

2024 Annual Results Announcement

China Cinda Asset Management Co., Ltd.

March 2025

A pioneer and leader in distressed assets management
industry in China



中国信达
CHINA CINDA

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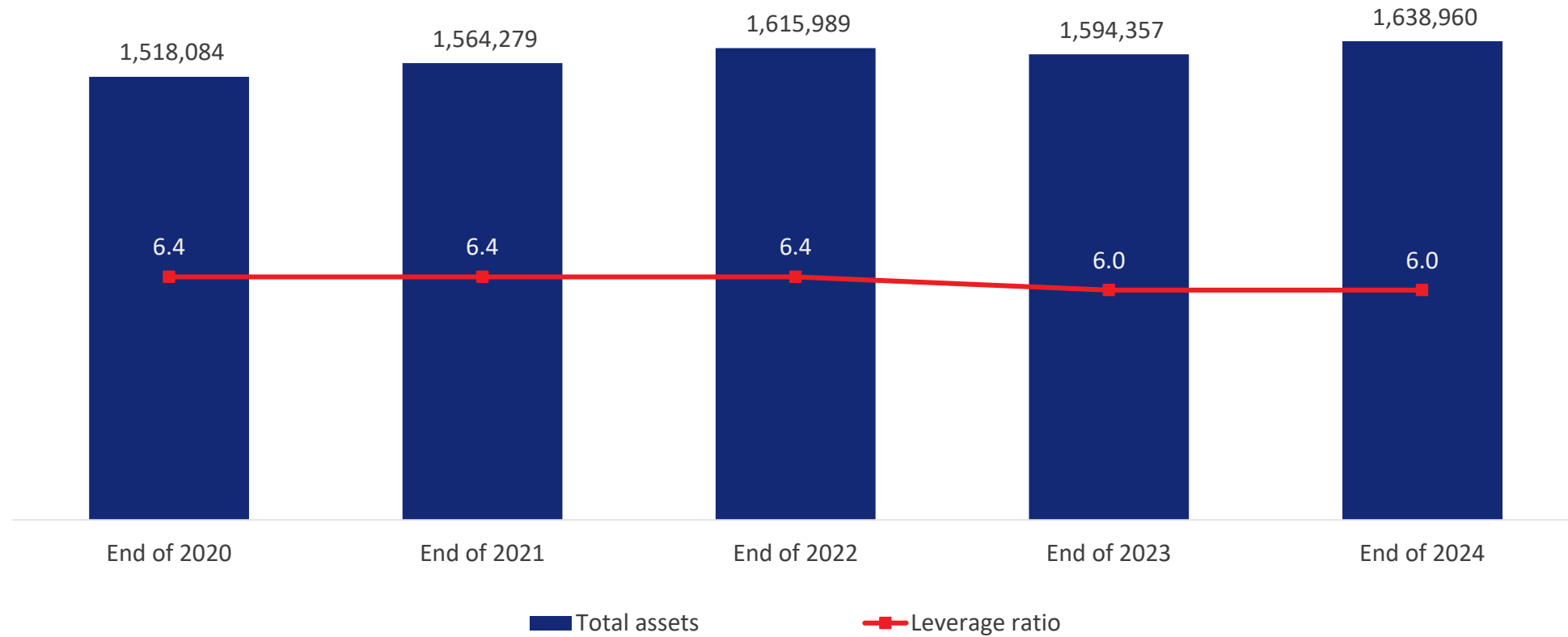
- 01** Performance Overview P₅
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Performance Overview

