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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 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 2014
WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2014
FINAL FINANCIAL ACCOUNT PLAN FOR 2014
PROFIT DISTRIBUTION PLAN FOR 2014
FIXED ASSETS INVESTMENT BUDGET FOR 2015
APPOINTMENT OF ACCOUNTING FIRM FOR 2015
AND
NOTICE OF AGM FOR 2014**

A notice of convening the AGM of China Cinda Asset Management Co., Ltd. at Conference Room 1111, 11th Floor, No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the PRC on Monday, June 29, 2015 at 9:30 a.m. is set out on pages 26 to 29 of this circular.

If you wish to appoint a proxy to attend the AGM on your behalf, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon no later than 24 hours before the time appointed for holding the AGM or any adjourned meeting thereof (as the case may be). If you wish to attend the AGM in person or by proxy, you are required to complete and return the accompanying reply slip on or before Monday, June 8, 2015. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any adjourned meeting should you so wish.

May 14, 2015

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DEFINITIONS

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

“AGM”	the annual general meeting for 2014 of the Company to be held at Conference Room 1111, 11th Floor, No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the PRC on Monday, June 29, 2015 at 9:30 a.m.
“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
“Director(s)”	director(s) of the Company
“H Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange
“Happy Life”	Happy Life Insurance Co., Ltd. (幸福人壽保險股份有限公司), a subsidiary of our Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“(our) Company”	China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司), 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, Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including H Shares and domestic shares
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“subsidiary(ies)”	has the meanings ascribed to it under the Listing Rules
“Supervisor(s)”	supervisor(s) of the Company

LETTER FROM THE BOARD



China Cinda Asset Management Co., Ltd.

中國信達資產管理股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 01359)

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 14, 2015

To the Shareholders

Dear Sir or Madam,

**WORK REPORT OF THE BOARD FOR 2014
WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2014
FINAL FINANCIAL ACCOUNT PLAN FOR 2014
PROFIT DISTRIBUTION PLAN FOR 2014
FIXED ASSETS INVESTMENT BUDGET FOR 2015
APPOINTMENT OF ACCOUNTING FIRM FOR 2015
AND
NOTICE OF AGM FOR 2014**

1. INTRODUCTION

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

LETTER FROM THE BOARD

2. MATTERS TO BE CONSIDERED AT THE AGM

Ordinary resolutions to be proposed at the AGM for the Shareholders to consider and approve include: (a) the work report of the Board for 2014; (b) the work report of the Board of Supervisors for 2014; (c) final financial account plan for 2014; (d) the profit distribution plan for 2014; (e) fixed assets investment budget for 2015; and (f) the appointment of accounting firm for 2015.

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 2014.

Details of the matters to be considered at the AGM are set out on pages 26 to 29 in the Notice of AGM for 2014 in this circular. In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make well-informed decisions, the Company has provided detailed information in this circular, including matters to be considered at the 2014 AGM (see Appendix I), the work report of the Board for 2014 (see Appendix II), the work report of the Board of Supervisors for 2014 (see Appendix III), and the work report of the independent non-executive Directors for 2014 (see Appendix IV).

3. AGM

The AGM will be held at Conference Room 1111, 11th Floor, No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the PRC on Monday, June 29, 2015 at 9:30 a.m.. The notice of the meeting is set out in this circular.

In order to determine the holders of H Shares who are entitled to attend the AGM, the H Shares register of members of the Company will be closed from Saturday, May 30, 2015 to Monday, June 29, 2015 (both days inclusive), during which no transfer of H Shares will be effected. Holders of H Shares of the Company who intend to attend the AGM shall deposit the share certificates together with the transfer documents at the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at or before 4:30 p.m. on Friday, May 29, 2015. Holders of H Shares whose names appear on the H Shares register of members of the Company at the close of business on Friday, May 29, 2015 are entitled to attend the AGM.

A proxy form and a reply slip for use at the AGM are enclosed herein and also published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk). Shareholders of H Shares who intend to attend the AGM by proxy shall complete and return the proxy form to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 24 hours before the time appointed for holding the AGM. Completion and return of the proxy form will not preclude a Shareholder from attending the AGM and voting in person if he so wishes. Holders of H Shares who intend to attend the AGM in person or by proxy should complete and return the reply slip by hand, by post or by fax to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before Monday, June 8, 2015.

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

LETTER FROM THE BOARD

4. RECOMMENDATION

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

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

I. TO CONSIDER AND APPROVE THE WORK REPORT OF THE BOARD FOR 2014

In accordance with the applicable regulatory requirements and the Articles, and based on the work of the Board of the Company in 2014, the Company formulated the “Work Report of the Board for 2014 of China Cinda Asset Management Co., Ltd.” (see Appendix II).

Such report has been considered and approved at the second meeting and the second regular meeting of the Board in 2015, 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 WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2014

In accordance with PRC Company Law and the Articles, and based on the work of the Board of Supervisors in 2014, the Board of Supervisors of the Company formulated the “Work Report of the Board of Supervisors for 2014 of China Cinda Asset Management Co., Ltd.” (see Appendix III).

Such report has been considered and approved at the third meeting and the first regular meeting of the Board of Supervisors in 2015, 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 2014

The consolidated financial statements and audit report were prepared in accordance with the International Financial Reporting Standards. Details of the Final Financial Account Plan of the Group for 2014 are set out as follows:

(I) Overall results of operation

In 2014, the profit before tax, net profit and net profit attributable to equity holders of the Company were RMB16,307 million, RMB12,143 million and RMB11,896 million, respectively. Earnings per share, return on average assets, return on average shareholders’ equity and capital adequacy ratio were RMB0.33, 2.62%, 14.0% and 18.08%, respectively.

As at the end of 2014, total assets amounted to RMB544,427 million, representing an increase of 41.86% as compared with the beginning of 2014. Assets in distressed asset management segment increased by 40.41% to RMB320,973 million. Total liabilities were RMB442,564 million, representing an increase of 47.02% as compared with the beginning of 2014.

