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China Cinda Asset Management Co., Ltd.

中國信達資產管理股份有限公司

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

(Stock Code: 01359 and 4607 (Preference Shares))

ISSUE OF NEW H SHARES UNDER GENERAL MANDATE

Sole Placing Agent, Sole Global Coordinator, Sole Financial Advisor



THE SUBSCRIPTION AGREEMENT

The Board is pleased to announce that on 20 December 2016, the Company, the Investor and CICC entered into the Subscription Agreement pursuant to which the Company has conditionally agreed to allot and issue and the Investor has conditionally agreed to subscribe for 1,907,845,112 new H Shares (constituting approximately 4.999% of the total issued ordinary shares of the Company as enlarged by issue of the Subscription Shares) at RMB2.88 (approximately HK\$3.22) per Subscription Share.

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the existing H Shares in issue on the Completion Date.

GENERAL MANDATE AND LISTING APPROVAL

The Subscription Shares will be allotted and issued under the General Mandate granted to the Board at the AGM of the Company held on 30 June 2016. As of the date of this announcement, no H Shares have been allotted and issued pursuant to the aforesaid General Mandate.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and the permission to deal in, the Subscription Shares.

APPOINTMENT OF SOLE PLACING AGENT

The Company has appointed CICC as the sole placing agent, sole global coordinator and sole financial advisor in relation to the Subscription by the Investor.

As Completion is subject to the satisfaction of certain conditions precedent, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Further announcement(s) will be made by the Company upon Completion in relation to additional information of the Subscription or pursuant to any applicable requirements under the Listing Rules as and when applicable.

THE SUBSCRIPTION AGREEMENT

Summarised below are the principal terms of the Subscription Agreement:

Date:	20 December 2016
Issuer:	the Company
Subscriber:	COSCO SHIPPING Financial Holdings Co., Limited
Settlement agent:	CICC

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Investor and CICC and their respective ultimate beneficial owners are independent of the Group and its connected persons.

Subscription Price

The Subscription Price is RMB2.88 per Subscription Share. The Subscription Price is to be paid in Hong Kong dollars at an exchange rate reflecting the arithmetic average of the central parity rates of Hong Kong dollars to RMB exchange rates published by the PBOC over the three Business Days immediately before (but excluding) the date of the Subscription Agreement (Subscription Price of approximately HK\$3.22 per Subscription Share).

For the purpose of illustration, the Subscription Price of RMB2.88 per Subscription Share (equivalent to approximately HK\$3.22) represents:

- (a) a premium of approximately 21.59% to the closing price of HK\$2.65 per H Share as quoted on the Stock Exchange on 20 December 2016 being the date of the Subscription Agreement;
- (b) a premium of approximately 21.41% to the average closing price of HK\$2.65 per H Share as quoted on the Stock Exchange for the five trading days immediately preceding the date of the Subscription Agreement (excluding 20 December 2016); and

(c) a premium of approximately 19.91% to the average closing price of HK\$2.69 per H Share as quoted on the Stock Exchange for the ten trading days immediately preceding the date of the Subscription Agreement (excluding 20 December 2016).

The aggregate consideration for the Subscription Shares is RMB5,494,593,922.56 (equivalent to HK\$6,147,270,077.60) and will be payable by the Investor at Completion.

The Subscription Price has been negotiated and arrived at on an arm's length basis and by reference to the current market conditions. The Directors are of the opinion that the Subscription Price is fair and reasonable and is in the best interests of the Company and the Shareholders as a whole.

The Subscription

The Subscription Shares are new H Shares with a nominal value of RMB1.00 each in the share capital of the Company.

Under the Subscription Agreement, the Company has agreed to allot and issue and the Investor has agreed to subscribe for 1,907,845,112 new H Shares, representing approximately 16.36% and 5.26%, respectively, of the existing total issued H Shares and the total issued ordinary shares of the Company as at the date of this announcement and approximately 14.06% and 4.999%, respectively, of the total issued H Shares and the total issued ordinary shares of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming no other Shares will be issued prior to the Completion). The aggregate nominal value of the Subscription Shares will be RMB1,907,845,112. The net Subscription Price (after deduction of commissions and expenses relating to the issuance) is approximately HK\$3.17 per Subscription Share.

Ranking of the Subscription Shares

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the existing H Shares in issue on the Completion Date, including the right to receive all dividends and other distributions declared and made after the Completion Date.

Lock-up

The Investor agrees and undertakes and will procure the Investor Subsidiary (in case that the Investor intends to proceed with the Subscription through Investor Subsidiary) to agree and undertake to the Company that it must not, and shall procure the Investor Subsidiary not to, whether directly or indirectly, at any time during the period of twelve (12) months following the Completion Date dispose of any of the Relevant Shares or any interest in any company or entity holding the Relevant Shares without the prior written consent of the Company. Notwithstanding the aforesaid requirements, Investor may transfer Relevant Shares to Investor Subsidiary during the lock-up period.