Asset size and leverage level remained stable

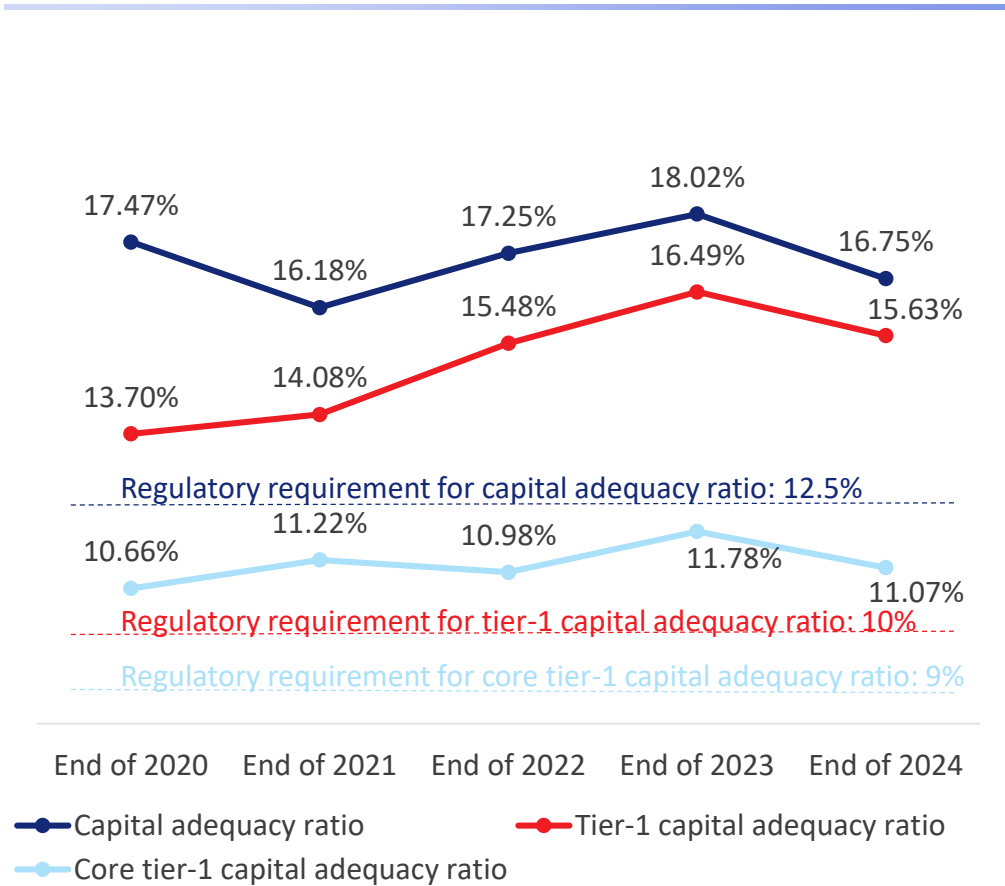
Total assets and leverage ratio*

in millions of RMB

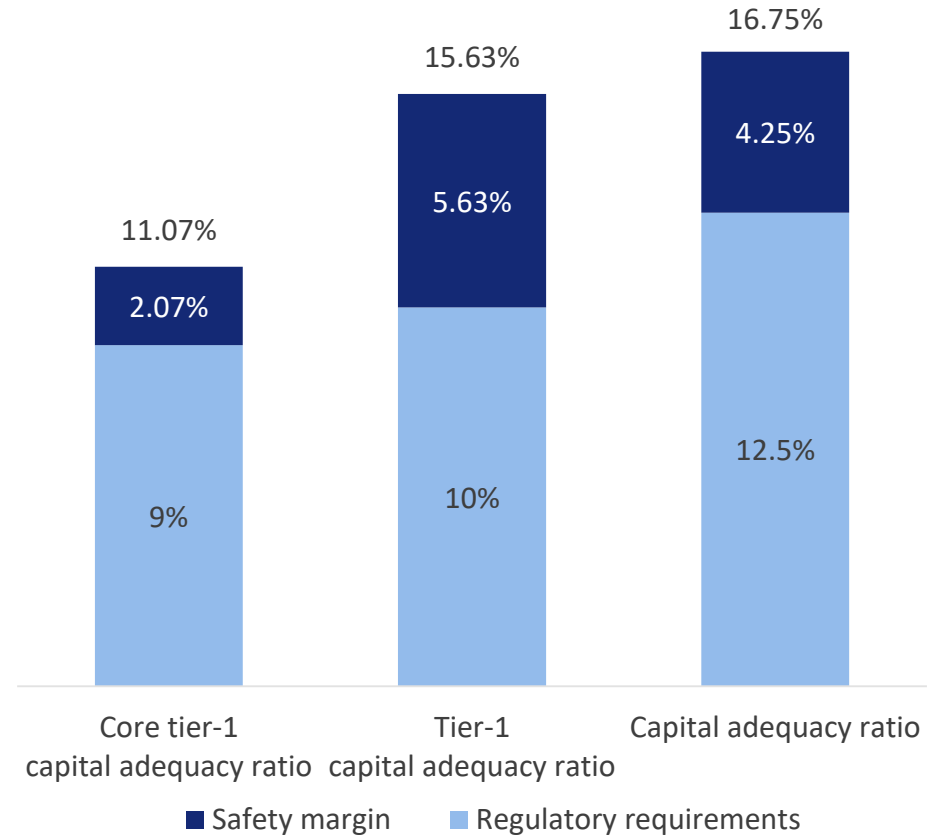


Capital levels maintained rational and safe

Capital adequacy ratios

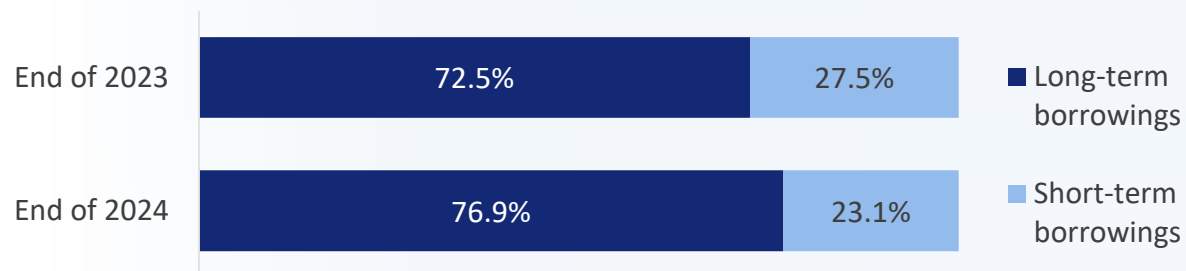


Capital adequacy ratios at the end of 2024



Financing structure optimized on an ongoing basis

Continuously optimized borrowing structure of parent company



Effectively reduced interest expenses of the Group

in millions of RMB



March 4, 2024

Successfully issued the first AMC market-making quoted ABS on SSE

Issue size RMB5.096 billion

July 8, 2024

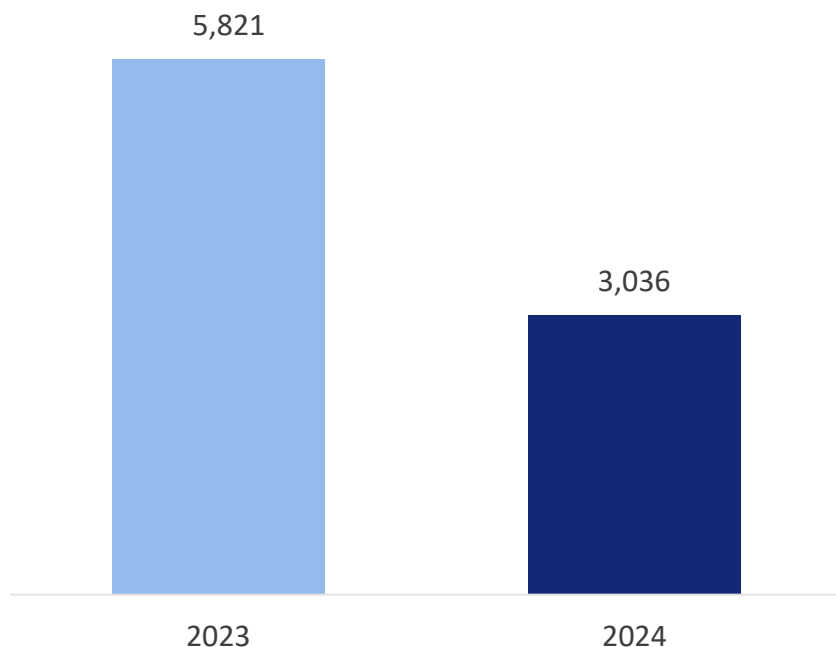
Successfully issued the AMC industry's first and the largest "advanced manufacturing" ABS in the entire market on SSE

Issue size RMB5.112 billion

Factors that affected changes in operating results

Net profit attributable to equity holders of the Company

in millions of RMB



Amidst an increasingly complex, challenging and uncertain external environment, the Company actively addressed the impacts of economic cycle fluctuations and industry transformation, made solid efforts in all operations, and endeavored to achieve a profit level within an appropriate range

Change factor 1

The Company continuously deepened reform and proactively adjusted its business structure, while further actively addressing its historical endogenous risk assets and making corresponding provisions, which resulted in both a decrease in the scale and a phased decrease on a year-on-year basis in the income from the Company's distressed debt assets at amortized cost which are mainly subject to credit risk.

Change factor 2

The changes in industry conditions led to a year on year decline in the operating results of certain branches and subsidiaries of the Group with relatively high proportion of real estate investment and management businesses.