As at the end of 2014, total equity and equity attributable to equity holders of the Company were RMB101,863 million and RMB93,369 million, representing increases of 23.08% and 22.86%, respectively, as compared with the beginning of 2014. Net proceeds from the exercise of the over-allotment option of the initial public offering of the Company were RMB2,184 million.

The tables below set forth the major operating data:

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

Item	2014	2013
Total assets	544,427.42	383,785.41
Total liabilities	442,564.16	301,023.29
Equity	101,863.26	82,762.12
Equity attributable to equity holders of the Company	93,368.86	75,998.27
Operating income	59,790.06	42,413.19
Profit before tax	16,306.70	11,772.04
Net profit	12,142.75	9,100.97
Net profit attributable to equity holders of the Company	11,896.24	9,027.28
Return on average shareholders' equity (%)	14.0	13.8
Return on average assets (%)	2.62	2.85
Cost-to-income ratio (%)	24.0	26.2
Basic earnings per share (in RMB Yuan)	0.33	0.30
Capital adequacy ratio (%)	18.08	21.58

(II) Major financial income and expenses

1. Operating income

In 2014, operating income was RMB59,790 million, representing an increase of 40.97% as compared with the same period last year. Income from distressed debt assets classified as receivables was RMB18,114 million, representing an increase of RMB7,969 million as compared with last year. Fair value changes on distressed debt assets were RMB4,077 million, representing a decrease of RMB540 million as compared with last year. Investment income was RMB9,116 million, representing an increase of RMB2,073 million as compared with last year. Other income was RMB28,483 million, representing an increase of RMB7,875 million as compared with last year.

2. Operating expenses

In 2014, operating expenses were RMB42,034 million, representing an increase of 37.36% as compared with the same period last year. Interest expense was RMB15,961 million, representing an increase of RMB8,157 million as compared with last year. Impairment losses on assets were RMB5,438 million, representing a decrease of RMB715 million as compared with last year. Employee benefits were RMB4,601 million, representing an increase of RMB803 million as compared with last year. Wages and salaries, bonuses, allowances and subsidies under the payable employee benefits in 2014 increased by RMB611 million, or 19.07%, to RMB3,814 million as compared with last year. Other expenses were RMB16,034 million, representing an increase of RMB3,187 million as compared with last year.

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

Item	2014		Growth rate (%)	2013
	Amount	Change		
Income from distressed debt assets classified as receivables	18,113.57	7,969.41	78.56	10,144.16
Fair value changes on distressed debt assets	4,077.50	-540.13	-11.70	4,617.63
Investment income	9,116.47	2,072.62	29.42	7,043.85
Other income	28,482.53	7,874.97	38.21	20,607.56
Total income	59,790.06	17,376.87	40.97	42,413.19
Interest expense	(15,961.12)	(8,157.36)	104.53	(7,803.76)
Impairment losses on assets	(5,438.07)	715.21	(11.62)	(6,153.28)
Employee benefits	(4,600.56)	(803.12)	21.15	(3,797.44)
Other expenses	(16,033.84)	(3,187.37)	24.81	(12,846.47)
Total expenses	(42,033.58)	(11,432.63)	37.36	(30,600.95)
Change in net assets attributable to other holders of consolidated structured entities	(1,909.95)	(1,369.49)	253.39	(540.46)
Share of results of associates	460.17	(40.09)	(8.01)	500.26
Profit before tax	16,306.70	4,534.66	38.52	11,772.04
Income tax expense	(4,163.95)	(1,492.88)	55.89	(2,671.07)
Net profit for the year	12,142.75	3,041.78	33.42	9,100.97
Profit attributable to:				
Equity holders of the Company	11,896.24	2,868.96	31.78	9,027.28
Non-controlling interests	246.51	172.82	234.52	73.69

3. Financial position

As at the end of 2014, total assets amounted to RMB544,427 million, representing an increase of RMB160,642 million as compared with the beginning of 2014. Assets in the three segments including distressed asset management, financial investment and asset management, and financial services were RMB320,973 million, RMB110,860 million and RMB123,560 million, representing increases of RMB92,370 million, RMB38,084 million and RMB37,312 million as compared with the beginning of 2014, respectively.

As at the end of 2014, total equity was RMB101,863 million, representing an increase of RMB19,101 million as compared with the beginning of 2014. Net assets in the three segments including distressed asset management, financial investment and asset management, and financial services were RMB51,620 million, RMB31,312 million and RMB22,085 million, representing increases of RMB12,383 million, RMB2,314 million and RMB7,529 million as compared with the beginning of 2014, respectively.

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

	2014		2013		As at December 31, 2014		2013	
	Total assets	Percentage in total (%)	Total assets	Percentage in total (%)	Net assets	Percentage in total (%)	Net assets	Percentage in total (%)
Distressed asset management	320,973.46	58.96%	228,603.89	59.57%	51,619.73	50.68%	39,237.04	47.41%
Financial investment and asset management	110,860.24	20.36%	72,776.37	18.96%	31,312.03	30.74%	28,998.25	35.04%
Financial services	123,560.44	22.70%	86,248.24	22.47%	22,084.60	21.68%	14,555.15	17.59%
Elimination	(10,966.73)	(2.01%)	(3,843.08)	(1.00%)	(3,153.11)	(3.10%)	(28.31)	(0.03%)
Total	544,427.42	100.00%	383,785.41	100.00%	101,863.26	100.00%	82,762.12	100.00%

(III) Disaster contingency plan and construction of recovery base

In 2014, the disaster recovery and support base underwent several rounds of optimization in the mechanical engineering process. Considering that the investments should be made rationally, the mechanical engineering process was split into phases. The interior design plan was also optimized. The use of the two exclusive power cables within the construction site was officially approved at the end of November. As at the end of 2014, this project is estimated to be 52% completed.

