendments to the Articles as appropriate and necessary according to the actual condition of the Company's shareholding structure at the time of completion pursuant to the share issuance method, class and number, and take any other required actions and procedures to handle changes in registered capital (including, but not limited to, obtaining approval from relevant regulatory authorities and filing procedures for industrial and commercial registration, etc.), in order to reflect the changes in the capital structure of the Company the registered capital and any other changes of the Company caused by this authorization.

The Board may further authorize the specific authorized persons to deal with the relevant issuance matters.

- (III) The general mandate shall come into force as of the date of passing of this resolution at the AGM and shall continue in force until the earlier of the following two dates:
 1. the expiration of the 12-month period following the passing of this resolution at the AGM; or
 2. the date on which the authorization granted under this resolution is revoked or amended by a special resolution of the Shareholders of the Company in a Shareholders' general meeting.
- (IV) For avoidance of doubts, the shares, stocks, and securities mentioned in this resolution shall refer to ordinary shares and stocks, excluding preference shares.

**CHINA CINDA ASSET MANAGEMENT CO., LTD.
WORK REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS
FOR 2017**

In 2017, the independent non-executive Directors of the Company strictly complied with the relevant laws, regulations and regulatory requirements, the internal management mechanisms of the Company, and the inherent requirements of good corporate governance for independent directors, which performed their duties faithfully and diligently in accordance with the law. The independent non-executive Directors have enhanced the scientific decision-making level of the Board and the special committees of the Board, promoted the construction of corporate governance, and safeguarded the legitimate rights and interests of the Company and all Shareholders. The performance of the independent non-executive Directors of the Company is reported as follows:

I. INFORMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

From January 1, 2017 to December 31, 2017, there were four independent non-executive Directors of the Company, namely Mr. Chang Tso Tung, Stephen, Mr. Xu Dingbo, Mr. Zhu Wuxiang, and Mr. Sun Baowen. The number of independent non-executive Directors accounted for over one-third of the members of the Board, which complied with the Articles, the procedural rules of Board meetings and relevant regulatory requirements. The three special committees of the Board, namely the Audit Committee, the Nomination and Remuneration Committee and the Connected Transaction Control Committee all have independent non-executive Directors as chairman. Among them, the chairman of the Audit Committee was Mr. Xu Dingbo, the chairman of the Nomination and Remuneration committee was Mr. Sun Baowen, and the chairman of the Connected Transaction Control Committee was Mr. Zhu Wuxiang.

(I) Biographies of independent non-executive Directors

Please refer to the 2017 annual report of the Company for the biographies of independent non-executive Directors.

(II) Independence of independent non-executive Directors

The qualification, number and proportion of the independent non-executive Directors of the Company have complied with the requirements of regulatory authorities. The independent non-executive Directors do not have any business or financial interest in the Company and its subsidiaries and do not hold any management position in the Company. The Company has received annual confirmation letters from each of the 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

In 2017, the Company held three extraordinary general meetings, one annual general meeting. The Company held six Board meetings and 19 meetings of special committees. The independent non-executive Directors of the Company performed their duties diligently, exercised voting rights in an independent, prudent and cautious manner based on sufficient studies and communications before the meeting, provided professional opinions to facilitate the Board's scientific decision making in strategic control, corporate governance, risk control and internal control supervision, expressed independent opinions on significant matters such as profit distribution plan, remuneration of the Directors and senior management and appointment of Directors. No opinion expressed was of a qualified, dissent or unable to present nature.

The attendance of independent non-executive Directors of the Company at Shareholders' general meetings, and meetings of the Board and its special committees during the reporting period is as follows:

Independent non-executive Directors	Number of meetings attended/required to attend						
	Shareholders'		Meetings of Special committees under the Board				
	general meetings	Board meetings					Connected
			Strategic Development Committee	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Transaction Control Committee
Chang Tso Tung,							
Stephen	3/4	6/6	5/5	4/4			
Xu Dingbo	1/4	6/6		4/4	4/4		3/3
Zhu Wuxiang	3/4	4/6				2/3	3/3
Sun Baowen	4/4	5/6	4/5	3/4		2/3	

Note:

- (1) "Number of meetings attended" includes attendance at the scene, participation in the conference by telephone, and video.
- (2) During the reporting period, the directors who were unable to attend the meetings of the Board and the special committees had entrusted other directors to attend and vote on their behalf.

