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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in China Cinda Asset Management Co., Ltd., you should at once hand this circular and the accompanying form of proxy and the reply slip of the annual general meeting to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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China Cinda Asset Management Co., Ltd.
中國信達資產管理股份有限公司

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

WORK REPORT OF THE BOARD FOR 2013
WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2013
FINAL FINANCIAL ACCOUNT FOR 2013
PROFIT DISTRIBUTION PLAN FOR 2013
FIXED ASSETS INVESTMENT BUDGET FOR 2014
APPOINTMENT OF ACCOUNTING FIRM FOR 2014
AND
NOTICE OF AGM FOR 2013

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 on pages 34 to 36 of this circular.

If you wish to appoint a proxy to attend the AGM on your behalf, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon no later than 24 hours before the time appointed for holding the AGM or any adjourned meeting thereof (as the case may be). If you wish to attend the AGM in person or by proxy, you are required to complete and return the accompanying reply slip on or before Tuesday, June 10, 2014. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any adjourned meeting should you so wish.

May 15, 2014

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DEFINITIONS

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

“AGM”	the annual general meeting for 2013 of the Company to 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.
“Articles”	the articles of association of the Company as amended from time to time
“Board”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“Cinda Leasing”	Cinda Financial Leasing Co., Ltd., a subsidiary of the Company
“Cinda P&C”	Cinda Property and Casualty Insurance Co., Ltd., a subsidiary of the Company
“Director(s)”	director(s) of the Company
“First State Cinda Fund”	First State Cinda Fund Management Co., Ltd., a subsidiary of the Company
“H Share(s)”	the overseas listed foreign shares in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange
“Happy Life”	Happy Life Insurance Co., Ltd., a subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Jingu Trust”	China Jingu International Trust Co., Ltd., a subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“(our) Company”	China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司), a joint stock limited company incorporated in the PRC with its H Shares listed on the Hong Kong Stock Exchange
“(our) Group”	the Company and its subsidiaries

DEFINITIONS

“PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including H Shares and domestic shares
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“subsidiary(ies)”	has the meanings ascribed to it under the Listing Rules
“Supervisor(s)”	supervisor(s) of the Company

LETTER FROM THE BOARD



China Cinda Asset Management Co., Ltd.

中國信達資產管理股份有限公司

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

(Stock Code: 01359)

Executive Directors:

Hou Jianhang
Zang Jingfan
Xu Zhichao

Non-executive Directors:

Wang Shurong
Yin Boqin
Xiao Yuping
Yuan Hong
Lu Shengliang

Independent non-executive Directors:

Li Xikui
Qiu Dong
Chang Tso Tung, Stephen
Xu Dingbo

Registered address:

No. 1 Building
9 Naoshikou Street, Xicheng District
Beijing
the PRC

*Principal place of business
in Hong Kong:*

12/F
AIA Central
1 Connaught Road Central
Central, Hong Kong

May 15, 2014

To the Shareholders

Dear Sir or Madam,

**WORK REPORT OF THE BOARD FOR 2013
WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2013
FINAL FINANCIAL ACCOUNT FOR 2013
PROFIT DISTRIBUTION PLAN FOR 2013
FIXED ASSETS INVESTMENT BUDGET FOR 2014
APPOINTMENT OF ACCOUNTING FIRM FOR 2014
AND
NOTICE OF AGM FOR 2013**

1. INTRODUCTION

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

LETTER FROM THE BOARD

2. MATTERS TO BE CONSIDERED AT THE AGM

Ordinary resolutions to be proposed at the AGM for the Shareholders to consider and approve include: (a) the work report of the Board for 2013; (b) the work report of the Board of Supervisors for 2013; (c) final financial account for 2013; (d) the profit distribution plan for 2013; (e) fixed assets investment budget for 2014; and (f) the appointment of accounting firm for 2014.

Resolution to be proposed at the AGM for Shareholders' consideration only and not for approval include: review of work report of the independent non-executive Directors for 2013.

Details of the matters to be considered at the AGM are set out on pages 34 to 36 in the Notice of AGM for 2013 in this circular. In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make well-informed decisions, we have provided detailed information in this circular, including matters to be considered at the 2013 AGM (see Appendix I), the work report of the Board for 2013 (see Appendix II), the work report of the Board of Supervisors for 2013 (see Appendix III), and the work report of the independent non-executive Directors for 2013 (see Appendix IV).

3. AGM

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.. The notice of the meeting is set out in this circular.

In order to determine the holders of H Shares who are entitled to attend the AGM, the H Shares register of members of the Company will be closed from Saturday, May 31, 2014 to Monday, June 30, 2014 (both days inclusive), during which period no transfer of H Shares will be effected. Holders of H Shares of the Company who intend to attend the AGM shall deposit the share certificates together with the transfer documents at the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at or before 4:30 p.m. on Friday, May 30, 2014. Holders of H Shares whose names appear on the H Shares register of members of the Company at the close of business on Friday, May 30, 2014 are entitled to attend the AGM.

A proxy form and a reply slip for use at the AGM are enclosed herein and also published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk). Shareholders of H Shares who intend to attend the AGM by proxy shall complete and return the proxy form to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 24 hours before the time appointed for holding the AGM. Completion and return of the proxy form will not preclude a Shareholder from attending the AGM and voting in person if he so wishes. Holders of H Shares who intend to attend the AGM in person or by proxy should complete and return the reply slip by hand, by post or by fax to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before Tuesday, June 10, 2014.

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

LETTER FROM THE BOARD

4. RECOMMENDATION

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

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

I. TO CONSIDER AND APPROVE THE WORK REPORT OF THE BOARD FOR 2013

In accordance with applicable regulatory requirements and the Articles, and based on the work of the Board of the Company in 2013, the Company formulated the “Work Report of the Board for 2013 of China Cinda Asset Management Co., Ltd.” (see Appendix II), which mainly set out the analysis of operation of the Company in 2013, major work of the Board in 2013 and the implementation of resolutions of the Shareholders’ general meeting by the Board.

Such report has been considered and approved at the second meeting and the second regular meeting of the Board in 2014, and is hereby submitted to the Shareholders’ general meeting for consideration in accordance with the Articles and the procedural rules of the Shareholders’ general meeting of the Company.

II. TO CONSIDER AND APPROVE THE WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2013

In accordance with the PRC Company Law and the Articles, and based on the work of the Board of Supervisors in 2013, the Board of Supervisors of the Company formulated the “Work Report of the Board of Supervisors for 2013 of China Cinda Asset Management Co., Ltd.” (see Appendix III).

Such report has been considered and approved at the fifth meeting of the Board of Supervisors of the Company in 2014, and is hereby submitted to the Shareholders’ general meeting for consideration in accordance with the Articles and the procedural rules of the Shareholders’ general meeting of the Company.

III. TO CONSIDER AND APPROVE THE FINAL FINANCIAL ACCOUNT FOR 2013

The consolidated financial statements and audit report were prepared in accordance with the International Financial Reporting Standards for 2013. Details of the Final Financial Account for 2013 are set out as follows:

(I) Overall results of operation

In 2013, profit before tax, net profit and net profit attributable to equity holders of the Company were RMB11,772 million, RMB9,101 million and RMB9,027 million, respectively. Basic earnings per share, return on average assets, return on average shareholders’ equity and capital adequacy ratio were RMB0.30, 2.9%, 13.8% and 21.58%, respectively.

As at the end of 2013, total assets amounted to RMB383,785 million, representing an increase of 50.73% as compared with the beginning of 2013. Assets in distressed asset management segment increased by 62.91% to RMB228,604 million. Total liabilities of the Group were RMB301,023 million, representing an increase of 55.38% as compared with the beginning of 2013.

As at the end of 2013, total equity and equity attributable to equity holders of the Company were RMB82,762 million and RMB75,998 million, representing increases of 35.93% and 38.75%, respectively, as compared with the beginning of 2013. Net proceeds from the initial public offering of the Company were RMB14,625 million.