Such resolution has been considered and approved at the second meeting and the second regular meeting of the Board in 2015, 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 2014

According to the audited financial report for 2014 of the Company, the Group recorded a net profit attributable to equity holders of the Company of RMB11,896 million and the Company recorded a net profit of RMB9,112 million in 2014. Proposed profit distribution plan for 2014 is as follows:

- (I) In accordance with PRC Company Law and the Articles, an appropriation of RMB9,112 million, or 10% of the net profit for 2014 of the Company of RMB911 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 2014 of the Company amounts to RMB1,690 million.
- (III) Cash dividends for 2014 of RMB0.985 per 10 Shares (tax inclusive), totaling RMB3,571 million, would be distributed to all Shareholders (Shareholders whose names appear in the register of shareholders after the close of market on July 9, 2015).

Such resolution has been considered and approved at the second meeting and the second regular meeting of the Board in 2015, 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 2015

In accordance with the Articles and relevant requirements, the Company formulated the Fixed Assets Investment Budget of the Company for 2015. The budget for the fixed assets investment for 2015 is proposed to be RMB547.60 million, including:

- The budget for the expenses of disaster contingency plan and construction of recovery base is proposed to be RMB477.00 million;
- The budget for purchases of fixed assets and intangible assets is proposed to be RMB59.60 million;
- The budget for expenditure for renovation of offices is proposed to be RMB11.00 million.

Such resolution has been considered and approved at the first meeting and the first regular meeting of the Board in 2015, 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. APPOINTMENT OF ACCOUNTING FIRM FOR 2015

In accordance with the relevant requirement under the "Administrative Measures of the Tendering Procedures for the Appointment of Accounting Firms by Financial Enterprises (Provisional)" (《金融企業選聘會計師事務所招標管理辦法(試行)》) (Caijin No. [2010] 169) (the "Measures") issued by the Ministry of Finance, the term of appointment of an accounting firm by a financial enterprise shall not in principle exceed five years. Since the term of service of Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu, the external auditors of the Company, has reached the limit stipulated in the Measures, the Company shall appoint other onshore and offshore accounting firms for 2015. In accordance with the Measures and the requirement of "Rules for Centralized Procurement Management" (《集中採購管理規程》) of the Company, the Company has arranged for the appointment of accounting firms for 2015.

Based on the results of selection, the Company has proposed to appoint Ernst & Young Hua Ming LLP and Ernst & Young as the onshore and offshore auditors for 2015, respectively, responsible for the audit of financial statements, review of the interim financial statements, audit of internal control and other professional services for 2015. The total auditing fee will be RMB9.15 million (excluding audit fees of subsidiaries), which includes fees for the review of interim financial statements for 2015, the audit of annual financial statements for 2015 and the audit of internal control of RMB3.00 million, RMB5.02 million and RMB1.13 million, respectively.

Such resolution has been considered and approved at the first extraordinary general meeting in 2015 held on February 10, 2015, and is hereby submitted to the Shareholders' general meeting for consideration and approval in accordance with the requirement that "the issuer must at each annual general meeting appoint an auditor" under Rule 13.88 of the Listing Rules.

VII. TO REVIEW THE WORK REPORT OF INDEPENDENT NON-EXECUTIVE DIRECTORS FOR 2014

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 2014 is set out in Appendix IV 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 2014

2014 was the first complete operating year of the Company since its listing. In face of a sophisticated economic and financial landscape both at home and abroad, the Board insisted that the Company maintain a steady and progressive development, adapt to the new development norm and capture new opportunities that the challenges brought along. The Board pushed for reforms in management mechanisms with prudence, accelerated the business transformation and strengthened risk management and internal controls, leading to a steady improvement of the Company's operating results and quality of development. As at December 31, 2014, the consolidated total assets of the Group amounted to RMB544.43 billion, representing an increase of 41.9% as compared to the corresponding period of the previous year. Net profit of the Group amounted to RMB12.14 billion, representing an increase of 33.4% as compared to the previous year. Equity and net profit attributable to equity holders of the Company were RMB93.37 billion and RMB11.90 billion, representing increases of 22.9% and 31.8% respectively as compared to the corresponding period of the previous year. Return on average shareholders' equity (ROE) was 14.0% and return on average assets (ROA) was 2.62%.

In 2014, the Board strictly complied with the requirements of the relevant laws, regulations, regulatory provisions and the Articles and implemented the resolutions adopted at Shareholders' general meetings. The Company's corporate mechanism was continuously enhanced and improved. All Directors duly and diligently performed their duties and made a great contribution to the systematic decision-making and management of the Company. The Directors also facilitated the smooth operation of the Company and enhanced its overall competitiveness, thereby protecting the interests of its Shareholders. The work schedule for 2014 was satisfactorily completed and the details are hereby reported by the Board as follows:

I. THE STUDY ON THE DEVELOPMENT STRATEGIES OF THE COMPANY WAS ENHANCED TO FACILITATE THE SUSTAINABLE DEVELOPMENT OF THE COMPANY

(I) Closely monitoring the economic and financial situations and refining the development strategies of the Company

In 2014, the Board closely monitored the changes in economic and financial situations at home and abroad, analyzed and understood China's new development norm and strengthened the evaluation and refining of the Company's development strategies. Firstly, research on the overall development strategy of the Company was conducted with a focus on the changes in global economic and financial situations based on the Strategic Development Plan of the Company (《公司戰略發展規劃綱要》), so as to facilitate the implementation of the Company's strategic development plans. Secondly, the strategic management of the subsidiaries of the Group was strengthened and supervision was carried out on the subsidiaries to help them improve their development strategies in accordance with the Group's strategic plan, thereby boosting strategic coordination within the Group. Thirdly, an evaluation was done on the progress of implementation of the strategic development plan of the Group, along with an in-depth business research, collection of general information and having fully considered the opinions and suggestions that the branches and subsidiaries offered on the Company's development strategies and business transformation.

