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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)

**PROPOSED ISSUANCE OF U.S.\$3,200,000,000 4.45%
NON-CUMULATIVE
PERPETUAL OFFSHORE PREFERENCE SHARES**

Joint Global Coordinators, Joint Lead Managers and Join Bookrunners

BofA Merrill Lynch	Cinda International	BOC International	Goldman Sachs (Asia) L.L.C.	HSBC	Credit Suisse
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Joint Lead Managers and Join Bookrunners

CMB International	CICC HK Securities	Standard Chartered Bank	Wells Fargo Securities	UBS
CCB International	ICBC International	China Merchants Securities (HK)	ABC International	BOSC International
BOCOM HK Branch	CITIC CLSA Securities	Haitong International	China Everbright Securities (HK)	Essence International
	Morgan Stanley		Citigroup	

The Company has entered into the Subscription Agreement with the Joint Lead Managers, pursuant to which the Joint Lead Managers have severally and not jointly agreed, subject to the terms of the Subscription Agreement and in reliance upon the representations, agreements, undertakings and warranties contained therein, to subscribe, or procure subscribers to subscribe, for the Offshore Preference Shares on the terms of the Subscription Agreement. The Offshore Preference Shares will have a par value of RMB100 each and will be issued as fully paid so that the total issuance price of the Offshore Preference Shares will be U.S.\$20 each.

The Offshore Preference Shares will be issued pursuant to the Articles, the Shareholders Resolutions and the authorisation from the Board to the Chairman of the Board or any other person authorised by the Chairman of the Board. The Offshore Preference Shares when issued will be regarded as Additional Tier 1 Capital of the Company.

Upon the Winding-Up of the Company, holders of the Offshore Preference Shareholders shall rank: (a) junior to holders of (i) all liabilities of the Company including subordinated liabilities and (ii) obligations issued or guaranteed by the Company that rank or are expressed to rank senior to the Offshore Preference Shares; (b) equally in all respects with each other and without preference among themselves and with the holders of Parity Obligations; and (c) in priority to the Ordinary Shareholders. On such Winding-Up of the Company, any remaining assets of the Company shall, after the distributions in accordance with the Conditions have been made, be applied to the claims of the holders of the Offshore Preference Shares equally in all respects with the claims of holders of any Parity Obligations and in priority to the claims of the holders of Ordinary Shares.

The Offshore Preference Shares are perpetual and have no maturity date. The Offshore Preference Shares are not redeemable at the option of the Offshore Preference Shareholders, and the Offshore Preference Shareholders do not have the right to put back the Offshore Preference Shares to the Company. However, the Company may, subject to obtaining CBRC Approval and compliance with the conditions to the distribution of dividends set out in the Conditions and the Redemption Preconditions, upon prior notice to the Offshore Preference Shareholders and the Fiscal Agent, redeem all or part of the Offshore Preference Shares on the First Reset Date and on any Dividend Payment Date thereafter. The redemption price for each Offshore Preference Share so redeemed shall be the aggregate of an amount equal to its Liquidation Preference plus any accrued but unpaid dividends in respect of the period from (and including) the immediately preceding Dividend Payment Date to (but excluding) the date scheduled for redemption. Further details are described in the Conditions.

Subject as provided in the Conditions, each Offshore Preference Share shall entitle the holder thereof to receive non-cumulative dividends which have not been otherwise cancelled. Each dividend will be payable, subject as provided under the Conditions, annually in arrear on 30 September in each year after declaration by the Board. Subject as provided in the Conditions, the first Dividend Payment Date will be 30 September 2017. The Offshore Preference Shares will accrue dividends on their Liquidation Preference during the period from and including the Issue Date to but excluding the First Reset Date, at the rate of 4.45% per annum, and thereafter at the relevant Reset Dividend Rate. Subject to a resolution to be passed at an Ordinary Shareholders' general meeting of the Company on each such occasion, the Company may elect to cancel (in whole or in part) any dividend otherwise scheduled to be paid on a Dividend Payment Date in the manner set out in the Conditions.

If any Trigger Event occurs, the Company shall (having notified and obtained the consent of the CBRC but without the need for the consent of Offshore Preference Shareholders or Ordinary Shareholders) cancel any dividend that is unpaid accrued up to and including the Conversion Date, and irrevocably and compulsorily convert with effect from the Conversion Date all of the Offshore Preference Shares into corresponding number of H Shares.

Based on the CNY Central Parity Rate published by the China Foreign Exchange Trading Centre on 23 September 2016, the gross proceeds from the offering of the Offshore Preference Shares will be approximately RMB21.33 billion. The Company expects the net proceeds from the Offshore Preference Shares issuance, after deduction of commission and the expenses relating to the issuance, being approximately RMB21.25 billion, subject to applicable laws and regulations and, the approvals by the relevant regulatory authorities such as the CBRC and the CSRC, will be used to replenish the Company's Additional Tier 1 Capital to support business development.

The distribution of the Offering Circular or any offering material and the offering, sale or delivery of the Offshore Preference Shares is restricted by law in certain jurisdictions including, but not limited to, the United States, Hong Kong, Japan, Singapore, Taiwan and the United Kingdom. The Offshore Preference Shares and the H Shares issuable upon Conversion of the Offshore Preference Shares have not been, and will not be, registered under the Securities Act. Accordingly, the Offshore Preference Shares and the H Shares issuable upon Conversion of the Offshore Preference Shares are not allowed to be offered or sold in the United States, except in those transactions where relevant exemption has been obtained or the registration requirements of the Securities Act are not applicable. The Offshore Preference Shares will be offered outside the United States in compliance with Regulation S.

The Offshore Preference Shares are not intended to be sold and should not be sold to retail clients in the European Economic Area, as defined in the rules set out in the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (as amended or replaced from time to time).

The Offshore Preference Shares are offered to professional investors only and are not suitable for retail investors. Investors should not purchase the Offshore Preference Shares in the primary or secondary markets unless they are professional investors. Offshore Preference Shares are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Offshore Preference Shares to retail investors. The Offshore Preference Shares will be issued in registered form and issued and transferable only in minimum amounts of U.S.\$200,000 (or 10,000 Offshore Preference Shares) and integral multiples of U.S.\$1,000 (or 50 Offshore Preference Shares) in excess thereof.

The Company has applied to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Offshore Preference Shares and the H Shares to be issued upon Conversion of the Offshore Preference Shares. The Offshore Preference Shares are issued to professional investors only. A further announcement will be made before listing of and dealings in the Offshore Preference Shares commence.

