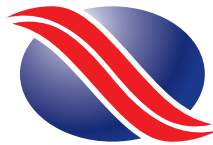

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 proxy form 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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))

WORK REPORT OF THE BOARD FOR 2020
REPORT OF THE BOARD OF SUPERVISORS FOR 2020
REMUNERATION SETTLEMENT SCHEME FOR
THE DIRECTORS FOR 2019
REMUNERATION SETTLEMENT SCHEME FOR
THE SUPERVISORS FOR 2019
FINAL FINANCIAL ACCOUNT PLAN FOR 2020
PROFIT DISTRIBUTION PLAN FOR 2020
BUDGET OF INVESTMENT IN CAPITAL EXPENDITURE FOR 2021
APPOINTMENT OF ACCOUNTING FIRMS FOR 2021
GRANTING OF GENERAL MANDATE TO ISSUE ADDITIONAL
H SHARES TO THE BOARD
AND
NOTICE OF AGM FOR 2020

Notices of convening the AGM of China Cinda Asset Management Co., Ltd. at Conference Room 1111, 11th Floor, No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the PRC on Friday, June 25, 2021 at 9:30 a.m. are set out on pages 38 to 41 of this circular.

If you wish to appoint a proxy to attend the AGM, you are required to complete and return the accompanying proxy forms in accordance with the instructions printed thereon no later than 24 hours before the time designated for convening the AGM. Completion and return of the proxy forms will not preclude you from attending and voting in person at the AGM or at any adjourned meeting should you so wish.

May 26, 2021

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
1. Introduction	4
2. Matters to be considered at the AGM	4
3. AGM	4
4. Recommendation	5
Appendix I – Matters to be considered at the AGM	6
Appendix II – Work report of the Board for 2020	16
Appendix III – Report of the Board of Supervisors for 2020	24
Appendix IV – Granting of general mandate to issue additional H Shares to the Board	27
Appendix V – Work report of the independent non-executive directors for 2020	30
Notice of AGM for 2020	38

DEFINITIONS

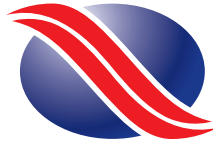
In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting for 2020 of the Company to be held at Conference Room 1111, 11th Floor, No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the PRC at 9:30 a.m. on Friday, June 25, 2021
“Articles of Association”	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
“CBIRC”	China Banking and Insurance Regulatory Commission
“COVID-19/Pandemic”	Corona Virus Disease 2019
“(our) Company”	China Cinda Asset Management Co., Ltd., a joint stock company incorporated in the PRC with limited liability, whose H Shares are listed on the Hong Kong Stock Exchange (stock code: 01359)
“(our) Group”	China Cinda Asset Management Co., Ltd. and its subsidiaries
“Director(s)”	director(s) of the Company
“H Share(s)”	ordinary share(s) of RMB1.00 each in the share capital of the Company which are listed on the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MOF”	the Ministry of Finance of the PRC

DEFINITIONS

“PRC”	People’s Republic of China, for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region
“PRC Company Law”	the Company Law of the People’s Republic of China
“Share(s)”	ordinary share(s) of RMB1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Supervisor(s)”	supervisor(s) of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“%”	percent

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 and 04607 (Preference Shares))

Executive Directors:

ZHANG Zi'ai
ZHANG Weidong

Non-executive Directors:

HE Jieping
XU Long
WANG Shaoshuang
ZHANG Yuxiang
ZHANG Guoqing
LIU Chong

Independent Non-executive Directors:

ZHU Wuxiang
SUN Baowen
LU Zhengfei
LAM Chi Kuen

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 26, 2021

To the Shareholders

Dear Sir or Madam,

WORK REPORT OF THE BOARD FOR 2020
REPORT OF THE BOARD OF SUPERVISORS FOR 2020
REMUNERATION SETTLEMENT SCHEME FOR
THE DIRECTORS FOR 2019
REMUNERATION SETTLEMENT SCHEME FOR
THE SUPERVISORS FOR 2019
FINAL FINANCIAL ACCOUNT PLAN FOR 2020
PROFIT DISTRIBUTION PLAN FOR 2020
BUDGET OF INVESTMENT IN CAPITAL EXPENDITURE FOR 2021
APPOINTMENT OF ACCOUNTING FIRMS FOR 2021
GRANTING OF GENERAL MANDATE TO ISSUE ADDITIONAL
H SHARES TO THE BOARD
AND
NOTICE OF AGM FOR 2020

LETTER FROM THE BOARD

1. INTRODUCTION

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

2. MATTERS TO BE CONSIDERED AT THE AGM

The resolutions to be proposed at the AGM for the Shareholders to consider and approve are: (1) the work report of the Board for 2020; (2) the report of the Board of Supervisors for 2020; (3) the remuneration settlement scheme for the directors for 2019; (4) the remuneration settlement scheme for the supervisors for 2019; (5) the final financial account plan for 2020; (6) the profit distribution plan for 2020; (7) the budget of investment in capital expenditure for 2021; (8) the appointment of accounting firms for 2021; and (9) granting of general mandate to issue additional H Shares to the Board. The above resolutions (1) to (8) are ordinary resolutions, resolution (9) is special resolution.

Resolution to be proposed at the AGM for Shareholders' consideration only and not for approval is: review of the work report of the independent non-executive directors for 2020.

Details of the matters to be considered at the AGM are set out on pages 38 to 41 in the Notice of AGM for 2020. 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, the Company has provided detailed information in this circular, including matters to be considered at the AGM (see Appendix I), the work report of the Board for 2020 (see Appendix II), the report of the Board of Supervisors for 2020 (see Appendix III), granting of general mandate to issue additional H Shares to the Board (see Appendix IV) and the work report of the independent non-executive directors for 2020 (see Appendix V).

