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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))

**VOLUNTARY ANNOUNCEMENT
ACQUISITION OF THE TARGET EQUITY INTERESTS BY CINDA REAL
ESTATE BY ISSUING CONSIDERATION SHARES**

This announcement is made voluntarily by the Company.

The Board is pleased to announce that on July 19, 2017, the Company, Cinda Real Estate and Huainan Mining Group entered into the Agreements in relation to the Transaction, pursuant to which, Cinda Real Estate proposed to acquire the entire equity interests in Huainan Mining Real Estate. The estimated consideration for the Target Equity Interests is RMB7,833,315,000, which will be paid by the issuance of Consideration Shares by Cinda Real Estate to the Company and Huainan Mining Group respectively to purchase their 60% and 40% equity interests held in Huainan Mining Real Estate respectively.

Pursuant to the Articles, the Transaction constitutes a substantial equity investment of the Company, which is subject to the shareholders' approval requirements. An extraordinary general meeting will be convened by the Company for the shareholders to review and approve, if thought fit, among others, the Agreements and the Transaction.

A circular containing, among others, the details of the Transaction and the notice of the extraordinary general meeting will be despatched to the shareholders in due course.

INTRODUCTION

This announcement is voluntarily made by the Company.

The Board is pleased to announce that on July 19, 2017, the Company, Cinda Real Estate (a subsidiary of the Company) and Huainan Mining Group entered into the Acquisition Agreement and the Indemnity Agreement in relation to the Transaction, pursuant to which, Cinda Real Estate proposed to acquire the entire equity interests in Huainan Mining Real Estate by the issuance of Consideration Shares.

The details of the Agreements and other relevant information are set out as follows:

THE ACQUISITION AGREEMENT

Date

July 19, 2017

Parties

Purchaser: Cinda Real Estate
Vendors: the Company
Huainan Mining Group

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Huainan Mining Group and its ultimate beneficial owners is an independent third party of the Company and is not a connected person of the Company.

Transaction Subject

Pursuant to the Acquisition Agreement, Cinda Real Estate proposed to acquire the entire equity interests in Huainan Mining Real Estate by the issuance of Consideration Shares.

Consideration

The estimated value of the Target Equity Interests as at the Valuation Reference Date is RMB7,833,315,000 and the estimated consideration for the Target Equity Interests is RMB7,833,315,000, which will be paid by the issuance of Consideration Shares by Cinda Real Estate to the Company and Huainan Mining Group respectively. The proposed issue price of the Consideration Shares is RMB6.02 per share, representing 90% of the average price of the A Shares of Cinda Real Estate for the 120 trading days prior to the Price Determination Date as adjusted by ex-rights and ex-dividend events.

Based on the estimated consideration for the Target Equity Interests and the proposed issue price of the Consideration Shares, Cinda Real Estate expects to issue approximately 780,729,100 and 520,486,000 Consideration Shares to the Company and Huainan Mining Group respectively to purchase their 60% and 40% equity interests held in Huainan Mining Real Estate respectively.

As at the date of this announcement, the asset appraiser has not yet completed the appraisal of the Target Equity Interests. The final consideration of the Target Equity Interests shall be determined based on the appraisal results filed with the competent authorities. China Real Estate shall issue such number of Consideration Shares to the Vendors based on the consideration for the Target Equity Interests finally determined.

Upon completion of the Transaction, the Company and Huainan Mining Group have undertaken not to transfer any Consideration Shares subscribed during 36 months from the listing date on the SSE. Upon expiry of the lock-up period of the Consideration Shares undertaken by the Company, the lock-up period and reduction of the Consideration Shares held by the Company shall be executed in accordance with the relevant requirements of the CSRC and the SSE.

Condition precedent to Completion

Completion of the Transaction shall take place within a reasonable period from the date of obtaining the approval from CSRC and is conditional upon fulfilment of all of the following conditions or waiver by Cinda Real Estate:

- 1) the Vendors have made full and complete disclosure of information that has a material impact on the Transaction such as the assets, liabilities, interests, external guarantees and equity holdings of the Target Company to Cinda Real Estate;
- 2) the Target Company has maintained normal operations during the Transition Period where there are no material adverse impacts on its shareholding structure and financial conditions, nor any material violations or irregularities;
- 3) the Target Company has not disposed of its major assets during the Transition Period other than those disposed of in the course of normal production and operations;
- 4) the representations, warranties and undertakings made by the Vendors under the Acquisition Agreement are true, accurate and complete and there is no false and misleading statement or material omission;
- 5) the effective conditions stipulated under the Acquisition Agreement are satisfied.