The Company has been assigned a rating of “A- Stable” by S&P, a rating of “A3 Negative” by Moody’s and a rating of “A Stable” by Fitch. The Offshore Preference Shares has been assigned a rating of “B1” by Moody’s. A rating is not a recommendation to buy, sell or hold the Offshore Preference Shares and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. Prospective investors should evaluate each rating independently of any other rating of the Offshore Preference Shares or other securities of the Company.

Completion of the Subscription Agreement and issue of the Offshore Preference Shares is subject to the satisfaction or waiver of the conditions precedent therein. In addition, the Subscription Agreement and issue of the Offshore Preference Shares may be terminated in certain circumstances. Accordingly, shareholders and potential investors are advised to exercise caution when dealing in the H Shares.

The Company has entered into the Subscription Agreement with the Joint Lead Managers, pursuant to which the Joint Lead Managers severally and not jointly agreed, subject to the terms of the Subscription Agreement and in reliance upon the representations, agreements, undertakings and warranties contained therein, to subscribe, or procure subscribers to subscribe, for the Offshore Preference Shares on the terms of the Subscription Agreement.

The Offshore Preference Shares will be issued pursuant to the Articles, the Shareholders Resolutions and the authorisation from the Board to the Chairman of the Board or any other person authorised by the Chairman of the Board. The Offshore Preference Shares when issued will be regarded as Additional Tier 1 Capital of the Company.

The distribution of the Offering Circular or any offering material and the offering, sale or delivery of the Offshore Preference Shares is restricted by law in certain jurisdictions including, but not limited to, the United States, Hong Kong, Japan, Singapore, Taiwan and the United Kingdom. The Offshore Preference Shares and the H Shares issuable upon Conversion of the Offshore Preference Shares have not been, and will not be, registered under the Securities Act. Accordingly, the Offshore Preference Shares and the H Shares issuable upon Conversion of the Offshore Preference Shares are not allowed to be offered or sold in the United States, except in those transactions where relevant exemption has been obtained or the registration requirements of the Securities Act are not applicable. The Offshore Preference Shares will be offered outside the United States in compliance with Regulation S.

The Offshore Preference Shares are not intended to be sold and should not be sold to retail clients in the European Economic Area, as defined in the rules set out in the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (as amended or replaced from time to time).

The Offshore Preference Shares are offered to professional investors only and are not suitable for retail investors. Investors should not purchase the Offshore Preference Shares in the primary or secondary markets unless they are professional investors. The Offshore Preference Shares are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Offshore Preference Shares to retail investors. The Offshore Preference Shares will be issued in registered form and issued and transferable only in minimum amounts of U.S.\$200,000 (or 10,000 Offshore Preference Shares) and integral multiples of U.S.\$1,000 (or 50 Offshore Preference Shares) in excess thereof.

THE SUBSCRIPTION AGREEMENT

Date

23 September 2016

Parties

- (i) the Company (as issuer); and
- (ii) Merrill Lynch International, Cinda International Securities Limited, BOCI Asia Limited, Goldman Sachs (Asia) L.L.C., The Hongkong and Shanghai Banking Corporation Limited, Credit Suisse (Hong Kong) Limited, CMB International Capital Limited, China International Capital Corporation Hong Kong Securities Limited, Standard Chartered Bank, Wells Fargo Securities International Limited, UBS AG Hong Kong Branch, CCB International Capital Limited, ICBC International Securities Limited, China Merchants Securities (HK) Co., Ltd., ABCI Capital Limited, BOSCO International Company Limited, Bank of Communications Co., Ltd. Hong Kong Branch, CLSA Limited, Haitong International Securities Company Limited, China Everbright Securities (HK) Limited, Essence International Securities (Hong Kong) Limited, Morgan Stanley & Co. International plc and Citigroup Global Markets Limited (as Joint Lead Managers);

Subscription

The Joint Lead Managers severally and not jointly agreed, subject to the terms of the Subscription Agreement and in reliance upon the representations, agreements, undertakings and warranties contained therein, to subscribe, or procure subscribers to subscribe, for the Offshore Preference Shares on the terms of the Subscription Agreement. The Company expects that the issuance of the Offshore Preference Shares will be completed on the Closing Date.

The Offshore Preference Shares will have a par value of RMB100 each and will be issued as fully paid so that the total issuance price of the Offshore Preference Shares will be U.S.\$20 each.

Subscribers

To the best of the Company's knowledge, information and belief, the Joint Lead Managers (excluding Cinda International Securities Limited) are not connected persons (as defined in the Hong Kong Listing Rules) of the Company.

The Joint Lead Managers have informed the Company that no less than six qualified placees are intended to be procured by them for the Offshore Preference Shares but subject to a maximum limit of 200 qualified placees for the Offshore Preference Shares. To the best of the Company's knowledge, information and belief, each of the placees (and its respective ultimate beneficial owners) intended to be procured by the Joint Lead Managers are not connected persons (as defined in the Hong Kong Listing Rules) of the Company.

Conditions Precedent to the Subscription

The obligations of the Joint Lead Managers to subscribe and pay for or procure subscribers to subscribe and pay for the Offshore Preference Shares is conditional upon:

1. *Closing Certificate*: on the Closing Date, there having been delivered to the Joint Lead Managers a certificate substantially in the form set out in the Subscription Agreement dated the Closing Date, signed by an authorised officer of the Company to the effect that:
 - (a) the representations and warranties of the Company in the Subscription Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date;
 - (b) the Company has complied in all material respects with all the agreements and satisfied all the conditions on its part to be performed or satisfied by it at or prior to the Closing Date; and
 - (c) there has been no material adverse change, or development or event involving a prospective material adverse change, in the condition (financial or otherwise), business prospects, earnings, business or properties of the Company or the Group, whether or not arising from transactions in the ordinary course of business from that set forth in the Offering Circular;
2. *Auditors' Letter*: on each of the date of the Offering Circular and the Closing Date, there having been delivered to the Joint Lead Managers a letter, in the form agreed between the Company and the Joint Lead Managers, dated the date of the Offering Circular and the Closing Date (as the case may be) and addressed to the Joint Lead Managers from Deloitte, former auditors of the Company and Ernst & Young, auditors of each of the Company and NCB;
3. *Legal Opinions*: on the Closing Date, there having been delivered to the Joint Lead Managers (i) an opinion as to Hong Kong law from Clifford Chance, legal advisers to the Joint Lead Managers; (ii) an opinion as to PRC law from Haiwen & Partners, legal advisers to the Joint Lead Managers; and (iii) an opinion as to PRC law from King & Wood Mallesons, legal advisers to the Company, in each case in form reasonably satisfactory to the Joint Lead Managers, dated the Closing Date;