3. AGM

The AGM will be held at Conference Room 1111, 11th Floor, No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the PRC at 9:30 a.m. on Friday, June 25, 2021. The notice of the AGM is set out in this circular.

In order to determine the holders of H Shares who are entitled to attend the AGM, the register of holders of H Shares of the Company will be closed from Tuesday, June 22, 2021 to Friday, June 25, 2021 (both days inclusive). 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, no later than 4:30 p.m. on Monday, June 21, 2021. Shareholders whose names appear on the register of holders of H Shares of the Company at the close of business on Monday, June 21, 2021 are entitled to attend the AGM.

LETTER FROM THE BOARD

Proxy forms for use at the AGM are enclosed herein and also published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk). Holders of H Shares who intend to attend the AGM by proxy shall complete and return the proxy forms 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 convening the AGM. Completion and return of the proxy forms will not preclude you from attending the AGM and voting in person.

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

In order to prevent and control the COVID-19 as well as safeguard public health, the Company encourages Shareholder(s) to consider appointing the chairman of the AGM as his or her/their respective representative(s) to vote on the relevant resolutions rather than attend the AGM in person.

4. RECOMMENDATION

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

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

I. TO CONSIDER AND APPROVE WORK REPORT OF THE BOARD FOR 2020

In accordance with the applicable regulatory requirements, the Articles of Association and other relevant provisions, and based on the actual work of the Board in 2020, the Company formulated the Work Report of the Board for 2020 of China Cinda Asset Management Co., Ltd. (see Appendix II).

Such report has been considered and approved at the meeting of the Board convened on March 26, 2021, and is hereby submitted to the AGM for consideration and approval in accordance with the Articles of Association and other relevant provisions.

II. TO CONSIDER AND APPROVE REPORT OF THE BOARD OF SUPERVISORS FOR 2020

In accordance with the applicable regulatory requirements, the Articles of Association and other relevant provisions, and based on the actual work of the Board of Supervisors in 2020, the Company formulated the Report of the Board of Supervisors for 2020 of China Cinda Asset Management Co., Ltd. (see Appendix III).

Such report has been considered and approved at the meeting of the Board of Supervisors convened on March 26, 2021, and is hereby submitted to the AGM for consideration and approval in accordance with the relevant provisions in Articles of Association.

III. TO CONSIDER AND APPROVE THE REMUNERATION SETTLEMENT SCHEME FOR THE DIRECTORS FOR 2019

In accordance with relevant policies and rules of the PRC government, the Company has formulated the remuneration settlement scheme for the directors for 2019. This resolution has been considered and approved at the Board meeting convened on February 5, 2021. In accordance with requirements set forth by the Articles of Association, the resolution is hereby submitted to the AGM for consideration and approval. Details of the scheme are set out below:

Unit: RMB10,000

Name	Position in 2019	Basic annual remuneration	Performance-based annual remuneration	Total annual remuneration (before tax)	Allowance	Benefit
ZHANG Zi'ai	Chairman and executive director	33.09	40.02	73.11	-	18.74
CHEN Xiaozhou	Executive director and president	27.58	33.22	60.80	-	15.97
HE Jieping	Non-executive director	-	-	-	-	-

Name	Position in 2019	Basic annual remuneration	Performance-based annual remuneration	Total annual remuneration (before tax)	Allowance	Benefit
XU Long	Non-executive director	-	-	-	-	-
YUAN Hong	Non-executive director	-	-	-	-	-
ZHANG Guoqing	Non-executive director	-	-	-	-	-
LIU Chong	Non-executive director	-	-	-	-	-
ZHU Wuxiang	Independent non-executive director	-	-	-	25.00	-
SUN Baowen	Independent non-executive director	-	-	-	25.00	-
LU Zhengfei	Independent non-executive director	-	-	-	6.25	-
LAM Chi Kuen	Independent non-executive director	-	-	-	3.19	-
CHANG Tso Tung, Stephen	Independent non-executive director	-	-	-	22.00	-
XU Dingbo	Independent non-executive director	-	-	-	20.75	-

Notes:

1. Non-executive directors do not receive remuneration from the Company.
2. In accordance with the allowance scheme for independent directors approved at the shareholders' general meeting of the Company, the annual allowance of each independent non-executive director is RMB250,000 (before tax).
3. Changes of directors:
 - (1) CHEN Xiaozhou ceased to be the executive director of the Company since October 2019.
 - (2) LU Zhengfei served as the independent non-executive director of the Company since September 2019.
 - (3) LAM Chi Kuen served as the independent non-executive director of the Company since November 2019.
 - (4) XU Dingbo ceased to be the independent non-executive director of the Company since September 2019.
 - (5) CHANG Tso Tung, Stephen ceased to be the independent non-executive director of the Company since November 2019.