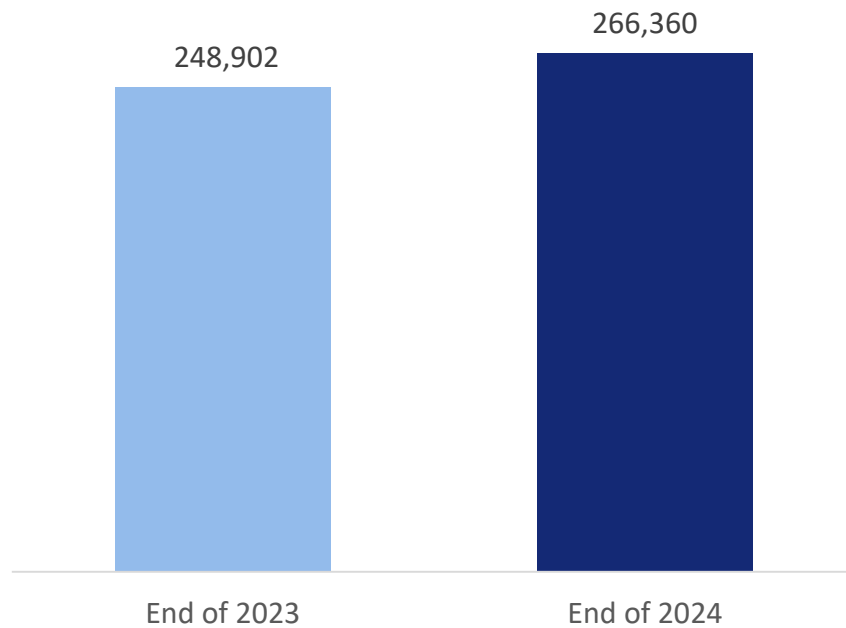
Change factor 3

Market conditions impacted the investment income of certain equity assets of the Group, leading to a year-on-year decline.

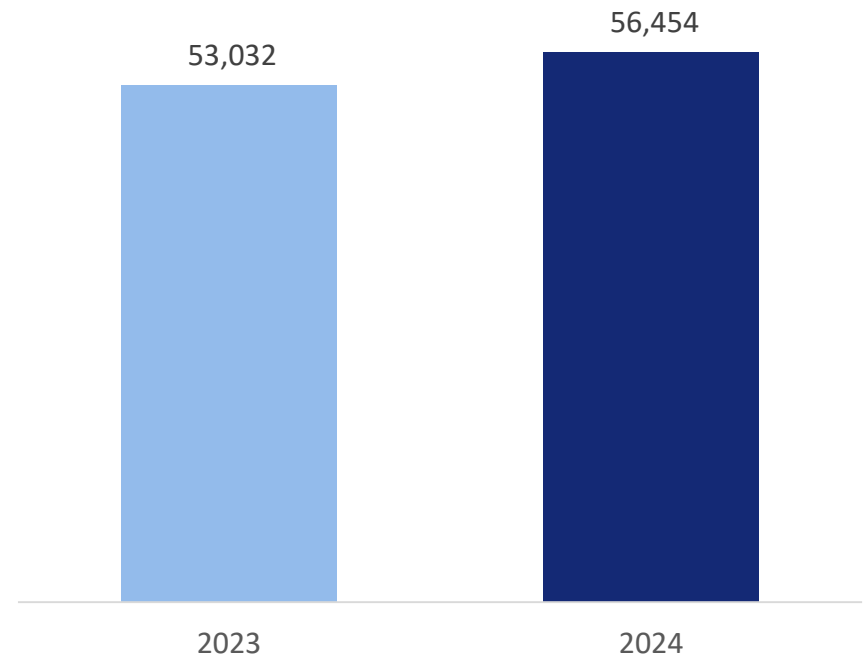
Core business of distressed asset management developed solidly

Net amount of Acquisition-operation Distressed Assets

in millions of RMB



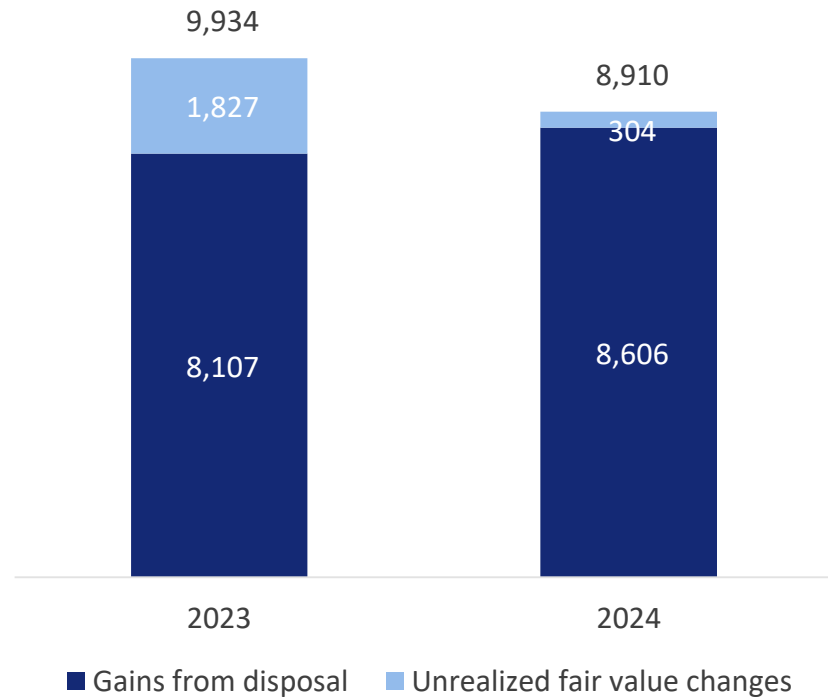
Acquisition Cost of Acquisition-operation Distressed Assets



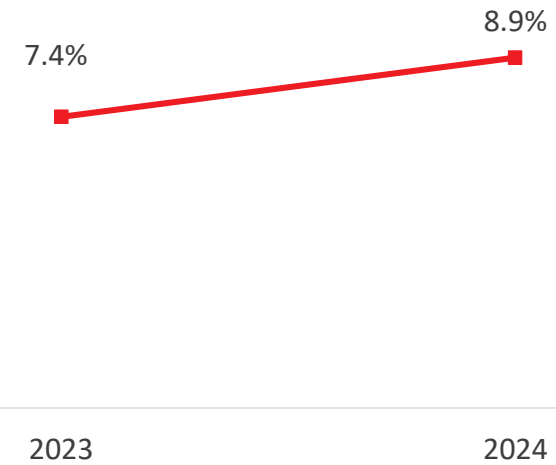
Core business of distressed asset management developed solidly