Effective Conditions of the Acquisition Agreement

The Acquisition Agreement shall take effect from the date of fulfilment of all of the following conditions:

- 1) Huainan Mining Group Overall Restructuring Proposal is approved by the Anhui Government or Anhui SASAC, and the Share Repurchase has been completed;
- 2) the Transaction is approved by the competent internal decision-making authorities (including but not limited to meetings of the board of directors and general meetings) of the parties to the Acquisition Agreement and the relevant state-owned assets supervision and administration authorities;
- 3) the relevant reports such as the audit report and appraisal report on the Target Equity Interests are issued respectively by the auditor and appraiser with securities practitioner qualifications and such reports are filed with the competent authorities;
- 4) the Transaction is approved by the CSRC.

In the event that the aforesaid conditions are not fulfilled or satisfied within the foreseeable reasonable period, the parties shall, after friendly negotiation, revise and adjust the proposal on the Transaction under the principle and objective of jointly pushing forward the Transaction and without material prejudice to the rights and obligations of the parties to the Transaction in accordance with the form and content required by the relevant governmental authorities or relevant laws.

THE INDEMNITY AGREEMENT

Date

July 19, 2017

Parties

The parties to the Indemnity Agreement are the Company, Huainan Mining Group and Cinda Real Estate.

Performance Undertaking and Compensation

Required Compensation Amount

Upon completion of the Transaction, in the event that the net profit of Huainan Mining Real Estate after deducting non-recurring profit or loss realised during the Undertaking Period is less than the net profit forecast agreed under the Indemnity Agreement, the Vendors shall make compensation to Cinda Real Estate pursuant to the Indemnity Agreement. In the event that the Transaction is completed in 2017, the Undertaking Period shall be the three consecutive financial years from 2017 to 2019. The aggregate net profit forecast for the three consecutive financial years from 2017 to 2019 shall amount to RMB2,720 million.

Impairment Compensation

Within three months upon expiry of the Undertaking Period, the Vendors and Cinda Real Estate shall jointly provide the impairment test report on the Target Equity Interests according to the requirements of the Indemnity Agreement. In the event that the impairment of the Target Equity Interests as at the end of the period is higher than the Required Compensation Amount, the Vendors shall make impairment compensation to Cinda Real Estate pursuant to the Indemnity Agreement.

Means of Compensation

The Required Compensation Amount and the Impairment Compensation shall be borne by the Company and Huainan Mining Group in the proportion of 60% and 40%, and shall be first paid by the Consideration Shares yet to be disposed of from the Transaction (subject to the requirements in relation to the means of compensation of the regulatory authorities, if any). If the Consideration Shares yet to be disposed of are not sufficient for compensation, such difference may then be paid in cash.

Effective Conditions of the Indemnity Agreement

The Indemnity Agreement shall take effect immediately upon the effectiveness of the Acquisition Agreement.

ESTIMATED IMPACTS OF THE ISSUANCE OF THE CONSIDERATION SHARES ON THE SHAREHOLDING OF CINDA REAL ESTATE

Shareholders	As at the date of this announcement		Immediately after the completion of the proposed issuance of the Consideration Shares	
	Number of shares (10,000 shares)	Approximate percentage of shareholding	Number of shares (10,000 shares)	Approximate percentage of shareholding
The Company and its subsidiaries*	78,488.74	51.49%	156,561.65	55.41%
Huainan Mining Group	—	—	52,048.60	18.42%
Other shareholders	73,937.30	48.51%	73,937.30	26.17%
Total	152,426.04	100%	282,547.56	100%

* The Company holds 774,518,300 shares of Cinda Real Estate through its wholly owned subsidiary, Cinda Investment Co., Ltd., representing 50.81% of Cinda Real Estate's total share capital; and holds 10,369,100 shares of Cinda Real Estate through another subsidiary, Hainan Jianxin Investment Management Co., Ltd., representing 0.68% of Cinda Real Estate's total share capital.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Directors of the Company consider that the Transaction represents the trial project to liquidise the remaining equity assets and allocate incremental equity assets according to the needs of the DES Companies by capitalising on a number of financial means and a basket of integrated financial solutions, which is of significance to the innovation of the DES Assets operating model of the Company. At the same time, it is also key to Cinda Real Estate's efforts to respond to the national policies, support the disposal of supplementary business of coal enterprises and reform of regional state-owned enterprises, which is also of positive significance for Cinda Real Estate to achieving differentiated competition with focus on the principal businesses of the Group.

The terms of the Agreements are arrived at after arm's length negotiation between the parties and are normal commercial terms. The Directors (including the independent non-executive Directors) consider that the terms of the Agreements are fair and reasonable and in the interest of the Company and its shareholders as a whole.

INFORMATION ABOUT HUAINAN MINING GROUP

Huainan Mining Group, which was established in the PRC on November 2, 1981, is principally engaged in coal selection, thermal power generation and logistics trading.