IV. TO CONSIDER AND APPROVE THE REMUNERATION SETTLEMENT SCHEME FOR THE SUPERVISORS FOR 2019

In accordance with relevant policies and rules of the PRC government, the Company has formulated the remuneration settlement scheme for the supervisors for 2019. The meeting of Board of Supervisors convened on February 5, 2021 has considered and approved the resolution in relation to the submission of the remuneration settlement scheme for the supervisors for 2019 to the shareholders' general meeting for consideration. In accordance with requirements set forth by the Articles of Association, the resolution is hereby submitted to the AGM for consideration and approval. Details of the scheme are set out below:

Unit: RMB10,000

Name	Position in 2019	Basic annual remuneration	Performance-based annual remuneration	Total annual remuneration (before tax)	Allowance	Benefit
GONG Jiande	Chairman of the Board of Supervisors and shareholder representative supervisor	33.09	39.86	72.95	-	18.35
LIU Yanfen	External supervisor	-	-	-	20.00	-
ZHANG Zheng	External supervisor	-	-	-	20.00	-
LI Chun	External supervisor	-	-	-	20.00	-
GONG Hongbing	Employee supervisor	-	-	-	2.00	-
LU Baoxing	Employee supervisor	-	-	-	0.67	-
YUAN Liangming	Employee supervisor	-	-	-	0.67	-
LIN Dongyuan	Employee supervisor	-	-	-	1.33	-
JIA Xiuhua	Employee supervisor	-	-	-	1.33	-

Notes:

1. In accordance with the allowance scheme for external supervisors approved at the shareholders' general meeting of the Company, the annual allowance of each external supervisor is RMB200,000 (before tax).
2. In accordance with the allowance scheme for employee supervisors approved at the shareholders' general meeting of the Company, the annual allowance for each employee supervisor is RMB20,000 (before tax).
3. Changes of supervisors:
 - (1) LU Baoxing and YUAN Liangming served as the employee supervisors of the Company since August 2019.
 - (2) LIN Dongyuan and JIA Xiuhua ceased to be the employee supervisors of the Company since August 2019.

V. TO CONSIDER AND APPROVE THE FINAL FINANCIAL ACCOUNT PLAN FOR 2020

According to the 2020 consolidated financial statements and audit report prepared in accordance with the International Financial Reporting Standards, details of the final financial account plan of the Group for 2020^{note} are reported as follows:

I. Overall results of operation

In 2020, the profit before tax, net profit of the Group, and net profit attributable to shareholders of parent company were RMB21.282 billion, RMB14.737 billion and RMB13.248 billion, respectively. Basic earnings per share was RMB0.32, while the return on average total assets, return on average net assets, and the capital adequacy ratio were 0.97%, 8.26% and 17.47%, respectively.

As of the end of 2020, total assets of the Group amounted to RMB1,518.084 billion, representing a year-on-year growth of 0.32%. Total liabilities of the Group were RMB1,323.041 billion, representing a year-on-year decrease of 0.13%.

As of the end of 2020, total equity and equity attributable to shareholders of parent company were RMB195.042 billion and RMB172.109 billion, representing year-on-year increases of 3.52% and 4.37%, respectively.

The tables below set forth the major operating data:

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

Item	2020	2019
Total assets	1,518,083.65	1,513,230.01
Total liabilities	1,323,041.23	1,324,819.55
Equity	195,042.42	188,410.46
Equity attributable to shareholders of parent company	172,108.72	164,898.12
Operating income	113,555.95	107,780.76
Total profit	21,281.79	19,545.66
Net profit	14,737.28	15,018.22
Net profit attributable to shareholders of parent company	13,247.88	13,052.95
Return on average shareholders' equity	8.26%	8.56%
Return on average total assets	0.97%	1.00%
Cost-to-income ratio	25.46%	30.68%
Basic earnings per share (RMB)	0.32	0.31
Capital adequacy ratio	17.47%	16.76%

Note: In this resolution, unless otherwise specified, the income statement data involved include gains and losses from continuing and discontinued operations.

II. Major financial income and expenses

(I) Operating income

In 2020, operating income was RMB113.556 billion, representing an increase of 5.36% as compared with last year. Of which, income from distressed debt assets measured at amortized cost was RMB19.151 billion, representing an increase of RMB2.747 billion as compared with last year. Fair value changes on distressed debt assets were RMB12.547 billion, representing a decrease of RMB1.098 billion as compared with last year. Fair value changes on other financial assets and investment income were RMB14.233 billion, representing a decrease of RMB3.565 billion as compared with last year. Other income was RMB67.626 billion, representing an increase of RMB7.692 billion as compared with last year.

(II) Operating expenses

In 2020, operating expenses were RMB92.522 billion, representing an increase of 2.86% as compared with last year. Of which, interest expense was RMB39.763 billion, representing a decrease of RMB4.926 billion as compared with last year. Impairment losses on assets were RMB14.098 billion, representing an increase of RMB5.136 billion as compared with last year. Employee benefits were RMB6.503 billion, representing a decrease of RMB153 million as compared with last year. Other expenses were RMB32.158 billion, representing an increase of RMB2.520 billion as compared with last year. The Group's net profit attributable to the shareholders of the parent company was RMB13.248 billion, representing an increase of 1.49% as compared with last year.

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

Items of major income and expenses	Amount	2020		2019
		Change	Growth rate	
Income from distressed debt assets measured at amortized cost	19,150.71	2,747.14	16.75%	16,403.57
Fair value changes on distressed debt assets	12,546.97	-1,098.38	-8.05%	13,645.35
Fair value changes on other financial instruments	13,683.96	-3,631.57	-20.97%	17,315.54
Investment income	548.64	66.49	13.79%	482.15
Other income	67,625.67	7,691.51	12.83%	59,934.16
Total income	113,555.95	5,775.19	5.36%	107,780.76
Interest expense	-39,762.55	4,926.12	-11.02%	-44,688.67
Impairment losses on assets	-14,098.26	-5,135.50	57.30%	-8,962.76
Employee benefits	-6,503.03	152.88	-2.30%	-6,655.92
Other expenses	-32,158.17	-2,520.07	8.50%	-29,638.09
Total expenses	-92,522.01	-2,576.58	2.86%	-89,945.44
Change in net assets attributable to other holders of consolidated structured entities	-17.82	219.43	-92.49%	-237.24
Share of results of associates	265.66	-1,681.92	-86.36%	1,947.58
Profit before tax	21,281.79	1,736.12	8.88%	19,545.66
Income tax expense	-6,544.51	-2,017.06	44.55%	-4,527.45
Net profit for the year	14,737.28	-280.94	-1.87%	15,018.22
Profit attributable to:				
Shareholders of the Company	13,247.88	194.93	1.49%	13,052.95
Non-controlling interests	1,489.40	-475.87	-24.21%	1,965.27

