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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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)

**WORK REPORT OF THE BOARD FOR 2015  
REPORT OF THE BOARD OF SUPERVISORS FOR 2015  
FINAL FINANCIAL ACCOUNT PLAN FOR 2015  
PROFIT DISTRIBUTION PLAN FOR 2015  
FIXED ASSETS INVESTMENT BUDGET FOR 2016  
ELECTION OF DIRECTORS FOR THE THIRD SESSION OF  
THE BOARD OF DIRECTORS  
ELECTION OF SUPERVISORS FOR THE THIRD SESSION  
OF THE BOARD OF SUPERVISORS  
APPOINTMENT OF ACCOUNTING FIRMS FOR 2016  
GRANTING OF GENERAL MANDATE TO ISSUE ADDITIONAL  
H SHARES TO THE BOARD  
PROPOSED NON-PUBLIC ISSUANCE OF OFFSHORE PREFERENCE SHARES  
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
NOTICE OF AGM FOR 2015  
AND  
NOTICE OF 2016 FIRST CLASS MEETING FOR H SHAREHOLDERS**

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Notices of convening the AGM and the H Share Class Meeting 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 Thursday, June 30, 2016 at 9:30 a.m. for the AGM and at the later of 10:15 a.m. or immediately after the conclusion of the Domestic Share Class Meeting for the H Share Class Meeting are set out on pages 71 to 76 and pages 77 to 79 of this circular respectively.

If you wish to appoint a proxy to attend the AGM or the H Share Class Meeting 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 and the H Share Class Meeting or any adjourned meeting thereof (as the case may be). If you wish to attend the AGM or the H Share Class Meeting in person or by proxy, you are required to complete and return the accompanying reply slip on or before Thursday, June 9, 2016. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or the H Share Class Meeting or at any adjourned meeting should you so wish.

May 16, 2016

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## DEFINITIONS

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

“Additional Tier 1 Capital”	has the meaning given to it in the Rules Governing Capital Management of Commercial Banks (Provisional) issued by the CBRC on June 7, 2012, which became effective on January 1, 2013
“Administrative Measures on Preference Shares”	the Trial Administrative Measures on Preference Shares issued by the CSRC on March 21, 2014
“AGM”	the annual general meeting for 2015 of the Company to be held at Conference Room 1111, 11th Floor, No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the PRC on Thursday, June 30, 2016 at 9:30 a.m.
“AMC Administrative Measures”	the Administrative Measures on Financial Asset Management Companies jointly issued by the CBRC, Ministry of Finance, People’s Bank of China, CSRC and China Insurance Regulatory Commission on August 14, 2014, which became effective on January 1, 2015
“Articles”	the articles of association of the Company as amended from time to time
“Board”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“Board Resolution Date”	May 10, 2016, being the date on which the Board resolves to approve the proposed issuance of Offshore Preference Shares, which is also the announcement date of such Board resolution
“CBRC”	China Banking Regulatory Commission
“Class Meeting(s)”	the Domestic Share Class Meeting and the H Share Class Meeting
“Company Law”	the Company Law of the People’s Republic of China
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“Domestic Share Class Meeting”	the 2016 first class meeting for Domestic Shareholders of the Company to be held at Conference Room 1111, 11th Floor, No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the PRC at the later of 10:00 a.m. or immediately after the conclusion of the AGM for 2015 on Thursday, June 30, 2016
“Domestic Share(s)”	ordinary share(s) issued by the Company in the PRC with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB

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## DEFINITIONS

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“Domestic Shareholder(s)”	holder(s) of Domestic Shares
“H Share Class Meeting”	the 2016 first class meeting for H Shareholders of the Company to be held at Conference Room 1111, 11th Floor, No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the PRC at the later of 10:15 a.m. or immediately after the conclusion of the Domestic Share Class Meeting on Thursday, June 30, 2016
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“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
“H Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Joint Guidance Opinion”	the Guidance Opinion on Issuance of Preference Shares by Commercial Banks for Replenishing Tier 1 Capital jointly issued by the CBRC and the CSRC on April 3, 2014
“Latest Practicable Date”	May 11, 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Offshore Issuance Plan”	the Plan for Non-public Issuance of Offshore Preference Shares by the Company
“Offshore Preference Shares”	the preference shares of an aggregate amount of not more than RMB30 billion or its equivalent, proposed to be issued by the Company in the offshore market pursuant to the Offshore Issuance Plan as set out in Appendix VII to this circular
“Offshore Preference Shareholders”	holder(s) of Offshore Preference Shares
“(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 and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

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## DEFINITIONS

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“Securities Law”	the Securities Law of the People’s Republic of China
“Share(s)” or “Ordinary Share(s)”	the Domestic Share(s) and the H Share(s)
“Shareholder(s)” or “Ordinary Shareholder(s)”	holder(s) of the Share(s)
“State Council Guidance Opinion”	the Guidance Opinion on the Launch of Preference Shares Pilot Scheme issued by the State Council on 30 November 2013
“subsidiary(ies)”	has the meanings ascribed to it under the Listing Rules
“Supervisor(s)”	supervisor(s) of the Company
“%”	percentage

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Hou Jianhang  
Zang Jingfan

*Non-executive Directors:*

Li Honghui  
Song Lizhong  
Xiao Yuping  
Yuan Hong  
Lu Shengliang

*Independent non-executive Directors:*

Li Xikui  
Qiu Dong  
Chang Tso Tung, Stephen  
Xu Dingbo

*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 16, 2016

*To the Shareholders*

Dear Sir or Madam,

**WORK REPORT OF THE BOARD FOR 2015  
REPORT OF THE BOARD OF SUPERVISORS FOR 2015  
FINAL FINANCIAL ACCOUNT PLAN FOR 2015  
PROFIT DISTRIBUTION PLAN FOR 2015  
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ELECTION OF DIRECTORS FOR THE THIRD SESSION OF  
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ELECTION OF SUPERVISORS FOR THE THIRD SESSION  
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NOTICE OF AGM FOR 2015  
AND  
NOTICE OF 2016 FIRST CLASS MEETING FOR H SHAREHOLDERS**

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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

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

### 2. MATTERS TO BE CONSIDERED AT THE AGM AND THE H SHARE CLASS MEETING

Ordinary resolutions to be proposed at the AGM for the Shareholders to consider and approve include: (a) work report of the Board for 2015; (b) report of the Board of Supervisors for 2015; (c) final financial account plan for 2015; (d) profit distribution plan for 2015; (e) fixed assets investment budget for 2016; (f) election of Directors for the third session of the Board of Directors; (g) election of Supervisors for the third session of the Board of Supervisors; and (h) appointment of accounting firms for 2016.

Special resolutions to be proposed at the AGM for the Shareholders to consider and approve include: (i) granting of general mandate to issue additional H Shares to the Board; (j) proposed non-public issuance of Offshore Preference Shares; and (k) proposed amendments to the Articles.

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 2015.

A special resolution will be proposed at the H Share Class Meeting for H Shareholders to consider and approve: the non-public issuance of Offshore Preference Shares.

Details of the matters to be considered at the AGM and the H Share Class Meeting are set out on pages 71 to 76 and pages 77 to 79 in the Notice of AGM for 2015 and the Notice of the H Share Class Meeting, respectively, in this circular. In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and H Share Class Meeting and to make well-informed decisions, the Company has provided detailed information in this circular, including matters to be considered at the AGM for 2015 (see Appendix I), the work report of the Board for 2015 (see Appendix II), the report of the Board of Supervisors for 2015 (see Appendix III), biographical details of director candidates (see Appendix IV), biographical details of supervisor candidates (see Appendix V), granting of general mandate to issue additional H Shares to the Board (see Appendix VI), the plan for non-public issuance of Offshore Preference Shares (see Appendix VII), the comparison table of the amendments to the Articles (see Appendix VIII) and the work report of the independent non-executive Directors for 2015 (see Appendix IX).

### 3. MATTERS IN RELATION TO THE NON-PUBLIC ISSUANCE OF OFFSHORE PREFERENCE SHARES

#### (1) Non-Public Issuance of Offshore Preference Shares

In order to improve the overall competitiveness of the Company and to ensure continuous business development of the Company, the Company plans to conduct a non-public issuance of not more than 300 million Offshore Preference Shares to raise proceeds not exceeding RMB30 billion or its equivalent to replenish the Company's Additional Tier 1 Capital.

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## LETTER FROM THE BOARD

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In accordance with the Company Law, the Securities Law, the State Council Guidance Opinion, the AMC Administrative Measures and the Listing Rules, and with reference to relevant provisions of the Administrative Measures, the Joint Guidance Opinion, the Guidance on the Innovation of Capital Instruments of Commercial Banks and other relevant laws, regulations and regulatory documents, the Company has fulfilled the conditions for non-public issuance of Offshore Preference Shares.

The issuance of the Offshore Preference Shares will be conducted by way of a private placement in accordance with the relevant rules on issuance and the Offshore Preference Shares will be issued in a single or multiple series in accordance with the relevant procedures after being approved by regulatory authorities. The listing/trading arrangements for the Offshore Preference Shares will be set out in the issuance documents. There will be no lock-up period for the Offshore Preference Shares. The Company shall have the right to mandatorily convert all or part of the Offshore Preference Shares into H Shares on the occurrence of certain prescribed events. In the case of a partial conversion, the Offshore Preference Shares then issued and outstanding will be converted in part on a ratable basis into a corresponding number of H Shares.

The initial mandatory conversion price of the Offshore Preference Shares will be equal to the net asset value per share disclosed in the Company's 2015 annual report as at the end of 2015 (being RMB2.81) and denominated in Hong Kong dollars, which shall be converted with reference to the Central Parity Rate of RMB to Hong Kong dollars used by the interbank foreign exchange market as published by the China Foreign Exchange Trading Centre on the trading day prior to the Board Resolution Date (i.e. May 9, 2016), being RMB0.83899 to HK\$1.00 (rounded up to the nearest 2 decimal places). Based on the above formulation, the initial mandatory conversion price of the Offshore Preference Shares will be HK\$3.35. On the trading day prior to the Board Resolution Date (i.e. May 9, 2016), the closing price of H Shares is HK\$2.46 and the initial conversion price represents a premium of 36.18% to such price. The average closing price of H Shares in the five consecutive trading days immediately prior to the Board Resolution Date is HK\$2.484 and the initial conversion price represents a premium of 34.86% to such price. The closing price of H Shares on the Latest Practicable Date is HK\$2.44 and the initial conversion price represents a premium of 37.30% to such price.

Assuming that an issue size equivalent to RMB30 billion of Offshore Preference Shares were issued and all the Offshore Preference Shares were subject to conversion, on the basis of the above initial mandatory conversion price, the number of H Shares issued upon conversion of the Offshore Preference Shares would not exceed 10,676,156,584 H Shares. As of the Latest Practicable Date, there were 11,659,757,719 H Shares in issue. Assuming that the number of issued H Shares remains as stated above on the date the proposed special resolution regarding the Offshore Issuance Plan is passed at the AGM, the maximum number of H Shares may be issued represents (i) 91.56% of the total number of H Shares in issue of the Company, (ii) 47.80% of the enlarged H share capital of the Company, and (iii) 29.45% of the current total issued share capital of the Company.



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## LETTER FROM THE BOARD

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For illustrative purposes only, the table below sets forth the impact on the Company's share capital structure if all the Offshore Preference Shares under the proposed issuance were converted into H Shares pursuant to the conversion:

	As of the Latest Practicable Date		After issuance of the Offshore Preference Shares <sup>1</sup>		After conversion of all the Offshore Preference Shares	
	Shares	Percentage of share capital	Shares	Percentage of share capital	Shares	Percentage of share capital
Share capital						
Domestic Share	24,596,932,316	67.84%	24,596,932,316	67.84%	24,596,932,316	52.41%
H Share	11,659,757,719	32.16%	11,659,757,719	32.16%	22,335,914,303	47.59%
Total	36,256,690,035	100.00%	36,256,690,035	100.00%	46,932,846,619	100.00%

Please refer to Appendix VII to this circular for details on the Offshore Issuance Plan.

**The Company is a financial asset management company in the PRC which is required to maintain minimum regulatory capital adequacy ratio in accordance with the AMC Administrative Measures. The AMC Administrative Measures provide that any non-ordinary share regulatory capital instrument should have a mechanism to absorb losses upon the occurrence of certain trigger events. The Company is seeking to be the first PRC financial asset management company to issue such capital instruments and the proposal to have the Offshore Preference Shares absorb losses by converting into H Shares has been formulated by reference to the conversion option adopted by PRC commercial banks on the preference shares issued by them under the current regulations applicable to PRC commercial banks. The Offshore Issuance Plan is subject to the approval of relevant PRC regulatory authorities. In the case that the relevant regulatory authorities issue any additional rules to regulate the issuance of preference shares by PRC financial asset management companies, to the extent that any of the terms of the Offshore Issuance Plan, including but not limited to the terms in relation to mandatory conversion, is not consistent with such additional rules or any terms and conditions attached to such approval granted by the regulatory authorities, the Company will need to make necessary adjustments to the terms of the Offshore Issuance Plan in relation to mandatory conversion and other related terms.**

On May 10, 2016, the Board considered and approved the Offshore Issuance Plan. The proposed issuance of Offshore Preference Shares will be subject to the approval of the Domestic Shareholders at the Domestic Share Class Meeting, the approval of the H Shareholders at the H Share Class Meeting and the approval of the Shareholders at the AGM, in each case, as a special resolution. At the same time proposals will be proposed to the AGM and the Class Meetings to, pursuant to the Offshore Issuance Plan, authorise the Board, and the Board will then delegate the authority to the Chairman or other persons delegated by the Chairman within the validity period of such authorisation, to individually or jointly exercise the full power to handle all matters relating to the issuance of Offshore Preference Shares in accordance with the Offshore Issuance Plan. Upon approval by the Shareholders at the AGM and the Class Meetings, the proposed issuance of Offshore Preference Shares is also subject to approval by or filing with competent regulators (namely, the approval of the CBRC and the approval of the CSRC and the filing and registration with the National Development and Reform Commission).

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<sup>1</sup> If there is no trigger event for conversion, the issuance of the Offshore Preference Shares will not affect the ordinary share capital of the Company.

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## LETTER FROM THE BOARD

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The validity period of the Offshore Issuance Plan will be 36 months from the date on which the resolution relating to the Offshore Issuance Plan is approved at the Shareholders' general meeting. The authorisation to the Board for the issuance of Offshore Preference Shares shall remain valid during the 12 months following the passing of the resolution relating to authorisation in the Offshore Issuance Plan at the Shareholders' general meeting. If the proposed issuance of Offshore Preference Shares as described above is not completed before the expiration of the validity period of such authorisation, then such authorisation will lapse, but the Board has the right to seek approval at the Shareholders' general meeting to extend or renew the validity period of such authorisation.

Shareholders and potential investors shall be aware that the proposed issuance of Offshore Preference Shares is subject to all necessary approvals being obtained and various factors including market conditions, and therefore the proposed issuance of Offshore Preference Shares may or may not proceed.

### **(2) Amendments to the Articles**

In connection with the proposed issuance of Offshore Preference Shares and in order to satisfy the relevant requirements on the corporate governance of the Company, the Company has proposed relevant amendments to the Articles, in accordance with the State Council Guidance Opinion, the AMC Administrative Measures and other applicable laws, regulations and regulatory documents, with reference to relevant provisions of the Administrative Measures, the Joint Guidance Opinion, the Guidance on the Innovation of Capital Instruments of Commercial Banks, and the Guidelines on the Corporate Governance of Commercial Banks and taking into account the Offshore Issuance Plan and the actual situation of the Company.

On May 10, 2016, the Board considered and approved the proposal on the amendments to the Articles. For a comparative table of the amendments to the Articles, please refer to Appendix VIII to this circular. The proposal on the amendments to the Articles is hereby submitted as a special resolution to the AGM for consideration and approval, and it is submitted to authorise the Board, and the Board will then delegate the authority to the Chairman and other persons delegated by the Chairman, to individually or jointly make appropriate amendments to the Articles pursuant to relevant laws and regulations and based on the comments of the relevant regulatory authorities. The proposed amendments to the Articles, upon approval by the AGM, are subject to approval by the CBRC. The amended Articles will become effective upon obtaining the approval of the CBRC.

## **4. AGM AND H SHARE CLASS MEETING**

The AGM will be held at Conference Room 1111, 11th Floor, No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the PRC on Thursday, June 30, 2016 at 9:30 a.m., the Domestic Share Class Meeting will be held at the later of 10:00 a.m. on the same day or immediately after the conclusion of the AGM, and the H Share Class Meeting will be held at the later of 10:15 a.m. on the same day or immediately after the conclusion of the Domestic Share Class Meeting. The notice of the AGM and the notice of the H Share Class Meeting are set out in this circular.

In order to determine the H Shareholders who are entitled to attend the AGM and the H Share Class Meeting, the H Shares register of members of the Company will be closed from Tuesday, May 31, 2016 to Thursday, June 30, 2016 (both days inclusive), during which no transfer of H Shares will be effected. H Shareholders of the Company who intend to attend the AGM or the H Share Class Meeting 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,

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## LETTER FROM THE BOARD

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183 Queen's Road East, Wanchai, Hong Kong, at or before 4:30 p.m. on Monday, May 30, 2016. H Shareholders whose names appear on the H Shares register of members of the Company at the close of business on Monday, May 30, 2016 are entitled to attend the AGM and the H Share Class Meeting.

A proxy form and a reply slip for use at the AGM and the H Share Class Meeting are enclosed herein and also published on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). H Shareholders who intend to attend the AGM or the H Share Class Meeting 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 and the H Share Class Meeting. Completion and return of the proxy form will not preclude a Shareholder from attending the AGM or the H Share Class Meeting and voting in person if he so wishes. H Shareholders who intend to attend the AGM or the H Share Class Meeting 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 Thursday, June 9, 2016.

The voting at the AGM and the H Share Class Meeting shall be by way of registered poll.

### 5. RECOMMENDATION

The Directors consider that all resolutions set out in the notice of AGM and the notice of H Share Class Meeting 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 and the H Share Class Meeting.

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 2015**

In accordance with the applicable regulatory requirements and the Articles, and based on the work of the Board of the Company in 2015, the Company formulated the “Work Report of the Board for 2015 of China Cinda Asset Management Co., Ltd.” (see Appendix II).

Such report has been considered and approved at the second meeting and the first regular meeting of the Board in 2016, and is hereby submitted to the Shareholders’ general meeting for consideration and approval in accordance with the Articles and the procedural rules on the Shareholders’ general meeting of the Company.

**II. TO CONSIDER AND APPROVE THE REPORT OF THE BOARD OF SUPERVISORS FOR 2015**

In accordance with the regulatory requirements and the Articles, and based on the actual work of the Board of Supervisors of the Company in 2015, the Company formulated the “Report of the Board of Supervisors for 2015 of China Cinda Asset Management Co., Ltd.” (see Appendix III).

Such report has been considered and approved at the second meeting and the first regular meeting of the Board of Supervisors in 2016, and is hereby submitted to the Shareholders’ general meeting for consideration and approval in accordance with the Articles and the procedural rules on the Shareholders’ general meeting of the Company.

**III. TO CONSIDER AND APPROVE THE FINAL FINANCIAL ACCOUNT PLAN FOR 2015**

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 2015 are as follows:

**(I) Overall results of operation**

In 2015, the profit before tax, net profit and net profit attributable to equity holders of the Company were RMB19,298 million, RMB14,704 million and RMB14,027 million, respectively. Earnings per share, return on average total assets, return on average shareholders’ equity and capital adequacy ratio were RMB0.39, 2.34%, 14.4% and 16.11%, respectively.