The audited key financial data of Huainan Mining Group for the two financial years ended December 31, 2015 and 2016 are set out below (on consolidated basis):

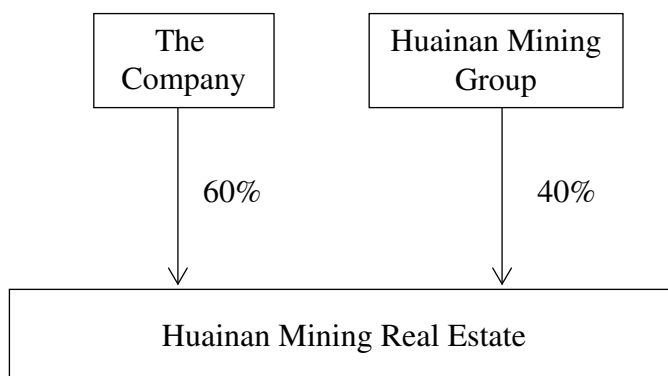
Unit: RMB10,000

	As at December 31, 2016	As at December 31, 2015
Total assets	15,248,215.43	15,296,043.94

	For the year ended December 31, 2016	For the year ended December 31, 2015
Total profits	102,420.43	-195,632.37
Net profits attributable to shareholders of the parent	67,206.36	-232,360.39

INFORMATION ABOUT THE TARGET COMPANY

Huainan Mining Real Estate, which was established in the PRC on June 8, 2006, is principally engaged in real estate development and operation. Upon effectiveness of the Agreements, the Company will have held approximately 60% equity interests in Huainan Mining Real Estate and Huainan Mining Real Estate will have been a subsidiary of the Company. Details of the shareholding structure of the Target Company are set out below:



The unaudited key financial data of the Target Company for the two financial years ended December 31, 2015 and 2016 are set out below (on consolidated basis):

Unit: RMB10,000

	As at December 31, 2016	As at December 31, 2015
Total assets	2,252,151.12	1,951,945.58

	For the year ended December 31, 2016	For the year ended December 31, 2015
Total profits	68,045.97	920.95
Net profits attributable to shareholders of the parent	49,371.09	647.36

As at the Valuation Reference Date, the net carrying amount and estimated value of the assets of the Target Company are RMB6,653,438,400 and RMB7,833,315,000 respectively.

INFORMATION ABOUT THE GROUP

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

Cinda Real Estate is a subsidiary of the Company and its RMB denominated ordinary shares are listed on the SSE (Stock Code: 600657). Cinda Real Estate is principally engaged in real estate development, property management and leasing.

The audited key financial data of Cinda Real Estate for the two financial years ended December 31, 2015 and 2016 are set out below (on consolidated basis):

Unit: RMB10,000

	As at December 31, 2016	As at December 31, 2015
Total assets	6,512,473.67	5,218,412.55

	For the year ended December 31, 2016	For the year ended December 31, 2015
Total profits	130,826.32	106,218.71
Net profits attributable to shareholders of the parent	88,099.54	86,016.60

IMPLICATIONS OF THE LISTING RULES

This announcement is made voluntarily by the Company to provide the latest business updates of the Group to the investors and shareholders.

The Transaction does not constitute any notifiable transaction of the Company under Chapter 14 of the Listing Rules, nor any connected transaction under Chapter 14A of the Listing Rules.

As at the date of this announcement, the Company and its subsidiaries are interested in 51.49% equity interests in Cinda Real Estate in aggregate. Cinda Real Estate is a subsidiary of the Company. Upon effectiveness of the Agreements, the Company will have held 60% equity interests in Huainan Mining Real Estate. Huainan Mining Real Estate will have been a subsidiary of the Company and its profit and loss as well as assets and liabilities will have been consolidated into the consolidated financial statements of the Group. Upon completion of the Transaction, Huainan Mining Real Estate will continue to be a subsidiary of the Company. The equity interests of the Company in Huainan Mining Real Estate will be indirectly held through Cinda Real Estate.

Upon completion of the Transaction, Huainan Mining Group will become a connected person of the Company at subsidiary level as it is interested in more than 10% equity interests in Cinda Real Estate, a subsidiary of the Company. The transactions between the Group and Huainan Mining Group and its associates will constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

Pursuant to the Articles, the Transaction shall constitute a substantial equity investment, which is subject to the shareholders' approval requirements. An extraordinary general meeting will be convened by the Company for the shareholders to review and approve, if thought fit, among others, the Agreements and the Transaction contemplated thereunder.

A circular containing, among others, the details of the Transaction and the notice of the extraordinary general meeting will be despatched to the shareholders in due course.