(III) Financial position

As of the end of 2020, total assets of the Group amounted to RMB1,518.084 billion, representing an increase of RMB4.854 billion or 0.32% as compared with the beginning of 2020. Of which, the total assets in the two segments including distressed asset management and financial services were RMB1,002.081 billion and RMB528.523 billion, representing an increase of RMB56.852 billion as for the total assets of distressed asset management and a decrease of RMB68.545 billion as for the total assets of financial services as compared with the beginning of 2020, respectively.

As of the end of 2020, total equity was RMB195.042 billion, representing an increase of RMB6.632 billion or 3.52% as compared with the beginning of 2020. Of which, the net assets in the two segments including distressed asset management and financial services were RMB116.679 billion and RMB74.927 billion, representing an increase of RMB4.379 billion and a decrease of RMB2.669 billion as compared with the beginning of 2020 respectively.

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

	As of December 31,							
	2020		2019		2020		2019	
	Total assets	Percentage in total (%)	Total assets	Percentage in total (%)	Net assets	Percentage in total (%)	Net assets	Percentage in total (%)
Distressed asset management	1,002,081.40	66.01%	945,229.02	62.46%	116,678.52	59.82%	112,299.48	59.60%
Financial service	528,523.14	34.82%	597,067.99	39.46%	74,926.60	38.42%	77,595.86	41.18%
Elimination and unallocated part	-12,520.89	-0.82%	-29,067.01	-1.92%	3,437.30	1.76%	-1,484.87	-0.79%
Total amount allocatable to segments	1,518,083.65	100.00%	1,513,230.01	100.00%	195,042.42	100.00%	188,410.46	100.00%

Such resolution has been considered and approved at the meeting of the Board convened on March 26, 2021, and is hereby submitted to the AGM for consideration and approval in accordance with the Articles of Association and other relevant provisions.

VI. TO CONSIDER AND APPROVE THE PROFIT DISTRIBUTION PLAN FOR 2020

According to the audited financial report for 2020 of the Company, the Group recorded a net profit attributable to shareholders of parent company of RMB13.248 billion, and the Company recorded a net profit of RMB4.388 billion in 2020. Proposed profit distribution plan for 2020 is as follows:

- I. In accordance with the PRC Company Law and the Articles of Association, an appropriation of RMB439 million, or 10% of the net profit for 2020 of the Company of RMB4.388 billion, 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 MOF, 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 that shall be provided for 2020 is RMB477 million.

- III. Cash dividends for 2020 of RMB1.041 per 10 shares (tax inclusive), totaling approximately RMB3.973 billion, would be distributed to all Shareholders (Shareholders whose names appear in the register of shareholders on Tuesday, July 6, 2021).

Such resolution has been considered and approved at the meeting of the Board convened on March 26, 2021, and is hereby submitted to the AGM for consideration and approval in accordance with the Articles of Association and other relevant provisions.

VII. TO CONSIDER AND APPROVE THE BUDGET OF INVESTMENT IN CAPITAL EXPENDITURE FOR 2021

According to the Articles of Association and relevant provisions, the Company has drawn up the budget of investment in capital expenditure of the Company for 2021. The budget of capital expenditure for 2021 is RMB122.59 million, including:

1. budget for daily equipment purchase of RMB29.70 million;
2. budget for information construction of RMB33.24 million;
3. budget for business office decoration and renovation of RMB59.65 million.

The budget of capital expenditure for 2020 was RMB105.00 million, and the actual completion for the year was RMB85.41 million, with a budget implementation rate of 81%, with a good overall implementation effect.

Such resolution has been considered and approved at the meeting of the Board convened on March 26, 2021, and is hereby submitted to the AGM for consideration and approval in accordance with the Articles of Association and other relevant provisions.

VIII. TO CONSIDER AND APPROVE THE APPOINTMENT OF ACCOUNTING FIRMS FOR 2021

In accordance with the requirements under the Administrative Measures of the Tendering Procedures for the Appointment of Accounting Firms by Financial Enterprises (Provisional) (Caijin [2010] No. 169) issued by the MOF and the Rules for Centralized Procurement Management of the Company, the Company appointed Ernst & Young Hua Ming LLP and Ernst & Young (hereinafter referred to as “E&Y”) as the onshore and offshore accounting firms in 2015 by means of invited tendering to take charge of the audit of annual financial statements, review of the interim financial statements, audit of internal control and other professional services in 2015. 2015 is the first year for E&Y to provide services to the Company.

In accordance with the requirements under the Administrative Measures for the Appointment of Accounting Firms by State-owned Financial Enterprises (Caijin [2020] No. 6) issued by the MOF, a financial enterprise shall appoint the same accounting firm (including the relevant members of the firm) in principle for no more than 5 years. Upon the expiration of such 5 years, the financial enterprise may, based on the audit quality of the accounting firm in its previous audits, shareholders' evaluations, and opinions of the financial regulators, properly extend the appointment period after performing the decision-making procedures stipulated in the Measures, provided that the continuous appointment period shall not exceed 8 years, and no tendering procedures is required within the above-mentioned period. Upon the completion of the audit for 2019, the five-year term of E&Y's services expired. The Company fulfilled the decision-making procedures of the Board meeting and the shareholders' general meeting in accordance with the regulations of the MOF and re-appointed E&Y as its domestic and international auditors for 2020.