Income from Acquisition-operation Distressed Assets

in millions of RMB



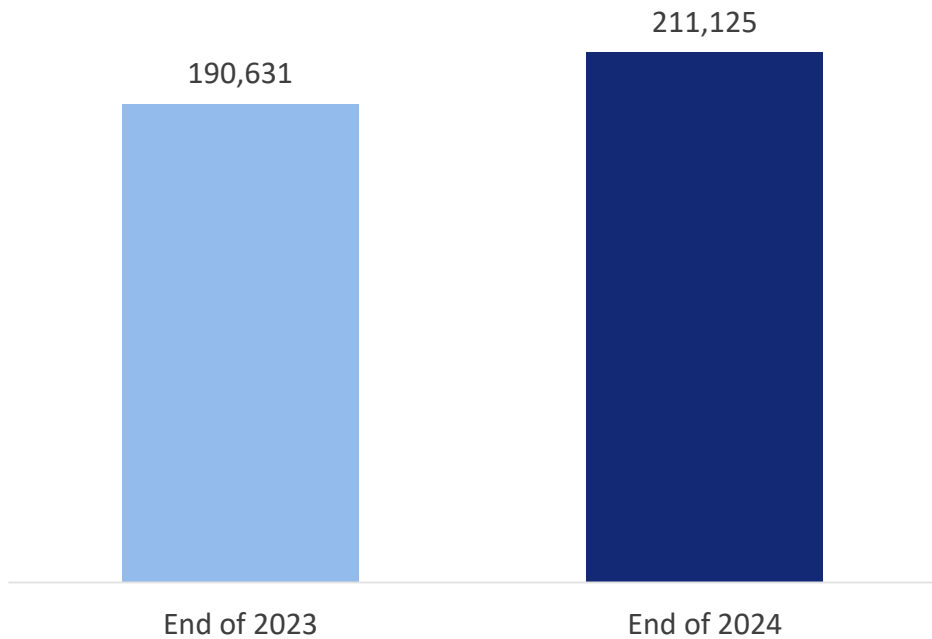
IRR of Acquisition-operation Distressed Assets



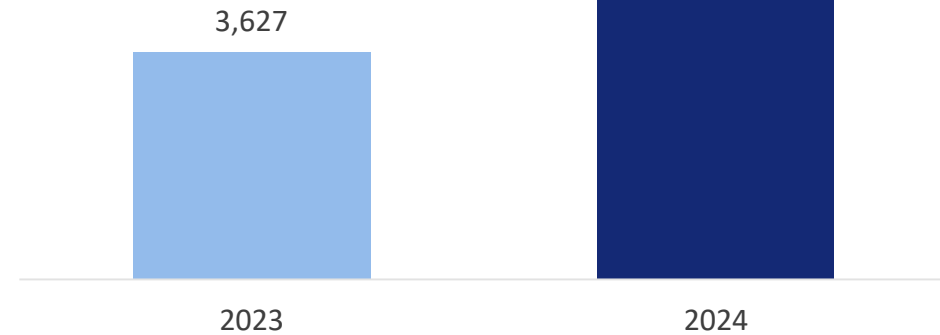
Core business of distressed asset management developed solidly

Balance of other distressed asset businesses

in millions of RMB

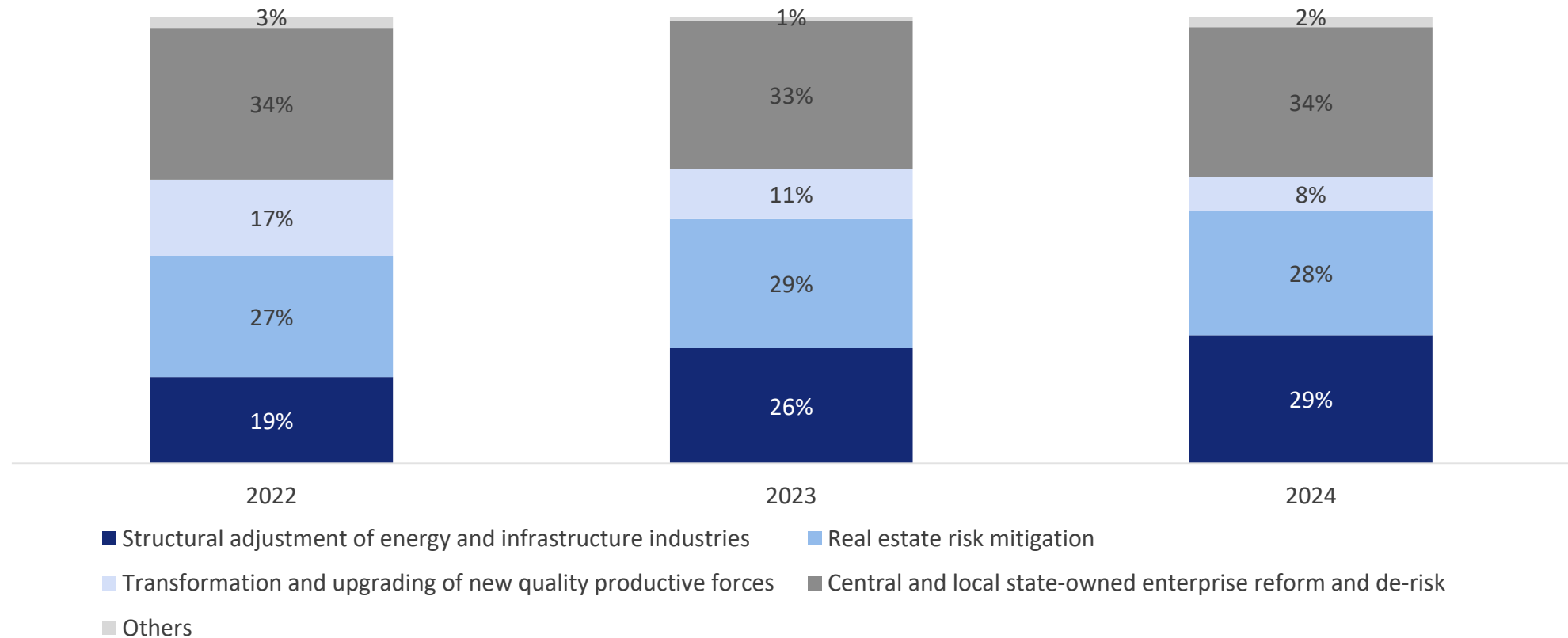


Income from other distressed asset businesses



Core business of distressed asset management developed solidly

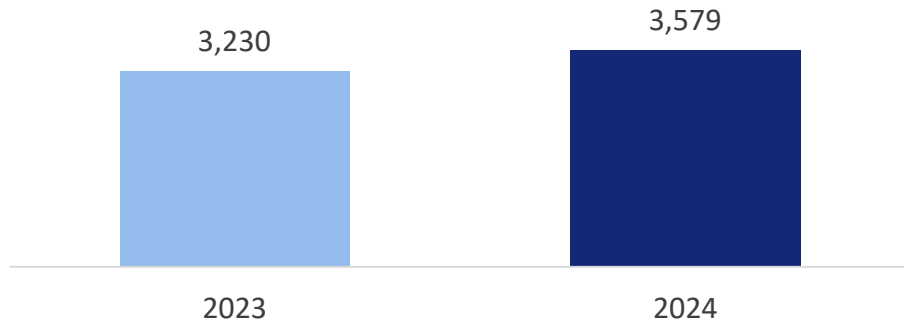
Distribution of new investment in other distressed assets



