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If you have sold or transferred all your shares in China Cinda Asset Management Co., Ltd., you should at once hand this supplementary circular and the accompanying supplementary proxy form 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)

**SUPPLEMENTARY CIRCULAR TO AGM FOR 2013
IN RELATION TO
ELECTION OF MR. LI HONGHUI AND MR. SONG LIZHONG AS
NON-EXECUTIVE DIRECTORS OF THE COMPANY
CAPITAL INCREASE IN HAPPY LIFE
AND
SUPPLEMENTARY NOTICE OF AGM FOR 2013**

This supplementary circular (the “**Supplementary Circular**”) should be read in conjunction with the circular dated May 15, 2014 (the “**First Circular**”) to shareholders of China Cinda Asset Management Co., Ltd. (the “**Shareholders**”).

A notice of convening the AGM of China Cinda Asset Management Co., Ltd. at Donghua Hall, 11th Floor, Beijing Minzu Hotel, No. 51 Fuxingmennei Street, Xicheng District, Beijing, the PRC on Monday, June 30, 2014 at 9:30 a.m. is set out in the First Circular. The supplementary notice of AGM for 2013 (the “**Supplementary Notice**”) is set out on pages 9 to 10 in this Supplementary Circular.

A supplementary proxy form for the AGM of the Company for 2013 (the “**Supplementary Proxy Form**”) is enclosed herein and is available on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The accompanying Supplementary Proxy Form in this Supplementary Circular will replace the proxy form in the First Circular. If you wish to appoint a proxy to attend the AGM on your behalf, you are required to complete and return the accompanying Supplementary Proxy Form in accordance with the instructions printed thereon no later than 24 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the Supplementary Proxy Form will not preclude you from attending and voting in person at the AGM should you so wish.

June 13, 2014

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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

Xu Zhichao

Registered address:

No. 1 Building

9 Naoshikou Street, Xicheng District

Beijing

the PRC

Non-executive Directors:

Wang Shurong

Yin Boqin

Xiao Yuping

Yuan Hong

Lu Shengliang

Principal place of business in Hong Kong:

12/F

AIA Central

1 Connaught Road Central

Central, Hong Kong

Independence non-executive Directors:

Li Xikui

Qiu Dong

Chang Tso Tung, Stephen

Xu Dingbo

To the Shareholders,

**SUPPLEMENTARY CIRCULAR TO AGM FOR 2013
IN RELATION TO
ELECTION OF MR. LI HONGHUI AND MR. SONG LIZHONG AS
NON-EXECUTIVE DIRECTORS OF THE COMPANY
CAPITAL INCREASE IN HAPPY LIFE
AND
SUPPLEMENTARY NOTICE OF AGM FOR 2013**

June 13, 2014

1. INTRODUCTION

This Supplementary Circular shall be read in conjunction with the First Circular. Unless the context otherwise requires, the capitalized terms used in this Supplementary Circular shall have the same meanings as those defined in the First Circular.

The form and procedures of the proposal of additional resolutions are in compliance with the applicable laws and regulations and the Articles.

LETTER FROM THE BOARD

The purpose of this Supplementary Circular is to provide you with the Supplementary Notice of AGM (which is set out on pages 9 to 10 herein) and all information on additional resolutions which are reasonably necessary to enable you to make an informed decision on the additional resolutions.

2. ADDITIONAL RESOLUTIONS

(i) To consider and approve the resolution on the election of Mr. Li Honghui and Mr. Song Lizhong as non-executive Directors of the Company

According to the nomination by Shareholders and the operation needs, additional ordinary resolutions will be proposed at the AGM in accordance with the relevant requirements under the Company Law of the PRC and the Articles, for the approval of the election of Mr. Li Honghui and Mr. Song Lizhong as non-executive Directors of the Company.

Subject to the approval of the AGM for 2013 and the approval in respect of relevant qualification of Directors by the China Banking Regulatory Commission, Mr. Li and Mr. Song will be the non-executive Directors of the Company until the expiry of term of office of the current session of the Board. The biographies of the candidates of Directors are set out in Appendix I to this Supplementary Circular.