Based on the audit quality of the accounting firm in its previous audits as well as the opinions of relevant departments, the Company proposed to continue the appointment of E&Y as the onshore and offshore accounting firms for 2021 to take charge of the audit of financial report, review of the interim financial report, audit of internal control and other professional services for 2021. The total audit fees will be RMB13.80 million (excluding audit fees of subsidiaries), which includes the audit (review) fees of financial reports of RMB12.20 million, and the audit fees of internal control of RMB1.60 million.

Such resolution has been considered and approved at the meeting of the Board convened on March 26, 2021, and is hereby submitted to the AGM for consideration and approval in accordance with the Articles of Association and other relevant provisions.

IX. TO CONSIDER AND APPROVE THE GRANTING OF GENERAL MANDATE TO ISSUE ADDITIONAL H SHARES TO THE BOARD

In order to further optimize the capital supplementation mechanism and structure of the Company, to improve the efficiency of corporate governance, to make full use of possible market opportunities and to timely supplement the Company's core tier 1 capital, with reference to the operating practices of H-share listed companies, the Board proposed to the AGM to grant to the Board the general mandate to issue new shares to no more than 10 external investors in an amount of no more than 20% of the Company's issued H Shares, which is 2,714 million shares, under the appropriate market window. The key points of the Plan of Granting of General Mandate to Issue Additional H Shares to the Board of China Cinda Asset Management Co., Ltd. (see Appendix IV) are as follows:

The Board shall be authorized by the shareholders' general meeting to issue, allot or deal with the new shares of the Company's H Shares within the authorized period in an amount of no more than 20% of the Company's issued H Shares. The Board shall be authorized to decide on specific timing of issuance, amount of single issuance, issuance method, target, use of proceeds raised, and other issues that may be related to the issuance of additional shares. The Board shall be also authorized to increase the registered capital of the Company and make corresponding amendments to the Articles of Association when it deems appropriate to reflect the new share capital structure after issuance of shares and additional shares. The Board shall be authorized to further authorize the specific persons to deal with matters related to issuance of shares. Details of this proposal are set out in Appendix IV of this circular.

Such resolution has been considered and approved at the meeting of the Board convened on March 26, 2021, and is hereby submitted to the AGM for consideration and approval in accordance with the Articles of Association and other relevant provisions.

X. TO REVIEW THE WORK REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS FOR 2020

In accordance with the Articles of Association and other relevant provisions, the independent non-executive directors of the Company are required to submit a work report to the shareholders' general meeting on an annual basis. The work report of the independent non-executive directors of the Company has been reviewed and finalized by each independent non-executive director.

The work report of the independent non-executive directors for 2020 is hereby submitted to the AGM, the full text of which is set out in Appendix V of this circular for the Shareholders to review. However, it is not subject to the approval of Shareholders.

CHINA CINDA ASSET MANAGEMENT CO., LTD.

WORK REPORT OF THE BOARD FOR 2020

In 2020, in the face of the sudden outbreak of COVID-19 and the complex and changing external situation, the Board of the Company fully implemented the economic and financial guidelines of the government, focused on the main responsibilities and principal businesses, operated prudently, provided full support for the fight against the COVID-19, supported poverty alleviation, solidly promoted high-quality development, and gave full play to the advantage of our distressed asset management expertise, so as to defuse financial risks, support supply-side structural reforms, serve the real economy, and complete the annual business plan perfectly.

In 2020, the asset scale and profit level of the Company remained stable, capital margin was safe and reasonable, and the risks of asset quality were generally under control. As at December 31, 2020, the consolidated total assets of the Group amounted to RMB1,518.084 billion, representing an increase of 0.32% year-on-year; equity and net profit attributable to equity holders of the Company were RMB172.109 billion and RMB13.248 billion, representing an increase of 4.37% and 1.49% respectively year-on-year; return on average shareholders' equity (ROE) was 8.26%; return on average assets (ROA) was 0.97%; and the Company's core tier 1 capital adequacy ratio was 10.66%.

In 2020, the operation and development was recognized by the capital market as it was awarded the "Stars of China Awards – Best Corporate Governance Bank" by Global Finance Magazine, the "China Top 100 Enterprises Award" by the 20th China Listed Company Top 100 Summit Forum, and the "Best Company of Investor Relations in Listed Companies" of China Securities Golden Bauhinia Awards.

The major work completed by the Board in 2020 was set out as follows:

I. STRENGTHENING THE STRATEGIC LEADERSHIP, AND EXPLORING A NEW PATTERN OF TRANSFORMATION AND DEVELOPMENT

(I) Focusing on main responsibilities and principal businesses, and achieving the successful conclusion of our "Second Five-Year Plan"

The Board of the Company paid close attention to the impact of the complex situations including COVID-19 and the intensified competition in the industry on the implementation of the strategy, actively adapted to the trend of strict financial regulation, maintained strategic determination, focused on the main responsibilities and principal businesses, continued to practice the concept of "professional operation, efficiency first, value creation", deepened reform and innovation, and accelerated the transformation to high-quality development. The Board increased support for the principal business of distressed asset management through measures including the annual operation plan, capital allocation and risk appetite to further consolidate the advantages of the principal business. The Board supported the Company to

strengthen the synergy within the Group centering on the “extensive distressed asset” business, drew lessons from the international alternative investment industry, actively explored innovative business models, and improved the professional skills and added value of projects, promoting the high-quality development of the Company. During the “Second Five-Year Plan” period, the main operation indicators of Company continued to maintain the leading position in the industry, and the status of the Company in the industry was consolidated; the foundation of the main business continued to be strengthened and the competitive ability continued to be enhanced; efforts were made in both directions in acquisition and restructure, which significantly optimized its strategic layout; the internal market-based reform continued to deepen, which effectively promote the transformation and development. In 2020, the Company achieved the successful conclusion of the “Second Five-Year Plan”.