Financial service businesses moved forward in parallel

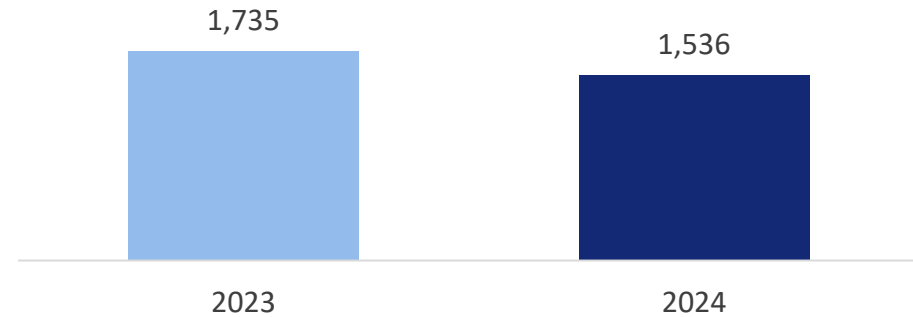
Profit before tax of NCB

in millions of RMB



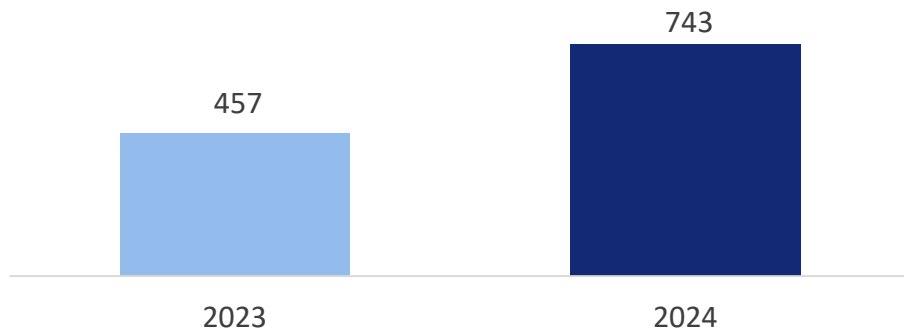
Profit before tax of Cinda Securities

in millions of RMB



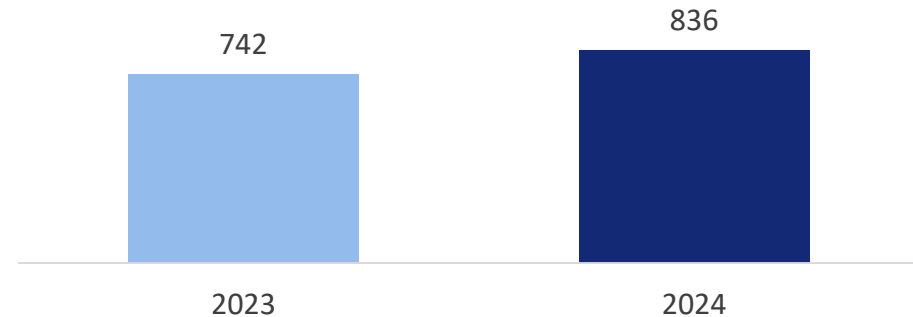
Profit before tax of Jingu Trust

in millions of RMB



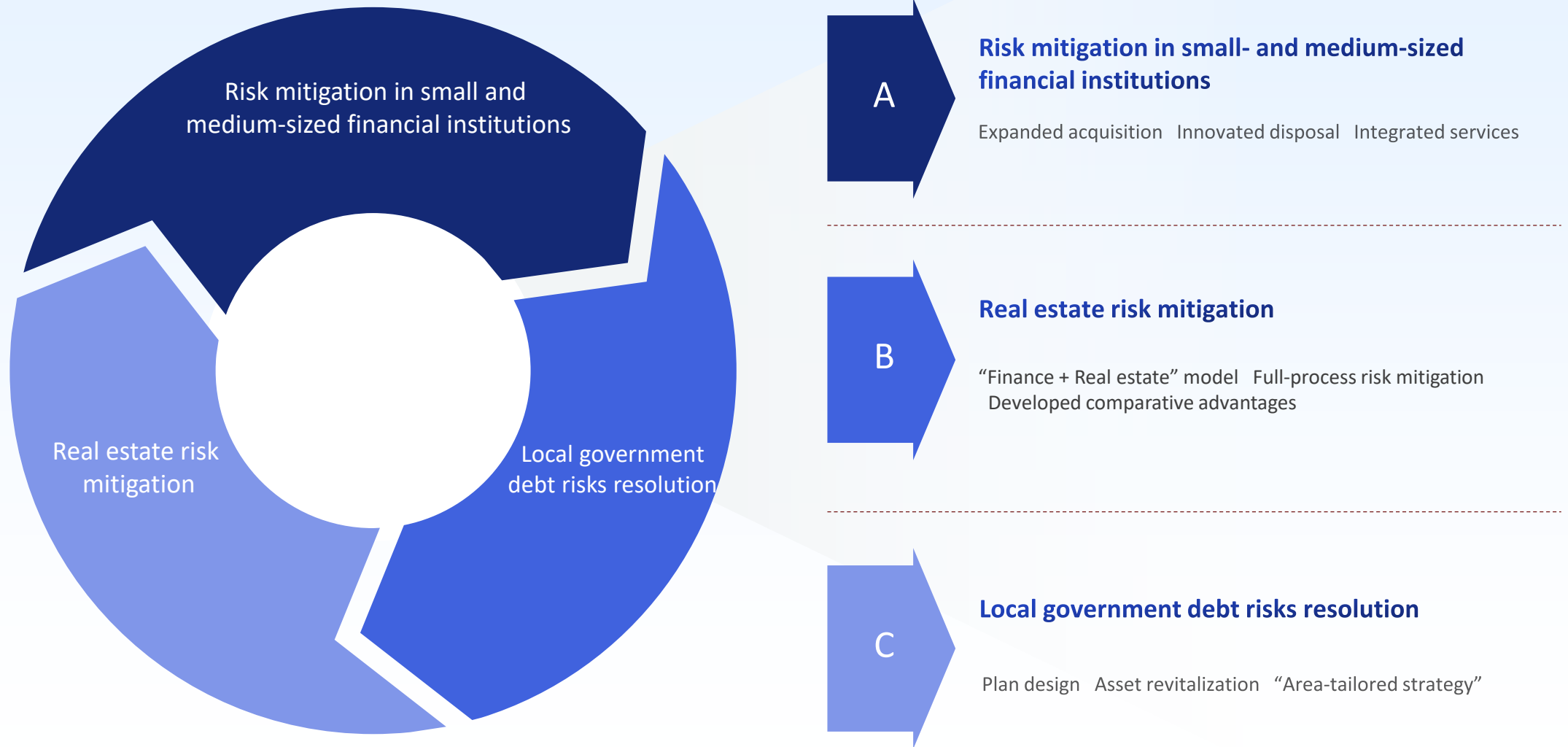
Profit before tax of Cinda Financial Leasing