The tables below set forth the major operating data:

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

Item	2013	2012
Total assets	383,785.41	254,614.36
Total liabilities	301,023.29	193,729.62
Equity	82,762.12	60,884.74
Equity attributable to equity holders of the Company	75,998.27	54,773.57
Operating income	42,413.19	32,335.21
Profit before tax	11,772.04	9,595.86
Net profit	9,100.97	7,217.14
Net profit attributable to equity holders of the Company	9,027.28	7,306.25
Return on average shareholders' equity	13.8%	15.8%
Return on average assets	2.9%	3.4%
Cost-to-income ratio	26.2%	29.7%
Basic earnings per share (in RMB Yuan)	0.30	0.25
Capital adequacy ratio	21.58%	20.96%

(II) Major financial income and expenses

1. Operating income

In 2013, operating income was RMB42,413 million, representing an increase of 31.17% as compared with the same period last year. Income from distressed debt assets classified as receivables was RMB10,144 million, representing an increase of RMB6,626 million as compared with last year. Fair value changes on distressed debt assets were RMB4,618 million, representing an increase of RMB739 million as compared with last year. Investment income was RMB7,044 million, representing an increase of RMB515 million as compared with last year. Other income was RMB20,608 million, representing an increase of RMB2,198 million as compared with last year.

2. Operating expenses

In 2013, operating expenses were RMB30,601 million, representing an increase of 31.90% as compared with the same period last year. Interest expense was RMB7,804 million, representing an increase of RMB4,106 million as compared with last year. Impairment losses on assets were RMB6,153 million, representing an increase of RMB1,552 million as compared with last year. Employee benefits were RMB3,797 million, representing an increase of RMB380 million as compared with last year. Wages and salaries, bonuses, allowances and subsidies under the payable employee benefits in 2013 increased by RMB336 million, or 11.72%, to RMB3,203 million as compared with last year. Other expenses were RMB12,846 million, representing an increase of RMB1,363 million as compared with last year.

Table 2 Statement of major incomes and expenses (in millions of RMB, except for percentages)

Item of major income and expenses	2013		Growth rate (%)	2012
	Amount	Change		
Income from distressed debt assets classified as receivables	10,144.16	6,625.76	188.32	3,518.40
Fair value changes on distressed debt assets	4,617.63	739.38	19.06	3,878.25
Investment income	7,043.85	515.01	7.89	6,528.84
Other income	20,607.56	2,197.84	11.94	18,409.72
Total income	42,413.19	10,077.98	31.17	32,335.21
Interest expense	(7,803.76)	(4,106.14)	111.05	(3,697.62)
Impairment losses on assets	(6,153.28)	(1,552.33)	33.74	(4,600.95)
Employee benefits	(3,797.44)	(379.88)	11.12	(3,417.56)
Other expenses	(12,846.47)	(1,362.53)	11.86	(11,483.94)
Total expenses	(30,600.95)	(7,400.88)	31.90	(23,200.07)
Change in net assets attributable to other holders of consolidated structured entities	(540.46)	(388.92)	256.65	(151.54)
Share of results of associates	500.26	(112.00)	(18.29)	612.26
Profit before tax	11,772.04	2,176.18	22.68	9,595.86
Income tax expense	(2,671.07)	(292.34)	12.29	(2,378.73)
Net profit for the year	9,100.97	1,883.83	26.10	7,217.14
Profit attributable to:				
Equity holders of the Company	9,027.28	1,721.03	23.56	7,306.25
Non-controlling interests	73.69	162.80	(182.70)	(89.11)

3. Financial position

As at the end of 2013, total assets amounted to RMB383,785 million, representing an increase of RMB129,171 million as compared with the beginning of 2013. Assets in the three segments including distressed asset management, financial investment and asset management, and financial services were RMB228,604 million, RMB72,776 million and RMB86,248 million, representing increases of RMB88,276 million, RMB23,750 million and RMB16,896 million as compared with the beginning of 2013, respectively.

As at the end of 2013, total equity was RMB82,762 million, representing an increase of RMB21,877 million as compared with the beginning of 2013. Net assets in the three segments including distressed asset management, financial investment and asset management, and financial services were RMB39,237 million, RMB28,998 million and RMB14,555 million, representing increases of RMB14,459 million, RMB7,337 million and RMB753 million as compared with the beginning of 2013, respectively.

Table 3 Changes in total assets and net assets of the business segments (in millions of RMB, except for percentages)

	2013		2012		2013		2012	
	Total assets	Percentage in total (%)	Total assets	Percentage in total (%)	Net assets	Percentage in total (%)	Net assets	Percentage in total (%)
Distressed asset management	228,603.89	59.57	140,327.70	55.11	39,237.04	47.41	24,777.76	40.70
Financial investment and asset management	72,776.37	18.96	49,026.60	19.26	28,998.25	35.04	21,661.70	35.58
Financial services	86,248.24	22.47	69,352.05	27.24	14,555.15	17.59	13,801.89	22.67
Elimination	(3,843.08)	(1.00)	(4,092.00)	(1.61)	(28.31)	(0.03)	643.39	1.06
Total	<u>383,785.42</u>	<u>100.00</u>	<u>254,614.35</u>	<u>100.00</u>	<u>82,762.13</u>	<u>100.00</u>	<u>60,884.74</u>	<u>100.00</u>

Such resolution has been considered and approved at the second meeting and the second regular meeting of the Board in 2014, and is hereby submitted to the Shareholders' general meeting for consideration in accordance with the Articles and the procedural rules of the Shareholders' general meeting of the Company.

IV. TO CONSIDER AND APPROVE THE PROFIT DISTRIBUTION PLAN FOR 2013

In accordance with the audited financial report for 2013 of the Company, the Group recorded a net profit attributable to equity holders of the Company of RMB9,027,278,394.03 and the Company recorded a net profit of RMB7,230,731,927.50. Proposed profit distribution plan for 2013 is as follows:

- (I) In accordance with the PRC Company Law and the Articles, an appropriation of RMB723,073,192.75, or 10% of the net profit for 2013 of the Company of RMB7,230,731,927.50, was made to the statutory surplus reserve.
- (II) Pursuant to the Administrative Measures for the Provision of Reserves of Financial Enterprises (Caijin [2012] No. 20) issued by the Ministry of Finance, the balance of the general reserve shall be maintained at not less than 1.5% of the balance of the risk assets at the end of the reporting period. According to such requirement, the general reserve for 2013 of the Company amounted to RMB1,206,708,645.82, including a general reserve of RMB825,847,432.28 made on the basis of 1.5% of the risk assets at the end of November in 2013.

(III) After the appropriations to the statutory reserve and the general reserve, the distributable profits of the Company for 2013 amounted to RMB5,300,950,088.93.

(IV) In accordance with the “Resolution on the Distribution Plan for the Accumulated Profit before the Issuance of H shares of China Cinda Asset Management Co., Ltd.” (《關於中國信達資產管理股份有限公司發行H股股票之前滾存利潤分配方案的議案》) which was considered and approved at the second extraordinary general meeting in August 2013, for the special dividend period (commencing from July 1, 2013, the calendar day immediately following the benchmark date of the financial statements, to November 30, 2013, the last calendar date of the month immediately before the date of the prospectus for the H Shares), the Company would distribute cash dividends to all Shareholders of the Company whose names appeared on the register of members on the record date for the special dividend distribution. The total amount of such special dividend distribution is RMB1,202,803,605.03, accounting for 13.32% of the net profit attributable to equity holders of the Company recorded by the Group for 2013.

According to the requirement and commitment regarding “the payment of dividends out of our distributable profit after tax for a given year shall not be less than 10% of the net profit attributable to equity holders of the Company of that year at the Group level on a consolidated basis” set out in the Articles and the prospectus of the Company dated November 28, 2013, the Board did not propose any distribution of dividend for 2013 other than the abovementioned special dividend. The remaining net profit will be retained by the Company to further strengthen the financial leverage, increase capital support for the market and business expansion and support the business development of the Company.

Such resolution has been considered and approved at the second meeting and the second regular meeting of the Board in 2014, and is hereby submitted to the Shareholders’ general meeting for consideration in accordance with the Articles and the procedural rules of the Shareholders’ general meeting of the Company.

V. TO CONSIDER AND APPROVE THE FIXED ASSETS INVESTMENT BUDGET FOR 2014

In accordance with the Articles and relevant requirements, the Company formulated the Fixed Assets Investment Budget of the Company for 2014. The budget for the fixed assets investment for 2014 is proposed to be RMB628 million, including:

- The budget for the expenses of disaster contingency plan and construction of recovery base is proposed to be RMB549 million;
- The budget for other capital expenditure such as purchases of fixed assets and intangible assets and renovation of offices is proposed to be RMB79 million.