(II) Clarifying strategic positioning, and blueprinting for high-quality development

In order to effectively adapt to the new trend of economic development, cope with the unprecedented challenges, seize the development opportunities in the new era, and explore the new pattern of high-quality development, the Board of the Company has organized and formulated the third five-year strategic plan for the Company. On the basis of a comprehensive analysis of the current situation and the environment, the Board put forward the guiding ideology, development principles and positioning objectives, as well as the Company’s strategic development priorities and specific implementation measures, etc. for the Company’s development in the next five years. The “Third Five-Year Plan” outlined a new blueprint for the Company to clarify its strategic positioning, accelerate its strategic transformation and upgrading, and enhance its capabilities of high-quality development. The Company will further leverage its core advantages in distressed asset management, further enhance its capabilities of financial service, and consolidate the core competitiveness.

(III) Giving full play to the financial assistance functions, and accurately supporting the prevention and control of the Pandemic

In the face of the sudden outbreak of COVID-19, the Board of the Company firmly implemented the decisions and arrangements of the Central Committee of the Communist Party of China and the State Council to guide the Company to consciously follow and serve the prevention and control of the Pandemic and economic and social development, actively assume social responsibilities based on the Company’s own business functions, and dedicate in risk mitigation and financial services for real enterprises during special periods. The Board of the Company considered and approved the Group’s external donation plan, offering Pandemic prevention materials and funds for Hubei and poverty-stricken areas in a timely manner, and helping to win the battle against Pandemic prevention and control. The Board effectively guided the management to adjust business strategies in a timely manner, supported the resumption of work and production, implemented policies according to customer categories, and provided financial support for the real enterprises through measures such as mitigating penalties, extension, adjusting repayment plans and adding liquidity to help them overcome difficulties.

II. STRENGTHENING THE FOUNDATION AND AREAS OF WEAKNESS, AND IMPROVING OPERATION AND MANAGEMENT CAPABILITIES

(I) Strengthening the management and control of the Group, and deepening the reform of subsidiaries

The Company continued to promote the reform of its subsidiaries, reduce hierarchies, and deepen the synergy of the Group. The Board strengthened the market-based reform of subsidiaries, took the system of job responsibility of person in charge as a breakthrough, and advanced the market-based reform of subsidiaries in depth. In 2020, the equity transfer of Happy Life was successfully completed, Cinda Securities completed the capital and share increase and started the application for listing, and the market-based reform plan of Jingu Trust has been formed. The Board of the Company strengthened the management and control of subsidiaries and deepened the business synergy of the Group. To promote the Company to refine the supporting policies for customer synergy, it released the guidance for internal service pricing system, and achieved guided and refined management of synergy. In addition, the Board also actively promoted and standardized the implementation of hierarchy-reduction and institutional clean-up and integration of the Group, and urged the Company to accelerate the clean-up and integration of subsidiaries that are not in line with the Group's strategic layout and direction, with overlapping business functions and less synergistic effects.

(II) Refining asset and liability management, and optimizing capital allocation

Facing the complicated external environment, the Board of the Company continued to strengthen the refined management of assets and liabilities to ensure the safety of domestic and overseas liquidity. The Board of the Company carried out capital replenishment work prospectively to ensure capital adequacy. The Board promoted the Company to grasp the favorable window period and completed the issuance of RMB8 billion tier-2 capital bonds to effectively replenish the Company's capital. The Board considered and approved the issuance plan of financial bonds for 2020, and proposed to the shareholders' general meeting to consider and approve the issuance plan of capital replenishment bonds with no fixed maturity and the issuance plan of preference shares, planning for future capital replenishment in advance and optimizing capital replenishment channels. The Board strengthened liquidity management, promoted the Company to accelerate the activation of inefficient assets, dispose of ineffective assets, strengthen cash recovery, and improve capital turnover efficiency and utilization efficiency. The Board adhered to the business strategy of focusing on the principal businesses and fully supporting and serving the real economy in terms of capital allocation, and focused on supporting the core businesses of the Company that are in line with the concept of "extensive distressed asset" such as acquisition of distressed assets and substantial restructuring. The Board strengthened the liquidity management of domestic and overseas subsidiaries, strengthened the monitoring of the Group's internal liquidity risk, and prepared liquidity emergency plans to effectively prevent the Group's liquidity risk.

(III) Promoting informatization, and strengthening technology empowerment

The Board of the Company put a high premium on informatization and emphasized the key role of information system in the Company's operation management, risk management and connected transaction management. In 2020, the Board of the Company considered and approved the budget for informatization expenditure, supported investment in informatization, improved the Group's financial technology construction, and enhanced the long-term value creation capability. The Company listened to the report on the implementation of the informatization planning to get the whole picture of the progress in the implementation thereof, while putting forward suggestions and requirements for future information planning. As a result, the outline for informatization planning (2021-2025) began to take shape. The Company proposed the vision of "Digital Cinda" and deepened data mining and application, to underpin business development, management decision-making and Group management and control.

III. IMPROVING CORPORATE GOVERNANCE MECHANISM TO BOOST THE STABLE OPERATION OF THE COMPANY**(I) Taking the opportunity of corporate governance assessment to promote the improvement of the corporate governance mechanism**

In 2020, taking the assessment by the CBIRC of the Company's corporate governance as an opportunity, the Board of the Company comprehensively reviewed and perfected the corporate governance system and operation mechanism, and kept exploring and improving the corporate governance model that is in line with the actual situation of the Company.