(ii) To consider and approve the resolution regarding the capital increase in Happy Life

Due to its business development, Happy Life had lower solvency adequacy ratio but higher capital expenditure. In order to comply with regulatory requirements on solvency and its business development needs, Happy Life has to increase its capital. Based on its shareholding of 50.995%, the Company intends to contribute RMB1.33 billion to the capital increase plan of RMB2.6 billion by Happy Life for raising its solvency adequacy ratio and ensuring the smooth operation of all of its businesses. The price is made with reference to the capital increase in 2013, which was RMB1.5 per share. The final price shall be determined by the shareholders' general meeting of Happy Life on the basis of the asset evaluation results. Upon the capital increase, the shareholding of the Company in Happy Life will remain unchanged at 50.995%. The details are set out in Appendix II.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the capital increase were less than 5%, the capital increase is not subject to disclosure or approval of Shareholders in accordance with the Listing Rules. However, the internal authorisation plan of the Company provides that the capital increase shall be approved by the Shareholders in the Shareholders' general meeting. The additional special resolution will be proposed to the AGM for the approval of the capital increase in Happy Life.

3. AGM

The Supplementary Notice is set out on pages 9 to 10 herein. The AGM will be held at Donghua Hall, 11th Floor, Beijing Minzu Hotel, No. 51 Fuxingmennei Street, Xicheng District, Beijing, the PRC on Monday, June 30, 2014 at 9:30 a.m. as scheduled.

Please refer to the circular and the notice of AGM for 2013 of the Company dated May 15, 2014 for the details of other resolutions to be proposed in the AGM, the qualification to attend the AGM, the registration procedures, the closure of register of members, the poll at the meeting and other relevant matters.

LETTER FROM THE BOARD

4. RECOMMENDATION

The Board considers that all additional resolutions set out above are in the best interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the above resolutions to be proposed at the AGM.

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

Details of the candidates for non-executive Directors of the Company are as follows:

Mr. Li Honghui, aged 49, served as the officer, deputy section chief and section chief of the General Office of the Department of Industry and Communication Financing (工業交通財務司), officer of the General Office of the Department of Industry and Communication, deputy head of the General Information Division of the Department of Industry and Communication, deputy head of the Industry Division and deputy head of the Industry Division I of the Economic and Trade Department, deputy head and head of the Planning and Investment Division, head of the General Office, head of the Environment and Resources Division of the Economic Construction Department and deputy director of the Investment Appraisal and Censoring Centre under the Ministry of Finance of the People's Republic of China (the "MOF") from August 1990 to June 2014. Mr. Li obtained a bachelor's degree in industrial accounting from Hunan College of Finance and Economics in September 1987, a master's degree in economics from the Graduate School of the Finance Science Institute of the MOF in August 1990, and a doctoral degree in economics from the Graduate School of the Finance Science Institute of the MOF in August 1998.

Mr. Song Lizhong, aged 54, served as the officer, deputy section chief and section chief of Division II of the Bureau of Retired Veteran Cadres, deputy director and director of the CPC Branch Office of the Bureau of Retired Cadres under the MOF from September 1989 to June 2005, deputy director-general of the Bureau of Retired Cadres of the MOF, temporary post of the deputy head of the Department of Finance of Ningxia Hui Autonomous Region from June 2005 to August 2007, and the deputy head of the Bureau of Retired Cadres of the MOF from August 2007 to June 2014. Mr. Song graduated from the Faculty of Chinese of Renmin University of China with a diploma in Chinese language in July 1987, and graduated from the Correspondence Institute of Central Communist Party School with an academic certificate in economic management in December 1999.

The term of office of the abovementioned candidates shall commence from the date of approval by the AGM for 2013 of the Company and the approval of their qualifications as Directors by the China Banking Regulatory Commission until the expiry of the term of office of the current session of the Board. They shall be eligible for re-election upon the expiry of their term of office. The abovementioned candidates have not entered into any service contract with the Company or received any director's fee or remuneration from the Company.

Save as disclosed above, the abovementioned candidates have not held any directorship in any other listed companies in the past three years, do not hold any other positions in the Company or any of its subsidiaries, and do not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date of this Supplementary Circular, the abovementioned candidates do not have any interest in the securities of the Company (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)). The abovementioned candidates have not been subject to any punishment imposed by the China Securities Regulatory Commission ("CSRC") or any other relevant authorities and stock exchanges.