(II) Operation of the Board and its special committees

1. **The Board.** In 2017, the Company held six Board meetings to consider 30 resolutions and review nine reports. The resolutions which were considered by the Board included eight resolutions on operation and management matters, one resolution on major transaction, five resolutions on work reports, three resolutions on nomination of candidates for directors, three resolutions on remuneration and insurance and ten other resolutions. The resolutions involve numerous aspects of the Company's operation and management and its significant projects.

2. **Special committees of the Board.** The operation of special committees of the Board in 2017 was as follows:

The Strategic Development Committee conducted five meetings to consider seven resolutions, mainly including the 2016 final financial account plan, the 2017 operation plan, the 2017 fixed assets investment budget, the proposal to issue financial bonds for 2017, the overall operation plan of the equity project of Huainan Mining (Group) Co., Ltd., and the internal asset restructuring plan of the Company's domestic and overseas securities segment. The committee also received two reporting matters namely the corporate governance report of the Company for 2016, and the implementation assessment of the Company's Second Five-year strategic development plan (2016).

The Audit Committee conducted four meetings to review eight resolutions including the 2016 annual report (the annual results announcement), the internal control evaluation report for 2016, the risk management report for 2016, the internal audit work plan for 2017, the appointment of external accounting firms, the interim report (interim results announcement) for 2017 and the implementation plan for internal control evaluation of the Company, and received four reports including the report on relevant management suggestions for 2016 from auditors and audit plan for financial statements for 2017.

The Risk Management Committee conducted four meetings to consider and review five reports, mainly including considering the 2016 risk management report and the 2016 internal control evaluation report and reviewing quarterly risk management reports of the Company. The Risk Management Committee of the Board considered the risk management report and internal control assessment report, assisted the management in determining the risk appetite of the Company based on the strategic development goals of the Company, participated in the corporate system risk management work conference and conducted on-site investigation and research to ensure the effective and stable operation of the Company's risk management and internal control system.

The Nomination and Remuneration Committee conducted three meetings to consider six resolutions, including the nomination of candidates for the Directors, the nomination of the members of the Strategic Development Committee and Risk Management Committee, the remuneration settlement scheme of Directors and Senior Management for 2016; the renewal of liability insurance for Directors, Supervisors and Senior Management, the review of the structure, size and composition of the Board, the duty performance of Directors and the independence of independent non-executive Directors.

The Connected Transaction Control Committee conducted three meetings to consider and review eight resolutions, mainly including the resolution on identification of connected persons of the Company, the 2016 connected transaction management report of the Company, identification of new connected persons of the Company, potential connected transactions between the Company and Huainan Mining (Group) Co., Ltd. and the internal transaction report of the Group for 2016.

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

In order to cooperate with the independent non-executive Directors in their effective performance of duties, through the Board office, the Company provided the independent non-executive Directors with various services and support for their duty performance, including offering a variety of flexible communication channels and timely offer of comprehensive information covering business operation and financial information, progress of significant projects, risk management and internal control, information disclosure, governance system of the Company and supervisory regulations, which ensured that the independent non-executive Directors enjoy the same right to know as other Directors. The independent non-executive Directors received management reports on operational level, visited the branches for research, attended the resolution communication meetings of the Board, and obtained in-depth understanding of the Company's business and operation management. Based on their working experience and professional expertise, the independent non-executive Directors made forward-looking reflection and constructive suggestions on issues such as strategic management, risk management, internal control, information system construction and related party transactions control and management, and played an important role in the decision-making of the Board.

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 attached great importance to the management of corporate strategies, integration of the Group's strategic resources, qualification and remuneration of the senior management, control of related party transactions, information disclosure, implementation of internal control and appointment of accounting firms. They made clear judgment on relevant key matters in accordance with laws and regulations and provided the Company with independent and objective opinions and suggestions.

(I) Overview on the Strategic Management of the Company

Under the leadership of the Board, the strategic management leadership team of the Company took the lead in organizing the evaluation of the implementation of the "Second Five-year Plan" in 2016, so as to ensure the "Second Five-year Plan" of the Company can adjust upon new circumstances. In 2017, the independent non-executive Directors participated in the special research, seminars with non-executive Directors and Strategic

Development Committee of the Board to gain an in-depth understanding of the actual situation of the implementation, which put forward many professional and constructive opinions to the Company regarding the implementation of the “Second Five-year Plan” strategies and strategic adjustment under the new circumstances. It is recommended that the Company shall focus on its principal operations and develop its expertise, which will further reinforce the foundation of distressed asset management as its principal operation. During the course of implementing the strategies, the Company should strengthen its communication with the supervisory levels, and strive to resolve issues such as synergy and resource allocation.