As of the end of 2015, total assets amounted to RMB713,975 million, representing an increase of 31.14% as compared with the beginning of 2015. Assets in distressed asset management segment increased by 22.40% to RMB392,863 million. Total liabilities of the Group were RMB603,081 million, representing an increase of 36.27% as compared with the beginning of 2015.

As of the end of 2015, total equity and equity attributable to equity holders of the Company were RMB110,894 million and RMB101,710 million, representing increases of 8.87% and 8.93%, respectively, as compared with the beginning of 2015.

The tables below set forth the major operating data:

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

Item	2015	2014
Total assets	<b>713,974.68</b>	544,427.42
Total liabilities	<b>603,080.75</b>	442,564.16
Equity	<b>110,893.93</b>	101,863.26
Equity attributable to equity holders of the Company	<b>101,710.22</b>	93,368.86
Operating income	<b>78,744.14</b>	59,790.06
Profit before tax	<b>19,297.90</b>	16,306.70
Net profit	<b>14,703.89</b>	12,142.75
Net profit attributable to equity holders of the Company	<b>14,027.47</b>	11,896.24
Return on average shareholders' equity (%)	<b>14.4</b>	14.0
Return on average total assets (%)	<b>2.34</b>	2.62
Cost-to-income ratio (%)	<b>23.9</b>	24.0
Basic earnings per share (in RMB Yuan)	<b>0.39</b>	0.33
Capital adequacy ratio (%)	<b>16.11</b>	18.08

## (II) Major financial income and expenses

### 1. Operating income

In 2015, operating income was RMB78,744 million, representing an increase of 31.70% as compared with the same period last year. Income from distressed debt assets classified as receivables was RMB18,884 million, representing an increase of RMB770 million as compared with last year. Fair value changes on distressed debt assets were RMB4,420 million, representing an increase of RMB343 million as compared with last year. Investment income was RMB13,552 million, representing an increase of RMB4,436 million as compared with last year. Other income was RMB41,888 million, representing an increase of RMB13,405 million as compared with last year.

### 2. Operating expenses

In 2015, operating expenses were RMB57,201 million, representing an increase of 36.09% as compared with the same period last year. Interest expense was RMB20,185 million, representing an increase of RMB4,224 million as compared with last year. Impairment losses on assets were RMB4,377 million, representing a decrease of RMB1,062 million as compared with last year. Other expenses were RMB27,447 million, representing an increase of RMB11,413 million as compared with last year. Employee benefits were RMB5,192 million, representing an increase of RMB592 million as compared with last year. Wages and salaries, bonuses, allowances and subsidies under the payable employee benefits in 2015 increased by RMB410 million, or 10.75%, to RMB4,224 million as compared with last year.

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

Item	2015		Growth rate (%)	2014
	Amount	Change		
Income from distressed debt				
assets classified as receivables	18,883.90	770.33	4.25%	18,113.57
Fair value changes on distressed				
debt assets	4,420.11	342.61	8.40%	4,077.50
Investment income	13,552.23	4,435.76	48.66%	9,116.47
Other income	41,887.90	13,405.37	47.07%	28,482.53
Total income	78,744.14	18,954.08	31.70%	59,790.06
Interest expense	(20,185.32)	(4,224.20)	26.47%	(15,961.12)
Impairment losses on assets	(4,376.54)	1,061.53	(19.52%)	(5,438.07)
Employee benefits	(5,192.30)	(591.74)	12.86%	(4,600.56)
Other expenses	(27,447.25)	(11,413.41)	71.18%	(16,033.84)
Total expenses	(57,201.41)	(15,167.83)	36.09%	(42,033.58)
Changes in net assets attributable				
to other holders of consolidated				
structural entities	(2,557.00)	(647.05)	33.88%	(1,909.95)
Share of results of associates	312.18	(148.00)	(32.16%)	460.17
Profit before tax	19,297.90	2,991.20	18.34%	16,306.70
Income tax expense	(4,594.01)	(430.06)	10.33%	(4,163.95)
Net profit for the year	14,703.89	2,561.14	21.09%	12,142.75
Profit attributable to:				
Equity holders of the Company	14,027.47	2,131.23	17.92%	11,896.24
Non-controlling interests	676.41	429.90	147.40	246.51

### 3. Financial position

As of the end of 2015, total assets amounted to RMB713,975 million, representing an increase of RMB169,547 million as compared with the beginning of 2015. Balances of assets in the three segments including distressed asset management, financial investment and asset management, and financial services were RMB392,863 million, RMB159,559 million and RMB177,527 million, representing increases of RMB71,890 million, RMB48,698 million and RMB53,966 million as compared with the beginning of 2015, respectively.

As of the end of 2015, total equity was RMB110,894 million, representing an increase of RMB9,031 million as compared with the beginning of 2015. Net assets in the three segments including distressed asset management, financial investment and asset management, and financial services were RMB56,907 million, RMB35,632 million and RMB25,960 million, representing increases of RMB5,287 million, RMB4,320 million and RMB3,875 million as compared with the beginning of 2015, respectively.

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

	2015		As of December 31, 2014		2015		2014	
	Total assets	Percentage in total (%)	Total assets	Percentage in total (%)	Net assets	Percentage in total (%)	Net assets	Percentage in total (%)
Distressed asset management	392,863.29	55.02%	320,973.46	58.96%	56,906.89	51.32%	51,619.73	50.68%
Financial investment and asset management	159,558.71	22.35%	110,860.24	20.36%	35,631.60	32.13%	31,312.03	30.74%
Financial services	177,526.81	24.86%	123,560.44	22.70%	25,959.81	23.41%	22,084.60	21.68%
Elimination	(15,972.13)	(2.24%)	(10,966.73)	(2.01%)	(7,604.36)	(6.86%)	(3,153.11)	(3.10%)
Total	713,974.68	100.00%	544,427.42	100.00%	110,893.93	100.00%	101,863.26	100.00%

**(III) Disaster contingency plan and construction of recovery base**

General budget for the disaster contingency plan and construction of recovery base was RMB1,186 million. As of the end of 2015, RMB983 million was actually completed, accounting for 83% of general budget. In 2015, influenced by the national new rules on power supply, the construction periods of some projects like the second stages of engineerings (including the second stages of UPS installation, medium and low voltage cabinet installation and precision air conditioning), network switch, video meeting and water heater room were postponed. This project is estimated to be completed in the end of 2016.

Such resolution has been considered and approved at the second meeting and the first regular meeting of the Board in 2016, and is hereby submitted to the Shareholders' general meeting for consideration and approval in accordance with the Articles and the procedural rules on the Shareholders' general meeting of the Company.

**IV. TO CONSIDER AND APPROVE THE PROFIT DISTRIBUTION PLAN FOR 2015**

According to the audited financial report for 2015 of the Company, the Group recorded a net profit attributable to Shareholders of the Company of RMB14,027 million and the Company recorded a net profit of RMB8,981 million in 2015. Proposed profit distribution plan for 2015 is as follows:

- (I) In accordance with the Company Law and the Articles, an appropriation of RMB898 million, or 10% of the net profit for 2015 of the Company of RMB8,981 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 Ministry of Finance, 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 2015 of the Company amounted to RMB900 million.
- (III) Cash dividends for 2015 of RMB1.161 per 10 Shares (tax inclusive), totaling approximately RMB4,209 million, would be distributed to all Shareholders (Shareholders whose names appear in the register of shareholders after the close of market on July 12, 2016).

Such resolution has been considered and approved at the second meeting and the first regular meeting of the Board in 2016, and is hereby submitted to the Shareholders' general meeting for consideration and approval in accordance with the Articles and the procedural rules on the Shareholders' general meeting of the Company.



**V. TO CONSIDER AND APPROVE THE FIXED ASSETS INVESTMENT BUDGET FOR 2016**

In accordance with the Articles and relevant requirements, the Company formulated the Fixed Assets Investment Budget of the Company (for the Company only, the same below) for 2016. The budget for the fixed assets investment for 2016 is proposed to be RMB154.15 million, including:

- The budget for purchases of equipment is proposed to be RMB38.97 million;
- The budget for purchases of intangible assets is proposed to be RMB10.00 million;
- The budget for expenditure for renovation of business premises is proposed to be RMB7.00 million;
- The budget for expenditure for renovation of debt assets proposed to be RMB3.48 million;
- The budget for the expenses of construction of recovery base management center is proposed to be RMB94.70 million.

Such resolution has been considered and approved at the first meeting of the Board in 2016, and is hereby submitted to the Shareholders' general meeting for consideration and approval in accordance with the Articles and the procedural rules on the Shareholders' general meeting of the Company.

**VI. TO CONSIDER AND APPROVE THE ELECTION OF DIRECTORS FOR THE THIRD SESSION OF THE BOARD OF DIRECTORS**

In accordance with relevant requirements under the Company Law and other laws and regulations and the Articles, the term of the second session of the Board of the Company will expire in June 2016. In order to ensure on-time re-election and smooth implementation of the work of the Board, 12 candidates are proposed to be elected as directors of the Company, including three executive directors, five non-executive directors and four independent non-executive directors. The specific candidates for the third session of the Board of the Company are as follows:

1. Mr. Hou Jianhang is to be re-elected as an executive Director;
2. Mr. Zang Jingfan is to be re-elected as an executive Director;
3. Mr. Chen Xiaozhou is to be elected as an executive Director;
4. Mr. Li Honghui is to be re-elected as a non-executive Director;
5. Mr. Song Lizhong is to be re-elected as a non-executive Director;
6. Ms. Xiao Yuping is to be re-elected as a non-executive Director;
7. Ms. Yuan Hong is to be re-elected as a non-executive Director;
8. Mr. Lu Shengliang is to be re-elected as a non-executive Director;



9. Mr. Chang Tso Tung, Stephen is to be re-elected as an independent non-executive Director;
10. Mr. Xu Dingbo is to be re-elected as an independent non-executive Director;
11. Mr. Zhu Wuxiang is to be elected as an independent non-executive Director;
12. Mr. Sun Baowen is to be elected as an independent non-executive Director.

The above candidates for directors are in compliance with the qualifications of directors specified in relevant laws and regulations and the Articles. The reappointed directors will continue to perform their duties from the date on which it is considered and approved at the AGM for 2015 of the Company, and the newly appointed directors will perform their duties after being considered and approved at the AGM for 2015 of the Company and their qualifications of directors are approved by the CBRC. The term of office of the directors will expire upon the expiration of the third session of the Board.

In accordance with Rule 3.10A of the Listing Rules, independent non-executive directors must represent at least one-third of the board. To ensure the compliance of the composition of the Board and to ensure the special committees of the Board to perform their duties normally, Mr. Li Xikui and Mr. Qiu Dong, the independent non-executive directors, will continue to perform their duties, until the qualifications of the newly appointed independent non-executive directors are approved by the CBRC.

The biographical details of candidates for directors are set out in Appendix IV of this circular.

Such resolution has been considered and approved at the third meeting of the Board in 2016, and is hereby submitted to the Shareholders' general meeting for consideration and approval in accordance with the Articles and the procedural rules on the Shareholders' general meeting of the Company.

## **VII. TO CONSIDER AND APPROVE THE ELECTION OF SUPERVISORS OF THE THIRD SESSION OF THE BOARD OF SUPERVISORS**

In accordance with relevant requirements under the Company Law and other laws and regulations and the Articles, the term of the second session of the Board of Supervisors of the Company will expire in June 2016. In order to ensure on-time re-election and smooth implementation of the work of the Board of Supervisors, four candidates are proposed to be elected as Shareholder Representative Supervisor and External Supervisors of the Company, including one Shareholder Representative Supervisor and three External Supervisors.

The specific candidates for Shareholder Representative Supervisor and External Supervisors for the third session of the Board of Supervisors of the Company are as follows:

1. Mr. Gong Jiande is to be re-elected as a Shareholder Representative Supervisor;
2. Ms. Liu Yanfen is to be re-elected as an External Supervisor;
3. Mr. Li Chun is to be re-elected as an External Supervisor;
4. Mr. Zhang Zheng is to be elected as an External Supervisor.

The above candidates for supervisors are in compliance with the qualifications of Shareholder Representative Supervisor and External Supervisors specified in the relevant laws and regulations and the Articles. The reappointed supervisors will continue to perform their duties from the date on which it was considered and approved at the AGM for 2015 of the Company, and the newly appointed Supervisor will perform his duties after being considered and approved at the AGM for 2015 of the Company. The term of office of the supervisors will expire upon the expiration of the third session of the Board of Supervisors.

The biographical details of the above-mentioned candidates for supervisors are set out in Appendix V of this circular.

Such resolution has been considered and approved at the third meeting of the Board of Supervisors in 2016, and is hereby submitted to the Shareholders' general meeting for consideration and approval in accordance with the Articles and the procedural rules on the Shareholders' general meeting of the Company.

### **VIII. APPOINTMENT OF ACCOUNTING FIRMS FOR 2016**

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 Ministry of Finance 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. The year 2015 is the first service year of Ernst & Young Hua Ming LLP and Ernst & Young.

The Company proposed to continue the appointment of Ernst & Young Hua Ming LLP and Ernst & Young as the onshore and offshore accounting firms for 2016 to take charge of the audit of financial statements, review of the interim financial statements, audit of internal control and other professional services for 2016. The total auditing fee will be RMB10.85 million (excluding audit fees of subsidiaries), which includes the audit (review) fees of financial reports of RMB9.55 million, and the audit fees of internal control of RMB1.30 million.

Such resolution has been considered and approved at the third meeting of the Board in 2016, and is hereby submitted to the Shareholders' general meeting for consideration and approval in accordance with the Articles and the procedural rules on the Shareholders' general meeting of the Company.

### **IX. TO CONSIDER AND APPROVE THE GRANTING OF GENERAL MANDATE TO ISSUE ADDITIONAL H SHARES TO THE BOARD**

Resolution on Granting of General Mandate to Issue Additional H Shares to the Board was approved in AGM for 2014, and this general mandate will expire on June 29, 2016. To further perfect the capital supplementation mechanism and structure of the Company, improve the effectiveness of relevant corporate governance procedure, make good use of the issuance opportunity brought by the favorable market condition and make reference to the practice of operation of H Share listed companies, the Board proposes the AGM to grant general mandate to the Board, to allow the Board to issue, allot or dispose of additional H shares of the Company in an amount of no more than 20% of the issued H shares of the Company in the mandatory period approved by AGM; a mandate to the Board to determine the specific timing of issuance,

the single issuance amount, the issuance method and target, use of proceeds and other matters in relation to the placement; and a mandate to the Board, as it deems appropriate, to increase the registered capital of the Company and to make corresponding amendments to the Articles, so as to reflect the new structure of the share capital upon the completion of the issuance or allotment of Shares. The specific description of the plan is set out in Appendix VI of this circular.

Such resolution has been considered and approved at the third meeting of the Board in 2016, pursuant to the requirements under the Articles, this item shall be considered by the Shareholders in the Shareholders' general meeting and approved by a special resolution. A special resolution will be proposed to the AGM for the approval of granting of general mandate to issue additional H Shares to the board.

**X. TO CONSIDER AND APPROVE THE PROPOSED NON-PUBLIC ISSUANCE OF OFFSHORE PREFERENCE SHARES**

Please refer to the Letter from the Board for details.

**XI. TO CONSIDER AND APPROVE THE PROPOSED AMENDMENTS TO THE ARTICLES**

Please refer to the Letter from the Board for details.

**XII. TO REVIEW THE WORK REPORT OF INDEPENDENT NON-EXECUTIVE DIRECTORS FOR 2015**

In accordance with the Articles and other relevant provisions, the independent non-executive Directors of the Company are required to submit a work report to the Shareholders' general meeting on an annual basis. The work report of 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 Shareholders' general meeting. The work report of independent non-executive Directors for 2015 is set out in Appendix IX 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 2015**

2015 was the ending year of the First Five-year Plan after the restructuring of the Company. In face of challenges brought on by the difficult recovery of the global economy, increased downward pressure of China's economy and strong fluctuation of the capital market, the Board of the Company upheld the overall principle of stable progression, deepening the study on the Company's development strategy, making timely and well-judged decisions using scientific methods, promoting steady business transformation, strengthening innovation and development, enhancing risk management and internal control, and improving the Company's corporate governance mechanism and level, leading to a steady improvement of the Company's quality of development and operating results.

As of December 31, 2015, the consolidated total assets of the Group amounted to RMB713.975 billion, representing an increase of 31.14% as compared to the corresponding period of the previous year; net profit of the Group amounted to RMB14.704 billion, representing an increase of 21.09% as compared to the previous year; equity and net profit attributable to equity holders of the Company were RMB101.710 billion and RMB14.027 billion, representing increases of 8.93% and 17.92% respectively as compared to the corresponding period of the previous year; return on average shareholders' equity (ROE) was 14.4% and return on average total assets (ROA) was 2.34%.

The Board of the Company strictly complied with the requirements of the relevant laws and regulations and performed their duties duly and diligently. In 2015, the Board held three Shareholders' general meetings, at which 15 resolutions were considered and one work report was reviewed, and held eight board meetings, at which 34 resolutions were considered and 10 work reports were reviewed. In addition, the special committees of the Board held 21 meetings in 2015, at which 30 resolutions were considered and 15 work reports were reviewed. The Board has carefully implemented such resolutions as passed at the Shareholders' general meetings. The primary work schedule for 2015 is hereby reported by the Board as follows:

**I. DEEPENING THE STUDY ON THE COMPANY'S DEVELOPMENT STRATEGY AND EFFECTIVELY PROMOTING THE BUSINESS TRANSFORMATION AND DEVELOPMENT OF THE COMPANY**

**(I) Successful completion of the First Five-year Plan and substantial improvement of the Company's comprehensive strength**

In 2015, the First Five-year Plan after the Company's restructuring, along with the three-step strategic target of restructuring, introduction and listing, was successfully completed. From 2010 to 2015, the Company realized an increase of net profit attributable to Shareholders of the Company from RMB7.4 billion to RMB14.0 billion, an increase of consolidated total assets of the Group from RMB150.7 billion to RMB714.0 billion and an increase of net assets from RMB42.5 billion to RMB101.7 billion, outperforming the planned targets of net profit of RMB10.0 billion and net assets of RMB70.0 billion ahead of schedule. The strength of the Company has been substantially improved, which brought positive returns to investors and made an important contribution to the value preservation and appreciation of state-owned assets.

**(II) Organization and preparation of the Second Five-year Strategic Plan and leading the healthy and sustainable development of the Company**

To facilitate the healthy and sustainable development of the Company and the effective, crucial operation of the Company's leading strategies, the Board prepared the Second Five-year Plan of the Company based on its past development experiences. Members of the Board visited 15 branch companies and subsidiaries to conduct field research, evaluate the implementation of the First Five-year Plan and receive suggestions of branch companies and subsidiaries on the Company's development strategy and transformation development. The Board employed a professional advisory body to assist in formulating its strategic planning, conduct multiple seminars on special topics and seminars of non-executive Directors, and study new thoughts on future operation transformation and development planning based on professional analysis on economic situation, market environment, development of similar businesses, development of the financial industry and the operating condition of the Company. Through the aforementioned measures, the strategic positioning, development direction and strategic focus of the Company were gradually ascertained and the transformation and upgrading as well as sustainable development of the Company were promoted. After seeking multiple rounds of opinions on the proposal of the Second Five-year Strategic Plan and gathering the wisdom from various parties, the proposal will be officially published and implemented after being submitted and approved.