(II) Consolidating the strengths of core business and accelerating the business transformation of the Company

The Board is committed to establishing a globally well-known asset management and financial services brand and developing into a modern financial enterprise with core competitiveness. Based on its judgment on future development trends and an in-depth research on the new economic developments norms, the Board guided the Company in enriching its management profile of distressed assets and in increasing its scale of acquisition of traditional distressed assets. These initiatives of the Company were made to maintain the leading position of its core business in the industry. Furthermore, to ensure its sustainable development, the Company was led by the Board to proactively conduct business transformation and upgrading in line with the market demand. Efforts were also made to develop alternative asset management business. The Company also expanded into special situations investment business and strived for innovations in its financial services. With the coordinated development of its three major business segments, the Company is able to build a diversified business platform and provide comprehensive and customized integrated financial services for different corporate customers.

II. CONSTANTLY IMPROVING CORPORATE GOVERNANCE MECHANISM AND FURTHER STRENGTHENING CORPORATE GOVERNANCE EFFECTIVENESS

(I) Organizing meetings in compliance with laws to consider issues relating the Company's major business

The Board took part in corporate operation through convening Board meetings in accordance with its obligations. In 2014, the Board held four meetings, in which 25 resolutions were passed and ten work reports were reviewed. In addition, the special committees held 19 meetings for the whole year, in which 23 resolutions were passed and 15 work reports were received. Among the resolutions passed, there were six resolutions on management matters, three resolutions on project approval, six resolutions on work reports, four resolutions on appointment or dismissal of employees, three resolutions on remuneration and insurance matters and three other resolutions. The decision on resolutions covered different areas and major projects under the management of the Company. As a result, the corporate governance and the decision-making efficiency were further improved.

(II) Adjusting and replacing directors, and optimizing the structure of special committees under the Board

In 2014, the Board strictly complied with the relevant requirements under the laws, regulations and regulatory provisions, and successfully completed the resignation of two non-executive Directors and appointment of new Directors, which ensured the stability and professionalism of the Board members as well as maintained the normal operations of the Board. At the same time, corresponding adjustments were made to the members of the special committees under the Board based on the respective strengths and expertise of each Director, so as to fully capitalize on the consultancy function of each special committee.

(III) Refining corporate governance system

As new regulations are continuously launched, the regulatory activities have become more standardized. In light of the increasingly intertwined 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 2014, the Board revised the Administrative Measures for Related Party Transactions of the Company (《公司關聯交易管理辦法》), urged the management to improve the Administrative Measures for Credit Risk (《信用風險管理辦法》), the Administrative Measures for Market Risk (《市場風險管理辦法》), the Administrative Measures for Operational Risk (《操作風險管理辦法》) and other systems to accommodate to the business development needs of the Company.

(IV) 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 2014, Directors participated in trainings held by industrial organizations, professional institutions and the Company on corporate governance, annual audits as well as the latest updates on Chinese and international accounting standards. In order to ensure the smooth performance of duties of Directors, the Company arranged for the relevant business departments to report to the new non-executive Directors on the operations of the Company. In addition, Directors kept learning various regulatory information and the latest regulatory requirements during the daily performance of their duties, including corporate governance rules, listing rules and other relevant laws and regulations and regulatory documents. Directors also broadened and updated their knowledge and skills so as to enhance their performance of duties. In 2014, all Directors were diligent and responsible, and duly reviewed proposals submitted to the Board, showing a strong sense of responsibility and professionalism.

III. STRENGTHENING INTERNAL CONTROL AND AUDIT SUPERVISION TO IMPROVE RISK MANAGEMENT AND CONTROL SYSTEM**(I) Strengthening internal control to fully utilize the supervisory function of the internal and external auditors**

The Board attached great importance to the role of internal control in corporate governance. In 2014, the Board duly considered the internal control evaluation report for 2013, made relevant recommendations for improvement and supervised the rectification. It guided the formulation of an internal audit plan for 2014. The Board also received regular reports on the audit progress so as to strengthen the guidance and supervision on the internal audit. The Board also took a leading role in formulating evaluation and implementation plans for internal control. It evaluated the effectiveness of internal control on multiple levels including risk management, internal supervision, financial management, business operations and information communication of the Company. It also engaged accounting firms to audit and issue audit report on the effectiveness of the Company's financial report. 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.

(II) Firmly protecting the risk bottom line and enhancing the overall risk management standard

The Board adhered strictly to its risk management concept of “protecting the bottom-line by managing risks proactively”. In 2014, special management was carried out through “reducing overdue payment and protecting risks”. Non-performing loan ratio was effectively reduced through joint efforts of all members of the Group. In addition, the Board further enhanced the risk management level of the Company by optimizing the structure of the risk management organization, risk management system and the information system of risk implementation.

IV. DISCLOSING INFORMATION IN COMPLIANCE WITH LAWS AND REGULATIONS AND ATTACHING HIGH IMPORTANCE TO COMMUNICATION AND INTERACTION WITH INVESTORS

(I) Operating in accordance with laws and regulations and continuously improving information disclosure

The Board strived to duly disclose information in accordance with laws and regulations and supervisory requirements by making timely disclosure of information such as annual and interim reports and results announcements of the Company. While strengthening the transparency of the Company’s operational management, the Board carried out voluntary disclosure of information which may affect the interest of investors in order to keep them well informed.

(II) Carrying out positive and efficient interaction to strengthen investor relations management

While maintaining efficient information disclosure, the Board also attached high importance to the communication with investors. The Company arranged face-to-face communications with mainstream media, such as Financial Times, 21 Century Business Herald, The Economic Observer and Securities Times, for the disclosure of its philosophy and model of business restructuring. The Company also organized the “Distressed Asset Business Investors Campaign” (不良債權資產業務投資者日) to communicate with investors through various means in respect of the business model of the distressed assets industry and its investment value. The campaign was well received by the capital market and investors. Moreover, the Company also communicated with investors through publication of results at home and abroad, road shows, large-scale investment forums and daily visits to introduce its results development and investment returns to investors. The Company also answered investors’ enquiries with a view to enhancing investors’ understanding of the Company while boosting its recognition in the capital market.