Conditions

Completion of the Subscription is subject to the satisfaction of the following conditions:

- (a) the approvals of the board of directors and general meeting (if applicable) of the Investor in connection with the Subscription in accordance with the articles of association of the Investor and applicable laws and regulations having been obtained and remaining in full force and effect on the Completion Date;
- (b) the consents and approvals of all relevant PRC regulatory authorities (including the approval of CBRC and CSRC in connection with the Subscription) for the issue of the Subscription Shares having been obtained and such regulatory approvals remaining in full force and effect on the Completion Date; and
- (c) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares and such approval not subsequently revoked prior to the allotment and issue of the Subscription Shares to the account of Investor at HKSCC Nominees Limited and no other events having occurred during or prior to the completion of the trading that may have material and adverse impact on the listing status of H Shares on the Stock Exchange.

Long Stop Date

If any of the above conditions have not been satisfied as of 31 March 2017 (being the Long Stop Date), the Subscription Agreement may be terminated by either party to the Subscription Agreement, upon which (a) the rights and obligations of each party under the Subscription Agreement shall be terminated except for the obligation to pay for the break fee which shall remain in full force and effect and (b) neither party shall have any claim against any other party except for any antecedent breach of the Subscription Agreement.

Break Fee

Subject to the full compliance with terms and conditions of the Subscription Agreement by the Company, if Completion fails to take place solely due to either the failure by the Investor to obtain the approval required under the above condition (a) or to pay the Subscription Monies in accordance with the Subscription Agreement, the Investor shall pay to the Company a break fee of HK\$10 million.

Subject to the full compliance with terms and conditions of the Subscription Agreement by the Investor, if Completion fails to take place solely due to either the non-satisfaction of the above conditions (b) or (c), or the breach of the obligations to allot and issue the Subscription Shares by the Company in accordance with the Subscription Agreement, the Company shall pay to the Investor a break fee of HK\$10 million.

Termination

The Subscription Agreement may be terminated:

- (a) by the Company or the Investor if the conditions have not been fulfilled on or before the Long Stop Date (or such other date as the Company and the Investor may agree);
- (b) by the Company if payment of the Subscription Monies is not received or settled in the time and manner stipulated in the Subscription Agreement;
- (c) by the Company in the event there is a breach of the Subscription Agreement on the part of the Investor;
- (d) by the Investor in the event there is a breach of the Subscription Agreement on the part of the Company; or
- (e) with the written consent of all parties to the Subscription Agreement.

Other Terms

The Subscription Agreement also contains provisions such as representations and warranties which are usual and customary for a transaction of this nature and scale.

GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES AND CORPORATE APPROVALS

The Subscription Shares will be allotted and issued under the General Mandate granted to the Board at the AGM of the Company held on 30 June 2016. Under this General Mandate, the Board is allowed to allot and issue up to 2,331,951,543 H Shares. As of the date of this announcement, no shares have been allotted and issued pursuant to the aforesaid General Mandate and therefore, the Company is allowed to issue up to 2,331,951,543 H Shares under such General Mandate. Accordingly, the issue of the Subscription Shares is not subject to any further approval by the Shareholders. On 18 November 2016, the Board approved the proposal to allot and issue up to 2,331,951,543 H Shares under the General Mandate. All necessary corporate approvals, being the General Mandate and relevant Board approvals in relation to the issue of the Subscription Shares have been obtained.

INFORMATION ABOUT THE INVESTOR

COSCO SHIPPING Financial Holdings Co., Limited is a company incorporated in Hong Kong with limited liability and is a non-listed overseas investment platform for China COSCO Shipping Corporation Limited.

REASONS FOR THE ISSUE OF THE SUBSCRIPTION SHARES AND USE OF PROCEEDS FROM THE ISSUE OF THE SUBSCRIPTION SHARES

The net proceeds of the issue, after deducting the costs related to the issuance, will be used to replenish the Company's Core Tier 1 Capital and support its business development.

The Directors are of the opinion that the terms of the Subscription Agreement (including but not limited to the Subscription Price) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Save as disclosed below, the Company has not conducted any equity fund raising activity during the 12 months immediately preceding the date of this announcement:

Date of announcement	Description of fund raising activity	Net proceeds raised	Intended use of the net proceeds	Actual use of the net proceeds
25 September 2016	Issuance of U.S.\$3,200,000,000 4.45% Non-Cumulative Perpetual Offshore Preference Shares	Approximately RMB21.25 billion	To replenish the Company's Additional Tier 1 Capital and to support its business development	Use as intended

EFFECT ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Subscription is set out below (assuming no other shares have been issued prior to the Completion)