4. *Incumbency Certificate:* on the Closing Date, there having been delivered to the Joint Lead Managers a certificate certifying the names, titles and specimen signatures of the persons authorised on behalf of the Company:
 - (a) to execute the Issue Documents;
 - (b) to authorise issues of the Offshore Preference Shares and sign or give or deliver all notices and other documents to be delivered in connection with the Issue Documents; and
 - (c) to take any other action in relation to the Issue Documents;
5. *Authorisation:* on or before the Closing Date, there having been delivered to the Joint Lead Managers a copy of resolution of the Board dated 10 May 2016 and the Shareholders Resolutions dated 30 June 2016 in relation to the issue of the Offshore Preference Shares and the performance of its obligations under the Fiscal Agency Agreement and the Offshore Preference Shares;
6. *Regulatory approvals:* on or before the Closing Date, there having been delivered to the Joint Lead Managers a copy of the approvals of the CSRC, the CBRC and National Development and Reform Commission of the PRC in respect of the issue of the Offshore Preference Shares and such approvals remaining in full force and effect, and not altering the terms of any Issue Document, on the Closing Date;
7. *Listing:* on or before the Closing Date, there having been delivered to the Joint Lead Managers a copy of the approval from the Hong Kong Stock Exchange to list the Offshore Preference Shares and the new H Shares of the Company to be issued upon Conversion, subject only to the issue of the Offshore Preference Shares and such H Shares;
8. *Rating:* on or before the Closing Date, there having been delivered to the Joint Lead Managers, confirmations from Moody's that it has assigned the rating of "B1", to the Offshore Preference Shares;
9. *Issue documentation:* the remaining Issue Documents are executed on or before the Closing Date by or on behalf of all parties thereto;
10. *No material adverse change:* subsequent to the execution of the Subscription Agreement and prior to and as of the Closing Date, there having been (i) no material loss or interference with business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labour disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority of the Company or any of its subsidiaries, except as set forth in or contemplated in the Offering Circular or (ii) no change, or any development involving a prospective change, in or affecting the condition (financial or otherwise), business prospects, earnings, business or properties of the Company and the Group, whether or not arising from transactions in the ordinary course of business, the effect of which, in the judgment of the Joint Lead Managers (upon consultation with the Company to the extent practicable), so material and adverse as to make it impractical or inadvisable to proceed with the offering or delivery of the Offshore Preference Shares as contemplated in the Offering Circular;

11. *Accuracy of representations and performance of obligations:* on the Closing Date (a) the representations and warranties of the Company in the Subscription Agreement and any certificate in connection with the issue of the Offshore Preference Shares being accurate at, and as if made on, the Closing Date; and (b) the Company having performed in all material respects its obligations under the Subscription Agreement to be performed;
12. *No adverse change of rating:* during the period commencing on the execution of the Subscription Agreement and ending on the Closing Date, there having been no decrease in the rating of any of the Company's debt or equity securities by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Securities Act), or any notice given of any intended or potential decrease in any such rating or of a possible change in any such rating that does not indicate the direction of the possible change;
13. *Eligibility of the Offshore Preference Shares:* the Offshore Preference Shares being eligible for clearance and settlement through Euroclear and Clearstream, Luxembourg;
14. *Other Documents:* the Joint Lead Managers having received any other documents (including, but not limited to, any governmental approvals and any resolutions, consents and authorities) relating to the issue, sale or delivery of the Offshore Preference Shares which the Joint Lead Managers may reasonably require for the purpose of enabling the issuance and sale of the Offshore Preference Shares, or in order to evidence the accuracy of any of the representations or warranties, or the fulfilment of any of the conditions, contained in the Subscription Agreement.

The Joint Lead Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the above paragraphs.

Termination of the Subscription

The Joint Lead Managers may, by notice to the Company, terminate the Subscription Agreement at any time prior to payment of the gross subscription moneys for the Offshore Preference Shares to the Company in any of the following circumstances:

1. if there shall have come to the notice of the Joint Lead Managers any breach of, or any event rendering untrue or incorrect, any of the warranties and representations contained therein (or any deemed repetition thereof) or failure to perform the Company's covenants or agreements contained in the Subscription Agreement;
2. if any of the conditions specified above in the section headed "Conditions Precedent to the Subscription" have not been satisfied or waived by the Joint Lead Managers; and
3. if in the opinion of the Joint Lead Managers (i) trading in securities generally on the London Stock Exchange, the Singapore Exchange Securities Trading Limited or the Hong Kong Stock Exchange shall have been suspended or limited or minimum prices shall have been established on such exchange; (ii) a banking moratorium shall have been declared either by PRC, United Kingdom, Singapore or Hong Kong authorities; (iii) a material disruption in securities settlement, payment or clearance services in Hong Kong shall have occurred; or (iv) there shall have occurred any outbreak or escalation of hostilities, declaration by the PRC or Hong Kong of a national emergency or war or any calamity or crisis or any change in financial, political or economic conditions, the effect of which makes it, in the judgment of the Joint Lead Managers (upon consultation with the Company to the extent practicable), impractical or inadvisable to proceed with the offering or delivery of the Offshore Preference Shares as contemplated in the Offering Circular.

PRINCIPAL TERMS OF THE OFFSHORE PREFERENCE SHARES

The Articles and the Conditions are written in Chinese. In the event of any inconsistency between (i) on the one hand, the Articles and the Conditions in Chinese and (ii) on the other hand, any translations of the Articles and the Conditions in other languages, the Chinese versions of the Articles and the Conditions shall prevail. In addition, in the event of any inconsistency between the Articles and the Conditions, the Articles shall prevail.