**II. PROMOTING THE MERGER AND ACQUISITION OF NANYANG COMMERCIAL BANK AND DEVELOPING NEW GROWTH POINTS OF CORPORATE BUSINESS**

Holding a national commercial bank is both a strategic measure for the First Five-Year Plan of the Company and a practical requirement for the Company to improve its business model and enhance its corporate synergy. The Board seized the offering opportunity of Nanyang Commercial Bank (the "NCB"), proactively promoted the merger and acquisition and succeeded in signing an equity transfer agreement with the NCB in 2015. The acquisition has steadily progressed and the integration was orderly carried out.

After the acquisition, the NCB, as an important platform for future comprehensive financial services, account management and cross-selling of the Group, will make up for the Group's deficiency in business, facilitate the improvement of integrated and personalized service capabilities and bring great synergy to the Group, all of which is of significant strategic importance to the Company's transformation development. The Board fully promotes the merger and acquisition of NCB, gradually improves the synergy mechanism of the Group, proactively plans for the business connection and collaboration between its branches/subsidiaries and NCB, steadily boosts the Company's operational transformation, develops new business growth points and new competitive advantages and accelerates the future development of the Company.

### III. CONSTANTLY IMPROVING CORPORATE GOVERNANCE MECHANISM AND FURTHER STRENGTHENING CORPORATE GOVERNANCE EFFICACY

#### (I) Improving corporate governance mechanism and ensuring efficient execution of the Board's regulations

As new regulations are continuously launched, the external regulatory activities have become standardized. In light of the further detailed industrial regulatory rules, the Board timely organized revisions and updating of the corporate governance system in line with the actual operations of the Company. In 2015, the Board revised *The Working Rules for Risk Management Committee of the Board* and *The Working Rules for Audit Committee of the Board* in accordance with the new regulations in Appendix 14 *Corporate Governance Code of Listing Rules* stipulated by the Hong Kong Stock Exchange, and incorporated specific requirements within the *Corporate Governance Code* into the functions of special committees, ensuring regulatory compliance of the operation of the Board.

#### (II) Strengthening the self-development of the Board and continuously improving its decision-making level

The Board places a strong emphasis on the continuous professional development of its Directors and actively organizes training for them. In 2015, Directors participated in trainings held by industrial organizations, professional institutions and the Company on corporate governance, revision of Listing Rules as well as the latest updates on current economic and financial conditions. Focusing on the strategic planning, risk management, network financial innovation, and subsidiary development and transformation, the members of the Board visited individual branches for investigations and submitted several high-quality investigation reports, providing opinions and suggestions with reference value for the decision-making. The Company continuously improves the working mechanism of the Board, providing vital supports for the improvement of scientific and targeted decision-making. It strengthens the communication between the Directors and management members as well as communication between Directors and specialized departments and facilitates the directors to fully acquire information required for their performance and continuously enhance the performance ability by resolution communication meeting, business briefing, non-executive Director forum, management meetings, daily information support and other mechanisms. In 2015, all directors carried out their responsibilities diligently, duly reviewed the proposals submitted to the Board, and showed a strong sense of responsibility and professionalism.

#### (III) Enhancing corporate governance structure and continuously promoting corporate reputation

The Board continuously improves the Company's corporate governance structure and operation mechanism by definition of distinct rights and liabilities, independent performance of each department's own functions, intercoordination and effective counterbalance in accordance with the laws, regulations and supervisory requirements and the actual conditions of the Company. New progress was made in corporate governance construction and was widely acclaimed in the capital market and by the public. In 2015, the Company won the "Corporate Governance Excellence Awards" co-granted by the Chamber of Hong Kong Listed Companies and Hong Kong Baptist University and the "Stars of China — Best Corporate Governance Award" by *the Global Finance* of USA, which has further improved the market image and international influence of the Company.

#### IV. IMPROVING RISK MANAGEMENT SYSTEM AND STRENGTHENING INTERNAL CONTROL AND EXTERNAL AUDIT

##### (I) Strengthening risk management, control and diffusion and firmly protecting the bottom-line in risk management

The Board has maintained the simultaneous progress of business development and risk management, positively promoting the construction of an overall risk management system and strengthening the risk management of the Group by adhering to the concept of “protecting the bottom-line by managing risks proactively”. The Company has established and implemented the *Construction and Implementation Plan for Risk Management Organization System*, integrating the risk management functions at the operation level by setting up a risk management committee to improve the authority and professionalism of risk management decisions at operation level, optimizing the internal organization setting of Risk Management Department at the headquarters and more clearly specifying the requirements and reporting route to enhance the strength of risk management organization systems of the branches and subsidiaries.

As the Chinese macro-economy entered into a “new normal” state and the Company eased into its new trend of strategic transformation, the Board focused upon and enhanced the management and control for major risks such as credit risk, market risk and liquidity risk and tightened the risk control requirements for different units of the Group. The Board continuously carried out its work to reduce overdue payment and protect against risks within the system on the basis of past experience, disposing, resolving and normalizing risks, proactively conducting risk inspection and making inspection tours, strengthening risk assessment and evaluation, tightening risk management responsibility investigation and ensuring that the overall risk control of the Group is within the acceptable scope by combining daily management and project operation.

##### (II) Strengthening internal control to fully utilize the auditing supervision function

The Board attaches great importance to the role of internal control in corporate governance. The Board strengthened the guidance and supervision for internal control and audit work and directed the development of internal control evaluation and implementation plans to ensure overall and objective evaluation on the effectiveness of internal control for several dimensions such as corporate risk management, internal supervision, financial management, service operation and information communication, with a focus on group management and control, direction of risk management and the core principle of serving the Company’s development. It has proposed optimized suggestions for audit target selection, audit mode and audit team construction and periodically received updates on the implementation conditions of the audit work. In addition, the Board also engaged well-known accounting firms to audit and issue audit report on the effectiveness of the Company’s financial report, actively cooperated with external auditors and showed full respect to the independence of the external auditors. Reports on audit work and management proposals from external auditors were regularly received to facilitate the rectification of problems identified during the audit and the steady improvement of the internal control standard.



## **V. DEEPENING INFORMATION DISCLOSURE WORK AND STRENGTHENING COMMUNICATION WITH INVESTORS**

### **(I) Constantly improving the information disclosure quality and increasing information disclosure transparency**

The Board strived to disclose information in strict accordance with laws and regulations and supervisory requirements by duly and accurately making disclosure of information such as periodical reports and temporary announcements of the Company. As the deal structure of many innovative businesses operated by the Company is complicated, the Company has proactively communicated with the Hong Kong Stock Exchange on the disclosure media to improve the information disclosure quality and keep the shareholders well informed. Meanwhile, to strengthen information disclosure transparency, the Board resolutely carried out voluntary disclosure of matters such as corporate governance, personnel change, major investment, bond issue and other important issues. The Board has constantly strengthened the inside information management and strictly carried out the insider registration system for inside information. There was no inside information leakage nor insider trading for the year.

### **(II) Attaching great importance to the investor relations management and reinforcing the communication with market**

While maintaining efficient information disclosure, the Board also attached high importance to communication with investors. The Company communicated with investors through announcement of results, non-deal roadshows, large-scale investment forums and summits, and daily receptions to introduce the corporate strategy plans, its operation and development and investment values. The Company also answered investors' enquiries with a view to enhancing investors' faith in the Company and boosting recognition of the Company in the capital market, thereby being widely recognized in the capital market and by the investors. Moreover, the Company actively participated in the regular conferences in the bank industry organized by the CBRC, introducing the conditions of the Company when it promoted the transformation and upgrading of non-performing assets business, relieved the financial risks and supported the real economy and helping the understanding of all sectors of the society on non-performing asset industry of China and management and development conditions of the Company.

## **VI. CAPITALIZING ON THE DUTIES OF THE SPECIAL COMMITTEES TO SUPPORT SCIENTIFIC AND EFFECTIVE DECISION MAKING OF THE BOARD**

In 2015, each special committee of the Board focused on the major works for the year. Adhering to the Articles and relevant Rules of Meeting, the Board capitalized on its professional advantages to duly carry out its duties and provide professional advice to the Company on aspects including strategic development, risk management, related party transaction control, supervision of audit work, nomination of senior management and management of remuneration. These efforts supported the scientific decision making of the Board.



The Strategic Development Committee of the Board convened six meetings to consider 14 resolutions, including the final financial account plan for 2014, the operation plan for 2015, the fixed assets investment budget for 2015 and the issuance of financial bonds of the Company, and received the corporate governance report of the Company for 2014.

The Audit Committee of the Board convened five meetings to consider six resolutions including the 2014 annual report and annual results announcement, the internal control evaluation report for 2014, the internal audit work plan for 2015, the appointment of accounting firms, the interim report and the interim results announcement for 2015 and the implementation plan of internal control evaluation of the Company, and received five reports, including the special auditor's report on construction project of the Group's support base management center, the report on internal control defects and appreciation suggestions for 2014 and the financial statement auditing plan for 2015.

The Risk Management Committee of the Board convened five meetings to revise the *Work Rules of Risk Management Committee of the Board* as per the revisions of Hong Kong Companies Ordinance and Listing Rules, to consider the risk management report of the Company for 2014 and received quarterly risk management reports. The committee received and reviewed a total of six reports in the year.

The Nomination and Remuneration Committee of the Board convened two meetings to consider five resolutions for the year, including the initial verification of the qualification of candidates for senior management, the remuneration settlement scheme of Directors and senior management for 2014, and review of the Board's structure, number of personnel and composition (including knowledge, technical skills, experiences, etc.), performance of Directors, and independence of independent non-executive Directors.

The Related Party Transaction Control Committee of the Board convened three meetings to consider and review eight resolutions, mainly including resolutions on the identification of related parties of the Company, the related party transaction management report for 2014, the report on the development of related party transaction management information system and the internal transaction report of the Group for 2014, etc..

The year 2016 is the first year of the Second Five-year Plan of the Company. In the face of complicated and rigorous economic and financial situations and intensified market competition, the Board will grasp the new normal of economic development and take advantage of the opportunities brought by "13th Five-year Plan" planning and implementation and the national strategic emphases. Adhering to the Company's annual operation objectives, the Board will further optimize the corporate governance mechanism to improve the operation effectiveness of the Company and accelerate the resource integration. Efforts will be made to intensify the comprehensive risk management and internal control and strengthen the information disclosure and relationship management among investors. It will continue to upgrade the market image and brand value of the Company and promote the operation and development of the Company onto a new higher level.

**CHINA CINDA ASSET MANAGEMENT CO., LTD.**  
**REPORT OF THE BOARD OF SUPERVISORS FOR 2015**

In 2015, pursuant to the national laws and regulations, Articles of Association and regulatory requirements, the Board of Supervisors of the Company focused on the operation and development objectives of the Company, performed its supervisory duties as driven by innovative thinking and mechanism establishment and guided by prevention and control of risks and education and publicity, by carrying out supervision, risk and internal control supervision and financial supervision, and with insurance of team construction and capability building, so as to improve the risk prevention and control and corporate governance capabilities of the Company and maintain its sustainable and sound development.

## **I. MAJOR WORK COMPLETED**

**The Board of Supervisors focused on the strategic supervision to offer ideas and suggestions for the next five-year strategic plan of the Company.** The Board of Supervisors paid attention to the implementation of the “First Five-year Plan” and formulation of the next five-year strategic plan of the Company, and carried out the special investigation related to the strategies. Through in-depth analysis of macro-economic and financial situations, industrial regulatory policies, the strategic management, business development layout and core competitiveness of the Company, the Board of Supervisors made surveys to the condition of commercial business with focuses on the risk management condition of key fields and links, firmly grasped the systematic and regional risk bottom line, and gave ideas and suggestions of relevant matters, so as to positively support the formulation of the next five-year plan of the Company.

**The Board of Supervisors duly implemented performance evaluation to improve the effectiveness of fulfilling its supervision duties.** In the face of new economic and financial situations and regulatory requirements and adhering to the annual operation focuses of the Company, the Board of Supervisors researched and formulated the main contents for annual performance supervision and evaluation to improve the pertinence of the supervision work. The Board of Supervisors focused on the formulation of strategic plan of the Company and major decisions and implementation through attending meetings, studying data and reviewing performance reports. It organized the annual performance evaluation, issued performance evaluation reports of Directors and senior management and made reports to the Shareholder’s general meeting and the supervision departments according to relevant requirements, as well as informed the Board and the senior management.

**The Board of Supervisors further implemented supervision on risks and internal control to promote operation compliant with laws and regulations.** The Board of Supervisors focused on the comprehensive risk management condition of the Company by regularly reviewing the special reports on risk management work condition. Besides, it developed the survey of asset quality condition, operation condition of simulative asset and the risk responsibility mechanism, and put forward corresponding ideas and suggestions. The Board of Directors paid attention to the construction of the internal control system of the Company, authorization management mechanism, business reviewing mechanism and the process of major projects in the year, and regularly reviewed the compliance work condition of internal control and special report of major discoveries for internal audit. It conducted sampling inspection of certain branches and key internal control steps to enhance the supervision on internal control construction and internal control evaluation.

**The Board of Supervisors enhanced financial supervision strictly to guarantee the truthfulness, accuracy and completeness of financial information.** The Board of Supervisors focused on supervising regular reports and special financial items to analyze major issues which may affect the truthfulness, accuracy and completeness of financial reports, strengthening communication and interview with external audit organizations and financial and accounting departments, conducting special investigation regarding liquidity of the Company, conducting special financial investigations to some branches and subsidiaries. It also supervised the implementation condition of comprehensive operation plan and expense budget to form the corresponding work reports.

**The Board of Supervisors created new operation mechanism to further promote supervision efficiency.** Adhering to the new normal of economic development and the new opportunities and challenges faced by the operation and development of the Company, the Board of Supervisors established annual main working points, ascertaining supervision focal points to enhance the pertinence of supervision work. It strengthened the communication and coordination with the Board and senior management to jointly promote the effective operation of corporate governance. By making use of cooperative effect, the Board of Supervisors established the internal supervision cooperation mechanism of the Company by regularly holding the cooperation meetings and integrating the supervision resources. It developed risk compliance education activities with the theme of “preventing risks and promoting development” by holding forums and setting out special columns in publications, so as to increase the awareness of staff in terms of risk compliance management. The Board of Supervisors established its data bank for supervision information, selected core indexes and completed the systematic initiation, so as to improve the timeliness of basic information collection. It also perfected the implementation and feedback mechanism of the supervision work and suggestions for following-up and landing of supervision items.

**The Board of Supervisors convened meetings pursuant to the laws to ensure the meeting regulations and the discuss efficiency.** In 2015, the Board of Supervisors held five meetings to review and approve 12 resolutions, including the report of the Board of Supervisors, the annual main working points of the Board of Supervisors, the internal control evaluation report and performance evaluation reports. The Board of Supervisors also reviewed the audit of the annual report of the Company, the risk management condition, the work focuses implementation condition of the Board of Supervisors for 2015 and other special reports, and discussed important items including annual performance supervision and evaluation of the Board of Supervisors for 2015. All members of the Board of Supervisors has duly performed their responsibilities, exercised their rights pursuant to laws and regulations, and attended the meetings of the Board of Supervisors on time. They participated in the study of resolutions, reviewed and voted carefully and executed the in-depth investigation activities. They attended the meeting of the Board, the special committees and the senior management, and carefully performed their statutory duties.

## II. INDEPENDENT OPINIONS ON RELEVANT MATTERS

### **Lawful operation**

During the reporting period, the operation of the Company was in compliance with laws and regulations, and its decision-making procedures conformed to the relevant requirements under the laws, regulations and Articles of Association. Directors and senior management duly performed their duties. The Board of Supervisors is not aware of any breach of laws, regulations and Articles of Association or any act detrimental to the interests of the Company by any of the Directors or senior management in performing their duties.

### **Financial reports**

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

### **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 2015 were that they were competent.

### **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 2015.

### **Implementation of resolutions passed at Shareholders' general meetings**

During the reporting period, the Board of Supervisors had no objections to the matters submitted to Shareholders' general meetings for consideration. The Board seriously implemented the resolutions approved at the Shareholders' general meetings.

### **Performance of social responsibilities**

During the reporting period, the Company duly performed its social responsibilities and the Board of Supervisors had no objections to the *Report on Social Responsibilities of the Company for 2015*.

**I. Detailed information of candidates for executive Directors of the company is as follows:**

Mr. Hou Jianhang, aged 60, has been executive Director of the Company since June 2010 and an executive Director and the chairman of the Board of the Company since May 2011. He was accredited as a senior economist by China Construction Bank in May 1993. Mr. Hou once took multiple posts successively in China Construction Bank Corporation (listed on the Hong Kong Stock Exchange, stock code: 00939; and listed on the Shanghai Stock Exchange, stock code: 601939), including deputy director and director of Planning Department from June 1989 to February 1995, deputy general manager of Shandong Branch from February 1995 to March 1997, general manager of Credit Management Department from March 1997 to March 1999 and general manager of Credit Risk Management Department from March 1999 to April 1999. Mr. Hou joined the Company in April 1999 as director of Debt Management Department. He then worked as Vice President from September 2000 to June 2010 and President of the Company from June 2010 to May 2011. Mr. Hou graduated from Liaoning Finance and Economics College (currently known as Dongbei University of Finance and Economics) in August 1979 with a major in infrastructure finance.

Mr. Zang Jingfan, aged 61, has been executive Director and President of the Company since May 2011. He was accredited as a senior economist by the People's Bank of China in September 1994. Mr. Zang served as deputy general manager and general manager of Liaoyuan Branch of the People's Bank of China from July 1984 to September 1994, deputy general manager of Jilin Branch of the People's Bank of China and deputy director of Jilin Branch of State Administration of Foreign Exchange from September 1994 to November 1998, deputy general manager of Shenyang Branch of the People's Bank of China from November 1998 to July 2003, and head of the Preparation Team and director of CBRC Heilongjiang Supervision Bureau from July 2003 to October 2005, and director of Cooperative Financial Institution Supervision Department of the CBRC from October 2005 to June 2010. Mr Zang joined the Company in June 2010 and served as Chairman of the Board of Supervisors of the Company from June 2010 to May 2011. Mr. Zang graduated from Shaanxi Institute of Finance and Economics (currently known as Xi'an Jiaotong University) in July 1999 with a master's degree in currency banking.

Mr. Chen Xiaozhou, aged 54, has been a member of Senior Management of the Company since September 2000, and is responsible for the investment and asset management business of the Company. He was accredited as a senior economist by China Construction Bank in December 1995. Mr. Chen had held various positions successively in China Construction Bank, including director of Projects Financing Division of International Business Department of Head Office from October 1994 to June 1996, director of Agency Industry Financing Division of International Department from June 1996 to March 1997, and deputy general manager of the Business Department of Head Office from March 1997 to April 1999. Mr. Chen joined the Company in April 1999 and had served successively as the director of Investment Banking Department until September 2000, Assistant to the President from September 2000 to February 2003, Vice President from February 2003 to December 2008, member of Party Committee of the Company from December 2008 to June 2013, Deputy Secretary of the Party Committee of the Company since June 2013, and concurrently as chairman of the board of directors of China Cinda (HK) Holdings Company Limited from April 2011 to January 2015. Mr. Chen worked as the chairman and executive director of Silver Grant International Industries Limited (listed on the Hong Kong Stock Exchange, stock code: 00171) since February 2006, and served as the chairman and non-executive director since September 2006. He worked as the executive director and chairman of Cinda International Holdings Limited (listed on the Hong Kong Stock Exchange, stock code: 00111) from December 2008 to January 2015. Mr. Chen graduated from Hangzhou University in July 1983 with a bachelor's degree in economics, the Graduate School of Finance Research Institute of People's Bank of China in November 1988 with a master's degree in economics, and the University of New South Wales in Australia in November 2002 with a master's degree in business.