Such resolution has been considered and approved at the first meeting and the first regular meeting of the Board in 2014, and is hereby submitted to the Shareholders’ general meeting for consideration in accordance with the Articles and the procedural rules of the Shareholders’ general meeting of the Company.

VI. APPOINTMENT OF ACCOUNTING FIRM FOR 2014

In accordance with the “Administrative Measures of the Tendering Procedures for the Appointment of Accounting Firms by Financial Enterprises (Provisional)” (《金融企業選聘會計師事務所招標管理辦法(試行)》) (Caijin [2010] No. 169) issued by the Ministry of Finance and the “Rules for Centralized Procurement Management” (《集中採購管理規程》) of the Company, the Company has organized the selection and appointment of accounting firms for 2014 for the disclosure of financial information, audit (review) of financial reports and internal control in relation to the listing in 2014.

In accordance with the results of selection, the Company proposed to reappoint Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) and Deloitte Touche Tohmatsu as the domestic and overseas auditors for 2014, responsible for the audit of financial reports, review of the interim report, audit of internal control and other professional services for 2014. The auditing fee will be RMB12.9 million (excluding fees for the subsidiaries), including fees for audit (review) of financial reports and audit of internal control of RMB10.7 million and RMB2.2 million, respectively.

Such resolution has been considered and approved at the second meeting and the second regular meeting of the Board in 2014, and is hereby submitted to the Shareholders’ general meeting for consideration in accordance with the Articles and the procedural rules of the Shareholders’ general meeting of the Company.

VII. TO REVIEW THE WORK REPORT OF INDEPENDENT NON-EXECUTIVE DIRECTORS FOR 2013

In accordance with the Articles and other relevant provisions, the independent non-executive Directors of the Company are required to submit work report to the Shareholders’ general meeting on an annual basis. The work report of independent non-executive Directors of the Company has been reviewed and finalized by each independent non-executive Director.

The above-mentioned report is hereby submitted to the Shareholders’ general meeting. The work report of independent non-executive Directors for 2013 is set out in Appendix IV of this circular for the review of Shareholders. However, it is not subject to the approval of Shareholders.

CHINA CINDA ASSET MANAGEMENT CO., LTD.
WORK REPORT OF THE BOARD FOR 2013

The year of 2013 is a milestone in the development of our Company. We coped with various challenges from complex operating conditions and business environment with due deliberations. In this year, we pushed forward institutional reforms, accelerated business development and strengthened risk management and internal controls, and have thus achieved steady growth in the results of operations. On December 12, 2013, the Company was successfully listed in Hong Kong, marking a new era in its reform and laying a solid foundation for its further sustainable development. During the reporting period, the Board strictly complied with the requirements of the relevant laws, regulations and the Articles and implemented the resolutions adopted at Shareholders' general meetings. Through continuous enhancement of the Company's corporate governance mechanism, the corporate governance continued to improve. All Directors were responsible, duly performed their duties and made a great contribution for the systematic decision-making and management of the Company. The Directors also promoted the smooth operation of the Company and enhanced its overall competitiveness thereby protecting the interests of its Shareholders.

I. BUSINESS PERFORMANCE OF THE COMPANY FOR 2013

(I) Key Business Performance Indicators

As at December 31, 2013, the consolidated total assets of the Group amounted to RMB383,785 million, representing an increase of 50.7%, and the Group recorded net profit of RMB9,101 million, representing an increase of 26.1% as compared with the previous year. Equity attributable to equity holders of the Company amounted to RMB75,998 million, representing an increase of 38.7% as compared with the previous year. The net profit attributable to equity holders of the Group amounted to RMB9,027 million, representing an increase of 23.6% as compared to the previous year. ROE and ROE net of listing proceeds were 13.8% and 15.5%, respectively, ROA and ROA net of listing proceeds were 2.85% and 2.92%, respectively.

(II) Business Performance

The Company mainly operates the distressed asset management, financial investment and asset management as well as financial services segments. The following table sets forth the operation performance of each segment.

<i>(in millions of RMB, except for percentages)</i>	As at and for the year ended December 31, 2013				
	Distressed asset management	Financial investment and asset management	Financial services	Elimination	Consolidation
Total income	21,849.8	8,976.8	12,133.9	(547.3)	42,413.2
Percentage of total	51.5%	21.2%	28.6%		
Total expenses and costs	(13,590.4)	(5,853.2)	(11,635.9)	478.6	(30,600.9)
Profit before tax	8,314.3	3,011.7	514.9	(68.8)	11,772.1

1. *Distressed Asset Management*

Distressed asset management is the Company's core business and one of the Company's principal income source. In 2013, the income generated from distressed asset management accounted for 51.5% of the Group's total income, and the profit before tax generated from distressed asset management accounted for 70.6% of the Group's total profit before tax.

As at December 31, 2013, the net balance of distressed debt assets was RMB114,755 million and the acquisition cost of new distressed debt assets amounted to RMB88,813 million. The income from distressed debt assets was RMB14,679 million. Entrusted distressed assets amounted to RMB39,748 million. We held unlisted DES Assets in 187 DES Companies, with total book value of RMB34,135 million, and listed DES Assets in 26 DES Companies, with total book value of RMB8,140 million. In 2013, the Company disposed of the investments in 88 DES Companies, with total acquisition cost of RMB4,274 million, realizing net gain of RMB3,645 million.

2. *Financial Investment and Asset Management*

The financial investment and asset management business of the Group primarily includes principal investment, asset management (including private equity) and other businesses. In 2013, the income from financial investment and asset management business accounted for 21.2% of the total income of the Group.

As at December 31, 2013, the balance of principal investment of the Group was RMB19,669 million. The equity investments, real estate investments, fund investment and other investments represented 55.0%, 9.4%, 18.2% and 17.4%, respectively of the total principal investments.

3. *Financial Service*

As at December 31, 2013, income from financial services represented 28.6% of the total income of the Group. Major operation results of each of the financial subsidiaries are set forth in the table below:

<i>(in millions of RMB)</i>	As at and for the year ended December 31,			
	Profit			
	Income	before tax	Total assets	Net assets
Securities and Futures	2,083.5	449.5	17,648.5	6,267.0
Jingu Trust	1,003.6	350.4	3,516.6	3,233.5
Cinda Leasing	1,760.0	478.6	30,759.6	2,809.7
First State Cinda Fund	170.2	15.3	255.0	193.4
Cinda P&C	3,072.3	2.9	6,052.9	2,635.0
Happy Life	4,053.0	(780.4)	29,811.2	1,212.2

II. MAJOR WORKS OF THE BOARD FOR 2013

In 2013, the Board performed its functions of strategic management and systematic decision-making, acted as a gate-keeper and prevented major problems in the development of the Company, supervised the implementation of strategies and plans, attached great importance to the establishment of regulations, continued to improve corporate governance of the Company and ensure the compliance and sound development of the Company.

(I) Successful listing of the Company

Listing was the Company's core task in 2013. The Board focused on the preparation for the listing and completed and furnished materials for listing in coordination with the management of the Company and intermediaries. The Board efficiently coordinated internal decision-making process and organized key members to promptly respond to enquiries of the Hong Kong Stock Exchange during the hearing to ensure the successful listing of the Company as scheduled. The listing received positive responses in the overseas capital market.

(II) Improved corporate governance and accelerated the transformation of internal institutions

The Board further improved corporate governance through developing ready connections with the capital market, diversifying the shareholding structure, and further streamlining the governance structure composed of the Shareholders meeting, the Board meeting, the Board of Supervisors meeting and the senior management. The Board also revised the plans for authorization granted from the Shareholders' general meetings to the Board and from the Board to the president based on our business features and development needs through transformation. In order to maximize the synergies of the Group's operations, the management of the Company implemented differentiated management and business authorizations with respect to each branches and imposed effective supervision and management of the subsidiaries based on their different market positioning. The Board further reformed the compensation and evaluation mechanisms by establishing performance evaluation systems and remuneration management systems by responding to the business development in order to boost the innovation and vitality of the Company.