The principal terms of the Offshore Preference Shares are summarised as follows:

<i>Company</i>	China Cinda Asset Management Co., Ltd.
<i>Offering</i>	U.S.\$3,200,000,000 4.45% Non-Cumulative Perpetual Offshore Preference Shares
<i>Issue Price</i>	100%
<i>Liquidation Preference</i>	<p>The Offshore Preference Shares will be issued as fully paid-up capital in U.S. dollars so that the total issuance price of the Offshore Preference Shares will be U.S.\$20 each.</p> <p>The Offshore Preference Shares will have a par value of RMB100 each according to regulatory requirements. The Liquidation Preference amount has been set to enable minimum denomination and integral multiples to align more closely with market practice.</p>
<i>Issue Date</i>	30 September 2016
<i>Maturity Date</i>	The Offshore Preference Shares are perpetual and have no maturity date. The Offshore Preference Shares are not redeemable at the option of the Offshore Preference Shareholders, and the Offshore Preference Shareholders do not have the right to put back the Offshore Preference Shares to the Company.
<i>Book-entry and Denomination</i>	While the Offshore Preference Shares are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear, Clearstream, Luxembourg or any other alternative clearing system, the Offshore Preference Shares will be recorded, transferred and/or Converted on the basis of their Authorised Denomination (as defined below) and not number of Offshore Preference Shares.

The Offshore Preference Shares will be issued in registered form and issued and transferable only in minimum amounts of U.S.\$200,000 (or 10,000 Offshore Preference Shares) and integral multiples of U.S.\$1,000 (or 50 Offshore Preference Shares) in excess thereof (each an “**Authorised Denomination**”).

The Offshore Preference Shares will initially be represented by a Global Certificate which will be registered in the name of a nominee of, and deposited with a common depository for, Euroclear and Clearstream, Luxembourg.

Currencies for Settlement

The Offshore Preference Shares will be issued as fully paid-up capital in U.S. dollars.

*Status and Rights upon
Liquidation*

Upon the Winding-Up of the Company, holders of the Offshore Preference Shares shall rank: (a) junior to holders of (i) all liabilities of the Company including subordinated liabilities and (ii) obligations issued or guaranteed by the Company that rank or are expressed to rank senior to the Offshore Preference Shares; (b) equally in all respects with each other and without preference among themselves and with the holders of Parity Obligations; and (c) in priority to the Ordinary Shareholders.

On such Winding-Up of the Company, any remaining assets of the Company shall, after the distributions in accordance with the Conditions have been made, be applied to the claims of the holders of the Offshore Preference Shares equally in all respects with the claims of holders of any Parity Obligations and in priority to the claims of the holders of Ordinary Shares.

Rights to Dividends

Subject as provided in the Conditions, each Offshore Preference Share shall entitle the holder thereof to receive non-cumulative dividends which have not been otherwise cancelled. Each dividend will be payable, subject as provided in the Conditions, annually in arrear on 30 September in each year after declaration by the Board. Subject as provided in the Conditions, the first Dividend Payment Date will be 30 September 2017.

Dividends in respect of the Offshore Preference Shares for a Dividend Period shall be calculated by multiplying the relevant Dividend Rate by the Liquidation Preference of the Offshore Preference Shares and rounding the resulting figure to the nearest U.S. cent (half a U.S. cent being rounded upwards).

Dividend Rate

The Offshore Preference Shares will accrue dividends on their Liquidation Preference at the relevant Dividend Rate below:

- (a) from and including the Issue Date to but excluding the First Reset Date, at the rate of 4.45% per annum; and
- (b) thereafter, in respect of the period from and including the First Reset Date and each Reset Date falling thereafter to but excluding the immediately following Reset Date, at the relevant Reset Dividend Rate.

Conditions to Distribution of Dividends

Notwithstanding any other provision in the Conditions, the payment of any dividend on any Dividend Payment Date is subject to:

- (a) the Board having passed a resolution to declare such dividends in accordance with the Articles;
- (b) the Company having distributable after-tax profits (which are based on the undistributed profits of the Company as shown in the financial statements of the parent company prepared in accordance with the Chinese Accounting Standards for Business Enterprises or the International Financial Reporting Standards, whichever is the lower), after offsetting losses in previous years and contributing to the statutory reserve fund and general reserves; and
- (c) the relevant capital adequacy ratios of the Company meeting the regulatory capital requirements for financial asset management companies.

Further, subject to a resolution to be passed at an Ordinary Shareholders' general meeting of the Company on each such occasion, the Company may elect to cancel (in whole or in part) any dividend otherwise scheduled to be paid on a Dividend Payment Date in the manner set out in the Conditions. The Company may at its discretion use the funds arising from the cancellation of such dividend to repay other indebtedness due and payable.

The cancellation of any amount of dividend in accordance with the Conditions shall not constitute a default for any purpose by the Company. Dividend payments are non-cumulative, and in the event of any cancellation by the Company of all or part of the dividends pursuant to an Ordinary Shareholders' general meeting and the Conditions, any amount of dividends not paid to the Offshore Preference Shareholders in full in the current Dividend Period will not be accumulated to the following Dividend Period.

*Restrictions Following
Cancellation of Dividends*

If the Board elects to cancel (in whole or in part) any dividend scheduled to be paid on a Dividend Payment Date (but not where such dividend has been cancelled pursuant to the Conditions upon the occurrence of a Trigger Event), the cancellation of such dividend (in whole or in part) on the Offshore Preference Shares will also require a resolution to be passed at an Ordinary Shareholders' general meeting. The Company undertakes that any resolution passed at an Ordinary Shareholders' general meeting that cancels a dividend (in whole or in part) on the Offshore Preference Shares will be a Parity Obligation Dividend Cancellation Resolution and undertakes that it will not propose to any Ordinary Shareholders' general meeting a resolution to cancel any dividend on the Offshore Preference Shares that is not a Parity Obligation Dividend Cancellation Resolution.

From the day following the Ordinary Shareholders' general meeting passing the Parity Obligation Dividend Cancellation Resolution, the Company shall not make any payment in cash or otherwise on, and will procure that no distribution or dividend in cash or otherwise is made on, any Ordinary Shares or on any other class of shares or obligations that ranks or is expressed to rank junior to the Offshore Preference Shares unless or until the earlier of: (i) the dividend scheduled to be paid on any subsequent Dividend Payment Date is paid in full to Offshore Preference Shareholders; or (ii) the redemption or purchase and cancellation of the Offshore Preference Shares in full or the Conversion in full of all outstanding Offshore Preference Shares.