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

Since 2014, Happy Life has shown strong growth momentum in each business line with substantial increase in premium scale. Its comprehensive investment yields set a record high in the last three years. Significant improvement was seen in its profit and loss positions, and business synergies began to take effect. The proposal of capital increase in Happy Life was made to facilitate its further business development, strengthen its synergistic cooperation with the Group, and fulfil the regulatory requirements on solvency.

I. HIGHLIGHTS OF THE CAPITAL INCREASE PLAN

Pursuant to the plan, the capital increase amount is RMB2.6 billion. Based on the shareholding of the Company of 50.995%, its equity investment in Happy Life shall be increased by RMB1.33 billion. The price is made with reference to the capital increase in 2013, which was RMB1.5 per share. The final price shall be determined by the shareholders' general meeting of Happy Life on the basis of the asset evaluation results. Upon the capital increase, the shareholding of the Company in Happy Life will remain unchanged at 50.995%.

II. GENERAL INFORMATION OF HAPPY LIFE

(I) Overall development of Happy Life

As approved by the China Insurance Regulatory Commission ("CIRC"), Happy Life was established in November 2007 by 15 promoters, including the Company and China Travel Group Corporation (中國中旅(集團)公司), and was principally engaged in various insurance businesses such as life insurance, health insurance, personal accident insurance as well as reinsurance business in relation to the life insurance. Currently, Happy Life has established its nationwide marketing network with diversified sales channels covering the personal insurance, bancassurance and group insurance. With its product system mainly integrating life insurance, health insurance and accident insurance products, Happy Life has become one of the major life insurance companies in the industry.

(II) Development of Happy Life in the last three years

1. Development of each agency

The total number of agencies established at the end of each of the last three years:

Table 1: Total number of agencies as at the end of each year

Number	2011	2012	2013
Tier-2 agency	22	22	22
Tier-3 agency	54	67	67
Tier-4 agency	80	117	107
Total	156	206	196

2. Financial positions

Major financial information of Happy Life for the last three years is as follows:

Table 2: Major financial information

Year (RMB)	2011	2012	2013
Operating income (million)	5,598.84	4,660.53	4,009.23
Total profit (million)	-737.41	-791.08	-753.13
Net profit (million)	-737.41	-791.08	-753.13
Total assets (million)	19,780.37	26,329.54	29,811.22
Total liabilities (million)	19,295.75	25,878.67	28,599.03
Net assets (million)	484.62	450.86	1,212.19
Equity attributable to equity holders of the parent company (million)	258.45	240.45	618.16

(III) Business operation of Happy Life from January to April 2014

In the first four months of this year, Happy Life achieved satisfactory results in each business line, details of which are as follows:

1. Rapid growth in insurance business

From January to April this year, Happy Life has achieved the best ever results in its premium size, new insurance policies as well as renewed policies since its establishment. It was ranked 22nd in terms of premium size as at the end of the first quarter of this year as compared with 32nd in 2013.

2. Effective expansion of bancassurance channels

From January to April this year, underpinned by the bancassurance channels, premium generated from new policies increased by 281% as compared with the corresponding period of last year, which was 3.37 times of the average growth of its peers.

3. Optimized assets structure

In line with the introduction of new policies on insurance investment, Happy Life increased its collaboration with the Group in terms of alternative asset investment with a focus on new investment channels, so as to revitalize its stock funds and optimize its asset structure. As a result, income from financial investment recorded a year-on-year increase of 53.9% from January to April this year.

4. Enhanced basic management and effective control

Happy Life further strengthened its management on budget and performance appraisal during the year to ensure the implementation of annual business plan and budget plan. It differentiated the allocation of resources for each channel and branch and established a mechanism with clear incentives and restraints. Furthermore, it also conducted effective control with a view to enhancing the input and output efficiency. In general, risk control of Happy Life was maintained at a healthy level.

III. NECESSITIES FOR CAPITAL INCREASE

In respect of the industry regulatory policy, the CIRC will enhance the reform of establishing three mechanisms, namely market-driven pricing mechanism, fund application mechanism and market entry and withdrawal mechanism. Moreover, the division of supervision on insurance companies with respect to their solvency adequacy ratios will be increasingly standardized and strict. If the solvency adequacy ratio of Happy Life is insufficient, its insurance business and synergistic development with the Group would be adversely affected.