(III) Improved capability and enhanced decision-making

Firstly, the Board promptly improved the composition of the Board and its special committees in accordance with the diversified shareholding structure of the Company. Secondly, all Directors were diligent and responsible, and duly reviewed proposals submitted to the Board, reflecting a strong sense of responsibility and excellent professionalism. Eight Board meetings and 24 meetings of the special committees were convened during the year. The Board attendance rate of all Directors was 100%. Thirdly, the Board convened Shareholders' general meetings in accordance with laws and regulations, and duly implemented resolutions strictly based on the resolutions and authorization of the Shareholders' general meetings.

(IV) Strengthened internal control for better risk management

In accordance with the requirements of the Ministry of Finance and four other ministries, the Board implemented a comprehensive internal control system with the assistance of the management. Firstly, in accordance with the Articles and relevant regulatory requirements, the Board formulated the Manual on Internal Control for compliance for each line of business. Secondly, the Board coordinated the internal and external audit activities. The Board conducted audit and evaluation of the internal control of the Company in 2013 by fully capitalising on the independent services of the external auditing firms.

(V) Board Meetings and Special Committees Meetings

In 2013, the Board conducted eight meetings, including two regular meetings and six extraordinary meetings. 68 resolutions were passed and six work reports were reviewed at the meetings, including six resolutions on the offering and listing of Shares, 11 resolutions on management matters, seven resolutions on project approvals, 25 resolutions on system establishment, 11 resolutions on personnel management, four resolutions on work report and four other resolutions. The major issues are as follows:

- considered and approved the final financial account plan and the profit distribution plan of the Company for 2012;
- considered and approved the annual report, report of the Board and the internal control evaluation report of the Company for 2012;
- considered and approved the resolutions on the fixed assets investment budget, audit working plan and appointment of accounting firm of the Company for 2013;
- considered and approved the resolution on candidates for the new session of the Board, chairman of the Board and the members of the special committees of the Board;
- considered and approved the proposal on the initial public offering of the H Shares and the listing of the Company and relevant matters;
- considered and approved the resolution on authorization to deal with matters in respect of the purchase of liability insurance of Directors, Supervisors and senior management and the prospectus;
- considered and approved the resolution on the amendments to the Articles and the Procedural Rules of Shareholders' General Meetings, the Procedural Rules of Board Meetings and the terms of reference of the special committees of the Board;
- considered and approved the resolution on the amendments to rules and regulations of the Company, including the Terms of Reference of the Independent Directors (《獨立董事工作規則》), the Rules on Proposal Submission to the Board of Directors (《董事會議案提交規則》), the Terms of Reference of the President (《總裁工作規則》) and the Administrative Measures on Related Party Transaction (《關聯交易管理辦法》);

- considered and approved the resolution on the formulation of rules and regulations of the Company, including the Administrative Rules for Information Disclosure (《信息披露管理制度》), the Administrative Rules for Insider Management (《內幕消息知情人管理制度》), the Provisional Measures on Investor Relations (《投資者關係工作暫行辦法》), the Code for Securities Transactions by Directors, Supervisors and Senior Management (《董事、監事及高級管理人員證券交易守則》) and the Administrative Measures for the Preparation of Regular Information Disclosure Report (《信息披露定期報告編制管理辦法》).

In 2013, 24 meetings of the special committees of the Board were conducted and the details are as follows:

1. Strategy and Development Committee

The Strategy and Development Committee conducted five meetings to consider 13 resolutions, including the 2012 final financial accounts, 2013 fixed asset investment budget and its additional budget of the Company, the IT plan of the Group, change in the disaster contingency plan and recovery base construction and the initial public offering of the Company.

2. Audit Committee

The Audit Committee had conducted six meetings to review the 2012 annual report and the 2013 audit plan of the Company; to review the internal control and internal audit systems; to review the appointment of accounting firm and the provisional internal control measures; working procedures and review reports. The committee had considered ten resolutions and received three reports from Deloitte Touche Tohmatsu Certified Public Accountants LLP and the Risk Management Department of the Company.

3. Risk Management Committee

The Risk Management Committee had conducted five meetings to consider six resolutions, including the review of the 2012 risk management report of the Company, 2013 work report of the Risk Management Committee and quarterly risk management reports for 2013.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee had conducted six meetings to consider 13 resolutions, including the initial verification of the qualification of candidates for Director, senior management, authorized representatives, joint company secretaries; the nomination of chairmen and members of special committees (except the chairman of the Strategic Development Committee); and the payment of the remuneration of Directors and senior management.

5. Related Party Transaction Control Committee

The Related Party Transaction Control Committee had conducted two meetings to consider six resolutions, including the 2012 related party transaction report and internal transaction report, the revision of the related party transaction control regulations and internal transaction control regulations, and review of particulars of additional related parties of the Company.

III. IMPLEMENTATION OF RESOLUTIONS ADOPTED AT SHAREHOLDERS' GENERAL MEETINGS

During the reporting period, the Company convened five Shareholders' general meetings, including one annual general meeting and four extraordinary general meetings, to consider and approve 25 resolutions, including six resolutions on revision of systems and authorization, three resolutions on personnel appointment, removal and remuneration, four resolutions on operation and management, four resolutions on the listing of the Company, four resolutions on business approval and four other resolutions.

For resolutions passed at the Shareholders' general meetings, the Board duly implemented relevant resolutions and supervised their implementation strictly based on the requirements of resolutions of the Shareholders' general meetings. For resolutions on revision of systems and authorization, the Board completed the revision and disclosure on time. For resolutions on personnel appointment, removal and remuneration, the Board and the Board of Supervisors of the Company completed the re-appointment of Directors and the appointment of new Directors in accordance with domestic and overseas laws and regulations, and determined their remunerations according to the resolutions of the Shareholders' general meetings. For resolutions on operation and management, the Board coordinated and finished preparation of final financial accounts, profit distribution and fixed assets investment budget. For resolutions on the listing of the Company, the Board supervised the management to timely submit materials such as listing proposals to the China Securities Regulatory Commission and relevant authorities, and completed relevant approval procedures and distribution of retained profits. The Company was successfully listed in Hong Kong in December 2013.

The Board actively implemented resolutions on business approval. For resolutions on the issuance of financial bonds, due to factors such as changes in regulatory policies, the Board is supervising the management to closely liaise with the regulatory authorities to facilitate the issue. For resolutions on capital increase and transfer of equity interest in Happy Life, the Board has completed the increase and transfer according to requirements. For resolutions on the subscription of additional shares in Cinda Leasing, the Board has completed the strategic investment in Cinda Leasing. For resolutions on the revision of the disaster prevention and recovery plan, the Board is supervising and organizing the management to construct the recovery base in accordance with the revised plans.

2014 is the first year for the Company to enter into the capital market to accept domestic and overseas public investors after its successful listing in Hong Kong. Turning a new page, the Board will adhere to this year's mission and operation objectives of the Company to further improve the corporate governance, to enhance the level of operation decision-making, to disclose information in accordance with laws and regulations, and to effectively establish investor relationship, to concretely implement all kinds of work of the Company, to further improve the value of the Company and to create sustainable and competitive returns for the Shareholders.

CHINA CINDA ASSET MANAGEMENT CO., LTD.
WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2013

In 2013, pursuant to the national laws and regulations, regulatory requirements and the Articles, the Board of Supervisors of the Company improved its working procedures under the principle of “Two Services and Three Supervisions” and performed its supervisory duties to ensure the sustainable and healthy development of the Company.

I. MAJOR WORKS OF THE BOARD OF SUPERVISORS IN 2013

(I) Effective daily supervision and diligent performance of obligations

1. *Enhanced supervision and assessment*

In 2013, the Board of Supervisors strengthened the supervision over the daily performance of Directors and senior management through attending meetings, reviewing materials and on-site visits, in order to fully understand the performance of Directors and senior management. The supervision of the performance of Directors and senior management was fully documented. The supervision was focused on the compliance and diligence of the Directors and senior management in the execution of the resolutions of Shareholders’ general meetings and Board meetings, and in making major operation decisions and procedures of the Company, so as to improve the corporate governance and the diligent performance of duties of the Directors and senior management.