Conversion

If any Trigger Event occurs, the Company shall (having notified and obtained the consent of the CBRC but without the need for the consent of Offshore Preference Shareholders or Ordinary Shareholders):

- (a) cancel any dividend that is unpaid accrued up to and including the Conversion Date; and

- (b) irrevocably and compulsorily convert with effect from the Conversion Date all of the Offshore Preference Shares into such number of H Shares as is equal to (i) the aggregate Liquidation Preference of all the Offshore Preference Shares (as converted into Hong Kong dollars at the fixed exchange rate of U.S.\$1.00 to HK\$7.7599) divided by (ii) the effective Conversion Price rounded down (to the extent permitted by applicable laws and regulations) to the nearest whole number of H Shares, and any fractional share less than one H Share resulting from the Conversion will not be issued and no cash payment or other adjustment will be made in lieu thereof.

The H Shares issuable upon Conversion shall be issued to a nominee appointed by the Company to hold on behalf of the Offshore Preference Shareholders in accordance with the Conditions.

Conversion Price

The initial conversion price for the Offshore Preference Shares is HK\$3.35 per H Share, subject to adjustment as described in the Conditions.

The initial Conversion Price is equal to the net asset value per share attributable to equity holders of the parent company as disclosed in the Company's audited consolidated financial statements as at the end of 2015 and denominated in Hong Kong dollars.

The Conversion Price shall be adjusted:

- (a) if the Company shall issue any H Shares credited as fully paid up to the holders of H Shares by way of bonus issuance or capitalisation issue;
- (b) if (i) the Company shall issue any H Shares (other than any H Shares issued on the exercise of any rights of conversion into, or exchange or subscription for, or purchase of, H Shares) at a price per H Share which is less than the closing price per H Share (as published by the Hong Kong Stock Exchange) on the trading day immediately preceding the date of the first public announcement of such issuance of new shares (being the announcement containing the effective and irrevocable terms of such issuance) or (ii) the Company issues any H Shares by way of a rights issue; and

- (c) in the event that the rights and interests of the Offshore Preference Shareholders may be affected by any repurchase of the Ordinary Shares by, merger or division of, the Company or any other circumstances that may cause changes in the Company's share class, number of shares and/or shareholders' equity.

Optional Redemption

The Company may, subject to obtaining CBRC Approval and compliance with the conditions to the distribution of dividends set out in the Conditions and the Redemption Preconditions, upon not less than 30 nor more than 60 days' notice to the Offshore Preference Shareholders and the Fiscal Agent, redeem all or part of the Offshore Preference Shares on the First Reset Date and on any Dividend Payment Date thereafter. The redemption price for each Offshore Preference Share so redeemed shall be the aggregate of an amount equal to its Liquidation Preference plus any accrued but unpaid dividends in respect of the period from (and including) the immediately preceding Dividend Payment Date to (but excluding) the date scheduled for redemption.

Taxation and Withholding

All payments of Liquidation Preference and/or dividends in respect of the Offshore Preference Shares will be made free and clear of, and without withholding or deduction for or on account of, any present or future tax, duty, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of the PRC or any political subdivision or any authority thereof or therein having power to levy tax in the PRC, unless such withholding or deduction is required by the laws of the PRC. In that event, the Company shall pay such additional amounts as will result in the receipt by the Offshore Preference Shareholders of such amounts as would have been received by them if no such withholding or deduction had been required, subject to the extent described in the Conditions.

Limited Voting Rights

Pursuant to the Articles, Offshore Preference Shareholders shall not be entitled to convene, attend or vote at any general meeting of the shareholders of the Company, other than in the circumstances set out in the Conditions.

Only under certain circumstances as specified in the Articles and the Conditions may the Offshore Preference Shareholders be entitled to attend the general meeting of shareholders of the Company and vote only upon such Special Resolution, and the Offshore Preference Shareholders will be entitled to one vote in respect of each outstanding Offshore Preference Share and vote together with other preference shareholders as a separate class from the Ordinary Shareholders. The Offshore Preference Shares held by, or on behalf of, the Company shall have no voting rights.

Prescription

Any dividend unclaimed after a period of six years from the date when it became due for payment shall be forfeited and shall revert to the Company, and the payment by the Board of any unclaimed dividend or other sum payable on or in respect of an Offshore Preference Share into a separate account shall not constitute the Company a trustee in respect of it. No dividend or other monies payable on or in respect of the Offshore Preference Shares shall bear interest as against the Company.

Restoration of Voting Rights

Subject to the cancellation of restored voting rights as described in the Conditions, if a voting rights restoration event as specified in the Conditions occurs, then, as from the day immediately after the date on which the Ordinary Shareholders' general meeting resolves that the Company will not pay in full such dividend which triggers the voting rights restoration event, each holder of an Offshore Preference Share shall, to the extent permitted under applicable shareholding law, be entitled to attend and vote upon any resolution proposed at any Ordinary Shareholders' general meeting as if he or she was the holder of such number of Ordinary Shares.

Governing Law

The Offshore Preference Shares and the rights and obligations attached to them are governed by, and shall be construed in accordance with, PRC law.

Arbitration

If any dispute or claim concerning the Company's business on the basis of the rights and obligations provided in the Articles or in the Company Law of the PRC or other relevant laws, regulations and rules arises between the Offshore Preference Shareholders and the Company, between the Offshore Preference Shareholders and a director, a supervisor or other member of the senior management of the Company, between the Offshore Preference Shareholders and the holders of domestic preference shares or between the Offshore Preference Shareholders and the Ordinary shareholders, the parties concerned shall submit the dispute or claim to arbitration. Disputes concerning the definition of the Offshore Preference Shareholders and the register of holders kept and maintained by the registrar may not be required to be settled by means of arbitration.

Rating

The Company has been assigned a rating of "A- Stable" by S&P, a rating of "A3 Negative" by Moody's and a rating of "A Stable" by Fitch. The Offshore Preference Shares has been assigned a rating of "B1" by Moody's.

APPLICATION FOR LISTING

The Company has applied to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Offshore Preference Shares and the H Shares to be issued upon Conversion of the Offshore Preference Shares. The Offshore Preference Shares are issued to professional investors only. A further announcement will be made before listing of and dealings in the Offshore Preference Shares commence.

REASONS FOR THE ISSUANCE AND USE OF PROCEEDS

The Company is the leading asset management company in China focusing on distressed asset management and providing customised financial solutions and differentiated asset management services to its clients through the synergistic operation of its diversified business platforms.