V. CAPITALIZING ON THE DUTIES OF THE SPECIAL COMMITTEE OF THE BOARD TO SUPPORT ITS EFFICIENT AND EFFECTIVE DECISION MAKING

In 2014, 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, connected party transaction control, supervision of audit work, management of remuneration of Directors and senior management. These efforts supported the efficient decision making of the Board.

The Strategy and Development Committee of the Board conducted three meetings to consider five resolutions, including the 2014 operation plan, the 2014 fixed assets investment budget, the 2013 final financial account plan and the issuance of financial bond by the Company and received the 2013 corporate governance report.

The Audit Committee of the Board conducted five meetings to review eight resolutions, including the 2013 annual report and results announcement, the 2013 internal control evaluation report of the Company, the 2014 internal audit plan, the appointment of external accounting firm, the 2014 interim report and results announcement, and the implementation measures on internal control evaluation. The Audit Committee received six reports, including the establishment of reporting mechanism of the Company, the 2013 audit management proposal and the 2014 audit plan for financial statements.

The Risk Management Committee of the Board conducted five meetings to consider and receive five resolutions, mainly including the review of the 2013 risk management report of the Company and quarterly risk management reports for 2014.

The Nomination and Remuneration Committee of the Board conducted three meetings to consider six resolutions for the year, including the initial verification of the qualification of candidates for non-executive Director, the nomination of certain members of special committees of the Board and the payment of the remuneration of Directors and senior management for 2013.

The Related Party Transaction Control Committee of the Board conducted three meetings to consider and receive seven resolutions, mainly including the confirmation of the resolutions of the related party, the 2013 related party transaction report, the revision of the related party transaction control regulations, the report on the establishment of related party transaction control system of the Company and the report on the 2013 internal transactions of the Group.

VI. IMPLEMENTATION OF RESOLUTIONS ADOPTED AT SHAREHOLDERS' GENERAL MEETINGS

In 2014, the Board convened one Shareholders' general meeting to approve eight resolutions, including the election of two non-executive Directors in the Shareholders' general meeting, the 2013 work report of the Board, the 2013 work report of the Board of Supervisors, the 2013 final financial account plan, the 2013 profit distribution plan, the 2014 fixed assets investment budget, the appointment of accounting firm for 2014 and the capital increase in Happy Life.

The Board duly exercised and implemented the relevant resolutions. Directors elected at the Shareholders' general meetings were promptly designated to the relevant special committees of the Board and carried out their duties diligently. For the report of the Board and report of the Board of Supervisors, the Board and the Board of Supervisors completed the follow-up work pursuant to the resolutions of the Shareholders' general meeting. For the profit distribution plan for 2013, the Board completed the specific work of dividend distribution. Regarding the accounting firm for 2014, the Company re-appointed Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu as the domestic and overseas auditors for 2014, responsible for the audit of financial reports, review of the interim report, audit of internal control and other professional services for 2014. For the fixed assets investment budget for 2014, the Company arranged for the implementation of the budget. The investment budget for the disaster contingency plan and construction of recovery base of the Group for 2014 was not completed, mainly because the special machine room construction plan and the interior design plan were under adjustment and improvement, which delayed part of the construction. The Board will make relevant arrangements when preparing the fixed asset investment budget for 2015. For the resolution on capital increase in Happy Life, the Board completed the increase according to the requirements.

Through implementation of the resolutions of the Shareholders' general meeting, the Board fulfilled its duties conferred under the Articles and safeguarded the legal interests of all Shareholders.

2015 is a crucial year for the Company's transformation and development. It is also a year marking the end of its first five-year development plan since its reform. In the face of a stricter supervision at home and abroad as well as more complicated and intense economic financial situation and market competition, the Board will formulate a practical strategic plan with an in-depth and scientific research. Adhering to this year's mission and operation objectives of the Company, the Board will continue to improve corporate governance and the duties and functions of the Board and each specific committee. The Board will further enhance its comprehensive risk management and disclose information in accordance with laws and regulations. Efforts will also be made to ensure effective investor relations, maintain stable growth in operating results and standardize operations. It will also strive to facilitate transformation and development of the Company as it enters a new phase.

CHINA CINDA ASSET MANAGEMENT CO., LTD.
WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2014

In 2014, pursuant to the laws and regulations, Articles and regulatory requirements, the Board of Supervisors focused on the development strategies of the Company, performed its supervisory duties, conducted daily supervision and evaluation so as to improve the corporate governance and maintain the sustainable and sound development of the Company.

I. MAJOR WORK COMPLETED

The Board of Supervisors convened meetings pursuant to the laws. In 2014, the Board of Supervisors held ten meetings to review and approved 21 resolutions including the work report of the Board of Supervisors, the supervision report of the Board of Supervisors, the internal control evaluation report and performance evaluation reports. Meanwhile, the Board of Supervisors reviewed four special reports regarding the audit of the annual report of the Company, comprehensive risk management and internal controls and compliance, overall operating performance, asset management and fund business, and discussed important matters including the implementation of resolutions of the Board of Supervisors and the Supervision Committee. In 2014, the Supervision Committee of Board of Supervisors held six meetings.

The Board of Supervisors duly implemented performance supervision and evaluation. It strengthened the supervision of the performance, the implementation of major policies and the lawful operation of the Board, senior management and their members, through attending meetings, studying and analyzing relevant information, reviewing performance reports, conducting visits and interviews and carrying out performance examination. It organized the annual performance supervision and evaluation, issued performance evaluation reports of Directors and senior management and made reports and disclosure in accordance with the relevant requirements.

The Board of Supervisors enhanced financial supervision by supervising regular reports, review and disclosure of regular reports to analyze major issues which may affect the truthfulness, accuracy and completeness of financial reports, conducting special investigation regarding financial management of the Group, conducting special financial investigations and supervising the use of proceeds. It also supervised and evaluated the independence and effectiveness of the work of auditors.