The term of office of the above-mentioned candidates for directors of the Company (except Mr. Chen Xiaozhou) shall commence from the date of approval at the AGM for 2015 of the Company until the expiry of the term of office of the third session of the Board, and shall be eligible for re-election upon the expiry of their term of office. The term of office of Mr. Chen Xiaozhou shall commence from the date of approval at the AGM for 2015 of the Company and the approval of his qualification as director by the CBRC until the expiry of the term of office of the third session of the Board and shall be eligible for re-election upon the expiry of his term of office. None of the above-mentioned candidates for directors has signed any service contract with the Company. The remuneration of the executive directors shall follow the relevant regulations. The remuneration settlement scheme will be considered by the Nomination and Remuneration Committee of the Board and subsequently considered and approved by the Board, and will be submitted to the shareholders' general meeting for consideration and approval. The details of the remuneration of the executive directors of the Company are available in the Company's annual reports.

Save as disclosed above, the above-mentioned candidates for directors did not hold any directorship in any other public companies listed in Hong Kong or any overseas securities markets in the past three years, do not hold any other positions in the Company or any of its subsidiaries, and do not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date of this circular, none of the above-mentioned candidates for directors has any interest in the shares of the Company (within the meaning of Part XV of the SFO (Chapter 571 of the Laws of Hong Kong)). None of them has been punished by CSRC, other relevant authorities and stock exchanges.

The above-mentioned candidates for directors have confirmed that there is no other matter relating to their appointment that needs to be brought to the attention of the shareholders of the Company, nor is there any other information that needs to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

## **II. Detailed information of candidates for non-executive Directors of the Company is as follows:**

Mr. Li Honghui, aged 51, has been non-executive Director of the Company since August 2014. Mr. Li served successively as the officer, associate chief officer and chief officer of the General Office of the Department of Industry and Communication Finance, deputy head of the General Information Division of the Department of Industry and Communication, deputy head of the Industry Division and Industry Division I of the Economic and Trade Department, deputy head and head of the Planning and Investment Division, head of the General Office, head of the Environment and Resources Division of the Economic Construction Department and deputy director of the Investment Appraisal and Censoring Centre under the MOF from August 1990 to June 2014. Mr. Li obtained a bachelor's degree in industrial accounting from Hunan College of Finance and Economics (currently known as Hunan University) in September 1987, a master's degree in economics, majoring in finance, from the Graduate School of the Finance Science Institute of the MOF in August 1990, and a doctoral degree in economics, majoring in accounting, from the Graduate School of the Finance Science Institute of the MOF in August 1998.

Mr. Song Lizhong, aged 56, has been a non-executive Director of the Company since August 2014. From September 1989 to June 2005, Mr. Song served successively as staff member, senior staff member and principal staff member in the 2nd Division of Bureau of Retired Cadres of Ministry of Finance, deputy director, director (office director) and the cadre of deputy division chief level in General Party Branch Office of Bureau of Retired Cadres. From June 2005 to August 2007, he took a temporary post as deputy director general of Finance Department of the Ningxia Hui Autonomous Region. He then served as deputy director general of Bureau of Retired Cadres of Ministry of Finance from August 2007 to June 2014. Mr. Song graduated from Chinese Department of Renmin University of China in July 1987 with a vocational degree in Chinese language and literature. In December 1999, he graduated from correspondence school of Central Party School with a bachelor's degree in economic management.



Ms. Xiao Yuping, aged 55, has been a non-executive Director of the Company since June 2010. She was certified as a lawyer in China in April 1989 and rated as a senior economist by the People's Bank of China in November 1999. Ms. Xiao began her work in the People's Bank of China in July 1986. From December 1999 to June 2010, she served successively as deputy director general of General Office of Department of Treaty and Law of the People's Bank of China, deputy director of Financial Claims Administration Office of Department of Treaty and Law (deputy office director), deputy director general of Legal Affairs Department, director general of Risk Disposition Division of Financial Stability Board for Banking Institutions, director of Banking Industry Risk Monitoring and Evaluation Division and deputy inspector of Financial Stability Board. From April 1996 to April 1997, she was a visiting scholar in Los Angeles Branch and New York Branch of Korea First Bank. Ms. Xiao graduated from Department of Law of Peking University in July 1986 with a bachelor's degree in law. She was awarded with "The National Financial May 1 Labor Medal" by National Committee of Chinese Financial Workers' Union in April 2007.

Ms. Yuan Hong, aged 52, has been a non-executive Director of the Company since June 2013. She was rated as an economist by the Heilongjiang Branch of the People's Bank of China in December 1993. Ms. Yuan worked as a cadre in the Heilongjiang Branch (Exchange Office) of the People's Bank of China from July 1987 to August 1994 (transferred to work in Financing Institution Office of Foreign Exchange Division of the State Administration of Foreign Exchange from October 1990 to August 1994). From August 1994 to August 1998, she served successively as staff member and principal staff member in Financing Institution Office of Administration and Examination Division of the State Administration of Foreign Exchange. From August 1998 to September 2003, she served successively as principal staff member in Policy Bank Supervision Office of the First Bank Supervision Division of the People's Bank of China, the Second Policy Bank Supervision Office and the First Policy Bank Supervision Office. From September 2003 to June 2013, Ms. Yuan worked successively as associate investigator and deputy director general of the First Policy Bank Supervision Office of the Third Bank Supervision Department of CBRC, director general of the Off-site Supervision Division of the Fourth Bank Supervision Department, director general of the Second Off-site Supervision Division of the Fourth Bank Supervision Department and deputy inspector of the Fourth Bank Supervision Department. She worked as a supervisor in board of supervisors of Agricultural Development Bank of China from January 2009 to June 2013 and a supervisor in board of supervisors of The Export-Import Bank of China from June 2009 to June 2013. Ms. Yuan graduated from Nankai University in July 1987 with a bachelor's degree in economics.

Mr. Lu Shengliang, aged 48, has been a non-executive Director of the Company since June 2012. He was rated as an associate researcher by Chinese Academy of Social Sciences in August 1997. Mr. Lu served successively as assistant researcher, associate researcher and deputy director in Institute of Finance and Trade Economics of Chinese Academy of Social Science from August 1992 to May 2001. Since May 2001, he has served successively as director of the Secretariat Office of the National Council for Social Security Fund, director of General Office of Equity Asset Department and deputy director of Equity Asset Department (Industrial Investment Department). Mr. Lu additionally worked as a non-executive director in AVIC International Holding Corporation from January 2010 to July 2014 and a non-executive director in China UnionPay from February 2011 to August 2014. Mr. Lu graduated from Zhongnan University of Economics and Law in July 1987 with a bachelor's degree in economics. He graduated from Chinese Academy of Social Science graduate school in July 1990 with a master's degree in economics and graduated in July 1999 with a doctoral degree.

The term of office of the above-mentioned candidates for directors commence from the date of approval at the AGM for 2015 of the Company until the expiry of the term of office of the third session of the Board, and shall be eligible for re-election upon the expiry of their term of office. None of the above-mentioned candidates for directors has signed any service contract with the Company, and they shall not receive any remuneration from the Company.

Save as disclosed above, the above-mentioned candidates for directors did not hold any directorship in any other public companies listed in Hong Kong or any overseas securities markets in the past three years, do not hold any other positions in the Company or any of its subsidiaries, and do not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date of this circular, none of the above-mentioned candidates for directors has any interest in shares of the Company (within the meaning of Part XV of the SFO (Chapter 571 of the Laws of Hong Kong)). None of them has been punished by CSRC, other relevant authorities and stock exchanges.

The above-mentioned candidates for directors have confirmed that there is no other matter relating to their appointment that needs to be brought to the attention of the shareholders of the Company, nor is there any other information that needs to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

### **III. Detailed information of candidates for independent Directors of the Company is as follows:**

Mr. Chang Tso Tung, Stephen, aged 67, has been an independent non-executive Director of the Company since June 2013 and is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants, respectively. Mr. Chang has been practising as a certified public accountant in Hong Kong for about 30 years and has extensive experience in accounting, auditing and financial management. Mr. Chang has been the vice chairman and professional service management partner in Greater China Region of Ernst & Young, and also the chairman in charge of auditing and advisory service of Ernst & Young until his retirement in 2004. Mr. Chang is currently a member of the Investment Committee of Shanghai Fudan University Education Development Foundation and Shanghai Fudan University Education Development Foundation (Overseas). Mr. Chang has served as an independent non-executive director of China Pacific Insurance (Group) Co., Ltd. (listed on Hong Kong Stock Exchange, stock code: 02601) from June 2007 to May 2013. Mr. Chang currently serves as an independent non-executive director of Kerry Properties Limited (listed on Hong Kong Stock Exchange, stock code: 00683), Hua Hong Semiconductor Limited (listed on Hong Kong Stock Exchange, stock code: 01347) and China Life Insurance Company Limited (listed on Hong Kong Stock Exchange, stock code: 02628, and listed on the Shanghai Stock Exchange, stock code: 601628). Mr. Chang graduated from the University of London in August 1973 with a bachelor's degree in science.

Mr. Xu Dingbo, aged 53, has been an independent non-executive Director of the Company since June 2013 and is a member of the American Accounting Association. Mr. Xu was a teaching assistant in the University of Pittsburgh and the University of Minnesota and an assistant professor in the Hong Kong University of Science & Technology from 1986 to 2003, and was an adjunct professor in Peking University from April 1999 to April 2009. Mr. Xu joined China Europe International Business School in January 2004 where he currently serves as the Essilor Chair Professor of Accounting, Associate Dean and a member of Management Committee, and has also served as a member of Financial Budget Committee since October 2009. Mr. Xu is currently an independent non-executive Director and the chairman of the Audit Committee of The People's Insurance Company (Group) of China Limited (listed on Hong Kong Stock Exchange, stock code: 01339), an independent director and the chairman of the Audit Committee of DongyiRisheng Home Decoration Group Limited Company (listed on Shenzhen Stock Exchange, stock code: 002713), an independent director and the chairman of the Audit Committee of Shanghai Shyndec Pharmaceutical Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600420), an independent director and the chairman of the Audit Committee of Sany Heavy Industry Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600031), an independent director, the chairman of the Audit Committee and the chairman of the Related Party Transaction Committee of Societe Generale (China) Ltd.. Mr. Xu graduated from Wuhan University in July 1983 and October 1986 with a bachelor's degree in science and a master's degree in economics, respectively. Mr. Xu graduated from the University of Minnesota in October 1996 with a doctoral degree in accounting.



Mr. Zhu Wuxiang, aged 51, is a professor and PhD tutor of the Department of Finance of Tsinghua University School of Economics and Management, and the director of the Research Institute of Business Models and Industrial Finance of China Center for Financial Research of Tsinghua University. Mr. Zhu has successively served as a teaching assistant, lecturer, associate professor and professor of Tsinghua University School of Economics and Management since January 1990. Mr. Zhu currently serves as a standing director of China Society for Finance and Banking and a committee member of the second session of Expert Advisory Committee for Merger, Acquisition and Restructuring under the CSRC. Mr. Zhu currently serves as an independent director of China Fortune Land Development Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600340), an independent non-executive director of Beijing Properties (Holdings) Limited (listed on the Hong Kong Stock Exchange, stock code: 00925), an independent director of Offshore Oil Engineering Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600583), an independent non-executive director of ZTE Corporation (listed on the Hong Kong Stock Exchange, stock code: 00763; listed on the Shenzhen Stock Exchange, stock code: 000063), an independent director of Dongxing Securities Corporation Limited (listed on the Shanghai Stock Exchange, stock code: 601198), a supervisor of Unisplendour Co., Ltd. (listed on the Shenzhen Stock Exchange, stock code: 000938), and an external supervisor of Everbright Securities Company Limited (listed on the Shanghai Stock Exchange, stock code: 601788). Mr. Zhu was an independent director of GoerTek Inc. (listed on the Shenzhen Stock Exchange, stock code: 002241) from July 2010 to September 2013, and an independent director of Rongxin Power Electronic Co., Ltd. (listed on the Shenzhen Stock Exchange, stock code: 002123) from June 2013 to March 2016. Mr. Zhu graduated from Tsinghua University in 1987, 1989 and 2002 with a bachelor's degree in engineering, a master's degree in engineering and a doctoral degree, respectively.

Mr. Sun Baowen, aged 51, possesses a PhD degree in economics and is a professor and PhD tutor. He is also an expert entitling to the special government allowances of the State Council. Mr. Sun was a lecturer of Central University of Finance and Economics from January 1989 to October 1997 and an associate professor of Central University of Finance and Economics from October 1997 to October 2003, and he has been a professor and PhD tutor of in Central University of Finance and Economics since October 2003. Mr. Sun currently serves as a professor of Internet Economic Research Institute of Central University of Finance and Economics, chief consultant of Capital Research Base for Internet and Economic Development in Key Research Base for Philosophy and Social Science in Beijing, a judger of National E-commerce Model City, member of Steering Committee of Professional E-commerce Education under the Ministry of Education, member of National Expert Committee for Accessible Construction and executive member of China Disability Research Society. Mr Sun currently serves as an independent director of Loftan Environmental Technology Co., Ltd. (listed on Shenzhen Stock Exchange, stock code:002379), independent director of Tianshui Zhongxing Bio-Technology Co., Ltd. (listed on Shenzhen Stock Exchange, stock code: 002772) and independent director of Dareway Software Co., Ltd. (listed on NEEQ, stock code: 831688). Mr. Sun obtained a bachelor's degree and a master's degree in Engineering from Northeastern University in July 1986 and January 1989, respectively, and a doctoral degree in Economics from Central University of Finance and Economics in July 2004.

The term of office of the above-mentioned candidates for directors (except Mr. Zhu Wuxiang and Mr. Sun Baowen) shall commence from the date of approval at the AGM for 2015 of the Company until the expiry of the term of office of the third session of the Board, and shall be eligible for re-election upon the expiry of their term of office. The term of office of Mr. Zhu Wuxiang and Mr. Sun Baowen commence from the date of approval at the AGM for 2015 of the Company and the approval of their qualification as directors by the CBRC until the expiry of the term of office of the third session of the Board and shall be eligible for re-election upon expiry of their term of office. None of the above-mentioned candidates for directors has signed any service contract with the Company. The allowances of the independent non-executive directors shall follow the relevant regulations. The remuneration settlement scheme will be considered by the Nomination and Remuneration Committee of the Board and subsequently considered and approved by the Board, and will be submitted to the shareholders' general meeting for consideration and approval. The details of the allowances of the independent non-executive directors of the Company are available in the Company's annual reports.

Saved as disclosed above, the above-mentioned candidates for directors did not hold any directorship in any other public companies listed in Hong Kong or any overseas securities markets in the past three years, do not hold any other positions in the Company or any of its subsidiaries, and do not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date of this circular, none of the above-mentioned candidates for directors has any interest in the shares of the Company (within the meaning of Part XV of the SFO (Chapter 571 of the Laws of Hong Kong)). None of them has been punished by CSRC, other relevant authorities and stock exchanges.

The above-mentioned candidates for directors have confirmed that there is no other matter relating to their appointment that needs to be brought to the attention of the shareholders of the Company, nor is there any other information that needs to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

**I. Detailed information of candidates for Shareholder Representative Supervisor of the Company is as follows:**

Mr. Gong Jiande, aged 52, has served as deputy secretary of the Party Committee of the Company since September 2014 and has been Shareholder Representative Supervisor and Chairman of the Board of Supervisors of the Company since February 2015. Mr. Gong served as secretary to general office, deputy secretary and secretary of department level to the State Ethnic Affairs Commission of the PRC from August 1995 to October 2000. He also held various positions such as department cadre, research consultant, deputy director and director of the organization department of the CPC Financial Work Committee from October 2000 to July 2003, the secretary to the Discipline Supervisory Committee (deputy director level) of the CBRC, the chairman of the labor union (deputy director level) of the CBRC, the member of Discipline Supervisory Committee of the CBRC (during which he worked for the CPC Financial Inspection Group), general deputy secretary to the Party Committee of the headquarter (director level) of the CBRC, member of the informatization panel of the CBRC, head of the government procurement office of the CBRC, vice chairman of the Research Institute of the Party Construction of the central government authorities and deputy director of the Chamber of Financial Street from July 2003 to September 2014. Mr. Gong graduated from the Party School of the Central Committee of C.P.C. majoring in economic management in December 1996, and graduated from the postgraduate program of the Party School of the Central Committee of C.P.C. in July 2007.

**II. Detailed information of candidates for External Supervisors of the Company is as follows:**

Ms. Liu Yanfen, aged 62, has been External Supervisor of the Company since February 2015 and is a senior accountant and certified public accountant of the PRC. Ms. Liu joined Bank of China Limited (listed on the Hong Kong Stock Exchange, stock code: 03988; listed on the Shanghai Stock Exchange, stock code: 601988) in 1982. She served as the general manager of the financial and accounting department of the head office of Bank of China from June 1998 to February 2007, as general manager of the Singapore branch of Bank of China from June 2007 to December 2011, and as chief audit officer of Bank of China from December 2011 to November 2014. Prior to the above, Ms. Liu had held various positions such as the general manager of China Dongfang Trust and Investment Company and deputy general manager of the financial and accounting department of the head office of Bank of China. Ms. Liu graduated from Liaoning Finance and Economics College (currently known as Dongbei University of Finance & Economics) with a bachelor's degree in 1982 and obtained a master's degree in finance from Wuhan University in 1999.

Mr. Li Chun, aged 59, has been External Supervisor of the Company since February 2015 and is the founding partner and executive partner of Grandall Law Firm, the managing partner of the Hong Kong office of Grandall Law Firm, the president and chief researcher of the Grandall Research Institute. Mr. Li served as solicitor of Changchun Law Firm, deputy director of Jilin Institute of Law of Chinese Academy of Social Sciences, general manager of Jilin Economic and Legal Consultation Centre, chief legal counsel of China Merchants Shekou Industrial Zone Ltd., deputy general manager and chief legal counsel of Shenzhen Property Rights Exchange, president of Shenzhen Lawyers Association, vice president of Guangdong Lawyers Association, member of the first session of the Listing Committee of Shenzhen Stock Exchange, deputy director of Development Strategy Committee of All China Lawyers Association. Mr. Li concurrently holds the positions as chief executive and chief researcher of China Private Funds and Risk Investment Legal Consultation Centre, honorable president of Shenzhen Lawyers Association, adjunct professor and researcher of Peking University, Renmin University of China and East China University of Political Science and Law. He has participated in the drafting and consultation process for the Company

Law and the Securities Law. At present, he is the independent director of Long Ji Tai He Holding Limited (listed on the Hong Kong Stock Exchange, stock code: 01281). Mr. Li graduated from Jilin University in July 1996 and obtained his master degree in law.