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

Based on the CNY Central Parity Rate published by the China Foreign Exchange Trading Centre on 23 September 2016, the gross proceeds from the offering of the Offshore Preference Shares will be approximately RMB21.33 billion. The Company expects the net proceeds from the Offshore Preference Shares issuance, after deduction of commission and expenses relating to the issuance, being approximately RMB21.25 billion, subject to applicable laws and regulations and, the approvals by the relevant regulatory authorities such as the CBRC and the CSRC, will be used to replenish the Company's Additional Tier 1 Capital to support business development.

The Board considers that the proposed issuance of the Offshore Preference Shares is in the interests of the Company and the shareholders of the Company as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not carried out any issue of equity securities for fund-raising purposes during the 12 months immediately preceding the date of this announcement.

IMPACT ON THE COMPANY'S SHARE CAPITAL

If there is no Trigger Event for Conversion, the issuance of the Offshore Preference Shares will not affect the ordinary share capital of the Company. However, if Conversion is triggered, the Company's ordinary share capital will be increased.

The number of H Shares issued upon Conversion of all the US\$3,200,000,000 Offshore Preference Shares to be issued by the Company would be 7,412,441,791 H Shares, assuming all the Offshore Preference Shares are Converted at the initial conversion price of HK\$3.35 per H Share (as converted into Hong Kong dollars at the fixed exchange rate of US\$1.00 to HK\$7.7599).

The table below sets forth the impact on the Company's share capital structure if all the Offshore Preference Shares to be issued by the Company were Converted into H Shares pursuant to the Conversion:

Share capital	As at 31 August 2016		After issuance of the Offshore Preference Shares		After Conversion of all the Offshore Preference Shares	
	Shares	Percentage of share capital	Shares	Percentage of share capital	Shares	Percentage of share capital
Domestic Share	24,596,932,316	67.84%	24,596,932,316	67.84%	24,596,932,316	56.33%
H Share	<u>11,659,757,719</u>	<u>32.16%</u>	<u>11,659,757,719</u>	<u>32.16%</u>	<u>19,072,199,510</u>	<u>43.67%</u>
Total	<u>36,256,690,035</u>	<u>100.00%</u>	<u>36,256,690,035</u>	<u>100.00%</u>	<u>43,669,131,826</u>	<u>100.00%</u>

As at 31 August 2016, all of the Domestic Shares were held by the controlling shareholder of the Company, the MOF. After the Conversion of all Offshore Preference Shares into H Shares based on the abovementioned assumptions, MOF's shareholding would be decreased to 56.33% and would remain the controlling shareholder of the Company.

WAIVER FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES

In connection with the listing of the Offshore Preference Shares, the Company has applied to, and has been granted applicable waivers by, the Hong Kong Stock Exchange from strict compliance with a number of provisions of the Hong Kong Listing Rules.

Those waivers are applied on the following basis:

- The Offshore Preference Shares are more akin to fixed income products such as quasi-debt securities and they have more characteristics in common with debt securities than with equity securities. In particular, the Offshore Preference Shares have a fixed dividend rate and in the event of a redemption, the Offshore Preference Shares will be redeemed at 100% of their issue price. The Offshore Preference Shares may be Converted to H Shares but such conversion will be mandatory and will only occur when there is a Trigger Event.

- The Offshore Preference Shares will be offered to institutional and professional investors only by way of a private placement and will not be made accessible to retail investors. The Offshore Preference Shares are structured in a way that they will not be “Eligible Securities” under the Hong Kong Listing Rules and will not be admitted to the Central Clearing and Settlement System for clearance and settlement. Trading of the Offshore Preference Shares is not expected to take place on the Hong Kong Stock Exchange either on issue or in the secondary market. Instead, the Offshore Preference Shares will be cleared and settled through Euroclear and Clearstream, Luxembourg which is similar to other professionals-only debt securities listed under Chapter 37 of the Hong Kong Listing Rules. The Offshore Preference Shares are therefore designed never to trade on, or otherwise use the facilities of, the Hong Kong Stock Exchange.

The waivers being sought by and granted to the Company are broadly classified into the following categories:

- those in relation to qualifications of listing that are required to cater for the fact that the Offshore Preference Shares are fixed income securities offered only to professional investors;
- those that are required to enable the Offshore Preference Shares to be offered only to institutional and professional investors and not retail investors;
- those that are required to enable the Offshore Preference Shares to be structured in a way that meets the expectations of institutional and professional investors for these type of securities to allow for a plausible offering; and
- those that are required in order to enable the Company not subject to compliance obligations that do not commensurate with the offering and listing of securities similar to debt securities that are made available only to institutional and professional investors.

The waivers being sought by and granted to the Company are listed below:

- Rule 2.07A(2): Requirements for an express, positive confirmation in writing from each holder of the Offshore Preference Shares that corporate communications may be made available using electronic means, and all corporate communications be sent to holders of the Offshore Preference Shares
- Rule 2.07A(3): Requirement for providing the right of holder of the Offshore Preference Shares to request corporate communications in printed hardcopy form
- Rules 2.07C(1)(b)(i), 2.07C(4)(b), 2.07C(6) and 11.14: Requirements that the listing document should be made available to the public and be accompanied by a Chinese translation
- Rule 7.10: Placing guidelines in respect of placements of the Offshore Preference Shares to the general public
- First part of paragraph 3 and paragraphs 4, 5, 6, 8 and 10 of Appendix 6: Placing guidelines in respect of placements of the Offshore Preference Shares to the general public

- Rule 8.07: Requirement of adequate market and sufficient public interest for the Offshore Preference Shares
- Rule 8.08: Requirement of an open market for the Offshore Preference Shares
- Rules 8.13A and 9.21(2): Admission of the Offshore Preference Shares as Eligible Securities (as defined in the Hong Kong Listing Rules) by Hong Kong Securities Clearing Company Limited
- Rules 8.16 and 19A.13(3)(a): Appointment of an approved share registrar to maintain the register of members for the Offshore Preference Shares in Hong Kong
- Rule 9.20(1): Submission of a confirmation letter from the Company's financial advisors or auditors confirming the working capital statement has been made by directors after due and careful enquiry
- Rule 9.23(2)(a): Requirement for marketing statements from the lead broker, any distributors and every Exchange Participant (as defined in the Hong Kong Listing Rules) with the Offshore Preference Shares to be placed
- Rule 9.23(2)(b) and paragraph 11 of Appendix 6: Submission of placee lists in respect of the Offshore Preference Shares
- Rules 11.12, 19A.26(1) and paragraph 2 of Appendix 1B: Requirement for a directors' statement of responsibility in respect of information contained in the listing document
- Rules 12.03, 12.04, 12.05 and 12.07: Requirements in respect of the timing, publication format and information to be disclosed in the formal notice for placing of the Offshore Preference Shares, and that the formal notice should be made available to the public and be made in both English and Chinese language
- Paragraphs 13, 30, 32, 39, 40(1) and 40(2) of Appendix 1B: Certain specific disclosure requirements in the listing document:
 - Paragraph 13: a statement of the net tangible asset backing for the Offshore Preference Shares
 - Paragraph 30: a working capital statement by the directors in respect of a period of at least 12 months
 - Paragraph 32: a statement of no material adverse change provided by the directors
 - Paragraph 39: particulars of directors' service contracts
 - Paragraphs 40(1) and 40(2): particulars of interests of directors in assets of the Company and contracts or arrangements of significance