in millions of RMB



Business Development

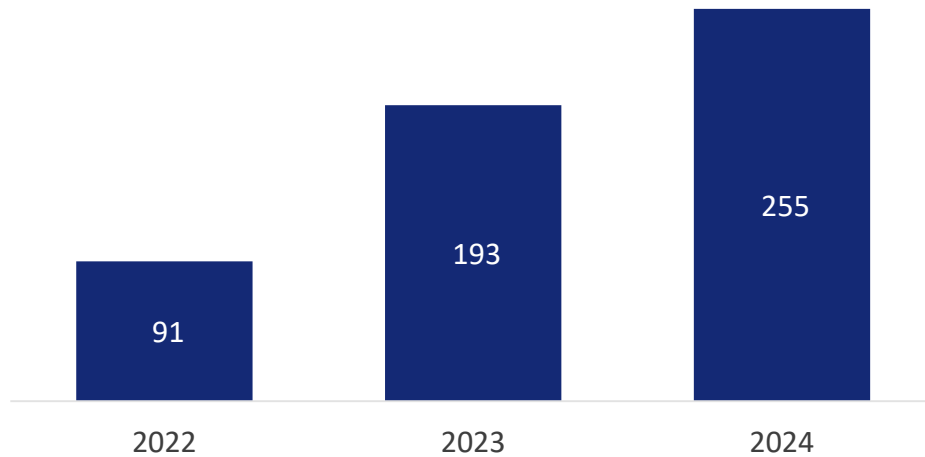
Focused on main business of distressed assets, preventing and mitigating risk in key areas



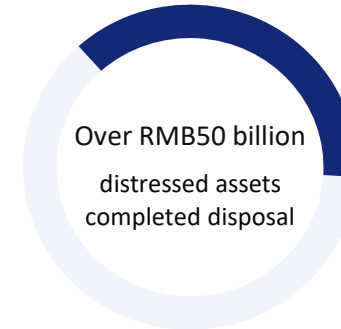
Mitigated risks exposed by small and medium-sized financial institutions

Acquisition of distressed debts from small and medium-sized financial institutions

Cost of Cinda's acquisition of distressed debts from small and medium-sized banks
in hundreds of millions of RMB

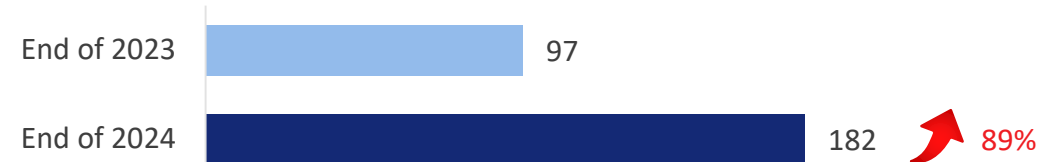


Participated in the design of risk mitigation solutions for small and medium-sized financial institutions



Entrusted operation

in hundreds of millions of RMB



357

high-risk banks



7.05 trillion

asset scale



Cinda will continue to leverage its expertise and successful experience to continue its efforts in the risk mitigation business of small and medium-sized financial institutions

Supported the real estate sector in defusing risks

Vigorously advanced risk mitigation and guaranteed housing delivery of the real estate sector

Business development

2024

Newly added

Capital invested

Ensured delivery of

Drove the resumption
of project construction

33 projects

RMB **17.0** billion

over **20,000** houses

with a value of
RMB **81.0** billion

The past three years

Additional investments

RMB **66.0** billion

Typical cases

Zhengzhou, Henan

Royal Bay, Future City

Shanghai

Daxing Street Project

Financial relief efforts in the real estate sector entered a critical phase

- ❖ Distressed assets scale in the real estate sector remained at a high level
- ❖ Opportunities for restructuring and reorganizing real estate projects and entities increased
- ❖ Became an industry-leading alternative investment institution in real estate

Participated in local government debt risk mitigation

Properly participated in the efforts to defuse local government debt risks

Guided by solution design, focused on asset revitalization

Debt resolution services

- ▀ Asset revitalization
- ▀ Debt management
- ▀ Consulting and advisory
- ▀ Platform-based industrial transformation
- ▀ Development and implementation of debt resolution solution