	Approximately % of total issued Domestic Shares, Immediately before the Subscription (Number of Shares)			Approximately % of total issued Domestic Shares, Immediately after completion of the Subscription (Number of Shares)		
	H Shares or Preference Shares (as the case be (%))	Approximately % of total issued Ordinary Shares		H Shares or Preference Shares (as the case be (%))	Approximately % of total issued Ordinary Shares	
ORDINARY SHARES						
DOMESTIC SHARES						
Total Issued Domestic Shares	24,596,932,316	100	67.84	24,596,932,316	100	64.45
H SHARES						
The Investor	—	—	—	1,907,845,112	14.06	4.999
Other public H Shareholders	11,659,757,719	100	32.16	11,659,757,719	85.94	30.55
Total Issued H Shares	<u>11,659,757,719</u>	<u>100</u>	<u>32.16</u>	<u>13,567,602,831</u>	<u>100</u>	<u>35.55</u>
TOTAL ISSUED						
ORDINARY SHARES	<u>36,256,690,035</u>		<u>100</u>	<u>38,164,535,147</u>		<u>100</u>
PREFERENCE SHARES						
TOTAL ISSUED						
PREFERENCE SHARES	<u>160,000,000</u>	<u>100</u>	<u>—</u>	<u>160,000,000</u>	<u>100</u>	<u>—</u>

PRC REGULATORY APPROVALS

The Company has obtained approvals from the CBRC and the CSRC for the issue of the Subscription Shares.

LISTING APPROVAL

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and the permission to deal in the Subscription Shares on the Stock Exchange.

APPOINTMENT OF SOLE PLACING AGENT

The Company has appointed CICC as the sole placing agent, sole global coordinator and sole financial advisor in relation to the Subscription by the Investor.

As Completion is subject to the satisfaction of certain conditions precedent, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Further announcement(s) will be made by the Company upon Completion in relation to additional information of the Subscription or pursuant to any applicable requirements under the Listing Rules as and when applicable.

DEFINITIONS

“Additional Tier 1 Capital”	has the meaning given to Additional Tier 1 Capital (or any equivalent or successor term) in the Rules Governing Capital Management of Commercial Banks (Provisional) issued by the CBRC on 7 June 2012, which became effective on 1 January 2013 (as amended from time to time)
“AGM”	the 2015 annual general meeting of the Company held on 30 June 2016
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays) on which banks are generally open for business in Hong Kong and the PRC
“CBRC”	China Banking Regulatory Commission
“CICC”	China International Capital Corporation Hong Kong Securities Limited
“Company”	China Cinda Asset Management Co., Ltd., a joint stock company incorporated in the PRC with limited liability, whose H Shares are listed on the Stock Exchange (stock code: 01359 and 4607 (Preference Shares))
“Completion”	completion of the Subscription in accordance with the Subscription Agreement
“Completion Date”	the date which is the third Business Day after the date upon which the last of the conditions set out in the Subscription Agreement to be satisfied is satisfied, or such other date as may be agreed in writing by all parties of the Subscription Agreement
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Core Tier 1 Capital”	has the meaning given to Core Tier 1 Capital (or any equivalent or successor term) in the Rules Governing Capital Management of Commercial Banks (Provisional) issued by the CBRC on 7 June 2012, which became effective on 1 January 2013 (as amended from time to time)
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in RMB

“General Mandate”	the general mandate granted at the AGM by the Shareholders to the Board to allot and issue new H Shares not exceeding 20% of the aggregate nominal value of the Company’s H Shares in issue as at the date of the AGM
“Group”	the Company and its subsidiaries
“H Share(s)”	the ordinary share(s) of nominal value of RMB1.00 each in the share capital of the Company which are listed on the Stock Exchange and subscribed for and traded in Hong Kong dollars
“HK\$” or “Hong Kong dollars”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Investor”	COSCO SHIPPING Financial Holdings Co., Limited
“Investor Subsidiary”	a wholly-owned subsidiary of the Investor
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 March 2017
“PBOC”	The People’s Bank of China, the central bank of the PRC
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Relevant Shares”	the Subscription Shares subscribed by the Investor under the Subscription Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of RMB1.00 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by the Investor for the Subscription Shares on and subject to the terms and conditions set out in the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 20 December 2016 entered into between the Company and the Investor

“Subscription Monies”	such sum as is the aggregate of the Subscription Price multiplied by the number of Subscription Shares
“Subscription Price”	RMB2.88 per Subscription Share payable in Hong Kong dollars at an exchange rate reflecting the arithmetic average of the central parity rates of Hong Kong dollars to RMB exchange rates published by the PBOC over the three Business Days immediately before (but excluding) the date of the Subscription Agreement (equivalent to approximately HK\$3.22)
“Subscription Shares”	1,907,845,112 new H Shares of the Company to be subscribed by the Investor under the Subscription
“%”	percentage

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

Beijing, the PRC
21 December 2016

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