Mr. Zhang Zheng, aged 43, is an associate professor and PhD tutor of finance of Guanghua School of Management of Peking University. The research areas of Mr. Zhang mainly include innovative finance, financial markets and institutions, family business and wealth management and behavioral finance. He has extensive research experience and research results in corporate risk management strategies, financial markets and institutions, investor behavior, securities market liquidity, and governance and financial behavior of listed companies. Mr. Zhang participated in a number of practical researches on quantitative investment strategies for mutual funds and regulatory policies of securities markets. The academic works of Mr. Zhang are published in well-known domestic and foreign journals. Mr. Zhang received the 2014 Sun Yefang Financial Innovation Award — Paper Award (with the co-author), 2014 Taishin Holdings Excellent Paper Award, Peking University Excellent Teaching Award (2013-2014 Academic Year), Chinese Finance Annual Meeting Distinguished Service Award (2013), the Fourth Li Yining Teaching Excellence Award (2010), the Tenth Beijing Philosophy and Social Science Excellent Achievements Award and Doctoral Dissertation Award of Peking University. Mr. Zhang currently serves as an independent director of Tianjin Guangyu Development Co., Ltd. (listed on the Shenzhen Stock Exchange, stock code: 000537) and an independent director of Zhengzhou Coal & Electric Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600121). Mr. Zhang graduated from the Department of Mathematics of Nankai University with a bachelor's degree in science in 1995, the Department of Mathematics of Nankai University with a master's degree in science in 1998, and Peking University with a doctoral degree in economics in 2005.

### **III. Further information of the Candidates for Supervisors of the Company is as follows:**

The term of office of the above-mentioned candidates for supervisors of the Company shall commence from the date of approval at the AGM for 2015 of the Company until the expiry of the term of office of the third session of the Board of Supervisors, and shall be eligible for re-election upon the expiry of their term of office. The above-mentioned candidates for supervisors have not entered into any service contract with the Company. The remuneration of the above-mentioned candidates for supervisors shall follow the relevant requirements, and the remuneration settlement scheme for supervisors will be submitted to the shareholders' general meeting for consideration and approval after being considered according to relevant procedures. Details of the remuneration of the supervisors are available in the Company's annual reports.

Save as disclosed above, the above-mentioned candidates for supervisors did not hold any directorship in any other public companies listed in Hong Kong or any overseas securities markets in the past three years, do not hold any other positions in the Company or any of its subsidiaries, and do not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date of this circular, the above-mentioned candidates do not have any interest in the shares of the Company (within the meaning of Part XV of the SFO (Chapter 571 of the Laws of Hong Kong)). None of them has been punished by CSRC, any other relevant authorities and stock exchanges.

The above-mentioned candidates confirm that there is no other matter relating to their appointment that needs to be brought to the attention of the shareholders of the Company, nor is there any other information that needs to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

**GRANTING OF GENERAL MANDATE TO ISSUE ADDITIONAL H SHARES  
TO THE BOARD OF CHINA CINDA ASSET MANAGEMENT CO., LTD.**

Particulars of the mandate are as follows:

- (I) To authorize the Board to determine if the Company shall issue H Shares (“New Shares”) after taking into account the market conditions and the needs of the Company, in an amount of no more than 20% of the issued H Shares of the Company as at the date of passing of the general mandate resolution at the Shareholders’ general meeting.
- (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 CSRC 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 foreign 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. To authorize the Board to, subject to the approval of the relevant PRC authorities and in accordance with the Company Law of the PRC, increase the registered capital of the Company to the required amount according to the actual shareholding structure of the Company upon the completion of the allotment and issuance of the New Shares.
  - 5. To authorize the Board to make amendments to the Articles as appropriate and necessary based on the actual shareholding structure of the Company upon the completion of the allotment and issuance of the New Shares, in order to reflect the changes in the share capital structure, 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 for 2015 and shall continue in force until the earliest of the following three dates:
- 1. the conclusion of the annual general meeting for 2016 of the Company;
  - 2. the expiration of the 12-month period following the passing of this resolution at the AGM for 2015; or
  - 3. the date on which the authority given under this resolution is revoked or amended by a special resolution of the Shareholders of the Company in the Shareholders' general meeting.
- (IV) For avoidance of doubts, the shares, stocks, and securities mentioned in this resolution shall refer to common shares and stocks, excluding preference shares.

The Plan for Non-public Issuance of Offshore Preference Shares is written in Chinese, with no official English translation. The English translation is provided for reference only. In case of any discrepancy between the two versions, the Chinese version shall prevail. The full version of the Plan for Non-Public Issuance of Offshore Preference Shares is as follows:

### **Plan for Non-Public Issuance of Offshore Preference Shares**

The Company has the following plan for the non-public issuance of Offshore Preference Shares:

#### **1 Type of preference shares to be issued**

The type of preference shares proposed to be issued in the offshore market will be preference shares that comply with the requirements of the PRC and overseas laws, regulations and regulatory documents (the “Offshore Preference Shares”).

#### **2 Number of preference shares to be issued and issue size**

The aggregate number of the Offshore Preference Shares to be issued will not exceed 300 million (inclusive), with an aggregate amount to be issued not exceeding RMB30 billion or its equivalent (inclusive). The actual issue size is to be determined by the Board within the abovementioned limit, in accordance with the authorization given by the Shareholders’ general meeting.

#### **3 Par value and issue price**

The par value of the Offshore Preference Shares will be RMB100 per share. The Offshore Preference Shares will be issued at or above the par value. The actual currency and issue price will be determined by the Board prior to issuance with reference to market conditions and in accordance with relevant laws and regulations, market practice and the authorisation given by the Shareholders’ general meeting.

#### **4 Maturity**

The Offshore Preference Shares will not have any maturity date.

#### **5 Method of issuance and target investors**

The issuance of Offshore Preference Shares will be conducted by way of a private placement in accordance with the relevant rules on issuance and the Offshore Preference Shares shall, after being approved by regulatory authorities, be issued in a single or multiple series in accordance with the relevant procedures. If the Offshore Preference Shares are to be issued in multiple series, no separate approval shall be required to be obtained from existing preference shareholders of the Company for each such issuance.

Each series of Offshore Preference Shares will be offered to no more than 200 qualified investors who comply with the requirements under relevant regulatory rules and other laws and regulations. All target investors shall subscribe for the Offshore Preference Shares in cash.

#### **6 Lock-up period**

There will be no lock-up period for the Offshore Preference Shares.



## 7 Dividend Distribution Terms

### 7.1 Principles for determining the dividend rate

The proposed dividend rate for the Offshore Preference Shares (such dividend rate will be calculated by reference to the issue price of the Offshore Preference Shares, similarly construed hereinafter) may be adjusted at different intervals. The dividend rate at the time of issuance shall be determined by the Board by way of market pricing, in accordance with the authorisation given by the Shareholders' general meeting with reference to such factors including relevant laws and regulations, market conditions at the time of issuance, investors' need and the actual circumstances of the Company. In any adjusted dividend rate period, dividends on the Offshore Preference Shares will be paid at the same prescribed dividend rate and will reset at specified intervals thereafter.

The dividend rate consists of the benchmark interest rate and the fixed spread. The fixed spread will be determined by deducting the benchmark interest rate at the time of issuance from the dividend rate at the time of issuance of the Offshore Preference Shares and will remain unchanged once determined. On the reset date, the new dividend rate for the next adjusted dividend rate period will be determined, and will equal to the sum of the benchmark interest rate as at the reset date and the fixed spread as determined at the time of issuance.

The dividend rate of the Offshore Preference Shares will not be higher than the weighted average return on equity of the Company for the last two financial years before issuance.

### 7.2 Conditions for distribution of dividends

7.2.1 If the Company has distributable after-tax profits<sup>1</sup> after making up for previous years' losses and contributing to the statutory reserve and general reserve, the Company may pay dividends to the Offshore Preference Shareholders in accordance with the Articles, provided that the capital adequacy of the Company meets regulatory requirements. The Offshore Preference Shareholders shall rank in priority to the Ordinary Shares in terms of dividend distribution. Distribution of dividends will not be affected by the rating of the Company and will not be adjusted as a result of any change to such rating.

7.2.2 In order to meet the regulatory requirements for the eligibility criteria for Additional Tier 1 Capital instruments, the Company shall have the right to cancel dividend payments on the Offshore Preference Shares in whole or in part at its discretion and this will not constitute an event of default. The Company, at its discretion, may use any dividend so cancelled to repay other debts that are due. The cancellation of any dividend payment to the Offshore Preference Shareholders will only constitute a restriction on the payment of dividend to the Ordinary Shareholders and will not constitute any other restrictions on the Company. Any declaration and payment of all of the dividends on the Offshore Preference Shares by the Company will be determined by the Board in accordance with the authorisation given by the Shareholders' general meeting. Any cancellation of all or part of the dividends on the Offshore Preference Shares shall be subject to the consideration and approval by the Shareholders' general meeting. Any cancellation by the Company of any dividends on the Offshore Preference Shares shall be notified to the Offshore Preference Shareholders at least ten working days prior to the dividend payment date.

<sup>1</sup> Distributable after-tax profits is the undistributed profit as shown in the financial statements of the parent company prepared in accordance with Chinese Accounting Standards or International Financial Reporting Standards, whichever amount is lower



7.2.3 If the Company cancels all or part of the distribution of dividends on the Offshore Preference Shares, the Company shall not distribute any profits to the Ordinary Shareholders from the next day following the resolution being approved at the Shareholders' general meeting until the resumption of payment of dividends in full<sup>2</sup>.

### **7.3 Method of dividend payment**

Dividends on the Offshore Preference Shares shall be payable in cash. The dividend bearing principal amount of the Offshore Preference Shares shall be the aggregate value of the relevant series of Offshore Preference Shares then issued and outstanding (namely, the product of the issue price of the Offshore Preference Shares and the number of shares under the relevant series of Offshore Preference Shares then issued and outstanding, similarly construed hereinafter). Dividends on the Offshore Preference Shares shall be paid annually, and will accrue from the due date for payment for the issuance of the relevant series of Offshore Preference Shares.

### **7.4 Dividend accumulation**

The dividends on the Offshore Preference Shares will be non-cumulative, namely, in the event of any cancellation by the Company of all or part of the dividends on the Offshore Preference Shares, any amount of dividends not paid to the Offshore Preference Shareholders in full in the current period will not be accumulated to the following dividend period.

### **7.5 Distribution of residual profits**

After receiving the dividends at the prescribed dividend rate, the Offshore Preference Shareholders shall not be entitled to any distribution of residual profits of the Company together with the Ordinary Shareholders.

## **8 Terms of mandatory conversion**

### **8.1 Mandatory conversion trigger events**

Unless the losses of the Company can be fully absorbed by the Offshore Preference Shareholders prior to assumption of the losses, in accordance with the relevant requirements of the CBRC, upon the occurrence of the following trigger events, the Company shall have the right to convert, without the approval of the Offshore Preference Shareholders, all or part of the Offshore Preference Shares then issued and outstanding into H Shares based on the aggregate value of such Offshore Preference Shares. Upon conversion of the Offshore Preference Shares into H Shares, such H Shares will not be converted back to preference shares under any circumstances. Unless otherwise required by the CBRC, a trigger event means the earlier of the following events: (a) the CBRC having concluded that without a decision on the conversion into ordinary shares, the Company would become non-viable, and (b) the relevant authorities such as the Ministry of Finance and the People's Bank of China having concluded that without a decision on a public sector injection of capital or equivalent support, the Company would become non-viable.

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<sup>2</sup> Resumption of payment of dividends in full means that the Company decides to resume payment of dividends in full to the Offshore Preference Shareholders. However, as the Offshore Preference Shares have adopted a non-cumulative dividend approach, the Company will not pay any dividends which have been cancelled in previous years.

Upon the occurrence of the above mandatory conversion trigger events, the Company shall report to the CBRC for review and determination and shall fulfil its relevant information disclosure obligations such as making provisional reports or announcements in accordance with relevant regulatory requirements.

## 8.2 Mandatory conversion period

The mandatory conversion period of the Offshore Preference Shares commences on the first trading day immediately following the completion date of issuance of the Offshore Preference Shares and ends on the date of redemption or conversion of all the Offshore Preference Shares.

## 8.3 Mandatory conversion price and method of adjustments of the mandatory conversion price

The initial mandatory conversion price of the Offshore Preference Shares will be equal to the net asset value per share attributable to equity holders of the parent company as disclosed in the Company's audited consolidated financial statements as at the end of 2015 and denominated in Hong Kong dollars (which shall be converted with reference to the Central Parity Rate of Renminbi to Hong Kong dollars used by the interbank foreign exchange market as published by the China Foreign Exchange Trade System on the trading day prior to the announcement date of the Board resolution on the Offshore Preference Share issuance plan and rounded up to the nearest 2 decimal places) and which shall be HK\$3.35 per share.

In the event that the Company, among other things, distributes bonus shares with respect to its H Shares, makes capitalisation issues, issues H Shares below the market price of the H Shares (excluding any increase in the share capital as a result of conversion of certain financial instruments issued by the Company that are convertible into ordinary shares) or makes any rights issues, after the date the Board approves the Offshore Preference Share issuance plan, the Company will adjust the mandatory conversion price to reflect the above events on a cumulative basis and in the order of the occurrence of such events. The distribution of cash dividends to the Ordinary Shareholders will not result in any adjustment to the mandatory conversion price. The mandatory conversion price will be adjusted based on the following:

Bonus share issuance or capitalisation issue:  $P1 = P0 \times N/(N + n)$ ;

Issuance of new H Shares below the market price of the H Shares or by way of a rights issue:  
 $P1 = P0 \times (N + k)/(N + n)$ ;  $k = n \times A/M$ ;

Where, "P1" denotes the effective mandatory conversion price after adjustment; "P0" denotes the effective mandatory conversion price before adjustment; "N" denotes the aggregate number of H Shares before such bonus share issuance, capitalisation issue, issuance of new H Shares below the market price of the H Shares or rights issue; "n" denotes the number of new H Shares issued as a result of such bonus share issuance, capitalisation issue, issuance of new H Shares below the market price of the H Shares or rights issue; "A" denotes the price for such issuance of new H Shares below the market price of the H Shares or rights issue; and "M" denotes the closing price of H Shares on the trading day preceding the date of announcement of such issuance of new H Shares below the market price of the H Shares or rights issue (namely, announcement containing the effective and irrevocable terms of such issuance or rights issue).

In the event that the rights and interests of the Offshore Preference Shareholders may be affected by any redemption of the Ordinary Shares by, or merger or division of, the Company or any other circumstance which causes changes in the Company's share class, number of shares and/or shareholders' equity, the Company shall have the right to adjust the mandatory conversion price based on the actual circumstances and in accordance with the principles of fairness, justice and equity as well as to fully protect the rights and interests of the Offshore Preference Shareholders and the Ordinary Shareholders. The adjustment mechanism for the mandatory conversion price in those circumstances will be determined in accordance with the relevant regulations.

#### **8.4 Principles for determining the ratio and number for mandatory conversion**

Upon the occurrence of a trigger event, the Board will, in accordance with the approval of the CBRC and the authorisation given by the Shareholders' general meeting, confirm the aggregate amount of the Offshore Preference Shares for mandatory conversion and implement mandatory conversion of the Offshore Preference Shares then issued and outstanding in whole or in part. The formula for determining the number of shares to be converted shall be:  $Q = V/P \times \text{conversion exchange rate}$ . Where: "Q" denotes the number of H Shares that shall be converted from the Offshore Preference Shares held by each Offshore Preference Shareholder; "V" denotes the amount of the Offshore Preference Shares held by each Offshore Preference Shareholder that is subject to mandatory conversion (namely, the number of the Offshore Preference Shares held by such Offshore Preference Shareholder multiplied by the issue price, similarly construed hereinafter); "P" denotes the effective mandatory conversion price for the Offshore Preference Shares; and the "conversion exchange rate" refers to the cross rate between Hong Kong dollars and the currency in which the Offshore Preference Shares are denominated based on the RMB Central Parity Rate published by the China Foreign Exchange Trading System on the trading day preceding the date of the announcement of the Board resolution in respect of the Offshore Preference Share issuance plan. Any fractional share will be dealt with by the Company in accordance with relevant regulatory requirements. Where it is not specified in the regulatory requirements, any fractional share will be rounded down to the nearest integral number.

Upon the occurrence of a trigger event, the Offshore Preference Shares then issued and outstanding will be converted into corresponding number of H Shares based on the above formula in whole or in part on a ratable basis.

#### **8.5 Entitlement to dividends on Ordinary Shares in the year of mandatory conversion**

The H Shares to be issued as a result of the mandatory conversion of the Offshore Preference Shares will rank *pari passu* with the existing issued H Shares, and all Ordinary Shareholders whose names appear on the register of members of the Company on the record date for dividend entitlement (including the holders of H Shares as a result of the mandatory conversion of the Offshore Preference Shares) shall be entitled to receive the dividend for the current dividend period and enjoy the same rights.

## **9 Terms of conditional redemption**

### **9.1 Redemption right**

The Company shall have the right to redeem the Offshore Preference Shares subject to obtaining the approval of the CBRC. The Offshore Preference Shareholders do not have the right to require the Company to redeem the Offshore Preference Shares and should not expect that the Offshore Preference Shares will be redeemed. The Offshore Preference Shares will not contain any term allowing investors to put back the Offshore Preference Shares to the Company and the Offshore Preference Shareholders shall not have any right to require the Company to repurchase the Offshore Preference Shares held by them.

### **9.2 Redemption conditions and period**

From the fifth year (inclusive) following the date of issuance of the Offshore Preference Shares or as approved by the CBRC and other regulatory authorities, and subject to obtaining the approval of the CBRC and the compliance with the relevant requirements, the Company shall have the right to redeem all or part of the Offshore Preference Shares. The specific commencement date of redemption period shall be determined by the Board (as authorised by the Shareholders' general meeting) in accordance with market conditions. The redemption period ends on the date of conversion or redemption of all the Offshore Preference Shares.

The exercise by the Company of its right to redeem the Offshore Preference Shares shall be subject to the fulfilment of the following conditions:

9.2.1 the Company shall use capital instruments of the same or superior quality to replace the Offshore Preference Shares to be redeemed and such replacement shall only be made at a time at which the Company has a sustainable income generating capability; or

9.2.2 the capital position of the Company immediately after redemption of the Offshore Preference Shares will remain significantly higher than the regulatory capital requirements prescribed by the CBRC and other relevant regulatory authorities.

### **9.3 Redemption price and basis for determining the redemption price**

The redemption price of the Offshore Preference Shares will be an amount equal to the issue price plus the amount of dividend declared but unpaid for the current period.

**10 Restrictions on voting rights and terms of restoration of voting rights****10.1 Restrictions on voting rights**

Under normal circumstances, the Offshore Preference Shareholders are not entitled to convene or attend any Shareholders' general meetings of the Company nor do the Offshore Preference Shares carry any voting rights in any Shareholders' general meeting. If any of the following matters occurs, the Offshore Preference Shareholders will be entitled to attend Shareholders' general meetings and vote as a separate class. Under such circumstance, each Offshore Preference Share will be entitled to one vote, but the Offshore Preference Shares held by the Company do not entitle the Company to vote:

10.1.1 amendments to the Articles that relate to preference shares;

10.1.2 reduction of the registered capital of the Company by more than 10% on a single or aggregate basis;

10.1.3 merger, division, dissolution or change of corporate form of the Company;

10.1.4 issuance of preference shares by the Company; or

10.1.5 other events specified in the laws, administrative rules and departmental regulations and the Articles.

Resolutions relating to the above matters shall be approved by more than two thirds of the votes held by the Ordinary Shareholders present at the meeting (including preference shareholders with restored voting rights) and by more than two thirds of the votes held by the preference shareholders present at the meeting (excluding preference shareholders with restored voting rights).