During the reporting period, the Board of Supervisors earnestly carried out annual evaluation on the performance of Directors and senior management, formulated evaluation plans and optimized the evaluation indicators and methods to regulate the evaluation process. It also organized interviews in relation to the performance of duties, formulated interview plans and outlines. Supervisors held 37 interviews with Directors, senior management and officers from each department of the headquarters as well as certain branches and subsidiaries. The Board of Supervisors drew up reports on the basis of the interviews and made comments and suggestions. It organized the key officers of headquarters, branches and subsidiaries as well as the Supervision Committee of the Board of Supervisors to conduct comprehensive evaluations and successfully finished the evaluation on performance of duties of Directors and senior management, as well as formulated the supervision and evaluation opinions and the 2013 Report on Assessment of the Performance of Directors and Senior Management (《2013年度董事、高管人員履職評價工作情況的報告》). The Board of Supervisors had submitted its report on major supervision issues to the Ministry of Finance and the China Banking Regulatory Commission in accordance with the relevant requirement.

2. *Effective financial supervision and inspection*

The Board of Supervisors has formulated the Proposal of Examination of Financial Supervision of 2013 (《2013年財務監督檢查方案》) for the daily supervision of the financial matters of the Company to enhance the decision and execution of major financial measures of the Company. The Board of Supervisors earnestly conducted the review of the financial statements of the three and a half years ended June 30, 2013 and the year of 2013, and received reports from the accounts department. Regular communication with the external auditing firm was maintained to understand the financial position of the Company, in particular to the quality of assets acquired and provision for impairment to ensure the truthfulness, accuracy and completeness of financial reports. The independence and effectiveness of the audit department was also under close supervision.

During the report period, the Board of Supervisors conducted a special review of the financial compliance of four branches, focusing on the audit of income and cost and its accuracy, the reasonableness of the basis of the measurement of fair values, and made suggestions for improvement. The Board of Supervisors received reports from the relevant departments of the headquarters, made a comprehensive comparison between the financial reports prepared in accordance with the local and international accounting standards and the effects of different accounting standards on the consolidated debt-to-asset ratio, financial leverage ratio and capital adequacy ratio of the Group, and made relevant suggestions.

3. *Stringent supervision and evaluation on internal control*

The Board of Supervisors performed duties of supervision and evaluation on internal control and formulated the Provisional Regulations on Supervision and Evaluation of Internal Control (《內部控制監督評價暫行辦法》) and the implementation plans to clarify and standardize the supervision and evaluation on internal control by the Board of Supervisors. It kept track of the establishment and implementation of internal control of the Company through reviewing and analyzing the documents in relation to the internal control system as well as the audit reports. It also strengthened the supervision and evaluation on major business and new business segments in strict compliance with the latest regulatory requirements and the operating practice of the Company. In addition, it received reports from internal audit department and external auditing firms and the related parties of the Company and suggested to establish a flexible management system on internal control compliance, strengthen the internal control system design of new business and accelerate the implementation of the Group's IT platform in response to the problems found during the audit and for the application of audit findings and building of information system, so as to improve the relevant works.

During the reporting period, the Board of Supervisors conducted on-site investigation on internal control for in-depth understanding of eight branches and subsidiaries in respect of their application of the internal control manual, application of rules and regulations, implementation of the internal control system and other issues, in order to lay a foundation for successful supervision and evaluation on the internal control.

4. *Strengthening risk management and supervision*

The Board of Supervisors actively promoted the establishment of the comprehensive risk management of the Company and regularly received risk management presentation to understand the major risks of the Company. The Board of Supervisors also conducted research on the overall management of the Company to compile the Consolidated Management Research Report (併表管理調研報告) and to propose recommendations to subsidiaries such as implementation of centralized risk management. The Board of Supervisors conducted research on the third party asset management business of the Company to alert the division of responsibility and post-investment management of such business and the compliance risk.

During the reporting period, the Board of Supervisors initiated a special inspection of the regulatory operation with the aim to identify and eliminate potential operation risk in a timely manner to regulate the business operation. The Board of Supervisors initiated five key inspections focusing on the risk condition of the key projects and important sections and self-rectification to facilitate the compliance operation and the establishment of a long-run effective risk control system.

5. *Convening and attending relevant meetings in accordance with the law*

In 2013, the Board of Supervisors convened six meetings to review and approve 15 resolutions (See table 1 for the major resolutions of the Board of Supervisors) on matters including working plan, working report and supervisory report of the Board of Supervisors and the evaluation report of performance of Directors and senior management and internal control evaluation report. The Supervision Committee of the Board of Supervisors convened three meetings to review and approve resolutions on matters including Report of the Performance Evaluation of the Special Committees of the Board, Directors and Senior Management by the Board of Supervisors in 2013 (《2013年度監事會對董事會專門委員會、董事、高管人員履職評價工作方案》), Report of the Implementation of Supervision and Inspection of Internal Control and Risk Management by the Board of Supervisors in 2013 (《2013年監事會內控及風險管理監督實施方案》) and Report of Examination of the Financial Supervision by the Board of Supervisors in 2013 (《2013年度監事會財務監督檢查方案》). It convened seven ad hoc meetings to receive reports on business plans and budget implementation, risk management, internal control compliance as well as accounting and management of new business. In addition, it communicated with the external auditing firm to keep abreast with audit findings set out in the regular reports and suggestions on management.

Meetings of the Board of Supervisors and the Supervision Committee were carried out in accordance with regulated procedures with certain highlighted issues for discussion and 100% attendance. Supervisors fully exercised the right of speech and voting, actively expressed opinions and suggestions and exercised the voting right in a legal and prudent manner in various meetings. The holding of meetings of the Board of Supervisors and the Supervision Committee and the procedures thereof were in compliance with the requirements of laws, regulations, the Articles and rules of procedures of the Board of Supervisors.

In 2013, total number of attendance of Supervisors at the Shareholders' general meeting, the Board meetings and certain of its special committee meetings as well as the senior management meetings and relevant professional committee meetings were 23, 55 and 36, respectively. They monitored the decision-making procedures, voting results and validity of the proposals of the Board meetings in accordance with the laws. In addition, they also supervised the performance of Directors and senior management as well as the implementation of resolutions of the general meetings and Board meetings.

Table 1:

Matters for Consideration of the Board of Supervisors

No.	Name of the Proposals	Meetings	Date of the Meeting
1	Proposals Regarding Assessment Report on the Performance of Directors and Senior Management for 2012 (關於董事、高級管理人員2012年度履職評價工作情況的報告的議案)	The first meeting of 2013	March 29, 2013
2	Proposals Regarding the 2012 Annual Report of the Company (關於公司2012年年度報告的議案)	The second meeting of 2013	May 3, 2013
3	Proposals Regarding the 2012 Final Accounts Plan of the Company (關於公司2012年度財務決算方案的議案)		
4	Proposals Regarding the 2012 Profit Distribution Plan of the Company (關於公司2012年度利潤分配方案的議案)		
5	Proposals Regarding the 2012 Social Responsibility Report of the Company (關於公司2012年社會責任報告的議案)		
6	Proposals Regarding the 2012 Work Report of the Board of Supervisors (關於公司2012年度監事會工作報告的議案)		
7	Proposals Regarding the 2012 Supervision Report of the Board of Supervisors (關於公司2012年度監事會監督報告的議案)		
8	Proposals Regarding the Nomination of Candidates for Supervisors of China Cinda Asset Management Co., Ltd. (關於提名中國信達資產管理股份有限公司監事候選人的議案)	The third meeting of 2013	June 28, 2013
9	Proposals Regarding the 2012 Internal Control Assessment Report of China Cinda Asset Management Co., Ltd. (關於中國信達資產管理股份有限公司2012年度內部控制評價報告的議案)		
10	Proposals Regarding the Election of Chairman of the Board of Supervisors of China Cinda Asset Management Co., Ltd. (關於選舉中國信達資產管理股份有限公司監事長的議案)	The fourth meeting of 2013	June 28, 2013
11	Proposals Regarding the Election of Head and Members of the Supervision Committee of the Board of Supervisors of China Cinda Asset Management Co., Ltd. (關於選舉中國信達資產管理股份有限公司監事會監督委員會主任和委員的議案)		

No.	Name of the Proposals	Meetings	Date of the Meeting
12	Proposals Regarding the Revision of Rules of Procedures of the Board of Supervisors of China Cinda Asset Management Co., Ltd. (關於修訂中國信達資產管理股份有限公司監事會議事規則的議案)	The fifth meeting of 2013	August 5, 2013
13	Proposals Regarding the Revision of Working Rules of the Supervision Committee of the Board of Supervisors of China Cinda Asset Management Co., Ltd. (關於修訂中國信達資產管理股份有限公司監事會監督委員會工作規則的議案)		
14	Proposals Regarding the Interim Measures on Supervision and Assessment of Internal Control of the Company by the Board of Supervisors of China Cinda Asset Management Co., Ltd. (關於中國信達資產管理股份有限公司監事會對公司內部控制監督評價暫行辦法的議案)	The sixth meeting of 2013	September 5, 2013
15	Proposals Regarding the Implementation Procedures of Assessment on Performance of the Special Committees of the Board of Directors by the Board of Supervisors of China Cinda Asset Management Co., Ltd. (關於中國信達資產管理股份有限公司監事會對董事會專門委員會履職評價實施細則的議案)		

(II) Closely Monitoring Major Matters of the Company and to Raise Opinions and Proposals

2013 was a critical year to the Company as it was listed overseas. The Board of Supervisors focused on the transformation and development strategies of branches and the corporate governance of subsidiaries. The Board of Supervisors raised its opinions and proposal through various research, investigation and seminars.