- Paragraph 5 of Appendix 8: Payment of transaction levy on the issuance of the Offshore Preference Shares
- Paragraph 6 of Appendix 8: Payment of trading fee on the issuance of the Offshore Preference Shares

Completion of the Subscription Agreement and issue of the Offshore Preference Shares is subject to the satisfaction or waiver of the conditions precedent therein. In addition, the Subscription Agreement and issue of the Offshore Preference Shares may be terminated in certain circumstances. Accordingly, shareholders and potential investors are advised to exercise caution when dealing in the H Shares.

DEFINITIONS

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

“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)
“AMC Administrative Measures”	the Administrative Measures on Financial Asset Management Companies jointly issued by the CBRC, MOF, People’s Bank of China, CSRC and China Insurance Regulatory Commission on 14 August 2014, which became effective on 1 January 2015 (as amended from time to time)
“Articles”	the articles of association of the Company as amended from time to time

“Benchmark Rate”	the rate per annum (expressed as a percentage) as determined by the Calculation Agent that is equal to the yield (under the heading that represents the average for the week immediately prior to the relevant Reset Determination Date) appearing in the most recently published statistical release designated “H.15 (519)” or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption “Treasury constant maturities” for the maturity corresponding to the Comparable Treasury Issue. If there is no Comparable Treasury Issue with a maturity within three months before or after the next succeeding Reset Date, yields for the two published maturities most closely corresponding to such next succeeding Reset Date will be determined and the Benchmark Rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month). If such release (or any successor release) is not published during the week preceding the relevant Reset Determination Date or does not contain such yields, “Benchmark Rate” shall mean the rate per annum (expressed as a percentage) equal to the yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the relevant Reset Determination Date. The Benchmark Rate will be calculated on the relevant Reset Determination Date
“Board”	the board of directors of the Company
“Business Day”	a day, excluding a Saturday and a Sunday, on which banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in New York City and the city in which the specified office of the Calculation Agent is located
“Calculation Agent”	The Bank of New York Mellon, London Branch
“CBRC”	the China Banking Regulatory Commission or any successor entity
“CBRC Approval”	such approval, consent or non-objection from, or notification required to, the CBRC, or such waiver required in relation to the AMC Administrative Measures from the CBRC
“Clearstream, Luxembourg”	Clearstream Banking S.A.

“Closing Date”	30 September 2016 or such later date, not being later than 14 October 2016, as the Company and the Joint Lead Managers may agree in writing
“Company”	China Cinda Asset Management Co., Ltd.
“Comparable Treasury Issue”	the U.S. Treasury security selected by the Calculation Agent as having a maturity of five years that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities with a maturity of five years
“Comparable Treasury Price”	with respect to the relevant Reset Determination Date, the average of three Reference Treasury Dealer Quotations for such Reset Determination Date
“Conditions”	the terms and conditions of the Offshore Preference Shares
“Conversion” or “Converted”	irrevocable and compulsory conversion with effect from the Conversion Date all of the Offshore Preference Shares into such number of H Shares as is equal to (i) the aggregate Liquidation Preference of all the Offshore Preference Shares (as converted into Hong Kong dollars at the fixed exchange rate of U.S.\$1.00 to HK\$7.7599) divided by (ii) the effective Conversion Price rounded down (to the extent permitted by applicable laws and regulations) to the nearest whole number of H Shares
“Conversion Date”	the day immediately following the date (whichever occurs later) on or by which (i) the CBRC or the relevant regulatory authorities (as the case may be) has concluded that such Trigger Event has occurred and notified the Company of such Trigger Event (and the Company shall make a public announcement of the Trigger Event promptly after receipt of such notification) and (ii) the CBRC, the relevant regulatory authorities (as the case may be) or the Company has made a public announcement of such Trigger Event
“Conversion Price”	the initial conversion price for the Offshore Preference Shares is HK\$3.35 per H Share, subject to adjustment as described in the Conditions
“CSRC”	the China Securities Regulatory Commission or any successor entity
“Dividend Payment Date”	30 September in each year

“Dividend Period”	the period beginning on and including the Issue Date and ending on but excluding the next succeeding Dividend Payment Date and each successive period beginning on and including a Dividend Payment Date and ending on but excluding the next succeeding Dividend Payment Date
“Dividend Rate”	4.45% per annum and/or the applicable Reset Dividend Rate, as the case may be
“Domestic Share(s)”	ordinary share(s) issued by the Company in the PRC with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB
“Euroclear”	Euroclear Bank S.A./N.V.
“First Reset Date”	30 September 2021
“Fiscal Agency Agreement”	the fiscal agency agreement in respect of the Offshore Preference Shares to be entered into between the Company as issuer, The Bank of New York Mellon, London Branch as fiscal agent, paying agent and calculation agent, The Bank of New York Mellon (Luxembourg) S.A. as registrar and transfer agent on or around 30 September 2016
“Fiscal Agent”	The Bank of New York Mellon, London Branch
“Fitch”	Fitch Ratings Limited
“Global Certificate”	the global certificate representing the Offshore Preference Shares which will be registered in the name of a nominee of, and deposited with a common depositary for, Euroclear and Clearstream, Luxembourg
“Group”	the Company and its subsidiaries taken as a whole
“H Share(s)”	ordinary share(s) of par value RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange under the stock code 1359 and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	the lawful currency of Hong Kong
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Issue Date”	30 September 2016
“Issue Documents”	the Subscription Agreement, the deed of covenant in respect of the Offshore Preference Shares entered into by the Company, the Fiscal Agency Agreement, the agreement between the Company, the receiving agent and fiscal agent, the receiving agency agreement with Computershare Hong Kong Trustees Limited as receiving agent and any other agreement or instrument to be entered into in conjunction with the offering of the Offshore Preference Shares
“Joint Lead Managers”	Merrill Lynch International, Cinda International Securities Limited, BOCI Asia Limited, Goldman Sachs (Asia) L.L.C., The Hongkong and Shanghai Banking Corporation Limited, Credit Suisse (Hong Kong) Limited, CMB International Capital Limited, China International Capital Corporation Hong Kong Securities Limited, Standard Chartered Bank, Wells Fargo Securities International Limited, UBS AG Hong Kong Branch, CCB International Capital Limited, ICBC International Securities Limited, China Merchants Securities (HK) Co., Ltd., ABCI Capital Limited, BOSC International Company Limited, Bank of Communications Co., Ltd. Hong Kong Branch, CLSA Limited, Haitong International Securities Company Limited, China Everbright Securities (HK) Limited, Essence International Securities (Hong Kong) Limited, Morgan Stanley & Co. International plc and Citigroup Global Markets Limited
“Liquidation Preference”	the total issuance price of the Offshore Preference Shares, which will be U.S.\$20 each
“MOF”	the Ministry of Finance of the PRC
“Moody’s”	Moody’s Investor Services Limited
“NCB”	Nanyang Commercial Bank, Limited and its subsidiaries
“Offering Circular”	an offering circular dated 23 September 2016 for use in connection with the offer of the Offshore Preference Shares and the listing of the Offshore Preference Shares on the Hong Kong Stock Exchange
“Offshore Preference Shareholders”	holders of Offshore Preference Shares