**10.2 Terms of restoration of voting rights**

Following the issuance of the Offshore Preference Shares by the Company and so long as such Offshore Preference Shares remain outstanding, if the Company fails to pay the prescribed dividend to the Offshore Preference Shareholders for three financial years in aggregate or two consecutive financial years, the Offshore Preference Shareholders will have the right to attend and vote at the Shareholders' general meetings together with the Ordinary Shareholders from the day immediately after the Shareholders' general meeting resolves that the Company will not pay the prescribed dividend for the current dividend period. The formula for calculating the voting rights of the Offshore Preference Shares with restored voting rights is as follows:  $Q = V/P \times \text{conversion exchange rate}$ , with any fractional restored voting right rounded down to the nearest whole number.

Where: "Q" denotes the H Share voting rights restored from the Offshore Preference Shares held by each Offshore Preference Shareholder; "V" denotes the aggregate value of the Offshore Preference Shares with restored voting rights held by each Offshore Preference Shareholder; "P" denotes the conversion price, where the conversion price is equal to the initial mandatory conversion price; and the "conversion exchange rate" refers to the cross rate between Hong Kong dollars and the currency in which the Offshore Preference Shares are denominated based on the RMB Central Parity Rate published by the China Foreign Exchange Trading System on the trading date preceding the date of the announcement of the Board resolution in respect of the Offshore Preference Share issuance plan.

**10.3 Cancellation of restoration of voting rights**

After such restoration of the voting rights of the Offshore Preference Shares, such restored voting rights shall be cancelled from the date of full payment of the dividend on the Offshore Preference Shares for the current dividend period. After the cancellation of the restored voting rights, if the Company fails to make any scheduled dividend payment, then “10.2 Terms of restoration of voting rights” above shall apply again.

**11 Order of distribution on liquidation and procedures for liquidation**

In accordance with the Articles, the residual assets of the Company will be distributed to Shareholders in proportion to their shareholdings after the payment of the liquidation costs, employees’ salaries, social insurance and statutory compensation and taxes in arrears, and the settlement of the Company’s debts.

When the Company is in winding-up proceedings due to any of its dissolutions or bankruptcies or other reasons, the residual assets of the Company after the settlement under laws, administrative regulations, departmental rules and the aforesaid provisions of the Articles, shall be preferentially distributed to the Offshore Preference Shareholders in an amount equal to the aggregate value of the Offshore Preference Shares then issued and outstanding plus any declared but unpaid dividends for the current period. If there are insufficient residual assets, the distribution will be made ratably according to the aggregate value of the Offshore Preference Shares held by each Offshore Preference Shareholder as a proportion of the aggregate value of all preference shares.

The remaining assets of the Company after settlement in accordance with the provisions aforesaid shall be distributed to the Ordinary Shareholders in proportion to the shareholding of Ordinary Shares held by them.

**12 Rating arrangements**

The detailed rating arrangements for the Offshore Preference Shares will be determined in accordance with relevant laws, regulations and market conditions for issuance.

**13 Security arrangements**

The Offshore Preference Shares will not have any security arrangements.

**14 Use of proceeds**

Subject to the approvals of relevant regulatory authorities, after deduction of the commissions and expenses relating to the issuance, the net proceeds from the issuance of the Offshore Preference Shares will be used to replenish the Company’s Additional Tier 1 Capital to support its business development.

**15 Listing/trading arrangements**

The listing/trading arrangements for the Offshore Preference Shares will be set out in the issuance documents.

**16 Validity period of the resolution for the issuance of Offshore Preference Shares**

The Offshore Preference Share issuance plan will be valid for 36 months from the date on which the resolution is approved at the Shareholders' general meeting.

**17 Matters relating to authorisation****17.1 Matters authorised in connection with the issuance of Offshore Preference Shares**

To ensure the successful implementation of the issuance of Offshore Preference Shares, it is proposed that the Shareholders' general meeting authorise the Board, and the Board delegate the authority to the Chairman of the Board or any other person authorised by the Chairman of the Board, to exercise, under the framework and principles approved at Shareholders' general meeting, the full power to jointly or individually deal with the matters in connection with the issuance of the Offshore Preference Shares within the validity period of the authorisation for the issuance of the Offshore Preference Shares, including but not limited to those set out below:

17.1.1 to formulate and implement the final Offshore Preference Share issuance plan, including but not limited to:

- (i) to determine the number of series and the respective issue number and issue size of each series of the Offshore Preference Shares within the approved total issue number and issue size;
- (ii) to determine the method for determining the dividend rate and the specific dividend rate and adjusted dividend rate period of the Offshore Preference Shares;
- (iii) to determine whether the Offshore Preference Shares will be issued at or above par value, the issue price of the Offshore Preference Shares, the denomination currency, the issuance method of the Offshore Preference Shares, and the specific commencement date of the redemption period, redemption conditions, with reference to market conditions before issuance;
- (iv) to determine the timing of issuance (including suspension, termination, etc.) and target investors of the Offshore Preference Shares with reference to market conditions and subject to approval from regulatory authorities; and
- (v) to determine other matters in relation to the issuance plan (including but not limited to rating arrangements, special account for the proceeds, the tax arrangements in relation to any dividend payment, and the listing of the Offshore Preference Shares) and to make necessary adjustments to the Offshore Preference Share issuance plan according to the latest regulatory requirements or opinions of regulatory authorities, except those matters that requires a separate vote at a Shareholders' general meeting in accordance with the relevant laws and regulations and the Articles.

17.1.2 if there are any new laws, regulations, regulatory rules or policies by relevant regulatory authorities on preference shares or any changes to market conditions occurring prior to the issuance of the Offshore Preference Shares, to amend the issuance plan accordingly to reflect such changes, except for amendments that requires a separate vote at a Shareholders' general meeting according to relevant laws, regulations and the Articles;



- 17.1.3 to produce, amend, execute and file the application materials relating to the issuance and transfer of the Offshore Preference Shares, and the documents relating to the issuance and transfer of the Offshore Preference Shares (such as offering circular, issuance circular, prospectus and etc., as applicable) and to deal with related matters, such as approval, registration, filing, authorisation and consent by relevant regulatory authorities according to the requirements of such relevant regulatory authorities;
- 17.1.4 to amend, execute, implement, submit and publish all contracts, agreements and documents (including but not limited to underwriting agreements and other agreements entered into with intermediaries in respect of the issuance of the Offshore Preference Shares, agreements relating to the issuance proceeds, subscription agreements entered into with investors, announcements, circulars and other disclosure documents) in relation to the issuance of the Offshore Preference Shares;
- 17.1.5 to make appropriate amendments, adjustments and supplements to the issuance terms of the Offshore Preference Shares (including but not limited to the relevant terms in relation to mandatory conversion) in accordance with the opinions of the relevant regulatory authorities and the actual circumstances of the Company to the extent permitted by laws and regulations; and
- 17.1.6 to deal with other matters relating to the issuance of the Offshore Preference Shares.

The authorisation for the issuance of the Offshore Preference Shares shall remain valid during the 12 months following the passing of the resolution at the Shareholders' general meeting. If the issuance of the Offshore Preference Shares is not completed before the expiration of the validity period of such authorisation, then such authorisation will lapse, but the Board has the right to seek approval at a Shareholders' general meeting to extend or renew the validity period of such authorisation.

## **17.2 Matters authorised in connection with Offshore Preference Shares that remain outstanding**

So long as the Offshore Preference Shares remain outstanding, it is proposed that the Shareholders' general meeting authorise the Board to exercise full power to deal with, under laws and regulations, the Articles, relevant regulatory rules and in accordance with the framework and principles approved at the Shareholders' general meeting, the following matters:

- 17.2.1 to deal with all matters relating to conversion of the Offshore Preference Shares during the conversion period upon occurrence of any trigger event for mandatory conversion of the Offshore Preference Shares, including but not limited to, determining the timing of conversion, conversion ratio and implementing the procedures for conversion, issuing related H Shares, amending the relevant provisions of the Articles, dealing with regulatory approvals, registering with the administration for industry and commerce for the change in registered capital of the Company as well as other matters;
- 17.2.2 to decide on matters relating to redemption of the Offshore Preference Shares during the redemption period with reference to market conditions and other factors, and to deal with all matters relating to redemption as approved by the CBRC and other regulatory authorities; and

17.2.3 to determine and deal with matters in relation to dividend payment to Offshore Preference Shareholders in accordance with the requirements of the issuance documents. However, cancellation of preference share dividends in whole or in part shall still require the approval of the Shareholders' general meeting.

**Table of the Amendments to the Articles of Association of  
China Cinda Asset Management Co., Ltd.**

No.	Article	Existing articles	Revisions
1	Article 8	The capital of the Company shall be divided into shares and each share shall have equal value. The respective liability of the shareholders shall be limited to the shares held by them. The Company shall be held liable for its debts with all of its assets.	<del>The capital of the Company shall be divided into shares and each share shall have equal value.</del> The respective liability of the shareholders shall be limited to the shares held by them. The Company shall be held liable for its debts with all of its assets.
2	Article 13	The Company shall have ordinary shares at all times. The Company may create other classes of shares if necessary, upon approval by the examining and approving departments authorized by the State Council.	<p>The Company shall have ordinary shares at all times. The Company may create <u>preference shares and</u> other classes of shares if necessary, upon approval by the examining and approving departments authorized by the State Council.</p> <p><u>In the Articles, “preference shares” refer to another class of shares governed separately under the Company Law as compared to the ordinary shares governed by the general provisions. Holders of preference shares shall participate in the distribution of profits and residual assets of the Company in priority to ordinary shareholders, but their rights in respect of participating in decision making and management of the Company (such as voting rights) are restricted.</u></p> <p><u>Unless otherwise specified, references in Chapters 3 to 19 and 21 of the Articles to “share(s)” and “share certificate(s)” shall refer to ordinary share(s) and ordinary share certificate(s) and references to “shareholder(s)” in Chapters 3 to 19 and 21 of the Articles shall refer to ordinary shareholder(s).</u></p>

## APPENDIX VIII      COMPARISON TABLE ON AMENDMENTS TO THE ARTICLES

No.	Article	Existing articles	Revisions
3	Article 18	Upon approval by the examining and approving authorities authorized by the State Council, the total number of ordinary shares that may be issued by the Company shall be 36,256,690,035. The number of shares issued to the MOF, the promoter, when the Company was reorganized and reformed as a joint stock company was 25,155,096,932, representing 69.38% of the total number of ordinary shares that may be issued by the Company.	Upon approval by the examining and approving authorities authorized by the State Council, the total number of ordinary shares that may be issued by the Company shall be 36,256,690,035. <u>The number of shares issued to the MOF, the promoter, when the Company was reorganized and reformed as a joint stock company was 25,155,096,932, representing 69.38% of the total number of ordinary shares that may be issued by the Company. The capital contribution of the MOF, the promoter, was made by way of the assessed net asset value of China Cinda Asset Management Corporation as at 30 June 2009, in the amount of RMB25,155,096,932 and amounted to 25,155,096,932 shares.</u>
4	The second paragraph of Article 19	After its initial public offering and listing of shares, the share capital of the Company comprises: 36,256,690,035 ordinary shares in total, including 24,596,932,316 shares held by the MOF, the promoter, representing 67.84% of the total ordinary shares that may be issued by the Company, and 11,659,757,719 overseas listed shares, representing 32.16% of the total ordinary shares that may be issued by the Company.	After its initial public offering and listing of shares, the <u>ordinary</u> share capital of the Company comprises: 36,256,690,035 ordinary shares in total, including 24,596,932,316 shares held by the MOF, the promoter, representing 67.84% of the total ordinary shares that may be issued by the Company, and 11,659,757,719 overseas listed shares, representing 32.16% of the total ordinary shares that may be issued by the Company.
5	Article 31	Unless otherwise provided by laws, regulations, securities regulatory authorities of the place where the Company's shares are listed, fully paid-up shares in the Company are freely transferable and are not subject to any lien.  To transfer the overseas listed shares listed in Hong Kong, the transferor shall carry out registration at the share registrar entrusted by the Company in Hong Kong.	Unless otherwise provided by laws, regulations, securities regulatory authorities of the place where the Company's shares are listed, fully paid-up shares in the Company are freely transferable and are not subject to any lien.  To transfer the overseas listed shares listed in Hong Kong ( <u>only for ordinary shares</u> ), the transferor shall carry out registration at the share registrar entrusted by the Company in Hong Kong.

## APPENDIX VIII      COMPARISON TABLE ON AMENDMENTS TO THE ARTICLES

No.	Article	Existing articles	Revisions
6	Article 41	The Company may, pursuant to the mutual understanding and agreement made between the securities regulatory authorities of the State Council and overseas securities regulatory authorities, maintain the register of holders of overseas listed shares overseas, and engage overseas agent(s) to manage such register of members. The original copy of the register of holders of overseas listed shares listed in Hong Kong shall be maintained in Hong Kong.	The Company may, pursuant to the mutual understanding and agreement made between the securities regulatory authorities of the State Council and overseas securities regulatory authorities, maintain the register of holders of overseas listed shares overseas, and engage overseas agent(s) to manage such register of members. The original copy of the register of holders of overseas listed shares listed in Hong Kong <u>(only for ordinary shares)</u> shall be maintained in Hong Kong.
7	Article 42	<p>The Company shall maintain a complete register of members.</p> <p>The register of members shall include the following parts:</p> <p>(1) the register of members maintained in the domicile of the Company other than those described in items (2) and (3) of this article;</p> <p>(2) the register of holders of overseas listed shares maintained in the place of stock exchange where the shares are listed;</p> <p>(3) the register of members maintained in other places as the board of directors may consider necessary for the purpose of the listing of the Company's shares.</p>	<p>The Company shall maintain a complete register of members.</p> <p>The register of members shall include the following parts:</p> <p>(1) the register of members maintained in the domicile of the Company other than those described in items (2), (3) <u>and (4)</u> of this article;</p> <p>(2) the register of holders of overseas listed shares <u>(only for ordinary shares)</u> maintained in the place of stock exchange where the shares are listed;</p> <p>(3) the register of members maintained in other places as the board of directors may consider necessary for the purpose of the listing of the Company's shares;</p> <p><u>(4) the register of holders of preference shares maintained in other places as the board of directors may consider necessary for the purpose of the listing of the Company's preference shares.</u></p>

## APPENDIX VIII      COMPARISON TABLE ON AMENDMENTS TO THE ARTICLES

No.	Article	Existing articles	Revisions
8	The first paragraph of Article 59	<p>The shareholders' general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with laws: .....</p> <p>(19) to consider and approve all other matters which are required to be determined by the shareholders' general meeting under the laws, regulations, applicable requirements of the securities regulatory authorities of the place where the Company's shares are listed and the Articles.</p>	<p>The shareholders' general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with laws: .....</p> <p><u>(19) to determine the issuance of preference shares; to determine or authorize the board of directors to determine matters relating to preference shares issued by the Company, including but not limited to redemption, conversion and distribution of dividends;</u></p> <p><u>(20)</u> to consider and approve all other matters which are required to be determined by the shareholders' general meeting under the laws, regulations, applicable requirements of the securities regulatory authorities of the place where the Company's shares are listed and the Articles.</p>
9	The second paragraph of Article 110	<p>"Interested shareholder(s)" in prior provision shall have the following meaning:</p> <p>(1) if the Company has made a repurchase offer to all shareholders on pro rata basis or made a repurchase by means of public transaction at the stock exchange in accordance with Article 27 of the Articles, "interested shareholder(s)" shall refer to the controlling shareholders as defined in Article 284 of the Articles;.....</p>	<p>"Interested shareholder(s)" in prior provision shall have the following meaning:</p> <p>(1) if the Company has made a repurchase offer to all shareholders on pro rata basis or made a repurchase by means of public transaction at the stock exchange in accordance with Article 27 of the Articles, "interested shareholder(s)" shall refer to the controlling shareholders as defined in Article 28<u>9</u>4 of the Articles;.....</p>
10	Article 130	<p>Independent directors shall be nominated by the board of directors, the board of supervisors or shareholders individually or jointly holding 1% or more of the shares with voting rights of the Company and shall be elected at the shareholders' general meeting. The term of independent directors shall be the same as that of other directors of the Company and the independent directors shall be eligible for re-election upon expiry of their terms of office.</p>	<p>Independent directors shall be nominated by the board of directors, the board of supervisors or shareholders individually or jointly holding 1% or more of the shares with voting rights of the Company and shall be elected at the shareholders' general meeting. The term of independent directors shall be the same as that of other directors of the Company and the independent directors shall be eligible for re-election upon expiry of their terms of office. <u>The term of office of an independent director shall not exceed 6 years in the aggregate.</u></p>

## APPENDIX VIII      COMPARISON TABLE ON AMENDMENTS TO THE ARTICLES

No.	Article	Existing articles	Revisions
11	Article 137	<p>The board of directors shall have one chairman and may have a vice chairman, who shall be elected and removed by a majority of the directors.</p> <p>The position of chairman may not be assumed by the legal representative or a key officer of a controlling shareholder.</p>	<p>The board of directors shall have one chairman and may have a vice chairman, who shall be elected and removed by a majority of the directors.</p> <p><u>An individual is not allowed to act as the chairman of the board of directors and president of the Company at the same time.</u> The position of chairman may not be assumed by the legal representative or a key officer of a controlling shareholder.</p>
12	Article 151	Resolutions of the board of directors shall be passed by a majority vote of all directors, whereas resolutions concerning the following shall be passed by two-thirds or more of all directors: ...	Resolutions of the board of directors shall be passed by a majority vote of all directors, whereas resolutions concerning the following shall be passed by two-thirds or more of all directors, <u>and the meeting of the board of directors may not be held by way of directors signing written resolutions: ...</u>
13	Article 163	<p>Special committees including the strategic development committee, audit committee, risk management committee, nomination and remuneration committee and connected transactions control committee are set up under the board of directors of the Company. The board of directors may set up other special committees and restructure the existing committees as necessary. Each special committee shall be accountable to the board of directors and assist the board of directors to perform their duties as authorized by the board of directors.</p> <p>Each special committee shall consist of at least three members and all of its members shall be directors.</p>	<p>Special committees including the strategic development committee, audit committee, risk management committee, nomination and remuneration committee and connected transactions control committee are set up under the board of directors of the Company. The board of directors may set up other special committees and restructure the existing committees as necessary. Each special committee shall be accountable to the board of directors and assist the board of directors to perform their duties as authorized by the board of directors.</p> <p>Each special committee shall consist of at least three members and all of its members shall be directors.</p> <p><u>Directors acting in their capacity as the chairmen of the audit committee, risk management committee and related party transactions control committee shall work at the Company at least 25 working days each year.</u></p>



## APPENDIX VIII      COMPARISON TABLE ON AMENDMENTS TO THE ARTICLES

No.	Article	Existing articles	Revisions
14	Article 181	Supervisors shall perform their duties as supervisors faithfully in accordance with the laws, regulations, regulatory documents and the Articles.	<p>Supervisors shall perform their duties as supervisors faithfully in accordance with the laws, regulations, regulatory documents and the Articles.</p> <p><u>A supervisor who fails to attend two consecutive meetings of the board of supervisors in person or appoint another supervisor to attend such meetings on his/her behalf, or attends in person less than two-thirds of all meetings of the board of supervisors in a year shall be deemed unable to perform his/her duties, and the board of supervisors shall propose to the general meeting of shareholders to remove the supervisor or suggest that the supervisor be removed through employee representatives meeting or other forms of employee democratic procedures.</u></p>
15	Article 186	<p>The board of supervisors is empowered to propose to the shareholders' general meeting the removal of an external supervisor who falls in any of the following circumstances: ...</p> <p>(3) having failed to attend the meetings of the board of supervisors in person for three consecutive meetings, or having failed to attend the meetings of the board of supervisors in person and failed to appoint another external supervisor to attend on his/her behalf for two consecutive meetings, or the number of meetings of the board of supervisors attended in a year being less than two-thirds of the total number of the meeting of the board of supervisors held in the year; ...</p>	<p>The board of supervisors is empowered to propose to the shareholders' general meeting the removal of an external supervisor who falls in any of the following circumstances: ...</p> <p>(3) having failed to attend the meetings of the board of supervisors in person for three consecutive meetings, or <del>having failed to attend the meetings of the board of supervisors in person and failed to appoint another external supervisor to attend on his/her behalf for two consecutive meetings, or the number of meetings of the board of supervisors attended in a year being less than two-thirds of the total number of the meeting of the board of supervisors held in the year</del> <u>in other circumstance as prescribed in Article 181 (2) of the Articles;</u> ...</p>