In 2013, the Board of Supervisors conducted investigation of 11 branches. The Board of Supervisors raised its suggestions to the 11 branches on the implementation of strategies, transformation and development, enhancement of business status, the effective performance of the functions of three centers, improvement of business model and revenue model. The Research Report of Guangdong Branch (《赴廣東分公司調研報告》) and Research Report on the Transformation and Development of Branches (《分公司轉型發展調研報告》) prepared by the Board of Supervisors were accorded great importance to by the senior management of the Company and were distributed to various departments and branches for reference.

To cope with the relevant regulatory requirements and to eliminate the existing problems of the Company, the Board of Supervisors conducted a seminar on the corporate governance of subsidiaries. Major officer-in-charge of the subsidiaries and relevant departments were invited to discuss the corporate governance of subsidiaries and how to establish a governance system in compliance with the listing regulations and suitable for business development. Considerations were also given to the improvement of governance system in terms of structure and execution. The exercise of the rights of Shareholders was also discussed.

The Board of Supervisors functioned as a communication hub between the Company and its employees through its employee representative Supervisors. The employee representative Supervisors organized various discussions with employee representatives from the headquarters, branches and subsidiaries to receive opinions of employees on the development of the Company and to promote the corporate culture of the Company and assisted the explanation of the importance of the listing of the Company.

(III) Closely Monitoring Corporate Reform and the Implementation of Supervisory Suggestions

In 2013, in accordance with regulatory requirements, the Board of Supervisors followed up the implementation of its suggestions and the improvement in the management of audit department to ensure the effectiveness of the supervision works.

1. The Board of Supervisors raised its opinions and suggestions to particular department and followed up their implementation. In 2013, with the support of the Board of Directors' Office and the Chief Executive Office, the 2012 Supervisors' Report and the 2012 Internal Control Supervisory Report prepared by the Board of Supervisors were carefully considered and the departments which required improvement were identified. All supervisory suggestions were successfully implemented.
2. The Board of Supervisors monitored the implementation and results of its major suggestions. The Board of Supervisors continuously monitored the implementation of its suggestions on the liquidity of the Company in the first half of the year.
3. The Board of Supervisors placed emphasis on case study. The Board of Supervisors suggested to strengthen the analysis of reasons causing the problems found during the inspection of compliance operation and to learn from the past experience, and reviewed the results of compliance operation inspection.

(IV) Improvement of Supervision System and the Base of Performance

1. To elect Supervisors on schedule to ensure of the performance of the duties of the Board of Supervisors

In June 2013, the current session of Board of Supervisors expired. New Shareholders' representative Supervisor, independent Supervisors and employee representative Supervisors were elected at the annual general meeting and the general meeting of employee representatives and the chairman, secretary and other members of the new session of Board of Supervisors were also elected according to the nomination, verification and election procedures for Supervisors under the relevant requirements. The new session of Board of Supervisors has an additional independent Supervisor. The composition of the Board of Supervisors is in compliance with the regulatory requirements.

2. Changes in Corporate Governance and Improvement in Operation of Board of Supervisors

As a joint effort of the Company, the Board of Supervisors took part in the amendment of corporate governance documents such as the Articles, Management of the Information Disclosure, Rules of Meeting of the Board of Supervisors, Terms of Reference of the Supervision Committee of the Board of Supervisors. In accordance with the Governance of Commercial Bank issued by the China Banking Regulatory Commission, the Company conducted a meeting of chairman of the board of supervisors of all subsidiaries to discuss the governance of the board of supervisors of subsidiaries.

3. *Enhancement of Performance of Supervisors through Training*

In 2013, the Board of Supervisors organized various training courses in relation to operations of the board of supervisors of listed companies and the effects of the adoption of international accounting standards on the operations and management of the Company. To share experience and exchange ideas, we paid study visits to the board of supervisors of China Investment Corporation, China Construction Bank and Minsheng Bank. Through learning and drawing lessons from these institutions, the Board of Supervisors was inspired in connection with the development of supervision work.

II. INDEPENDENCE OPINIONS OF THE BOARD OF SUPERVISORS

The Board of Supervisors has the following opinions on matters of the Company in 2013:

(I) Operation of the Company

During the reporting period, the operation and decision-making procedures of the Company complied with the applicable laws, regulations and the Articles. The Directors and senior management performed their duties diligently and the Board of Supervisors did not detect any acts of the Directors and senior management that were in violation of the laws, regulations and Articles or those which would jeopardize the interests of the Company.

(II) Financial Report of the Company

The financial report of the year gives a true and fair view of the financial position and operating results of the Company.

(III) Internal Control of the Company

During the reporting period, the Company further improved its internal control. The Board of Supervisor has no comments on the evaluation of the internal control of the Company in 2013.

(IV) Performance Appraisal of Directors and Senior Management

The performance appraisal of all Directors and senior management for 2013 was satisfactory.

(V) Implementation of Resolutions of Shareholders' General Meetings

The Board of Supervisors has no comments on the matters submitted to Shareholders' general meetings during the reporting period. The Board of Directors had diligently implemented the resolutions of Shareholders' general meetings.

III. MAJOR WORKS OF THE BOARD OF SUPERVISORS IN 2014

In 2014, the Board of Supervisors will continue to perform its supervision duties under the “Two Services and Three Supervisions” principle to service strategic development, support the sustainable and healthy development of the Company.

(I) Performance Appraisal

The Board of Supervisors will complete the appraisal of the performance of Directors and senior management in 2013 and to formulate the performance appraisal plan of Directors and senior management in 2014.

(II) Financial Supervision

1. To complete the audit and review of the financial reports and profit distribution plan for 2013 and provide independent opinions on the annual financial report.
2. To continuously monitor the position of the financial budget and liquidity of the Company in 2014 and to supervise the raising, audit and application of funds; to monitor the quality of assets of the Company; and to supervise the preparation of annual financial report.
3. To examine the independence and effectiveness of external auditing firms.
4. To study internal and external proposals on supervision and management; to investigate problems found in audit; and to supervise the implementation of remedial measures.
5. To examine the financial and accounting system of some branches and subsidiaries.

(III) Internal Control and Risk Supervision

1. To supervise the assessment of the internal control of the Company in 2014.
2. To focus on the supervision of the management system, decision-making procedure and internal control on major risks of major business.
3. To organize case study of special issues.
4. To continue the supervision of the management of consolidation of accounts.

(IV) Supervision of Information Disclosure

The Board of Supervisors will monitor the information disclosure and the implementation of the information disclosure system of the Company.

(V) Special Studies

In 2014, the Board of Supervisors will have the follow major studies:

1. Strategic management and its implementation.
2. Financial management.
3. Risk management and regulation of operation.
4. Internal cooperation of the Group.
5. Understanding of front line operation management and business development and to resolve any problems found.

CHINA CINDA ASSET MANAGEMENT CO., LTD.
WORK REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS
FOR 2013

In 2013, the independent non-executive Directors of the Company strictly complied with the PRC Company Law, PRC Securities Law, the Articles and working procedures of independent Directors, performed their duties faithfully and diligently, duly attended meetings of the Board and its special committees, actively participated in the study, discussion and decision of relevant matters to be considered and approved, gave opinions and suggestions for development strategies, risk management, internal controls, nomination and remuneration management and related party transaction management, which have protected the interests of the Company and all Shareholders, especially the minority Shareholders. The performance of the independent non-executive Directors of the Company is reported as follows:

I. INFORMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

From January 1, 2013 to June 28, 2013, there were three independent non-executive Directors of the Company, namely Mr. Li Xikui, Mr. Qiu Dong and Mr. Yuen Tin Fan, Francis. The new session of the Board of the Company was elected at the 2012 annual general meeting. At present, the Company has four independent non-executive Directors, namely Mr. Li Xikui, Mr. Qiu Dong, Mr. Chang Tso Tung, Stephen and Mr. Xu Dingbo.