The Board of Supervisors further implemented internal supervision. It focused on the construction of the internal control system of the Company by regularly reviewing reports regarding internal control and compliance and major issues identified during internal audits, following up the rectification of identified issues and conducting on-site examination of internal control of the Company, so as to strengthen the supervision on the internal control system and evaluation of its effectiveness.

The Board of Supervisors continuously strengthened risk management supervision with emphasis on the supervision of the comprehensive risk management system of the Company. It regularly reviewed special reports regarding risk management, further conducted investigations of risk management and asset quality, and provided relevant opinions and suggestions.

The Board of Supervisors continued to monitor and promote the implementation of the Company's strategies. It organized and initiated special investigation and evaluation, and provided opinions and suggestions on the implementation of strategies and the planning of new strategies to promote the implementation of researches on the relevant aspects.

The Board of Supervisors improved its capability. It studied and formulated regulations and guidance opinions for the Board of Supervisors of the Company and of its subsidiaries, further improved the supervision mechanisms, arranged trainings for supervisors of the Company and its subsidiaries and strived to improve overall supervision. All members of the Board of Supervisors duly performed their duties in accordance with laws and regulations, attended meetings of the Board of Supervisors timely, and participated in the studying, consideration and voting of resolutions, conducted in-depth investigation and research. They also attended Board meetings and its special committees and meetings of the senior management to perform their 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 laws, regulations and Articles. Directors and senior management duly performed their duties. The Board of Supervisors is not aware of any breach of laws, regulations and Articles or any act detrimental to the interests of the Company by any of the Directors or senior management in performing their duties.

Financial reports

The financial reports for the year 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 2014 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 2014.

Implementation of resolutions adopted at Shareholders' general meetings

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

Use of proceeds

During the reporting period, the use of proceeds of the Company was in line with the use stated in the prospectus.

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 2014.

CHINA CINDA ASSET MANAGEMENT CO., LTD.
WORK REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS FOR 2014

In 2014, the independent non-executive Directors of the Company strictly complied with PRC Company Law, PRC Securities Law, other laws and regulations, the Articles and working procedures of independent Directors, performed their duties prudently, faithfully and diligently, 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 strengthened their communication with other members of the Board, the Board of Supervisors and members of the senior management, provided valuable and constructive opinions for the Company with their expertise and experience, and facilitated the continuous improvement of reasonable decision-making and corporate governance of the Board, which have protected the legal interests of Shareholders 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, 2014 to December 31, 2014, 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 the procedural rules of Board meetings, Articles and relevant regulatory requirements.

(I) Biographies of independent non-executive Directors

Mr. Li Xikui, aged 70, has been independent non-executive Director of the Company since June 2010. He was accredited as a researcher of CCB's head office by CCB in January 1993, and receives special allowance from the State Council. Mr. Li successively served as deputy director, deputy department director, vice president of head office, and director of the Research Institute of CCB 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 directors of Galaxy Fund Management Co., Ltd from February 2006 to April 2010, and independent non-executive director of Chiho-Tiande Group Limited 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 57, has been 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 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. Mr. Qiu currently is 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 SSE, stock code: 601288). He is also 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 66, has been 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 was the deputy chairman of Ernst & Young Hong Kong and China until his retirement at the end of 2003. Mr. Chang is also 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 independent non-executive director of Kerry Properties Limited (listed on Hong Kong Stock Exchange, stock code: 00683) since December 2012. Mr. Chang served as independent director of China World Trade Center Co., Ltd (listed on the SSE, stock code: 600007) from December 2004 to November 2010, and 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. Since September 2014, Mr. Cheung has served as independent non-executive director and chairman of the audit committee of Hua Hong Semiconductor Ltd. (listed on Hong Kong Stock Exchange, stock code: 01347). Since October 20, 2014, Mr. Cheung has served as independent director, chairman of the nomination and remuneration committee and member of the audit committee of the board of directors of China Life Insurance Co. Ltd. (listed on Hong Kong Stock Exchange, stock code: 02628; and the SSE, 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 51, has been 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. He currently serves as the Essilor Chair Professor of Accounting, Associate Dean and member of Management Committee, and has also served as a member of Financial Budget Committee since October 2009. Mr. Xu has been appointed as independent non-executive Director and chairman of the Audit Committee of The People's Insurance Company (Group) of China Limited (listed on Hong Kong Stock Exchange, stock code: 01339) since September 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 has served as independent director and chairman of the Audit Committee of DongyiRisheng Home Decoration Group Limited Company since December 2010. Since December 2012, Mr. Xu has served as independent director and chairman of the Audit Committee of Shanghai Shyndec Pharmaceutical Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600420). Mr. Xu has served as independent director of Sany Heavy Industry Co., Ltd (listed on the Shanghai Stock Exchange, stock code: 600031) since January 2013 and as chairman of the Audit Committee since July 2013. 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 2014, the Company held one Shareholders' general meeting to consider and approve eight resolutions. The Company held four Board meetings to consider 25 resolutions and review ten reports. The Company held 19 meetings of special committees to consider 23 resolutions and review 15 reports. The independent non-executive Directors of the Company performed their duties diligently and duly considered and approved each resolution, exercised voting rights in a prudent and cautious manner based on sufficient studies and communications, fully performed their role of consultation for decision making, provided constructive and professional opinions and recommendations in corporate governance, internal controls and audit supervision, expressed independent opinions on significant matters such as profit distribution plan and remuneration of Directors and senior management. No opinions expressed are qualified, dissent or unable to present.