“Offshore Preference Shares”	the U.S.\$3,200,000,000 4.45% Non-Cumulative Perpetual Offshore Preference Shares to be issued by the Company outside the PRC to investors on or about the Issue Date
“Ordinary Shareholders”	holders of Ordinary Shares
“Ordinary Shares”	the Domestic Shares, the H Shares and any other class of ordinary shares of the Company
“Parity Obligation Dividend Cancellation Resolution”	a resolution of the shareholders of the Company that resolves irrevocably to cancel payment (and if in part, then in proportion to the full amounts payable) of each dividend or distribution scheduled for payment on the Offshore Preference Shares and any Parity Obligations outstanding on the date the resolution is passed, in each case for a period of 12 months (or such longer period as such resolution specifies which is in integral multiples of 12 months in excess thereof) following the date of such resolution
“Parity Obligations”	any other class of preference shares in the capital of the Company issued from time to time and any other obligations that rank, or are expressed to rank equally with the Offshore Preference Shares (either issued directly by the Company or by a subsidiary where the terms of such obligations benefit from a guarantee or support agreement whereby obligations therein rank or are expressed to rank equally to the Offshore Preference Shares), whether issued outside of the PRC or otherwise
“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement only, Hong Kong, the Macau Special Administrative Region of the PRC and the region of Taiwan
“Redemption Preconditions”	<p>in relation to any redemption of the Offshore Preference Shares, the Company’s compliance of the following conditions:</p> <ul style="list-style-type: none"> (a) the Company shall use capital instruments of the same or superior quality to replace the Offshore Preference Shares to be redeemed and such replacement shall only be made at a time at which the Company has a sustainable income generating capability; or (b) the capital position of the Company immediately after redemption of the Offshore Preference Shares will remain significantly higher than the regulatory capital requirements prescribed by the CBRC and other relevant regulatory authorities

“Reference Treasury Dealer”	each of the three nationally recognised investment banking firms selected by the Calculation Agent that are primary U.S. Government securities dealers
“Reference Treasury Dealer Quotations”	with respect to each Reference Treasury Dealer and a Reset Determination Date, the average, as determined by the Calculation Agent, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Calculation Agent by such Reference Treasury Dealer at or around 6.00 p.m. (New York City time) on such Reset Determination Date
“Regulation S”	Regulation S under the Securities Act
“Reset Date”	the First Reset Date and each date that falls five, or a multiple of five, years following the First Reset Rate
“Reset Determination Date”	in relation to a Reset Period, the day falling two Business Days prior to the Reset Date on which such Reset Period commences
“Reset Dividend Rate”	in respect of any Reset Period, the dividend rate per annum (expressed as a percentage) representing the sum of the Benchmark Rate in relation to that Reset Period and a fixed margin of 3.29% per annum, as determined by the calculation agent on the relevant Reset Determination Date
“Reset Period”	the period from and including the First Reset Date to but excluding the next succeeding Reset Date, and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date
“RMB”	the lawful currency of the PRC
“S&P”	S&P Global Ratings
“Securities Act”	the U.S. Securities Act of 1933, as amended from time to time
“Shareholders Resolutions”	the resolutions adopted at the annual general meeting for 2015, 2016 first class meeting for H shareholders and 2016 first class meeting for domestic shareholders of the Company in relation to the issuance of the Offshore Preference Shares on 30 June 2016
“Special Resolution”	the resolution in which case the Offshore Preference Shareholders will be entitled to attend and vote only upon such resolution

“Subscription Agreement”	the subscription agreement in respect of the Offshore Preference Shares entered into between the Company and the Joint Lead Managers on or around 23 September 2016
“Trigger Event”	the earlier of: <ul style="list-style-type: none"> (a) the CBRC having concluded that without a decision on a write-off or conversion into Ordinary Shares the Company would become non-viable; and (b) the relevant regulatory authorities such as MOF and the People’s Bank of China having concluded that without a decision on a public sector injection of capital or equivalent support, the Company would become non-viable
“U.S.” or “United States”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“U.S.\$” or “U.S. dollars”	the lawful currency of the United States
“Winding-Up”	proceedings in respect of the Company for liquidation, dissolution, insolvency or other similar proceeding in respect of the Company (except for the purposes of a reconstruction, consolidation, amalgamation, merger or reorganisation the terms of which have previously been approved by a Special Resolution of the Offshore Preference Shareholders)

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

Beijing, the PRC
25 September 2016

As at the date of this announcement, the Board of the Company consists of Mr. HOU Jianhang as executive Director, Mr. LI Honghui, Mr. SONG Lizhong, Ms. XIAO Yuping, Ms. YUAN Hong and Mr. LU Shengliang as non-executive Directors, and Mr. LI Xikui, Mr. QIU Dong, Mr. CHANG Tso Tung, Stephen, and Mr. XU Dingbo as independent non-executive Directors.