Major regions

Chongqing

The “three key campaigns and one asset revitalization” initiative

Tianjin

North Star Secondary Fund

Guangxi

Reverse acquisition

Shandong

Qingdao City Construction Investment Revitalization of inefficient assets

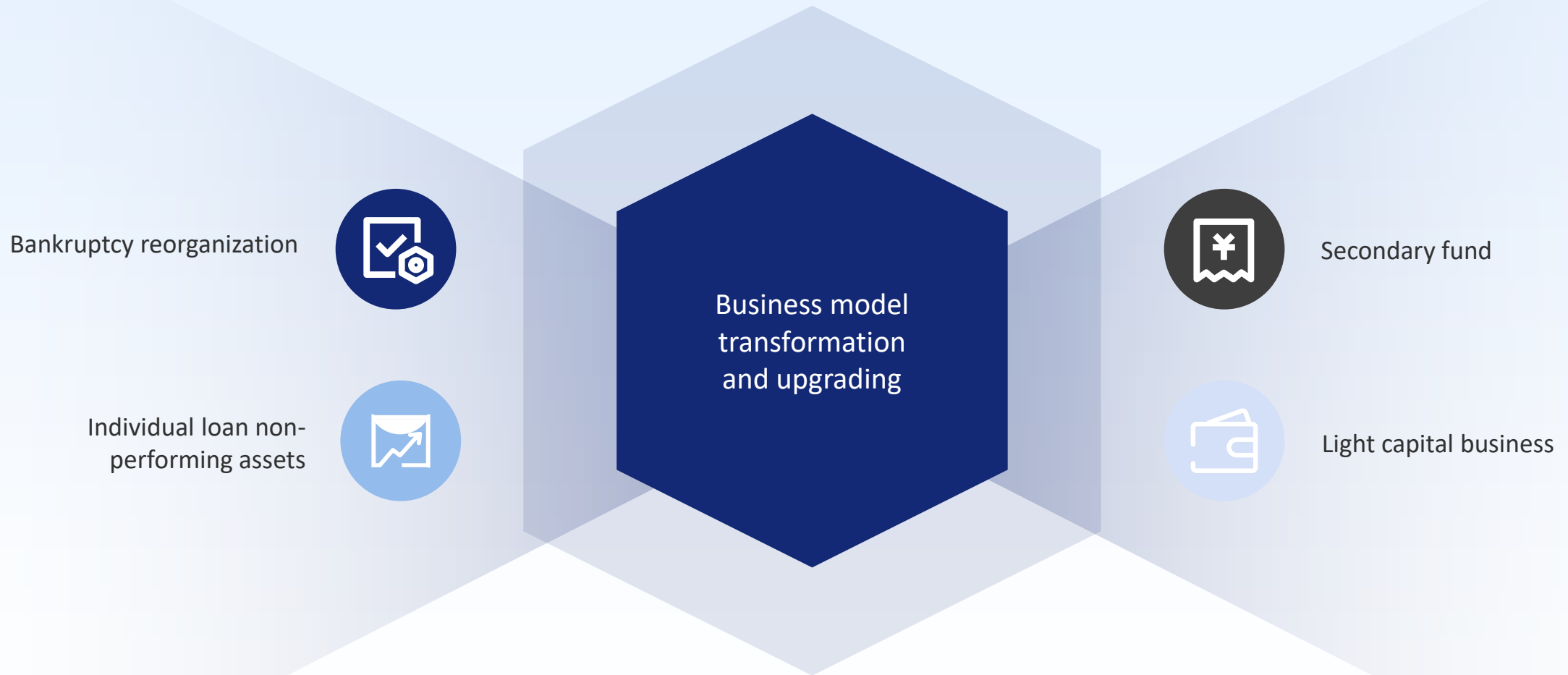
Business development results



Additional investments in 2024

RMB**4.5** billion

Implemented the concept of high-quality development and continuously transformed and innovated business models



Duly performed the roles of solution designer, value discoverer and resource integrator

Business model transformation - bankruptcy reorganization

Promising market outlook

Bankruptcy cases concluded

30,000 6.5% 

Assets revitalized

RMB **790.2** billion

Reorganization plans approved and execution completed

11 listed companies

total market capitalization of
RMB **99.54** billion

Policy support

The Third Plenary Session of the 20th CPC Central Committee prioritized the improvement of enterprise bankruptcy mechanism and the refinement of enterprise exit system in establishing a high-standard socialist market economic system

CSRC issued the Regulatory Guidelines for Listed Companies No. 11 - Matters Related to Bankruptcy and Reorganization of Listed Companies

Business model transformation - bankruptcy reorganization

Bankruptcy reorganization

Business model

- Introducing industrial investors for joint reorganization
- Acquiring traditional distressed debts to facilitate reorganization
- Assisting industrial investors for debt collection + reorganization investment + DES
- Listed company reorganization investment
- Common benefit debt
- Light capital

Typical cases

A total of **31** representative reorganization projects have been implemented, with a cumulative investment of RMB**28.57** billion

Xining Special Steel

One of the 25 typical cases (second batch) for expanding effective investment by revitalizing stock assets by the NDRC

Macrolink

Included in the Supreme People's Court's 2024 work report

Business model transformation - secondary fund business

In January 2025, the General Office of the State Council issued the "Guiding Opinions to Promote the High-quality Development of Government Investment Funds." These opinions clearly state that fund withdrawal channels should be broadened. This includes facilitating the alignment and standardization of regional equity market regulations. Furthermore, the development of private equity secondary market funds (S Funds) and merger and acquisition (M&A) funds is encouraged. The aim is to improve the multi-tiered capital market system and enhance the capacity of the NEEQ and regional equity markets to serve equity investments, thereby broadening the withdrawal channels for government investment funds.

Development directions

Pharmaceuticals
and health

Consumer
upgrade

High-end equipment
manufacturing

New energy and new
materials

Telecommunications
semiconductors

Transaction model

Acquisition of
fund shares

Acquisition of
fund assets

Investment in secondary
parent fund

Structured
transaction

Business outcome

In 2024, the Company implemented a total of **8** S Funds projects

Business opportunities

- The withdrawal demands or funding impediments of banks, asset management, trust and other financial institutions resulting from the new asset management regulations and regulatory requirements
- Local government guided funds or investment platforms, etc.
- The liquidity turnover requirements of corporate investors due to fluctuations in domestic and international economic conditions or the impact of epidemic
- The rectification requests to address the challenges encountered by entity enterprises in securing financing and going public due to the presence of three-category shareholders in certain fund structures
- Trading opportunities arising from the failure to withdraw the underlying assets of private equity funds that are already in the withdrawal and liquidation phase, resulting in the fund not being able to be liquidated on schedule

Business model transformation - individual loan non-performing assets business

Individual loan non-performing assets

Initiated business pilots

In 2024, we newly acquired **12** individual loan packages, resulting in an increase in assets of nearly **270,000** accounts with a principal of RMB**4.3** billion.

Continuously optimized system

First in the industry to launch an individual loan distressed assets business system

Integrated advantages across ecosystem

Maintained close communication with the Banking Credit Asset Registration and Circulation Center and strengthened communication with leading local AMCs

Explored inclusive finance

Implemented the Company's first inclusive finance-type distressed assets package during the year

Transaction status

Bulk individual loan non-performing assets transaction volume

RMB158.35 billion

Number of transactions

573

The pilot mechanism for distressed loan transfers is more sophisticated, and the supply in the individual loan non-performing market is expected to increase continuously

Business model transformation – light capital business

Deployed light capital business

Business model

Consulting
and advisory

Fiduciary
management

Thematic
funds

Business outcome

The parent company has implemented **46** projects
over the year

Seized business opportunities

Various thematic fund business

- Leveraged thematic funds such as Diantou Xinneng and Zheneng Green Carbon, we facilitated project implementation within cutting-edge technological domains and pivotal stages of industrial transformation and upgrade
- Explored the establishment of M&A and restructuring funds in the semiconductor, new materials and pharmaceutical sectors

Intermediary business

- Provided professional services such as problem diagnosis, solution design, capital planning, fiduciary management and disposal for M&As, restructuring and bankruptcy reorganization of enterprises
- Offered consulting and advisory, fiduciary disposal and restructuring services for debt resolution of local governments