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 Meetings attended/required to attend						
	Shareholders' general meetings	Special committees under the Board					Related Party Transaction Management Committee
		The Board	Strategic Development Committee	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	
Li Xikui	1/1	4/4	3/3	5/5		3/3	
Qiu Dong	1/1	4/4				3/3	3/3
Chang Tso Tung, Stephen	1/1	4/4	3/3	5/5			
Xu Dingbo	1/1	4/4		5/5	5/5		3/3

Note: "Number of Meetings attended" includes on-site attendance, attendance through telephone 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 four Board meetings to consider 25 resolutions and review ten reports. The resolutions which were passed by the Board included six resolutions on management matters, three resolutions on project approval, six resolutions on work reports, four 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 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 in 2014 is as follows:

The Strategic Development Committee of the Board conducted three meetings to consider five resolutions, including the 2014 operation plan, the 2014 fixed assets investment budget, the 2013 final financial account plan and the issuance of financial bonds of the Company; and received the 2013 corporate governance report of the Company. The independent non-executive Directors provided constructive opinions on the development and strategic management of the Company, the annual operation planning, the management of fixed assets investments, information technology development and financing, in order to support the systematic decision making of the Board.

The Audit Committee of the Board conducted five meetings to review eight resolutions including the 2013 annual report and annual results announcement, the internal control evaluation report for 2013, the internal audit work plan for 2014, the appointment of external accounting firms, the interim report for 2014 and interim results announcement and the implementation plan for internal control evaluation of the Company, and received six reports including the progress of the reporting mechanism of the Company, recommendations on audit management for 2013 and audit plan for financial statements for 2014.

The Risk Management Committee of the Board conducted five meetings to consider five resolutions, including the review of the 2013 risk management report and quarterly risk management reports for 2014. Based on market change, industry development and risk exposure of the Company, the independent non-executive Directors provided numerous constructive suggestions for the Company to further strengthen the establishment and implementation of comprehensive risk management system.

The Nomination and Remuneration Committee of the Board conducted three meetings to consider the preliminary verification of the qualification of candidates for non-executive Directors, the nomination of members of certain special committees of the Board, and the payroll plan of the remuneration of Directors and senior management for 2013. Six resolutions were considered to effectively ensure the smooth change of members of the Board and special committees of the Board, the implementation of comprehensive evaluation and incentive system, providing opinions and suggestions for further improving the incentive and restriction system and refining the remuneration and appraisal mechanisms.

The Related Party Transaction Control Committee of the Board conducted three meetings to consider seven resolutions, mainly including resolutions on the identification of related parties of the Company, the 2013 related party transaction management report, the amendments to the related party transaction management regulations, the report of the development of the related party transaction management system and the internal transaction report of the Group for 2013. The independent non-executive Directors provided recommendations on enhancing the relationship with related parties, the daily management of related party transactions and the development of information systems.

(III) Interviews and investigation

During the reporting period, in addition to attending Shareholders' general meetings and participating in meetings of the Board and its special committees, the independent non-executive Directors of the Company strengthened their relationship and communications with other members of the Board, the Board of Supervisors, senior management and Shareholders, considered the presentation of the operation of the Company and provided valuable opinions and recommendations. In line with focuses such as economic cyclical changes and sustainable strategies of the Company, the independent non-executive Directors selected and investigated representative branches of the Company, which laid a sound foundation for a better use of expertise and work implementation of the Board.

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

In order to cooperate with the independent non-executive Directors in performing their duties effectively, the Company ensured that the independent non-executive Directors enjoy the same right to know as executive Directors and non-executive Directors, provided working conditions necessary for the independent non-executive Directors to perform their duties, and cooperate with the independent non-executive Directors in implementing their work. Through the Board of Directors' Office, the Company provided the independent non-executive Directors with various services and support, including offering a variety of convenient and flexible communication channels, assisting the independent non-executive Directors in participating in special reports and interviews, and timely providing reference information.

III. HIGHLIGHTED CONCERNS OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors of the Company attached great importance to a number of highlights such as verification of qualification of the Directors of the Company, remuneration of the senior management, implementation of information disclosure, execution of internal controls, appointment of accounting firm, supervision and execution of internal audit, and related party transactions. They made clear judgment on relevant key matters in accordance with laws and regulations and provided independent and objective opinions and suggestions.

(I) Verification of Director's qualification and review of senior management's remuneration

The independent non-executive Directors conducted a preliminary review of the candidates for the Directors of the Company, and nominated the committee members for the special committees of the Board. The independent non-executive Directors also considered the annual remuneration plans of senior management to the Board for consideration based on the annual results of the Company.

(II) Implementation of information disclosure

During reporting period, the Company prepared the annual report for 2013 (the annual results announcement) and the interim report for 2014 (the interim results announcement) in accordance with the standards applicable to listed companies. The independent non-executive Directors duly reviewed such regular reports and results announcements, in particular the truthfulness, accuracy and completeness of the documents, so as to ensure that there are no false information, misleading statements or material omission. The independent non-executive Directors attach great importance to information disclosure, promoting a conscientious culture of information disclosure in the Company.

(III) Implementation of internal control

The independent non-executive Directors have emphasized the importance of internal controls in the Company's corporate governance, duly reviewed the 2013 internal control revaluation report, provided relevant suggestions for improvement and supervised the implementation of rectification. The independent non-executive Directors also guided the formulation of the 2014 internal control valuation implementation measures and conducted effective evaluation in various aspects of internal controls of the Company, such as risk management, internal supervision, financial control, business operation and information communications.

(IV) Appointment of accounting firm

In 2014, in accordance with the relevant requirements of preparing annual report, the independent non-executive Directors maintained adequate communication with external auditors of the Company and supervised the auditing of annual financial reports of the Company. 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 jobs assigned by the Company. The independent non-executive Directors participated in the engagement of accounting firms for 2015 of the Company and provided opinions and suggestions on the engagement of external accounting firms.

(V) Supervision on the internal and external audit

The independent non-executive Directors assisted the formulation of the internal audit plan of the Company for 2014 and regularly received the report on the implementation of the audit work, so as to strengthen the guidance and supervision on the internal audit. They also received audit report and management recommendations from external auditors on a regular basis and supervised the rectification of problems found during the audit process, which steadily improved the corporate governance standard of the Company.