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**APPENDIX VIII      COMPARISON TABLE ON AMENDMENTS TO THE ARTICLES**

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<b>No.</b>	<b>Article</b>	<b>Existing articles</b>	<b>Revisions</b>
16	The first paragraph of Article 227	<p>In the contract for emoluments entered into by the Company with a director or supervisor, it shall be provided that such director or supervisor has the right to receive, in connection with the takeover of the Company and subject to the prior approval of the shareholders' general meeting, compensation or other payments for loss of office or retirement from office. A takeover of the Company means any of the following circumstances:</p> <p>(1) an offer is made to all shareholders of the Company; or</p> <p>(2) an offer is made such that the offeror will become the controlling shareholder of the Company. The definition of the controlling shareholder has the same meaning as defined in Article 284 herein.</p>	<p>In the contract for emoluments entered into by the Company with a director or supervisor, it shall be provided that such director or supervisor has the right to receive, in connection with the takeover of the Company and subject to the prior approval of the shareholders' general meeting, compensation or other payments for loss of office or retirement from office. A takeover of the Company means any of the following circumstances:</p> <p>(1) an offer is made to all shareholders of the Company; or</p> <p>(2) an offer is made such that the offeror will become the controlling shareholder of the Company. The definition of the controlling shareholder has the same meaning as defined in Article <del>28</del><sup>94</sup> herein.</p>

## APPENDIX VIII      COMPARISON TABLE ON AMENDMENTS TO THE ARTICLES

No.	Article	Existing articles	Revisions
17	Article 239	<p>The after-tax profits of the Company shall be distributed in the following order of priority:</p> <ol style="list-style-type: none"> <li>(1) offsetting the losses in previous years;</li> <li>(2) contributing 10% of them to its statutory reserve fund;</li> <li>(3) contributing to its general reserves in accordance with the applicable laws, regulations, regulatory documents and the relevant requirements of the relevant regulatory authorities of the State;</li> <li>(4) contributing to its discretionary reserves fund in accordance with the resolution of shareholders' general meetings;</li> <li>(5) paying dividends to its shareholders.</li> </ol> <p>No further contribution to the statutory reserves fund is required when the cumulative amount of the statutory reserves fund exceeds 50% of the registered capital of the Company.</p> <p>Any distribution of the profits of the Company to any shareholders before offsetting losses or contributing to statutory reserves fund in violation of item (1) of this Article shall forthwith be returned to the Company.</p> <p>The shares held by the Company shall not be distributed as dividends. In the event of misappropriation of capital by shareholders, the Company shall deduct the cash dividends distributable to such shareholders in order to repay the misappropriated capital.</p>	<p>The after-tax profits of the Company shall be distributed in the following order of priority:</p> <ol style="list-style-type: none"> <li>(1) offsetting the losses in previous years;</li> <li>(2) contributing 10% of them to its statutory reserve fund;</li> <li>(3) contributing to its general reserves in accordance with the applicable laws, regulations, regulatory documents and the relevant requirements of the relevant regulatory authorities of the State;</li> <li>(4) contributing to its discretionary reserves fund in accordance with the resolution of shareholders' general meetings;</li> <li>(5) paying dividends to its shareholders.</li> </ol> <p>No further contribution to the statutory reserves fund is required when the cumulative amount of the statutory reserves fund exceeds 50% of the registered capital of the Company.</p> <p>Any distribution of the profits of the Company to any shareholders before offsetting losses or contributing to statutory reserves fund in violation of item (1) of this Article shall forthwith be returned to the Company.</p> <p>The shares held by the Company shall not be distributed as dividends. In the event of misappropriation of capital by shareholders, the Company shall deduct the cash dividends distributable to such shareholders in order to repay the misappropriated capital.</p> <p><u>The payment of dividends on preference shares shall be subject to laws, administrative regulations, departmental rules, relevant provisions of the securities regulatory authorities of the place where the Company's shares are listed and where the preference shares are issued or listed, and the Articles.</u></p>

## APPENDIX VIII      COMPARISON TABLE ON AMENDMENTS TO THE ARTICLES

No.	Article	Existing articles	Revisions
			<b><u>Chapter 20 Special Provisions on Preference Shares</u></b>
18	<u>Article 284</u>		<u>Unless otherwise specified in laws, administrative regulations, departmental rules, regulations of the securities regulatory authorities in the place where the shares of the Company are listed and this Chapter, the rights and obligations of holders of preference shares and management of preference shares shall be governed by the provisions relating to ordinary shares in the Articles.</u>
19	<u>Article 285</u>		<u>The number of preference shares issued by the Company shall not exceed 50% of the total number of ordinary shares of the Company, and the capital raised from the issuance of preference shares shall not be more than 50% of the net assets value of the Company prior to the relevant issuance (excluding the preference shares that have been redeemed or converted).</u>
20	<u>Article 286</u>		<u>The Company formulates terms governing the mandatory conversion of the preference shares into ordinary shares, namely, upon the occurrence of certain trigger events, the Company shall convert the preference shares into ordinary shares in accordance with the conversion price and conversion amount as determined at the time of issuance of the preference shares. In circumstances when the preference shares shall be mandatorily converted into ordinary shares, the Company shall report such conversion to banking regulatory authorities under the State Council for review and approval.</u>

## APPENDIX VIII      COMPARISON TABLE ON AMENDMENTS TO THE ARTICLES

No.	Article	Existing articles	Revisions
21	<u>Article 287</u>		<p><u>The preference shares issued by the Company shall not have any put option. Subject to the approval of the banking regulatory authorities under the State Council and upon compliance with the relevant requirements, the Company has the right to redeem all or part of the preference shares after the fifth year (inclusive) following the date of the relevant issuance of the preference shares or in circumstances acknowledged by such regulatory authorities as the banking regulatory authorities under the State Council. The redemption period of the preference shares commences on such date as agreed upon at the time of issuance of the preference shares and ends on the date of redemption or conversion of all the preference shares. The Company shall write down the total amount of outstanding preference shares after the Company redeems the preference shares.</u></p> <p><u>The exercise by the Company of its right to redeem the preference shares shall be subject to the fulfilment of the following conditions:</u></p> <p><u>(1) the Company shall use capital instruments of the same or superior quality to replace the preference shares to be redeemed and such replacement shall only be made at a time at which the Company has a sustainable income generating capability; or</u></p> <p><u>(2) the capital position of the Company after redemption of the preference shares will remain significantly higher than the regulatory capital requirements prescribed by the banking regulatory authorities under the State Council.</u></p> <p><u>The redemption price of preference shares will be an amount equal to the issue price plus the amount of dividend declared but unpaid for the current period.</u></p>

## APPENDIX VIII      COMPARISON TABLE ON AMENDMENTS TO THE ARTICLES

No.	Article	Existing articles	Revisions
22	<u>Article 288</u>		<p><u>Holders of preference shares of the Company shall enjoy the following rights:</u></p> <p>(1) <u>to receive distribution of dividends in priority to ordinary shareholders;</u></p> <p>(2) <u>to receive distribution of residual assets of the Company on liquidation in priority to ordinary shareholders;</u></p> <p>(3) <u>upon the occurrence of the circumstances provided in Article 290, to attend and vote at shareholders' general meetings;</u></p> <p>(4) <u>upon the occurrence of the circumstances provided in Article 291, to have its voting rights restored in accordance with the requirements of that article;</u></p> <p>(5) <u>to make proposals or inquiries in relation to the business operations and activities of the Company;</u></p> <p>(6) <u>to inspect the Articles, register of members, record of bondholders, minutes of shareholders' general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial reports; and</u></p> <p>(7) <u>other rights conferred to holders of preference shares by laws, administrative regulations, departmental rules and the Articles.</u></p>

## APPENDIX VIII      COMPARISON TABLE ON AMENDMENTS TO THE ARTICLES

No.	Article	Existing articles	Revisions
23	<u>Article 289</u>		<p><u>Only votes of ordinary shares and votes of preference shares with restored voting rights shall be counted when calculating the proportion of shares held by the shareholders in the event of the following:</u></p> <p><u>(1) a request to convene an extraordinary general meeting of shareholders;</u></p> <p><u>(2) a request to convene and preside over a general meeting of shareholders;</u></p> <p><u>(3) a request to submit a proposal or an interim proposal to a general meeting of shareholders;</u></p> <p><u>(4) a request to nominate the directors and supervisors who are not employee representatives of the Company;</u></p> <p><u>(5) identifying controlling shareholder(s) according to the relevant provisions of the Articles;</u></p> <p><u>(6) identifying the restrictions relating to the appointment of independent directors of the Company according to the relevant provisions of the Articles;</u></p> <p><u>(7) identifying the ten largest shareholders of the Company and the number of shares held by them and the shareholder(s) holding 5% or more of the shares of the Company in accordance with the Securities Law of the People's Republic of China and relevant regulations; and</u></p> <p><u>(8) other circumstances provided under laws, administrative regulations, departmental rules and these Articles.</u></p>



## APPENDIX VIII      COMPARISON TABLE ON AMENDMENTS TO THE ARTICLES

No.	Article	Existing articles	Revisions
24	<u>Article 290</u>		<p><u>The holders of the preference shares are not entitled to attend any shareholders' general meeting of the Company nor do the preference shares carry any voting rights in any shareholders' general meeting other than in the following circumstances:</u></p> <p><u>(1) amendments to the Articles that relate to preference shares;</u></p> <p><u>(2) reduction of the registered capital of the Company by more than 10% on a single or aggregate basis;</u></p> <p><u>(3) merger, division, dissolution or change of corporate form of the Company;</u></p> <p><u>(4) issuance of preference shares by the Company; and</u></p> <p><u>(5) other events specified in laws, administrative regulations and departmental rules and the Articles.</u></p> <p><u>On the occurrence of any of the above circumstances, the Company shall notify holders of preference shares of the shareholders' general meeting and follow the notice procedures to ordinary shareholders as provided under the Articles. The holders of the preference shares are entitled to vote at a separate class meeting with respect to the above matters and each preference share shall have one vote, however, preference shares held by the Company do not entitle the Company to vote.</u></p> <p><u>Resolutions relating to the above matters shall be approved by more than two-thirds of the votes held by ordinary shareholders present at the meeting (including holders of preference shares with restored voting rights) and by more than two-thirds of the votes held by holders of preference shares present at the meeting (excluding holders of preference shares with restored voting rights).</u></p>

## APPENDIX VIII      COMPARISON TABLE ON AMENDMENTS TO THE ARTICLES

No.	Article	Existing articles	Revisions
25	<u>Article 291</u>		<p><u>In the event that the Company fails to pay the prescribed dividend to the holders of preference shares for three financial years in aggregate or two consecutive financial years, the holders of preference shares shall have the right to attend and vote at the shareholders' general meetings together with ordinary shareholders from the day immediately after the shareholders' general meeting resolves that the Company will not pay the prescribed dividend for the current dividend period. The voting rights of the holders of preference shares will remain restored until the Company pays the current period dividend in full.</u></p> <p><u>The formula for calculating the voting rights of the preference shares with restored voting rights is as follows: <math>Q = V/P \times \text{conversion exchange rate}</math>, with any fractional restored voting right rounded down to the nearest whole number. Where: "Q" denotes the H share voting rights restored from the preference shares held by each preference shareholder; "V" denotes the aggregate value of the preference shares with restored voting rights held by each preference shareholder; "P" denotes the conversion price, which equals to the initial mandatory conversion price of the preference share; and the "conversion exchange rate" refers to the cross rate between Hong Kong dollars and the currency in which the preference shares are denominated based on the RMB Central Parity Rate published by the China Foreign Exchange Trading System on the trading date preceding the date of the announcement of the board of directors' resolution in respect of the issuance plan for preference shares.</u></p> <p><u>The other provisions of the Articles concerning the restrictions on the shareholders' voting rights shall prevail, if any.</u></p>

## APPENDIX VIII      COMPARISON TABLE ON AMENDMENTS TO THE ARTICLES

No.	Article	Existing articles	Revisions
26	<u>Article 292</u>		<p><u>The dividend rate for the issued and outstanding preference shares of the Company may be adjusted at different intervals and consists of the benchmark rate and the fixed spread. During a specified period after issuance of the preference shares, the dividend rate will remain the same and may be adjusted once every certain interval, and during any adjusted dividend rate period, the dividend rate will remain the same.</u></p> <p><u>Holders of the preference shares shall rank in priority to the ordinary shareholders in terms of distribution of the Company's profits and the preference shares shall be entitled to the dividend rate and distribution of profits in accordance with the agreed terms. Dividends to the holders of the preference shares shall be payable in cash. Before the agreed dividends to preference shares are distributed and the discretionary reserves fund is withdrawn as determined by the shareholders' general meeting, no profit may be distributed to the ordinary shareholders in accordance with Article 239 hereof.</u></p> <p><u>After receiving the dividends at the prescribed dividend rate, the holders of preference shares shall not be entitled to any distribution of residual profits of the Company together with the ordinary shareholders. The Company shall have the right to cancel dividends in whole or in part and this will not constitute an event of default. Any amount of dividends not paid to the holders of preference shares in full by the Company will not be accumulated to the following dividend period.</u></p>

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**APPENDIX VIII      COMPARISON TABLE ON AMENDMENTS TO THE ARTICLES**

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<b>No.</b>	<b>Article</b>	<b>Existing articles</b>	<b>Revisions</b>
27	<u>Article 293</u>		<u>In the event of liquidation of the Company as a result of dissolution, bankruptcy or other reasons, the remaining assets of the Company after liquidation in accordance with laws, administrative regulations, departmental rules and the Articles shall be distributed first to the holders of preference shares. Holders of preference shares will be entitled to an amount equal to the aggregate value of the preference shares then issued and outstanding plus any declared but unpaid dividends for the current period. If there are insufficient remaining assets, the distribution will be made ratably according to the aggregate value of the preference shares held by each preference shareholder as a proportion of the aggregate value of all preference shares of the Company.</u>

**CHINA CINDA ASSET MANAGEMENT CO., LTD.**  
**WORK REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS**  
**FOR 2015**

In 2015, the independent non-executive Directors of CHINA CINDA ASSET MANAGEMENT CO., LTD. strictly complied with *PRC Company Law*, *PRC Securities Law*, *the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, *Corporate Governance Code*, other domestic and foreign laws and regulations, as well as the Articles of Association and working procedures of independent Directors, performed their duties faithfully and diligently in accordance with the law, duly attended meetings of the Board and its special committees, actively participated in the study, discussion and decision of relevant matters to be considered and approved. The independent non-executive Directors of the Company actively exerted their independence and professionalism and made contributions to the development of the Company. 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, 2015 to December 31, 2015, there were four independent non-executive Directors of the Company, namely Mr. Li Xikui, Mr. Qiu Dong, Mr. Chang Tso Tung, Stephen and Mr. Xu Dingbo. The number of independent non-executive Directors accounted for one-third of the members of the Board, which complied with Articles, the procedural rules of Board meetings and relevant regulatory requirements.

**(I) Biographies of independent non-executive Directors**

Mr. Li Xikui, aged 71, has been an independent non-executive Director of the Company since June 2010. He was accredited as a researcher of the head office of China Construction Bank by China Construction Bank in January 1993, and receives special allowance from the State Council of the PRC. Mr. Li successively served as deputy director, deputy department director, vice president of head office, and director of the Research Institute of China Construction Bank from August 1982 to January 1994. He worked as vice general manager of Shougang Group and president of Hua Xia Bank Co., Limited from January 1994 to February 2000. He served as vice president of China Galaxy Securities Co., Ltd. from February 2000 to February 2006, chairman of the Board of Galaxy Fund Management Co., Ltd. from February 2006 to April 2010, and independent non-executive director of Chihon-Tiande Group Limited (listed on the Hong Kong Stock Exchange, stock code: 00976) from July 2010 to December 2014. Mr. Li graduated from Liaoning Finance and Economics College (currently known as Dongbei University of Finance and Economics) in August 1970, and graduated from the Finance Science Institute of the MOF with a master's degree in economics in July 1982.

Mr. Qiu Dong, aged 58, has been an independent non-executive Director of the Company since June 2010. He is a PhD supervisor, representative of the 10th NPC, expert entitled to Government Special Allowance by the State Council of the PRC and distinguished guest professor of Changjiang Scholars Program. Mr. Qiu served successively as professor, vice president and president of Dongbei University of Finance and Economics from January 1985 to March 2005. From March 2005 to March 2009, he was a professor of Central University of Finance and Economics. From January 2009 to June 2015, Mr. Qiu served as an independent non-executive director of Agricultural Bank of China Limited (listed on the Hong Kong Stock Exchange, stock code: 01288, and listed on the Shanghai Stock Exchange, stock code: 601288). He is currently the chairman of the academic committee of the National Accounting Research Institute of Beijing Normal University, member of the National Appraisal Group of Philosophy, Social Science and Planning, member of the Disciplines

Evaluation Panel of the Academic Degrees Committee of the State Council, member of the Advisory Committee of NBSC, vice president of the National Accounting Society of China, vice president of the Statistical Education Society of China, vice president of the China Association of Market Information and Research; vice chairman of the National Statistical Teaching Material Editing and Censoring Committee, member of Selection Committee for Science and Technology Progress Award on Statistics of China; an adjunct PhD supervisor of Tianjin University of Finance and Economics, an adjunct professor of Zhejiang Gongshang University, Jinan University, Zhongnan University of Economics and Law, Shanxi University of Finance and Economics, Zhejiang University of Finance and Economics, Southwest University of Finance and Economics, and member of Editorial Board of Statistical Research. Mr. Qiu graduated from Dongbei University of Finance and Economics in November 1990 with a doctoral degree in economics.

Mr. Chang Tso Tung, Stephen, aged 67, has been an independent non-executive Director of the Company since June 2013 and is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants, respectively. Mr. Chang has been practising as a certified public accountant in Hong Kong for about 30 years and has extensive experience in accounting, auditing and financial management. Mr. Chang has been the vice chairman and professional service management partner in Greater China Region of Ernst & Young, and also the chairman in charge of auditing and advisory service of Ernst & Young until his retirement in 2004. Mr. Chang is currently a member of the Investment Committee of Shanghai Fudan University Education Development Foundation and Shanghai Fudan University Education Development Foundation (Overseas). Mr. Chang has served as an independent non-executive director of China Pacific Insurance (Group) Co., Ltd. (listed on Hong Kong Stock Exchange, stock code: 02601) from June 2007 to May 2013. Mr. Chang currently serves as an independent non-executive director of Kerry Properties Limited (listed on Hong Kong Stock Exchange, stock code: 00683), an independent non-executive director and the chairman of the audit committee of Hua Hong Semiconductor Limited (listed on Hong Kong Stock Exchange, stock code: 01347), as well as an independent director, the chairman of the nomination and remuneration committee and a member of the audit committee of the Board of China Life Insurance Co. Limited (listed on Hong Kong Stock Exchange, stock code: 02628; and listed on the Shanghai Stock Exchange, stock code: 601628). Mr. Chang graduated from the University of London in August 1973 with a bachelor's degree in science.