First, the Company effectively organized the self-assessment on corporate governance, conducted a comprehensive review of all aspects of corporate governance to detect the risk points of corporate governance, and actively took effective measures to optimize the corporate governance mechanism.

Second, the Company explored and concentrated its efforts on integrating the Party's leadership in every aspect of corporate governance. The Board attached importance to the integration of the Party Committee to point out the direction while the Board to make decision scientifically, and the major issues would be submitted to the Party Committee for discussion before decisions made by the Board. The Company adhered to the principle under which the Party should supervise its cadres while the Board should select and appoint personnel according to law, to implement the leadership system of "mutual entry and alternate-appointment". The Company combined Party Committee supervision with the supervision by the Board of Directors and the Board of Supervisors. The implementation of the Board's resolutions was reported to the Party Committee on a regular basis to give full play to the supervision role of the Party Committee.

Third, the Company promoted regulatory inspections and made rectification if necessary. The Board regularly listened to the management on the progress in solving the problems detected in regulatory inspections, and urged the Company to solve the problems by learning from past experience in this respect and improve the system and mechanism.

(II) Enhancing risk management and control, and strictly guarding the bottom line of risks

In 2020, adhering to the concept of “protecting the bottom-line by managing risks proactively”, the Company pursued the stable and prudent risk management appetite and steadily advanced the construction of a comprehensive risk management system.

First, the Company strengthened the transmission of risk appetite, and made risk management more forward-looking. The Board of the Company specified the risk appetite for the year, urged the management to take measures to promote the transmission of the risk appetite, regularly listened to the report on the application of the risk appetite, and monitored and evaluated the operation of the risk appetite system on an ongoing basis. The Board formulated and issued the Group Risk Management Policy covering seven major risk categories, namely, credit risk, market risk, operational risk, liquidity risk, connected transaction risk, reputation risk and concentration risk, with a view to further enhancing forward-looking risk management. The Board urged the management to conduct business in a compliant and stable manner in accordance with the risk appetite, ensured that business scale, operating income and risk exposure were matched, resolutely forestalled systemic risks, and safeguarded the quality and liquidity of assets.

Second, the Company improved the risk supervision mechanism for major projects and strengthened the risk mitigation responsibility. The Board of the Company focused on strengthening risk management and enhancing business quality. In particular, the Board strengthened the supervision over major projects, and studied to establish a working mechanism for the Risk Management Committee of the Board to strengthen the risk supervision over major projects.

Third, the Company strengthened the management of connected transactions. The Board of the Company facilitated the formulation of the Guidelines for the Management of Connected Transactions (Trial) and refined the management process of connected party transactions. The Connected Transaction Control Committee of the Board regularly listened to the report on the management of connected transactions of the Company and reported to the Board for filing in time. The Board paid close attention to the construction of the connected transaction management system and urged the Company to improve the informatization management of connected transactions.

(III) Deepening internal control management, and consolidating compliance foundation

First, the Company improved the internal control and compliance system. The Board of the Company considered and approved revisions to the Compliance Management Regulations and regulations in relation to anti-money laundering management. The Board reviewed and approved the Measures for the Management of Employees' Behaviour and the Measures for the Management of Case Prevention, to further improve the internal control and compliance system and consolidate the foundation of internal control and compliance management.

Second, the Company focused on bringing the effectiveness of internal control evaluation and internal audit into full play. The Board of the Company studied and formulated the Implementation Plan of Internal Control Evaluation for 2020, and incorporated various departments of the headquarters, branches, subsidiaries, main business lines, products and high-risk areas into internal control evaluation for 2020. To consider and approve the internal audit plan for 2020, the audit department was required to organize and carry out regular audits centering on the strategic development goal of the Company and focusing on key businesses, major projects and important links; and to organize and carry out special audits based on the key points and difficulties of the Company's operation and management. The Company supported the audit department to overcome the impact of the Pandemic, explored new audit methods and remote audit methods to complete the annual internal audit plan on time, and give full play to the supervision, management and consulting service functions of internal audit.

Third, the Company improved the compliance management system and enhanced the quality and efficiency of compliance management. The Board of the Company approved revisions to the Compliance Management Regulations and formulated the Measures for the Management of Employees' Behaviour and the Measures for the Management of Case Prevention. The Company listened to the annual compliance management report, anti-money laundering report, employee behavior evaluation report, etc., and stimulated the Company to improve the compliance management capability. The Company continued promoting the resolving of key issues, and gave impetus to the publicity and implementation of regulatory policies.

(IV) Improving information disclosure mechanism and ensuring unimpeded communication channels in the capital market

First, the Company improved the working mechanism and made information disclosure compliantly and efficiently. In 2020, the Board of the Company strictly complied with the domestic and overseas regulatory requirements on information disclosure, continued improving the working mechanism and process of information disclosure, and improved the quality and efficiency of information disclosure. In response to the impact of the COVID-19 on the timely disclosure of the 2019 annual report, the Audit Committee communicated and discussed with the management and auditors without delay, analyzed the advantages and disadvantages of delayed disclosure, and prudently made the decision on disclosure as scheduled. Under the supervision and guidance of the Board of the Company, the Company coordinated the preparation of the 2019 annual report by strictly implementing the work process and firmly controlling the key points, and disclosed the 2019 annual report as scheduled.

Second, the Company responded to changes while seeking changes, and ensured unimpeded channels of communication with the market. The Board of the Company attaches great importance to the management of investor relations. Under the pressure caused by the COVID-19, such as the increased volatility of the capital market and the interruption of face-to-face communication channels, the Board of the Company required the Company to take initiative to adjust the working way timely. By holding global analyst conference calls for results release and participating in online summits, the Company expanded online investor communication activities, to meet the communication needs of investors and analysts to the maximum extent and strengthen market communication.