1. Regulatory requirements

Solvency of insurance companies has become an important aspect of the regulation of the insurance industry. Firstly, the CIRC may impose regulatory measures on insurance companies with solvency adequacy ratio lower than 100%, such as limiting the addition of branches and the scope of business. Secondly, the industry administrative measures recently issued by the CIRC also regard sufficient solvency as an essential indicator of approval. Accordingly, the ordinary operation of Happy Life and the proper implementation of its development plans are subject to the regulatory requirements on solvency.

2. Business development

After years of development, Happy Life is currently in a transitional stage from inception to growth. Firstly, increasing investment in diversified channel expansion, outlet distribution and enhancement of effective sales back office is required for the development of its insurance business. Secondly, in order to enhance its synergistic collaboration with the Group in terms of capital application under its new insurance investment policy, Happy Life is also required to meet the regulatory requirements of solvency. Thirdly, given the uncertainties in the capital market, an insightful capital plan shall be made to ensure a reliable source of funds for the business operation of Happy Life.

3. Synergistic development

According to the development plan of the Group, three business segments, namely distressed asset management, investment and asset management as well as financial services, shall achieve synchronized growth, so as to form effective business synergies. The Group aims to provide customized financial solutions and differentiated asset management services through leveraging the synergistic development of different business segments. With a relatively low-cost access to funds, the insurance business will play an increasingly prominent role in the synergistic development of business segments. Capitalizing on the business synergies, funds under the insurance business of Happy Life can be allocated to support other business segments in compliance with laws and regulation. As a result, the Group will be able to expand its asset management scale and optimize the investor composition of the Group while further enhancing its leading position in alternative asset management.

IV. FEASIBILITY OF THE CAPITAL INCREASE

1. Huge development potential of China's insurance industry

With continuous economic transformation, which is characterized by features such as “industrialization, urbanization, aging of population, informatization and internationalization”, the benefits of such reform will provide favourable opportunities for the development of the life insurance industry. The life insurance coverage and density in China are significantly lower than the world's average level. There will be huge development potential for the life insurance industry as its products and services enjoyed a relatively high demand. In the future, the insurance industry in China will mainly strive for the reform in establishment of three mechanisms, namely market-driven pricing mechanism, fund application mechanism and market entry and withdrawal mechanism, so as to create a more favourable market environment. In respect of the market-driven pricing mechanism, the liberalization of market rates will further intensify competition. However, it will also bring autonomy and flexibility to insurance companies on product pricing, thereby increasing the efficiency of resource allocation and enhancing the comprehensive competitiveness of the industry. In respect of the fund application mechanism, alternative investments are likely to achieve rapid growth as a result of the relaxed regulatory policies for asset management business of the insurance industry, which will be an unprecedented development opportunity for companies with strong investment advantages. In respect of market entry and withdrawal mechanism, the CIRC will establish a sound market entry and withdrawal mechanism, which will be favourable to us and other similar companies which feature more branches.

In the light of the substantial development potential and the continuous benefits released by reforms of the insurance industry of China, the capital increase is considered to be necessary and feasible.

2. Solvency and capital demand subsequent to the capital increase

Assuming the investment market will remain stable and there will be no material and contingent matters, the capital increase of RMB2.6 billion in the third quarter of 2014 will be sufficient to enable Happy Life to meet the solvency adequacy ratio requirement in the next two years.

V. CAPITAL INCREASE PLAN

In order to ensure Happy Life to comply with the regulatory solvency requirements and maintain normal operation with satisfactory growth momentum, the capital increase plan, which is based on the current capital requirement for operation and the previous capital requirement plan submitted to the Company and the CIRC, is as follows: additional capital increase of RMB2.6 billion was proposed under the plan. Based on the shareholding of the Company of 50.995%, its equity investment in Happy Life shall be increased by RMB1.33 billion. The price is made with reference to the capital increase in 2013, which was RMB1.5 per share. The final price shall be determined by the shareholders' general meeting of Happy Life on the basis of the asset evaluation results. Upon the capital increase, the shareholding of the Company in Happy Life will remain unchanged at 50.995%.

As the capital increase proposal constitutes a special resolution at the shareholder's general meeting of Happy Life, it can only be passed with the consent of shareholders holding more than two-thirds of the voting rights of Happy Life. Implementation of the capital increase plan shall be subject to the resolution of the shareholders' general meeting of Happy Life.