(VI) Cash dividend and other returns to investors

In 2014, the formulation and implementation of policy of cash dividend complied with the requirements of the Articles and the resolutions passed at the general meeting. The standards and proportion of dividends were clear and explicit and the procedures and mechanism of decision making were mature, which met the need of sustainable development of the Company and were considered and approved by the independent non-executive Directors.

(VII) Related party transactions

In 2014, the Company revised the Administrative Measures on Related Party Transactions. The independent non-executive Directors provided suggestions which were in compliance with the regulatory requirements and satisfied the capital market. They also diligently reviewed the matters regarding the related parties of the Company, provided opinions and recommendations on the daily management of related parties and related party transactions thereof in accordance with the relevant requirements, and supervised the compliance of related party transactions.

(VIII) Use of proceeds

During the reporting period, the Company used the proceeds for the required purposes in strict compliance with financial and tax regulations, which greatly contributed to the sustainable growth of its distressed asset management business and improved the capital strength of its major holding subsidiaries.

IV. GENERAL EVALUATION

During the reporting period, the independent non-executive Directors closely monitored the operations of the Company, fully capitalised their expertise and provided independent and objective opinions. The independent non-executive Directors provided valuable opinions and recommendations on the development strategies, risk control, supervision of audit, nomination and remuneration arrangement, engagement of accounting firms and related party transactions management.

In 2015, the independent non-executive Directors will continue to focus on the key works related to the Board in accordance with relevant regulatory requirements and strive to further optimize the corporate governance and strengthen the risk control, so as to contribute to the sustainable development 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 2015

NOTICE OF AGM FOR 2014



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 2014

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of China Cinda Asset Management Co., Ltd. (the “Company”) for the year 2014 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 Monday, June 29, 2015 for the following purposes of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the work report of the Board for 2014
2. To consider and approve the work report of the Board of Supervisors for 2014
3. To consider and approve the final financial account plan for 2014
4. To consider and approve the profit distribution plan for 2014
5. To consider and approve the fixed assets investment budget for 2015
6. To consider and approve the appointment of accounting firm for 2015

AS REPORTING DOCUMENT

1. To review the work report of the independent non-executive Directors for 2014

Notice of Closure of Register of Members

The register of holders of H Shares of the Company will be closed from Saturday, May 30, 2015 to Monday, June 29, 2015 (both days inclusive), during which period no transfer of H Shares will be registered. Any holder of H Shares of the Company who wish to attend 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 no later than 4:30 p.m. on Friday, May 29, 2015. Shareholders whose names appear on the H Share register of members of the Company at the close of business on Friday, May 29, 2015 will be entitled to attend the AGM.

The address of the H Share Registrar of the Company:

NOTICE OF AGM FOR 2014

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 2014 of the Company dated May 14, 2015. 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 14, 2015

Notes:

1. The register of members of the Company will be closed from Saturday, May 30, 2015 to Monday, June 29, 2015 (both days inclusive). Holders of H Shares and domestic shares whose name appear on the register of members of the Company at the close of business on Friday, May 29, 2015 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 Friday, May 29, 2015.
2. The register of members of the Company will be closed from Saturday, July 4, 2015 to Thursday, July 9, 2015 (both days inclusive). Holders of H Shares and domestic shares whose name appear on the register of members of the Company at the close of business on Thursday, July 9, 2015 shall be entitled to receive cash dividend of RMB0.985 (tax inclusive) per 10 shares for 2014 subject to the approval of the Shareholders at the annual general meeting. 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 2014 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 Friday, July 3, 2015. The last trading day for H Shares of the Company before ex-dividend will be Tuesday, June 30, 2015, and the ex-dividend shall start from Tuesday, July 2, 2015.

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

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) 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 2014 to non-resident enterprise shareholders whose name 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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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 (《中華人民共和國個人所得稅法》), the Implementation Regulations of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法實施條例》), the Notice of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties (Tentative) (Guo Shui Fa [2009] No.124) (《國家稅務總局關於印發<非居民享受稅收協定待遇管理辦法(試行)>的通知》(國稅發[2009]124號)), 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) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) 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 2014 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 2014.
- 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 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 2014.
- 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 H Shareholders at the effective tax rate stipulated in the relevant tax treaty in the distribution of the annual dividend for 2014.
- 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 2014.

Profit 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 enter into the Agreement on Distribution of Cash Dividends of H Shares for Southbound Trading (《港股通H股股票現金紅利派發協議》) with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited in due course, pursuant to which, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the H Shareholders for Southbound Trading, will receive all cash dividends distributed by the Company and then distribute the cash dividends to the relevant investors of H Shares of Southbound Trading through its depository and clearing system.

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The cash dividends for the investors of H Shares of Southbound Trading will be paid in RMB. Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (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) (Caishui [2014] No.81), for dividends received by domestic investors by investing in H shares listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds by investing in H shares listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

The record date and the date of distribution of cash dividends and other arrangements for the investors of Southbound Trading will be the same as those for the H Shareholders of the Company.

Should the H Shareholders of the Company have any doubts in relation to the aforesaid arrangements, they are recommended to consult their tax advisors for the relevant tax impacts in mainland China, Hong Kong (or Macau) and other countries (regions) on the possession and disposal of the H Shares of the Company.

3. A Shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on his/her behalf. A proxy needs not to be a Shareholder of the Company, but he/she must attend the AGM in person to represent the relevant Shareholder.
4. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his/her attorney duly authorized in writing. If the Shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its director(s) or duly authorized attorney. If that instrument is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.
5. In order to be valid, the proxy form, the notarized power of attorney or other authorization document (if any) must be delivered to the Board of Directors' Office of the Company for holders of domestic shares and at the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares not less than 24 hours before the time appointed for the holding of the AGM 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 Monday, June 8, 2015 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.