Mr. Xu Dingbo, aged 53, has been an independent non-executive Director of the Company since June 2013 and is a member of the American Accounting Association. Mr. Xu was a teaching assistant in the University of Pittsburgh and the University of Minnesota and an assistant professor in the Hong Kong University of Science & Technology from 1986 to 2003, and was an adjunct professor in Peking University from April 1999 to April 2009. Mr. Xu joined China Europe International Business School in January 2004 where he currently serves as the Essilor Chair Professor of Accounting, Associate Dean and a member of Management Committee, and has also served as a member of Financial Budget Committee since October 2009. From December 2009 to November 2011, Mr. Xu served as independent non-executive Director and chairman of the Audit Committee of Sanjiang Shopping Club Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 601116). Mr. Xu is currently an independent non-executive Director and the chairman of the Audit Committee of The People's Insurance Company (Group) of China Limited (listed on Hong Kong Stock Exchange, stock code: 01339), an independent director and the chairman of the Audit Committee of DongyiRisheng Home Decoration Group Limited Company (listed on Shenzhen Stock Exchange, stock code: 002713), an independent director and the chairman of the Audit Committee of Shanghai Shyndec Pharmaceutical Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600420), an independent director and the chairman of the Audit Committee of Sany Heavy Industry Co., Ltd. (listed on the Shanghai Stock

Exchange, stock code: 600031), an independent director, the chairman of the Audit Committee and the chairman of the Related Party Transaction Committee of Societe Generale (China) Ltd.. Mr. Xu graduated from Wuhan University in July 1983 and October 1986 with a bachelor's degree in science and a master's degree in economics, respectively. Mr. Xu graduated from the University of Minnesota in October 1996 with a doctoral degree in accounting.

## (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 2015, the Company held two extraordinary general meetings and one annual general meeting to consider 15 resolutions and review one report. The Company held eight Board meetings to consider 34 resolutions and review 10 reports. The Company held 21 meetings of special committees to consider 30 resolutions and review 15 reports. 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 constructive and professional opinions and recommendations in strategic planning, corporate governance, risk control and internal control supervision, expressed independent opinions on significant matters such as profit distribution plan, remuneration of senior management and appointment of senior management. No opinions 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:

Directors	Number of meeting attended/required to attend						
	Shareholders' general meetings	The Board	Strategic Development Committee	Special committees under the Board			
				Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Related Party Transaction Management Committee
Li Xikui	3/3	8/8	6/6	5/5		2/2	
Qiu Dong	2/3	8/8				2/2	3/3
Chang Tso Tung, Stephen	3/3	8/8	6/6	5/5			
Xu Dingbo	2/3	8/8		5/5	5/5		3/3

*Note:* "Number of meeting attended" includes on-site attendance, attendance through telephone conference and other directors as proxies for the exercise of voting rights.



**(II) Operation of the Board and its special committees**

1. The Board. During the reporting period, the Company held eight Board meetings to consider 34 resolutions and review 10 reports. The resolutions which were considered by the Board included 15 resolutions on operation and management matters, six resolutions on major transaction, five resolutions on work reports, two resolutions on appointment or dismissal of employees, three resolutions on remuneration and insurance and three other resolutions. Details of the approved resolutions involve numerous aspects of the Company's operation and management and its significant projects.
2. Special committees of the Board. The Board has five special committees, namely the Strategic Development Committee, Audit Committee, Risk Management Committee, Nomination and Remuneration Committee and Related Party Transaction Management Committee. The operation of special committees of the Board during the reporting period is as follows:

The Strategic Development Committee of the Board conducted six meetings to consider 14 resolutions, including the 2014 final financial account plan, the 2015 operation plan, the 2015 fixed assets investment budget and the issuance of financial bonds of the Company, and received the 2014 corporate governance report of the Company.

The Audit Committee of the Board conducted five meetings to consider six resolutions including the 2014 annual report and annual results announcement, the internal control evaluation report for 2014, the internal audit work plan for 2015, the appointment of accounting firms, the interim report and the interim results announcement for 2015 and the implementation plan of internal control evaluation of the Company, and received five reports including special auditor's report on construction project of the Group's support base management centre, auditor's report on internal control issues and appreciation suggestions for 2014 and financial statement auditing plan for 2015.

The Risk Management Committee of the Board conducted five meetings to correspondingly revise *Working Rules of Risk Management Committee of the Board* as per revision of Hong Kong Companies Ordinance and Listing Rules, consider the risk management report for 2014 and receive risk management situation reports of all quarters. The committee received and reviewed a total of six reports in the year.

The Nomination and Remuneration Committee of the Board conducted two meetings to consider the preliminary verification of the qualification of candidates for senior management, the remuneration settlement scheme of Directors and senior management for 2014, review the framework, number of members and makeup (including from the aspects of knowledge, skill and experience, etc.) of the Board, the responsibility performance of Directors and the independence of independent non-executive Directors. Five resolutions were considered during the whole year.

The Related Party Transaction Control Committee of the Board conducted three meetings to consider eight resolutions, mainly including resolutions on the identification of related parties of the Company, the related party transaction management report for 2014, the report on the development of related party transaction management information system and the internal transaction report of the Group for 2014, etc.

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

Independent Directors of the Company laid emphasis on strengthening contact and communication with other members of the Board, board of supervisors and senior management and deepened understanding to business operation management situation of the Company and made numerous valuable opinions and suggestions. In order to ensure effective duty performances of the independent non-executive Directors, the Board, management level and relevant staff members provided full support and guarantee to the independent Directors to perform their 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 convenient and flexible communication channels and timely offer of comprehensive information covering business condition and financial information, progress of significant projects, strategic planning preparation, information disclosure, rules and regulations and supervisory system of the Company, which ensured that the independent non-executive Directors enjoy the same right to know as executive Directors and non-executive Directors.

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

The independent non-executive Directors of the Company attached great importance to a number of highlights such as preparation of the Second Five-year Plan of the Company, merger and acquisition of major projects, verification of qualification of senior management, remuneration of the Directors and senior management, implementation of information disclosure, execution of internal controls, appointment of accounting firms, supervision and execution of internal and external audits, and related party transactions. 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) Preparation of the “Second Five-year Plan” of the Company**

To effectively exert key effect of strategy and facilitate healthy and sustainable development of the Company, the Board prepared the Second Five-year Plan in 2015 based on the development experience in the past. Non-executive Directors analyzed the future international and domestic economic and financial situations, researched relevant major issues of future operation and development of the Company and proposed many professional and constructive suggestions aiming at the preparation of the “Second Five-year Plan” via strategic seminars and non-executive directors forum. Additionally, Non-executive Directors also supported and facilitated the Board to seize strategic positioning, development direction and strategic focus in an improved manner and promoted sustainable development of the Company via scientific strategies.

**(II) Verification of qualification and remuneration of senior management**

During the reporting period, the independent non-executive Directors conducted a preliminary review of the qualifications of candidates for positions including Vice President and assistant president of the Company, and submitted it to the Board for consideration. The independent non-executive Directors also considered the annual remuneration settlement scheme for Directors and senior management and submitted the same to the Board for consideration based on the annual results of the Company.

**(III) Related party transactions**

The independent non-executive Directors regularly reviewed the matters concerning confirmation of related parties of the Company according to relevant laws and regulations and supervisory regulations and reviewed annual related party transaction management reports, providing opinions and recommendations on daily management of related parties and related party transactions. Additionally, they also continuously boosted the development of related party transaction management information system and enriched related party transaction management means to ensure related party transactions are conducted in accordance with laws and regulations and to protect the interests of minority shareholders.

**(IV) Implementation of information disclosure**

During the reporting period, the Company prepared the annual report for 2014 and the interim report for 2015 in accordance with the standards applicable to listed companies and the independent non-executive Directors duly reviewed such annual report and interim report, in particular the truthfulness, accuracy and completeness of the annual and interim 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.

**(V) Risk management and implementation of internal control**

By adhering to the concept of "protecting the bottom-line by managing risks proactively", in 2015, the Board actively and fully promoted the construction of risk management system, enhanced group risk governance and strengthened guidance and supervision of internal control and audit so as to ensure the effectiveness of internal control. The independent non-executive Directors received risk management reports of the Company on a regular basis, guided and established the internal control, evaluation and implementation plan of 2015 and reviewed the internal control evaluation report. Based on self-evaluation and defect recognition, the independent non-executive Directors hold the opinion 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.

**(VI) Appointment of accounting firms**

In 2015, the Company appointed Ernst & Young Hua Ming LLP and Ernst & Young as the onshore and offshore auditors for 2015, 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.

**(VII) 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. In 2016, the Company distributed RMB1.161 per 10 shares (tax included) of cash dividends for 2015 to all Shareholders, amounting to a total of approximately RMB4.209 billion.

**IV. GENERAL EVALUATION**

In 2015, the independent non-executive Directors of the Company performed their duties diligently in accordance with laws and regulations, which improved the scientific decision-making quality of the Board and special committees and maintained legitimate interests of the Company and all Shareholders.

In 2016, the independent non-executive Directors will continue to focus on the key works related to the Board in accordance with relevant regulatory requirements, perform their duties prudently, carefully, diligently and faithfully and strive to further optimize the corporate governance mechanism and strengthen the comprehensive risk management and internal control, so as to contribute to the sustainable operation of the Company and protect the interests of the Company, Shareholders and other stakeholders.

It is hereby reported.

*Independent Non-executive Directors:*

**Li Xikui, Qiu Dong, Chang Tso Tung, Stephen, Xu Dingbo**

March 2016



**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)

**NOTICE OF AGM FOR 2015**

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of China Cinda Asset Management Co., Ltd. (the “**Company**”) for the year 2015 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 Thursday, June 30, 2016 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 2015
2. To consider and approve the report of the Board of Supervisors for 2015
3. To consider and approve the final financial account plan for 2015
4. To consider and approve the profit distribution plan for 2015
5. To consider and approve the fixed assets investment budget for 2016
6. To consider and approve item by item the election of Directors of the third session of the Board of Directors of the Company
  - 6.1 To consider and approve the re-election of Mr. Hou Jianhang as the executive Director
  - 6.2 To consider and approve the re-election of Mr. Zang Jingfan as the executive Director
  - 6.3 To consider and approve the election of Mr. Chen Xiaozhou as the executive Director
  - 6.4 To consider and approve the re-election of Mr. Li Honghui as the non-executive Director
  - 6.5 To consider and approve the re-election of Mr. Song Lizhong as the non-executive Director
  - 6.6 To consider and approve the re-election of Ms. Xiao Yuping as the non-executive Director

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## NOTICE OF AGM FOR 2015

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- 6.7 To consider and approve the re-election of Ms. Yuan Hong as the non-executive Director
- 6.8 To consider and approve the re-election of Mr. Lu Shengliang as the non-executive Director
- 6.9 To consider and approve the re-election of Mr. Chang Tso Tung, Stephen as the independent non-executive Director
- 6.10 To consider and approve the re-election of Mr. Xu Dingbo as the independent non-executive Director
- 6.11 To consider and approve the election of Mr. Zhu Wuxiang as the independent non-executive Director
- 6.12 To consider and approve the election of Mr. Sun Baowen as the independent non-executive Director
- 7. To consider and approve item by item the election of Supervisors of the third session of the Board of Supervisors of the Company
  - 7.1 To consider and approve the re-election of Mr. Gong Jiande as the Shareholder Representative Supervisor
  - 7.2 To consider and approve the re-election of Ms. Liu Yanfen as the External Supervisor
  - 7.3 To consider and approve the re-election of Mr. Li Chun as the External Supervisor
  - 7.4 To consider and approve the election of Mr. Zhang Zheng as the External Supervisor
- 8. To consider and approve the appointment of accounting firms for 2016

### **Special Resolutions**

- 9. To consider and approve the granting of general mandate to issue additional H Shares to the Board
- 10. To consider and approve item by item the proposal on non-public issuance of Offshore Preference Shares by the Company
  - 10.1 type of preference shares to be issued
  - 10.2 number of preference shares to be issued and issue size
  - 10.3 par value and issue price
  - 10.4 maturity

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## NOTICE OF AGM FOR 2015

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- 10.5 method of issuance and target investors
- 10.6 lock-up period
- 10.7 dividend distribution terms
- 10.8 terms of mandatory conversion
- 10.9 terms of conditional redemption
- 10.10 restrictions on voting rights and terms of restoration of voting rights
- 10.11 order of distribution on liquidation and procedures for liquidation
- 10.12 rating arrangements
- 10.13 security arrangements
- 10.14 use of proceeds
- 10.15 listing/trading arrangements
- 10.16 validity period of the resolution for the issuance of Offshore Preference Shares
- 10.17 matters relating to authorisation
- 11. To consider and approve the proposal on the amendments to the Articles of Association

### **As Reporting Document**

- 1. To review the work report of the independent non-executive Directors for 2015

### **Notice of Closure of Register of Members**

The register of holders of H Shares of the Company will be closed from Tuesday, May 31, 2016 to Thursday, June 30, 2016 (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 Monday, May 30, 2016. Shareholders whose names appear on the H Share register of members of the Company at the close of business on Monday, May 30, 2016 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



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## NOTICE OF AGM FOR 2015

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Details of the above resolutions are set out in the circular for AGM for 2015 of the Company dated May 16, 2016. 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*

May 16, 2016

*Notes:*

1. The register of members of the Company will be closed from Tuesday, May 31, 2016 to Thursday, June 30, 2016 (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 Monday, May 30, 2016 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 Monday, May 30, 2016.
2. The register of members of the Company will be closed from Thursday, July 7, 2016 to Tuesday, July 12, 2016 (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, July 12, 2016 shall be entitled to receive cash dividend of RMB1.161 (tax inclusive) per 10 shares for 2015 subject to the approval of the Shareholders at the annual general meeting. Subject to approval, the cash dividend for 2015 is expected to be distributed on or around August 18, 2016 to the holders of domestic shares and H shares whose names appear in the register of Shareholders of the Company on the record date for dividend distribution. 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 2015 shall lodge all transfer documents accompanied by the relevant share certificates with the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, July 6, 2016. The last trading day for H Shares of the Company before ex-dividend will be Monday, July 4, 2016, and the ex-dividend shall start from Tuesday, July 5, 2016.

Withholding and Payment of Enterprise Income Tax (also referred to as “withholding tax” hereinafter) for Foreign Non-resident 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 2015 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.

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## NOTICE OF AGM FOR 2015

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### Withholding and Payment of Individual Income Tax for Individual Foreign Shareholders

Pursuant to the Individual Income Tax Law of the People's Republic of China, the Implementation Regulations of the Individual Income Tax Law of the People's Republic of China, the Announcement of the State Administration of Taxation in relation to Issuance of the "Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties" (State Administration of Taxation Announcement [2015] No. 60), 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. 045 (Guo Shui Han [2011] No. 348) and other relevant laws and regulations, the Company shall, as a withholding agent, withhold and pay individual income tax for the individual H Shareholders in respect of the annual dividend for 2015 to be distributed to them. However, the individual H Shareholders may be entitled to certain tax preferential treatments pursuant to the tax treaties between People's Republic of China (the "PRC") and the countries (regions) in which the individual H Shareholders 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 individual income tax for the individual H Shareholders:

- 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 2015.
- 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 2015.
- 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 2015.
- 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 2015.

### Dividend Distribution for Investors of Southbound Trading

For investors of the Shanghai 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 2015 to the Shanghai Branch of 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 (Caishui [2014] No. 81) (關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知), 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.

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## NOTICE OF AGM FOR 2015

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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 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 Thursday, June 9, 2016 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.

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## NOTICE OF 2016 FIRST CLASS MEETING FOR H SHAREHOLDERS

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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)

## NOTICE OF 2016 FIRST CLASS MEETING FOR H SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the 2016 first class meeting for holders of H Shares (the “**H Share Class Meeting**”) of China Cinda Asset Management Co., Ltd. (the “**Company**”) will be held at Conference Room 1111, 11th Floor, No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the PRC at the later of 10:15 a.m. or immediately after the conclusion of the 2016 first class meeting for domestic shareholders on Thursday, June 30, 2016 for the following purposes of considering and, if thought fit, passing the following resolutions:

### SPECIAL RESOLUTIONS

1. To consider and approve item by item the proposal on non-public issuance of Offshore Preference Shares by the Company
  - 1.1 type of preference shares to be issued
  - 1.2 number of preference shares to be issued and issue size
  - 1.3 par value and issue price
  - 1.4 maturity
  - 1.5 method of issuance and target investors
  - 1.6 lock-up period
  - 1.7 dividend distribution terms
  - 1.8 terms of mandatory conversion
  - 1.9 terms of conditional redemption
  - 1.10 restrictions on voting rights and terms of restoration of voting rights
  - 1.11 order of distribution on liquidation and procedures for liquidation
  - 1.12 rating arrangements
  - 1.13 security arrangements

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## NOTICE OF 2016 FIRST CLASS MEETING FOR H SHAREHOLDERS

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1.14 use of proceeds

1.15 listing/trading arrangements

1.16 validity period of the resolution for the issuance of Offshore Preference Shares

1.17 matters relating to authorisation

### Notice of Closure of Register of Members

The register of holders of H Shares of the Company will be closed from Tuesday, May 31, 2016 to Thursday, June 30, 2016 (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 H Share Class Meeting 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 Monday, May 30, 2016. Shareholders whose names appear on the H Share register of members of the Company at the close of business on Monday, May 30, 2016 will be entitled to attend the H Share Class Meeting.

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 2015 and the H Share Class Meeting of the Company dated May 16, 2016. 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*

May 16, 2016

*Notes:*

1. The register of members of the Company will be closed from Tuesday, May 31, 2016 to Thursday, June 30, 2016 (both days inclusive). Holders of H Shares whose names appear on the register of members of the Company at the close of business on Monday, May 30, 2016 shall be entitled to attend and vote at the H Share Class Meeting. Holders of H Shares of the Company who wish to attend and vote at the H Share Class Meeting shall deposit the share certificate together with the transfer documents at the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, May 30, 2016.

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## NOTICE OF 2016 FIRST CLASS MEETING FOR H SHAREHOLDERS

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2. A holder of H Share entitled to attend and vote at the H Share Class Meeting 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 H Share Class Meeting in person to represent the relevant holder of H Share.
3. The instrument appointing a proxy must be in writing under the hand of a holder of H Shares or his/her attorney duly authorized in writing. If the holder of H Shares 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 holder of H Shares, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.
4. In order to be valid, the proxy form, the notarized power of attorney or other authorization document (if any) must be delivered to 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 H Share Class Meeting or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude a holder of H Shares from attending and voting in person at the H Share Class Meeting or any adjournment thereof if he/she so wishes.
5. Holders of H Shares who intend to attend the H Share Class Meeting in person or by proxy should deliver the reply slip 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 on or before Thursday, June 9, 2016 by hand, by post or by fax (fax no: (852) 2865 0990 for Computershare Hong Kong Investor Services Limited).
6. 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 H Share Class Meeting will be voted by poll.
7. The H Share Class Meeting is expected to last for half a day. Holders of H Shares (in person or by proxy) attending the H Share Class Meeting are responsible for their own transportation and accommodation expenses. Holders of H Shares or their proxies attending the H Share Class Meeting shall produce their identity documents.
8. In the case of joint holders of H Shares, 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 holder(s) of H Shares, 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.