(II) Integration of strategic resources of the Group

In 2017, the Company steadily promoted the division and integrated management of branches, and the optimization and integration of platforms such as the transfer of equities in Cinda P&C, the capital increase in Happy Life, and the capital replenishment of NCB were completed. The consolidation of Cinda Securities and Cinda International and the work to introduce strategic investor and increase capital for Jingu Trust were started. The independent non-executive Directors pointed out that the integration of resources was important to the implementation of the Group’s strategic plan. The provision of valuable guidance for the implementation of specific projects had facilitated the competitiveness of the Company to enhance and is beneficial to the long-term development of the Company.

(III) Qualification and remuneration of the Directors and senior management

In 2017, there were certain changes to the composition of the member of the Board. The independent non-executive Directors made careful assessment on the composition of the Board and conducted preliminary review on the qualifications of the candidates for Directors in strict compliance with the laws and regulations and the requirements of the Articles, and submitted it to the Board for consideration. The independent nonexecutive Directors also considered the annual remuneration settlement scheme for senior management and submitted the same to the Board for consideration based on the annual results of the Company.

(IV) Connected transactions

The independent non-executive Directors regularly reviewed the matters concerning confirmation of connected parties of the Company according to relevant laws and supervisory regulations and reviewed potential connected transactions, annual connected party transaction management reports, providing opinions and recommendations on daily management of connected parties and connected transactions, which ensured that connected transactions are conducted in accordance with laws and regulations and to protect the interests of minority Shareholders.

(V) Implementation of information disclosure

In 2017, the Company prepared the annual report for 2016 and interim report for 2017 in accordance with the standards applicable to listed companies. The independent non-executive Directors duly reviewed the annual report and interim report, in particular the truthfulness, accuracy and completeness of the reports, so as to ensure that there is no false information, misleading statements or material omission. The independent non-executive Directors continue to attach great importance to information disclosure, promoting a lawful disclosure of regular reports and interim announcements according to the regulatory requirements. Management of insiders with inside information was also enhanced, which ensured the fairness of information disclosure and maintenance of Shareholders' legitimate interests.

(VI) Risk management and implementation of internal control

In 2017, the Board attached great importance to the construction of risk management and internal control system. Through the implementation of the "Compliance Year" work, the Company further improved the policies and systems for risk management and internal control, and conducted regular review on the effectiveness of the internal control system in accordance with the requirements of the Listing Rules. The independent non-executive Directors studied risk management reports, internal control evaluation report, work reports and management recommendations from external auditors of the Company on a regular basis. Through internal control assessment, the independent non-executive Directors approve the effectiveness of the Company's risk management and internal control, and are of the view that the Company has no major defects in internal control of financial reports and no major defects identified in internal control of non-financial reports.

(VII) Appointment of accounting firms

In 2017, the Company appointed Ernst & Young Hua Ming LLP and Ernst & Young as the onshore and offshore auditors for 2017, respectively, responsible for the audit of financial reports, review of the interim financial reports, audit of internal control and other professional services. The independent non-executive Directors considered that the domestic and international accounting firms engaged by the Company were independent, objective and fair in the auditing and completed all work assigned by the Company.

(VIII) Cash dividend and other returns to investors

The formulation and implementation of policy of cash dividend complied with the requirements of the Articles and the resolutions passed at the Shareholders' general meeting. The standards and proportion of dividends were clear and definite and the procedures and mechanism of decision-making were complete, which met the need of sustainable development of the Company and were considered and approved by the independent non-executive Directors.

IV. GENERAL EVALUATION

In 2017, the independent non-executive Directors of the Company paid close attention to the implementation of the Company's strategic management, the integration of group resources and other major operation management matters, which gave full play to their expertise in providing independent and objective opinions, and performing their duties diligently in accordance with laws and regulations. The scientific decision-making quality of the Board and special committees was improved and the legitimate interests of the Company and all Shareholders was maintained.

In 2018, the independent non-executive Directors of the Company will continue to comply with the laws and regulations, the Articles and the inherent requirements of good corporate governance for independent directors, and perform their duties carefully, earnestly, diligently, and in good faith. This will safeguard the legitimate rights and interests of the Company and Shareholders, including minority interests, and deliver greater contribution to the healthy and sustainable development of the Company.

It is hereby reported.