(I) Biographies of independent non-executive Directors

Mr. Li Xikui, independent non-executive Director

Mr. Li has been independent non-executive Director of the Company since June 2010. He was accredited as a researcher of China Construction Bank's head office by China Construction Bank in January 1993, and receives special allowance from the State Council. Mr. Li successively served as deputy director, deputy department director, vice president of head office, and director of the Research Institute of China Construction Bank from August 1982 to January 1994. He worked as vice general manager of Shougang Group and president of Hua Xia Bank Co., Limited from January 1994 to February 2000. He served as vice president of China Galaxy Securities Co., Ltd. from February 2000 to February 2006, and served as chairman of the board of directors of Galaxy Fund Management Co., Ltd. from February 2006 to April 2010. Mr. Li has also served as independent non-executive director of Chiho-Tiande Group Limited since July 2010. Mr. Li graduated from Liaoning College of Finance and Economics (currently known as Dongbei University of Finance and Economics) in August 1970, and graduated from the Finance Science Institute of the Ministry of Finance with a master's degree in economics in July 1982.

Mr. Qiu Dong, independent non-executive Director

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

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

Mr. Chang Tso Tung, Stephen, independent non-executive Director

Mr. Chang has been independent non-executive Director of the Company since June 2013 and is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants, respectively. He has been practising as a certified public accountant in Hong Kong for about 30 years and has extensive experience in accounting, auditing and financial management. He was the deputy chairman of Ernst & Young Hong Kong and China until his retirement at the end of 2003. He is also a member of the Investment Committee of Shanghai Fudan University Education Development Foundation and Shanghai Fudan University Education Development Foundation (Overseas). Mr. Chang has served as independent non-executive director of Kerry Properties Limited (listed on Hong Kong Stock Exchange, stock code: 00683) since December 2012. He served as independent non-executive director of China Pacific Insurance (Group) Co., Ltd. (listed on Hong Kong Stock Exchange, stock code: 02601) from June 2007 to May 2013, and independent director of China World Trade Center Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600007) from December 2004 to November 2010. Mr. Chang graduated from the University of London in August 1973 with a bachelor's degree in science.

Mr. Xu Dingbo, independent non-executive Director

Mr. Xu has been independent non-executive Director of the Company since June 2013 and is a member of the American Accounting Association. Mr. Xu was a teaching assistant in the University of Pittsburgh and the University of Minnesota and an assistant professor in The Hong Kong University of Science & Technology from 1986 to 2003, and was an adjunct professor in Peking University from April 1999 to April 2009. Mr. Xu joined China Europe International Business School in January 2004. He currently serves as the school's Professor, Associate Dean and member of Management Committee, and has also served as a member of Financial Budget Committee from October 2009 and the Essilor Chair Professor of Accounting from December 6, 2013. Mr. Xu has been appointed as independent non-executive Director and chairman of the Audit Committee of The People's Insurance Company (Group) of China Limited (listed on Hong Kong Stock Exchange, stock code: 01339) since September 2009. From December 2009 to November 2011, Mr. Xu served as independent non-executive Director and chairman of the Audit Committee of Sanjiang Shopping Club Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 601116). Mr. Xu has served as independent director and chairman of the Audit Committee of DongyiRisheng Home Decoration Group Limited Company since

December 2010. Since December 2012, Mr. Xu has served as independent director of Shanghai Shyndec Pharmaceutical Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600420). Mr. Xu has served as independent director of Sany Heavy Industry Co., Ltd (listed on the Shanghai Stock Exchange, stock code: 600031) since January 2013 and as chairman of the Audit Committee since July 2013. Mr. Xu graduated from Wuhan University in July 1983 and October 1986 with a bachelor's degree in science and a master's degree in economics, respectively. Mr. Xu also graduated from the University of Minnesota in October 1996 with a doctoral degree in accounting.

(II) Independence of independent non-executive Directors

The qualification, number and proportion of the independent non-executive Directors of the Company have complied with the requirements of regulatory authorities. The independent non-executive Directors do not have any business or financial interest in the Company and its subsidiaries and do not hold any management position in the Company. The Company has received annual confirmation letters from each of the independent non-executive Directors to confirm their independence and considered them to be independent.

II. ANNUAL PERFORMANCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

(I) Attendance of meetings and relevant resolutions

In 2013, the Company held one annual general meeting and four extraordinary general meetings to consider and approve 25 resolutions. The Company held eight Board meetings to consider 68 resolutions and review six reports. The Company held 24 meetings of special committees under the Board to consider 44 resolutions and review eight reports.

The attendance of independent non-executive Directors of the Company at Shareholders' general meetings, and meetings of the Board and its special committees was as follows:

Independent non-executive Directors	Number of Meetings attended/required to attend						
	Shareholders' general meetings	The Board	Strategic Development Committee	Special committees under the Board			Related Party Transaction Management Committee
				Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	
Li Xikui	5/5	8/8	5/5	2/2		6/6	1/1
Qiu Dong	4/5	8/8			2/2	4/4	2/2
Chang Tso Tung, Stephen	2/2	2/2	2/2	1/1			
Xu Dingbo	2/2	2/2		1/1	1/1		1/1
Independent non-executive Director resigned in 2013							
Yuen Tin Fan, Francis	0/2	3/3	2/2	4/4			

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

(II) Discussion and investigation

During the reporting period, in addition to attending Shareholders' general meetings and participating in meetings of the Board and its special committees, the independent non-executive Directors of the Company strengthened their connection and communication with other members of the Board, the Board of Supervisors, the senior management and the Shareholders, actively listened to the reports of relevant departments of the head office, and gave numerous valuable opinions and suggestions. Taking into account of the development strategies of the Company and other factors, the independent non-executive Directors selected some representative branches and subsidiaries to understand the risk management, internal controls, remuneration and implementation of annual operation plans, laying a sound foundation for better exercise of strengths and implementation of works of the Board.

(III) Implementation of works of the independent non-executive Directors under the support of the Company

To support the effective performance of duties of the independent non-executive Directors, the Company ensured that the independent non-executive Directors enjoy the same right to information as compared with executive Directors and non-executive Directors, provided the independent non-executive Directors with necessary work conditions for their performance of duties, and coordinated with the independent non-executive Directors to perform duties. The Board of Directors' Office and relevant departments of the Company provided a variety of services and support for the performance of duties of the independent non-executive Directors, including preparing the Manual for Directors, assisting the independent non-executive Directors in participating in special reports and seminars, timely providing information for reference and assigning specialized teams to assist Directors in conducting studies of special topics.

III. HIGHLIGHTED CONCERNS OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors of the Company attached great importance to a number of highlights such as the operation of the Board of the Company and its special committees, nomination and remuneration of the senior management, implementation of strategic plans, execution of internal control and related party transactions. They made clear judgment on relevant key matters in accordance with laws and regulations and provided independent and objective opinions and suggestions.

(I) Operation of the Board and its special committees

- 1. The Board.** The Company has four independent non-executive Directors, accounting for one-third of the Board members, which complies with the regulatory requirements. During the reporting period, the Company held eight Board meetings to consider 68 resolutions and review six reports.
- 2. Special committees of the Board.** The Board has five committees, namely the Strategic Development Committee, Audit Committee, Risk Management Committee, Nomination and Remuneration Committee and Related Party Transaction Management Committee.

During the reporting period, the operation of special committees of the Board was as follows:

The Strategic Development Committee conducted five meetings to consider 13 resolutions, including the 2012 final financial accounts, 2013 fixed asset investment budget and its additional budget of the Company, the IT plan of the Group, change in the disaster contingency plan and construction recovery base of the Group and the initial public offering of the Company. The Strategic Development Committee provided constructive opinions for strengthening the annual operation planning of the Company, the management of fixed asset investments, information technology development and public offering of the Company, in order to support the systematic decision making of the Board.

