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## **China Cinda Asset Management Co., Ltd.**

**中國信達資產管理股份有限公司**

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

**(Stock Code: 01359 and 04607 (Preference Shares))**

### **UPDATE ON PROGRESS OF PROPOSED SPIN-OFF AND LISTING OF CINDA SECURITIES ON A STOCK EXCHANGE IN THE PRC**

The Board is pleased to announce that on November 27, 2020, the Hong Kong Stock Exchange confirmed that the Company may proceed with the Proposed Spin-off and Listing. On the same date, the Hong Kong Stock Exchange also granted a waiver from strict compliance with the applicable requirements in relation to the assured entitlement under paragraph 3(f) of Practice Note 15 of the Listing Rules.

The Proposed Spin-off and Listing is subject to, among other things, the approvals of relevant authorities (including the CSRC, relevant stock exchange in the PRC and other authorities) and the satisfaction of other relevant conditions.

**Shareholders and potential investors of the Company should note that the Proposed Spin-off and Listing will be subject to, among other things, the current market conditions and the approvals of relevant authorities (including the CSRC, relevant stock exchange in the PRC and other authorities). Therefore, Shareholders and potential investors of the Company should be aware that the Company does not guarantee that the Proposed Spin-off and Listing will proceed, nor does it guarantee the timing thereof. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company.**

## **INTRODUCTION**

Reference is made to the announcement of China Cinda Asset Management Co., Ltd. (the “**Company**”) dated August 5, 2020 (the “**Announcement**”). As disclosed in the Announcement, the Company was considering a possible spin-off and separate listing of Cinda Securities Co., Ltd. (“**Cinda Securities**”) and its subsidiaries on a stock exchange in the People’s Republic of China (the “**PRC**”) (the “**Proposed Spin-off and Listing**”). Cinda Securities is a non-wholly owned subsidiary of the Company, currently mainly engaged in the businesses of securities brokerage, securities underwriting and sponsorship, and proprietary trading of securities. Unless the context requires otherwise, the terms used herein have the same meanings as defined in the Announcement.

## APPROVAL OF THE PROPOSED SPIN-OFF AND LISTING

The board of directors (the “**Board**”) would like to update shareholders and potential investors on the progress of the Proposed Spin-off and Listing. On November 27, 2020, The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) confirmed that the Company may proceed with the Proposed Spin-off and Listing.

The Proposed Spin-off and Listing is subject to, among other things, the approvals of relevant authorities (including the CSRC, relevant stock exchange in the PRC and other authorities) and the satisfaction of other relevant conditions.

## WAIVER IN RESPECT OF ASSURED ENTITLEMENT

On the same date, the Hong Kong Stock Exchange also granted a waiver from strict compliance with the applicable requirements in relation to the assured entitlement under paragraph 3(f) of Practice Note 15 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) (the “**Waiver**”) on the condition that the Company would include in an announcement: (i) the reasons for not providing assured entitlements to its shareholders; (ii) the legal restrictions under the PRC laws and regulations in providing assured entitlements; and (iii) the confirmation from the Board that the Proposed Spin-off and Listing and the Waiver are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Pursuant to relevant prevailing laws and regulations of the PRC in effect, foreign natural persons, legal persons and institutions are not permitted to open A shares securities account in the PRC and therefore cannot subscribe for initial public offering of A shares by a PRC company proposed to be listed on stock exchanges in the PRC, unless they are the following investors: (i) Qualified Foreign Institutional Investors, (ii) RMB Qualified Foreign Institutional Investors, (iii) foreign strategic investors approved by the Ministry of Commerce of the PRC, (iv) foreign natural persons with a permanent residency in the PRC, (v) residents of Hong Kong, Macao and Taiwan working and residing in Mainland China, (vi) foreign natural persons working in the PRC whose country has established a corporate compliance mechanism with the CSRC, and (vii) foreign employees working outside of the PRC who are approved to participate in the company’s employee share option incentive scheme. ((i) to (vii) are collectively referred to as “**Qualified Foreign Investors**”). Based on the information available from the Company’s Hong Kong share registrar, most of the holders of H shares of the Company are not considered as Qualified Foreign Investors. Accordingly, the Company is unable to provide shareholders with assured entitlements on an equal basis pursuant to requirements under paragraph 3(f) of Practice Note 15 of the Listing Rules.

Based on the legal restrictions on the offering of Cinda Securities’ listed shares to foreign investors, having considered that Cinda Securities and the Company would need to comply with the requirements under the laws of the PRC and the benefits expected to accrue to the Company as a result of completion of the Proposed Spin-off and Listing, and given that Cinda Securities will remain as a subsidiary of the Company upon completion of the Proposed Spin-off and Listing, the Board of the Company confirms that the Proposed Spin-off and Listing and the non-provision of the assured entitlements in relation to the Proposed Spin-off and Listing are fair and reasonable, and in the interests of the Company and its shareholders as a whole. The Company has applied for and the Hong Kong Stock Exchange has granted a waiver from strict compliance with the requirements in relation to the assured entitlement under paragraph 3(f) of Practice Note 15 of the Listing Rules.

## GENERAL

The Proposed Spin-off and Listing, if proceeds, is expected to constitute no more than a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, approval of the shareholders of the Company is not expected to be required for the Proposed Spin-off and Listing.

The Company will issue further announcements on the Proposed Spin-off and Listing as and when appropriate.

**Shareholders and potential investors of the Company should note that the Proposed Spin-off and Listing will be subject to, among other things, the current market conditions and the approvals of relevant authorities (including the CSRC, relevant stock exchange in the PRC and other authorities). Therefore, Shareholders and potential investors of the Company should be aware that the Company does not guarantee that the Proposed Spin-off and Listing will proceed, nor does it guarantee the timing thereof. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company.**

By order of the Board  
**China Cinda Asset Management Co., Ltd.**  
**ZHANG Zi'ai**  
*Chairman*

Beijing, the PRC  
November 27, 2020

*As at the date of this announcement, the Board of the Company consists of Mr. ZHANG Zi'ai and Mr. ZHANG Weidong as executive directors, Mr. HE Jieping, Mr. XU Long, Mr. WANG Shaoshuang, Ms. ZHANG Yuxiang, Mr. ZHANG Guoqing and Mr. LIU Chong as non-executive directors, and Mr. ZHU Wuxiang, Mr. SUN Baowen, Mr. LU Zhengfei and Mr. LAM Chi Kuen as independent non-executive directors.*