Continuously strengthened management empowerment and solidly enhanced professional capabilities

Ecosystem

1

Enhanced brand marketing
Tapped into strategic customers

Digital Cinda

2

Upgraded “Smart Search”
Established AI intelligent assistant

Capacity building

3

Improved talent cultivation
Enhanced professional capabilities

Consolidated the distressed assets ecosystem and steadily enhanced brand marketing

Comprehensive marketing campaigns in “Ten Province and Twenty Cities”

Comprehensive marketing campaigns held

8

Customers involved

over 800

Project investment reached

RMB5.8 billion

Thematic marketing campaigns through the “3+8” key racetrack channels

Thematic marketing campaigns

10

Enhanced mutual trust with major customers

over 180

Government cooperation

Strategic cooperation memorandums signed

9 local governments

Strategic customers

Headquarters-to-headquarters strategic cooperation

9 headquarters institutions

Branches and subsidiaries

signed 92 strategic cooperation agreements with quality enterprises

2024

Continued to build a Cinda-centric distressed assets ecosystem

Increased investments in information technology and gradually established technological strength

In line with the “Digital Cinda” strategic goal, charted a course for high-quality development in digital finance



Constantly upgraded “Smart Search”

- Direct connection established for auction information with Internet-based disposal platforms
- Total debt asset recommendations surpassed RMB800 billion
- Total clicks exceeded 1.5 million



Established AI intelligent assistant

- Established the first AI intelligent assistant “Xin Xiao Da” in the distressed asset management industry
- Completed the localized deployment of DeepSeek



Accelerated the Group’s digital transformation

- NCB completed the launch of a new system
- Three non-financial subsidiaries completed the Group's integrated management system, encompassing new businesses and new financial matters
- Jingu Trust initiated the construction of a new system

Improved talent cultivation system and continuously strengthened capacity building

Enriched talent cultivation mechanism

- Established more than 170 flexible organizations
- Built talent pipelines to address challenges in key areas
- Deepened the "Five Ones" to improve young employees' capabilities

Refined practical business skills

- Carried out 16 sessions of thematic practical training camp over the year
- Provided on-site training for over 800 participants
- Video training involved over 8,000 participants



Future Prospects

Potential business opportunities

Background

- Global transformation unseen in a century is accelerating, featured by a more complex and severe external environment. Global economic growth lacks steam, exacerbated by rising unilateralism and protectionism. Geopolitical tensions persist, contributing to increased volatility in international markets.
- In the face of complex and challenging developments marked by mounting external pressures and growing domestic difficulties, China ensured overall stable performance and steady growth of the economy, made solid headway in pursuing high-quality development and fostered new quality productive forces.
- AMCs are entering a new phase of reform and development, which will further strengthen their functional positioning, thus playing a greater role in preventing and resolving financial risks and serving the real economy.

Target market and business opportunities

- 1 Policy support continues to enhance
- 2 Demand for risk mitigation continues to expand, and further efforts are required for addressing difficulties in key areas
- 3 Transformation of development approach, optimization of economic structure and shift in driving forces of growth are giving rise to more demands
- 4 The M&A restructuring and bankruptcy reorganization market is more active

Key works in 2025

Prevent and mitigate risks and serve the real economy

Leverage the advantages of AMC and participate in risk mitigation in key areas

Actively participate in risk mitigation for small and medium-sized financial institutions and provide tailor-made and differentiated solutions

Explore business opportunities such as restructuring and reorganization of distressed projects, and promote the building of new models for real estate development

Actively and prudently participate in the efforts to defuse local government debt risks, and provide differentiated and characteristic financial services

Focused on “five priorities” to enhance the quality and efficiency of serving the real economy

Focus on national energy strategies and seize market opportunities in energy transition

Enhance financial support and targeted efforts to serve the development of new quality productive forces

Proactively serve state-owned enterprises in deepening and enhancing reform by providing financial services such as M&A, reorganization and revitalization of existing assets

Continue to deepen the application of financial technology and explore the utilization of digital technologies to empower business expansion

Promote high-quality transformation and development, and enhance competitiveness of main responsibility and business

Insist on proactive marketing and further build strategic customer groups and ecosystems

Enhance the collaborative model of financial subsidiaries to establish a new landscape of Group-wide integrated services

Actively expand diverse financing sources and make forward-looking financing planning

Continue to strengthen the pipeline development of cadres and talents to foster core competitiveness for the Company's development

Appendix

Financial Information

Summary of consolidated statement of profit or loss

(in millions of RMB)

	2024	2023	Change
Income from distressed debt assets at amortized cost	2,115	6,084	(65.2%)
Fair value changes on distressed debt assets	8,892	7,618	16.7%
Fair value changes on other financial instruments	13,245	11,214	18.1%
Investment income	596	289	106.0%
Interest income	32,961	33,061	(0.3%)
Revenue from sales of inventories	8,239	9,502	(13.3%)
Other income and other net gains or losses	6,993	8,398	(16.7%)
Total income	73,040	76,168	(4.1%)
Impairment losses on assets	(10,731)	(9,750)	10.1%
Interest expense	(42,912)	(44,081)	(2.6%)
Purchases and changes in inventories	(7,043)	(7,717)	(8.7%)
Other costs and expenses	(12,778)	(12,850)	(0.6%)
Total costs and expenses	(73,464)	(74,397)	(1.3%)
Profit before tax	3,990	8,186	(51.3%)
Profit for the year	3,508	6,993	(49.8%)
Net profit to equity holders of the Company	3,036	5,821	(47.8%)

Summary of consolidated statement of financial position

(in millions of RMB)

	2024.12.31	2023.12.31	Change
Cash and balances with central banks	13,384	15,238	(12.2%)
Deposits with banks and financial institutions	95,758	81,998	16.8%
Financial assets at fair value through profit or loss	548,690	518,310	5.9%
Financial assets at fair value through other comprehensive income	197,325	170,876	15.5%
Financial assets at amortized cost	77,966	119,750	(34.9%)
Loans and advances to customers	374,238	403,162	(7.2%)
Others	331,599	285,025	16.3%
Total assets	1,638,960	1,594,357	2.8%
Borrowings	581,366	558,871	4.0%
Bonds issued	289,780	302,762	(4.3%)
Due to customers	370,459	339,220	9.2%
Others	174,200	176,349	(1.2%)
Total liabilities	1,415,805	1,377,201	2.8%
Total equity	223,155	217,156	2.8%
Equity attributable to equity holders of the Company	194,183	192,829	0.7%
Key ratios	2024	2023	Change
ROAA	0.22%	0.44%	(0.22%)
ROAE	0.92%	2.70%	(1.78%)
Cost-income ratio	24.85%	22.96%	1.89%