The Audit Committee conducted six meetings and two briefings to review the 2012 annual report and the 2013 audit plan of the Company; to review the internal control and internal audit systems; to review the appointment of accounting firm and the provisional internal control measures; working procedures and review reports. The committee had considered ten resolutions and received four reports from the accounting firm appointed for the annual audit.

The Risk Management Committee conducted five meetings to considered six resolutions, including the review of the 2012 risk management report, quarterly risk management reports for 2013 and 2013 work report of the Risk Management Committee. Based on market change, industry development and risk control of the Company, the Risk Management Committee provided numerous constructive suggestions for the Company to further strengthen the establishment and implementation of comprehensive risk management system.

The Nomination and Remuneration Committee conducted six meetings to consider the verification of the qualification of candidates for Director, senior management, authorized representatives, joint company secretaries, the nomination of chairmen and members of special committees (except the chairman of the Strategic Development Committee), and the payroll plan of the remuneration of directors and senior management. 13 resolutions were considered to effectively ensure the smooth change of the Board, special committees of the Board and members of senior management, the implementation of comprehensive evaluation and incentive system, providing opinions and suggestions for further improving the incentive and restriction system and refining the remuneration and appraisal mechanisms.

The Related Party Transaction Management Committee conducted two meetings to consider six resolutions, including the 2012 related party transaction report and internal transaction report, the related party transaction control regulations and internal transaction control regulations, particulars of additional related parties. The Related Party Transaction Management Committee places great emphasis on the information system for execution of internal transactions and related party transactions and is responsible for providing recommendation on enhancing the relationship with related parties and the daily management of related party transactions.

(II) Nomination and Remuneration of Members of Senior Management

Independent non-executive Directors of the Company are responsible to review the candidates of members of senior management nominated by the president. During the reporting period, the independent non-executive Directors of the Company recommended the Board to appoint Mr. Xiao Lin, Mr. Wu Songyun and Mr. Gu Jianguo as the Vice Presidents of the Company, Mr. Zhang Weidong as the Assistant to President of the Company, and Mr. Luo Zhenhong as the Chief Risk Officer of the Company. The independent non-executive Directors of the Company also considered the annual remuneration plan of the members of senior management based on the annual results of operation of the Company.

(III) Implementation of Information Disclosure

During reporting period, the Company prepared the annual report for 2012 in accordance with the standards applicable to listed companies. The independent non-executive Directors of the Company duly reviewed the annual report, in particular the truthfulness, accuracy and completeness of the annual report, so as to ensure that there are no false information, misleading statements or material omission in the annual report.

(IV) Implementation of Internal Control

Pursuant to the relevant regulatory requirements set out in the Basic Internal Control Norms for Enterprises (《企業內部控制基本規範》) and its matching guidelines jointly promulgated by the five ministries including the Ministry of Finance, the Board conducted self-evaluation on the effectiveness of internal control of the major entities during the reporting period. No material or significant deficiencies in internal control of the Company were identified. The risks arise from general deficiencies were controlled and are being rectified. Such risks did not constitute a substantial impact on the operation and the achievement of the financial goals of the Company.

(V) Appointment of Accounting Firm

During the reporting period, in accordance with the relevant requirements of preparing annual report, the independent non-executive Directors maintained adequate communication with external auditors of the Company and supervised the auditing of annual financial reports of the Company. The independent non-executive Directors considered that the domestic and international accounting firms engaged by the Company were independent, objective and fair in the auditing and completed all jobs assigned by the Company and the independent non-executive Directors, therefore, agreed to reappoint these accounting firms.

(VI) Cash Dividend and Other Returns to Investors

In 2013, the formulation and implementation of policy of cash dividend complied with the requirements of the Articles and the resolutions passed at the general meeting. The standards and proportion of dividends were clear and explicit and the procedures and mechanism of decision making were mature, and were considered and approved by the independent non-executive Directors.

(VII) Use of Proceeds

The proceeds of the Company were used for the purpose as disclosed in the prospectus.

(VIII) Related Party Transactions

The independent non-executive Directors of the Company place a great emphasis on the management of related party transactions. During the reporting period, the independent non-executive Directors reviewed the matters regarding the related parties of the Company in accordance with relevant requirements and listened to special reports and provided opinions and recommendations on the daily management of related parties and related party transactions thereof in accordance with relevant requirements. The independent non-executive Directors supervised the compliance of related party transactions.

IV. GENERAL EVALUATION

During the reporting period, the independent non-executive Directors of the Company paid a close attention to the operation of the Company, brought their expertise into full play and provided independent and objective opinions. The independent non-executive Directors provided valuable opinions and recommendations on the development strategies, risk control, supervision of audit, nomination and remuneration management and related party transactions management.

In 2014, the independent non-executive Directors of the Company will continue to fulfill their responsibilities to all Shareholders collectively by duly, diligently and prudently exercising the power authorized by the Shareholders in accordance with laws and regulations and performing statutory duties independently, so as to further contribute to the sustainable development of the Company and protect the interests of the Company, shareholders and other stakeholders.

It is hereby reported.

Independent non-executive Directors:

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

April 2014

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

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

(Stock Code: 01359)

NOTICE OF AGM FOR 2013

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of China Cinda Asset Management Co., Ltd. (the “Company”) for the year 2013 will 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 for the following purposes of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTION

1. To consider and approve the work report of the Board for 2013
2. To consider and approve the work report of the Board of Supervisors for 2013
3. To consider and approve the final financial account for 2013
4. To consider and approve the profit distribution plan for 2013
5. To consider and approve the fixed asset investment budget for 2014
6. To consider and approve the appointment of accounting firm for 2014

AS REPORTING DOCUMENT

1. To review the work report of the independent non-executive Directors for 2013

Notice of Closure of Register of Members

The register of holders of H Shares of the Company will be closed from Saturday, May 31, 2014 to Monday, June 30, 2014 (both days inclusive), during which period no transfer of H Shares will be registered. Any holder of H Shares of the Company who wish to attend the AGM shall lodge all transfer documents accompanied by the relevant share certificates with the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited no later than 4:30 p.m. on Friday, May 30, 2014. Shareholders whose names appear on the H Share register of members of the Company at the close of business on Friday, May 30, 2014 will be entitled to attend the AGM.

NOTICE OF AGM FOR 2013

The address of the H Share Registrar of the Company:

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Details of the above resolutions are set out in the circular for AGM for 2013 of the Company dated May 15, 2014. Unless otherwise stated, terms defined in the circular shall have the same meanings in this notice.

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

May 15, 2014

Notes:

1. The register of members of the Company will be closed from Saturday, May 31, 2014 to Monday, June 30, 2014 (both days inclusive). Holders of H Shares and domestic shares whose name appear on the register of members of the Company at the close of business on Friday, May 30, 2014 shall be entitled to attend and vote at the AGM. Holders of H Shares of the Company who wish to attend and vote at the AGM shall lodge all transfer documents accompanied by the relevant share certificates with the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 186 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, May 30, 2014.
2. A Shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on his/her behalf. A proxy needs not to be a Shareholder of the Company, but he/she must attend the AGM in person to represent the relevant Shareholder.
3. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his/her attorney duly authorized in writing. If the Shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its director(s) or duly authorized attorney. If that instrument is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.
4. In order to be valid, the proxy form, the notarized power of attorney or other authorization document (if any) must be delivered to the Board of Directors' Office of the Company for holders of domestic shares and at the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude a Shareholder from attending and voting in person at the AGM or any adjournment thereof if he/she so wishes.
5. Holders of domestic shares and holders of H Shares who intend to attend the AGM for 2013 in person or by proxy should deliver the reply slip at the Board of Directors' Office of the Company and at the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong respectively on or before Tuesday, June 10, 2014 by hand, by post or by fax (fax no: (852) 2865 0990 for Computershare Hong Kong Investor Services Limited).
6. Pursuant to the Articles of the Company, any vote of Shareholders at a general meeting must be taken by poll. As such, the resolutions set out in the notice of the AGM will be voted on by poll.

NOTICE OF AGM FOR 2013

7. The AGM is expected to last for half a day. Shareholders (in person or by proxy) attending the AGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the AGM shall produce their identity documents.
8. In the case of joint Shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholder(s), and for this purpose seniority will be determined by the order in which the names stand on the register of members in respect of the relevant joint holding.