SUPPLEMENTARY NOTICE OF AGM FOR 2013



China Cinda Asset Management Co., Ltd.

中國信達資產管理股份有限公司

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(Stock Code: 01359)

SUPPLEMENTARY NOTICE OF AGM FOR 2013

Reference is made to the notice of annual general meeting for 2013 (the “AGM”) of China Cinda Asset Management Co., Ltd. (the “Company”) dated May 15, 2014, which set out the resolutions to be considered and approved by Shareholders in the AGM to be held at Donghua Hall, 11th Floor, Beijing Minzu Hotel, No. 51 Fuxingmennei Street, Xicheng District, Beijing, the PRC at 9:30 a.m. on Monday, June 30, 2014. Unless the context otherwise requires, capitalized terms used in this Supplementary Notice shall have the same meanings as those defined in the circular of the Company dated May 15, 2014 and the Supplementary Circular dated June 13, 2014.

SUPPLEMENTARY NOTICE IS HEREBY GIVEN that the AGM will be held as scheduled. In addition to the resolutions set out in the notice of AGM dated May 15, 2014 of the Company, the following resolutions will also be considered and approved:

ORDINARY RESOLUTIONS

- 7.1 To consider and approve the election of Mr. Li Honghui as the non-executive Director of the Company
- 7.2 To consider and approve the election of Mr. Song Lizhong as the non-executive Director of the Company

SPECIAL RESOLUTION

8. To consider and approve the capital increase in Happy Life

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

June 13, 2014

Notes:

1. Save as the additional proposed resolutions, there is no any other change to the resolutions set out in the notice of AGM dated May 15, 2014. For details of other resolutions and other related matters to be considered and approved at the AGM, please refer to the notice of AGM and the circular of the Company dated May 15, 2014.
2. As the proxy form enclosed in the circular dated May 15, 2014 (the “First Proxy Form”) does not contain the additional proposed resolutions set out in this Supplementary Circular, a new proxy form (the “Supplementary Proxy Form”) has been prepared and is enclosed herein.

SUPPLEMENTARY NOTICE OF AGM FOR 2013

3. The Supplementary Proxy Form for use at the AGM is enclosed herein and is available on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (www.cinda.com.cn). Whether you attend the AGM or not, you are required to complete and return the accompanying Supplementary Proxy Form in accordance with the instructions printed thereon no later than 24 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the Supplementary Proxy Form will not preclude you from attending and voting in person at the AGM should you so wish.
4. A Shareholder who has not yet lodged the First Proxy Form in accordance with the instructions printed thereon is required to lodge the Supplementary Proxy Form if he or she wishes to appoint proxies to attend the AGM on his or her behalf. In this case, the First Proxy Form should not be lodged.
5. A Shareholder who has already lodged the First Proxy Form in accordance with the instructions printed thereon should note that:
 - (i) If no Supplementary Proxy Form is lodged in accordance with the instructions printed thereon, the First Proxy Form will be treated as a valid proxy form lodged by the Shareholder if duly completed. The proxy appointed under the First Proxy Form will also be entitled to vote in accordance with the instructions previously given by the Shareholder or at his/her discretion (if no such instructions are given) on any resolution properly put to the AGM, including the additional proposed resolutions set out in this Supplementary Notice.
 - (ii) If the Supplementary Proxy Form is lodged in accordance with the instructions printed thereon before 24 hours prior to the time appointed for holding the AGM or any adjournment thereof (the "Closing Time"), the Supplementary Proxy Form will be treated as a valid proxy form lodged by the Shareholder if duly completed.
 - (iii) If the Supplementary Proxy Form is lodged after the Closing Time, the Supplementary Proxy Form will be deemed invalid. It will not revoke the First Proxy Form previously lodged by the Shareholder. The First Proxy Form will be treated as a valid proxy form if duly completed. The proxy appointed under the First Proxy Form will also be entitled to vote in accordance with the instructions previously given by the Shareholder or at his/her discretion (if no such instructions are given) on any resolution properly put to the AGM, including the additional proposed resolutions set out in this Supplementary Notice.
6. Shareholders are reminded that completion and return of the First Proxy Form and/or the Supplementary Proxy Form will not preclude them from attending and voting in person at the AGM or any adjournment thereof.