As the taking effect of the Agreements and the completion of the Transaction are subject to the fulfilment of the effective conditions and conditions precedent to completion, the Transaction may or may not proceed or complete. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“A Share(s)”	ordinary share(s) in the share capital of Cinda Real Estate with nominal value of RMB1.00 each, which are listed on the SSE (Stock Code: 600657)
“Acquisition Agreement”	the Share Issuance and Asset Purchase Agreement entered into between China Real Estate and the Vendors on July 19, 2017
“Agreements”	the Acquisition Agreement and the Indemnity Agreement
“Anhui Government”	People’s Government of Anhui Province, the PRC
“Anhui SASAC”	State-owned Assets Supervision and Administration Commission of the People’s Government of Anhui Province
“Articles”	the Articles of Association of the Company as amended from time to time
“Board”	the board of directors of the Company

“Company”	China Cinda Asset Management Co., Ltd.
“Completion”	completion of the Transaction upon fulfilment of all conditions precedent to completion as stipulated under the Acquisition Agreement
“connected person (s)”	has the meanings ascribed to it under the Listing Rules
“Consideration Shares”	ordinary shares (A Shares) with nominal value of RMB1.00 each to be issued by Cinda Real Estate to the Company and Huainan Mining Group as payment of the consideration for the acquisition of the Target Equity Interests, which will be listed on the SSE
“CSRC”	China Securities Regulatory Commission
“Director (s)”	director (s) of the Company
“Group”	the Company and its subsidiaries
“Huainan Mining Group”	Huainan Mining Industry (Group) Co., Ltd.
“Huainan Mining Group Overall Restructuring Proposal”	the Overall Restructuring Proposal of Huainan Mining Industry (Group) Co., Ltd., including the Share Repurchase, the Transaction and possible subsequent debt-to-equity transactions between Huainan Mining Group and the Group
“Impairment Compensation”	shares of Cinda Real Estate or cash to be compensated to the Purchaser by the Vendors as a result of the impairment of the Target Equity Interests under the Indemnity Agreement
“Indemnity Agreement”	the Profit Forecast and Indemnity Agreement entered into between Cinda Real Estate and the Vendors on July 19, 2017
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MOF”	Ministry of Finance of the PRC
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement only, Hong Kong, the Macau Special Administrative Region, the PRC and Taiwan

“Price Determination Date”	the date of announcement of the resolutions of the 29th extraordinary board meeting of the tenth session of the board of directors of Cinda Real Estate (i.e. July 20, 2017)
“Purchaser” or “Cinda Real Estate”	Cinda Real Estate Co., Ltd., a subsidiary of the Company
“Required Compensation Amount”	shares of Cinda Real Estate or cash to be compensated by the Vendors to the Purchaser under the Indemnity Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Share Repurchase”	the reduction of capital and repurchase of equity interests in Huainan Mining Group held by the Company by Huainan Mining Group pursuant to the Huainan Mining Group Overall Restructuring Proposal where the consideration shall be paid by 60% equity interests of Huainan Mining Group held in Huainan Mining Real Estate and partially in cash. Upon completion of the Share Repurchase, the Company and Huainan Mining Group shall hold, in aggregate, 100% equity interests in Huainan Mining Real Estate
“Shareholder (s)”	holder(s) of the ordinary share(s) of the Company
“SSE”	Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company” or “Huainan Mining Real Estate”	Huainan Mining Real Estate Co., Ltd., a subsidiary of the Company upon the taking effect of the Agreements
“Target Equity Interests”	100% equity interests jointly held by the Company and Huainan Mining Group in Huainan Mining Real Estate upon completion of the Share Repurchase
“Transaction”	the acquisition of 60% and 40% equity interests held by the Company and Huainan Mining Group in Huainan Mining Real Estate respectively by China Real Estate pursuant to the Acquisition Agreement and the Indemnity Agreement by issuance of Consideration Shares
“Transition Period”	the period from the Valuation Reference Date to the reference date for completion of audit

“Undertaking Period”	the performance undertaking period applicable to performance compensation, i.e. the three consecutive financial years upon completion of the Transaction (inclusive of the year of completion of the Transaction)
“Valuation Reference Date”	March 31, 2017
“Vendors”	the Company and Huainan Mining Group
“%”	per cent

By order of the Board
China Cinda Asset Management Co., Ltd.
HOU Jianhang
Chairman

Beijing, the PRC
July 19, 2017

As at the date of this announcement, the Board of the Company consists of Mr. HOU Jianhang and Mr. CHEN Xiaozhou as executive Directors, Mr. LI Honghui, Mr. SONG Lizhong, Ms. XIAO Yuping, Ms. YUAN Hong and Mr. ZHANG Guoqing as non-executive Directors, and Mr. CHANG Tso Tung, Stephen, Mr. XU Dingbo, Mr. ZHU Wuxiang and Mr. SUN Baowen as independent non-executive Directors.