Independent Non-executive Directors:

Chang Tso Tung, Stephen, Xu Dingbo, Zhu Wuxiang, Sun Baowen

March 2018



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 04607 (Preference Shares))

NOTICE OF AGM FOR 2017

NOTICE IS HEREBY GIVEN that the annual general meeting of China Cinda Asset Management Co., Ltd. (the “**Company**”) for 2017 (the “**AGM**”) will be held at Conference Room 1111, 11th Floor, No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the PRC at 9:30 a.m. on Friday, June 29, 2018 for the purpose of considering and, if thought fit, passing the following resolutions:

Ordinary Resolutions

1. To consider and approve the work report of the Board for 2017
2. To consider and approve the report of the Board of Supervisors for 2017
3. To consider and approve the final financial account plan for 2017
4. To consider and approve the profit distribution plan for 2017
5. To consider and approve the appointment of accounting firms for 2018

Special Resolutions

6. To consider and approve the granting of general mandate to issue additional H Shares to the Board
7. To consider and approve the confirmation of the changes in the registered capital of the Company

As Reporting Document

1. To review the work report of the independent non-executive Directors for 2017

NOTICE OF AGM FOR 2017

Notice of Closure of Register of Members

The register of holders of H Shares of the Company will be closed from Wednesday, May 30, 2018 to Friday, June 29, 2018 (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 Tuesday, May 29, 2018. Shareholders whose names appear on the H Share register of members of the Company at the close of business on Tuesday, May 29, 2018 will be entitled to attend 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 AGM for 2017 of the Company dated May 14, 2018. 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.
Hou Jianhang
Chairman

Beijing, the PRC
May 14, 2018

NOTICE OF AGM FOR 2017

Notes:

1. The register of members of the Company will be closed from Wednesday, May 30, 2018 to Friday, June 29, 2018 (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 Tuesday, May 29, 2018 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 Tuesday, May 29, 2018.
2. The register of members of the Company will be closed from Friday, July 6, 2018 to Wednesday, July 11, 2018 (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, July 11, 2018 shall be entitled to receive cash dividend of RMB1.42 (tax inclusive) per 10 shares for 2017 subject to the approval of the Shareholders at the AGM. Dividend for H Shares will be paid in Hong Kong dollars, the actual amount of which shall be calculated on the basis of the average benchmark exchange rate between RMB and Hong Kong dollars as announced by the People's Bank of China in one week prior to the date of the AGM (including the date of the AGM). Holders of H Shares of the Company who wish to receive the cash dividend for 2017 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 Thursday, July 5, 2018. The last trading day for H Shares of the Company before ex-dividend will be Tuesday, July 3, 2018, and the ex-dividend shall start from Wednesday, July 4, 2018.

Withholding and Payment of Enterprise Income Tax (also referred to as “withholding tax” hereinafter) 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 2017 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 PRC Individual Income Tax Law, the Implementation Regulations of the PRC Individual Income Tax Law, the Notice of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties (Tentative) (Guo Shui Fa [2009] No. 124), the Notice of the State Administration of Taxation on the Questions Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 45 (Guo Shui Han [2011] No. 348) and other relevant laws and regulations and regulatory documents, the Company shall, as a withholding agent, withhold and pay individual income tax for the individual holders of H Shares in respect of the final dividend for the year 2017 to be distributed to them. However, the individual holders of H Shares may be entitled to certain tax preferential treatments pursuant to the tax treaties between the People's Republic of China (“PRC”) and the countries (regions) in which the individual holders of H Shares are domiciled and the tax arrangements between mainland China and Hong Kong (or Macau). In this regard, the Company will implement the following arrangements in relation to the withholding and payment of dividend as individual income tax for the individual holders of H Shares:

- For individual H Shareholders who are Hong Kong or Macau residents or whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the individual H Shareholders in the distribution of the annual dividend for 2017.
- For individual H Shareholders whose country (region) of domicile has entered into a tax treaty with the PRC stipulating 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 in the distribution of the annual dividend for 2017.

NOTICE OF AGM FOR 2017

- For individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, 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 in the distribution of the annual dividend for 2017.
- For individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 20%, or a country (region) which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of the individual H Shareholders in the distribution of the annual dividend for 2017.

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 2017 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 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 needs not to 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, 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 appointed for the holding of the AGM (i.e. no later than 9:30 a.m. on Thursday, June 28, 2018, Hong Kong time) or any adjournment thereof (as the case may be). 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 if he/she so wishes.
6. Holders of domestic shares and holders of H Shares who intend to attend the AGM in person or by proxy should deliver the reply slip at the Board of Directors’ Office of the Company and at the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong respectively on or before Saturday, June 9, 2018 by hand, by post or by fax (fax no: (852) 2865 0990 for Computershare Hong Kong Investor Services Limited).
7. Pursuant to the Articles of the Company, any vote of Shareholders at a general meeting must be taken by poll. As such, the resolutions set out in the notice of the AGM will be voted by poll.
8. 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.
9. 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 holding.