IV. STRENGTHENING THE BOARD CONSTRUCTION, AND IMPROVING THE LEVEL OF SCIENTIFIC DECISION-MAKING

(I) Performing the duties of the Board in accordance with the law, and promoting the efficient operation of the Board

In face of the impact of the Pandemic, the Board of the Company compensated for the loss of efficiency of spatial isolation by increasing the frequency of communication through various forms such as teleconferences and video conferences, and managed emergency plans for meetings in advance to ensure smooth communication and consensus, and promoted scientific decision-making and efficient operation of the Board. During 2020, the Board convened five shareholders' general meetings, at which 21 proposals were considered and approved, and one report was reviewed; convened seven Board meetings, at which 45 proposals were considered and approved, and 21 reports were reviewed; convened 32 meetings of the special committees of the Board, at which 47 proposals were considered and approved, and 36 reports were reviewed; and convened six discussion meetings relating to proposals, at which 49 proposals were reported and discussed. Meanwhile, the special committees of the Board, focusing on the annual priorities of the Board, in accordance with the Articles of Association and the relevant rules of procedure, gave full play to their professional advantages and earnestly performed their duties, gained an in-depth understanding of the business operation, carefully studied and discussed the proposals, and effectively played the role of assisting the Board in performing its duties.

(II) Optimizing the structure of the Board, and enhancing the ability of the Directors to perform their duties

Firstly, the selection procedures of Directors should be strictly fulfilled to optimize the structure of the Board. In 2020, the Board has added two new non-executive directors. The Board carried out the nomination and election procedures for Directors in an orderly manner in strict accordance with the laws and regulations and the Articles of Association, and made reasonable arrangements for the new Directors to serve on the special committees of the Board based on their professional ability and experience in performing their duties, so as to further optimize the structure of the special committees.

Secondly, the Directors' right to know should be protected to enhance their ability to perform their duties. The Board organized the Directors to visit seven branches and subsidiaries for research and field inspection of important projects. The Board organized Directors to attend various trainings on business development and directors' performance, and the training attendance reached 51. The communication mechanism between the Board and the management was constantly improved. Directors timely obtained important information of the Company through attending the presidents' general meetings, operation briefing meetings, business line meetings and Chairman's regular seminars, which further enhanced the ability of Directors to perform their duties.

(III) Strengthening the evaluation of the performance of the Directors, and improving Directors' motivation to perform their duties

The Board of the Company carried out the evaluation of the performance of Directors for the year 2020 under the Implementation Plan of the Board for the Evaluation of the Performance of Directors in accordance with the Articles of Association and other requirements. A total of 11 Directors participated in the evaluation of the performance and all of the results of the performance evaluation were "competent". In 2020, all Directors of the Company strictly complied with laws, regulations, regulatory requirements and the Articles of Association, proactively, diligently and responsibly performed their duties, attended the shareholders' general meetings, and meetings of the Board and its special committees as scheduled, carefully reviewed various proposals, and prudently expressed their opinions and recommendations; paid close attention to the economic situation and changes in the Company's business environment, especially the impact of the COVID-19 on the Company's operation. Through in-depth investigation and research and attendance at relevant meetings, the Directors understood the Company's operation, risk management and internal control, made independent and professional judgment on the Company's operation and management, and clearly put forward opinions and suggestions to advise the Company on the formulation of new strategic plans, and provided the basis for scientific decision-making of the Board; the Directors actively participated in internal and external learning and training of the Company, updated and improved their knowledge in a timely manner, kept abreast of the frontier of business development, continuously improved their ability to perform their duties and make decisions, promoted scientific decision-making and efficient operation of the Board, and effectively protected the interests of shareholders and the Company.

In 2021, the Board of the Company, in accordance with the decisions and arrangements of the CBIRC to "relative concentration, focusing on core business", will adhere to the new development concept, reinforce stable operation, stabilize operating performance, further optimize the asset structure, strictly prevent and control risks, consolidate asset quality, adhere to the road of high-quality development, and focus on the professional advantages of distressed asset management; and will strive to resolve financial risks, support supply-side structural reform, serve the real economy, actively give returns to our shareholders, and contribute to the healthy development of China's economy and financial industry.

CHINA CINDA ASSET MANAGEMENT CO. LTD.

REPORT OF THE BOARD OF SUPERVISORS FOR 2020

In 2020, the Board of Supervisors of the Company faithfully performed its supervisory duties in accordance with laws, administrative regulations and the Articles of Association, adhered to the problem-oriented supervision, constantly enriched the supervision methods, improved the supervision mechanism, enhanced the effectiveness of supervision, and effectively gave play to its functions.

I. MAJOR WORK COMPLETED

Convene the Board of Supervisors meetings in accordance with the law. The Board of Supervisors held four meetings in 2020, and considered 13 resolutions, including the Company's regular reports, internal control evaluation report, performance evaluation reports and the work focus of the Board of Supervisors. The Board of Supervisors also debriefed a number of thematic reports, including the Company's operation, risk management, assets management and disposal, and the implementation and rectification of regulatory opinions. The Performance and Due Diligence Supervision Committee held three meetings and the Finance and Internal Control Supervision Committee held five meetings. In 2020, the Board of Supervisors provided independent opinions on legal operation, financial report, duty performance, and internal control of the Company in accordance with the relevant laws and regulations. The Board of Supervisors and its special committees put forward a number of supervisory opinions and suggestions on strategic implementation, business development, risk management, internal control and other important matters, which have been valued and implemented by the Board and Senior Management.

Earnestly perform the due diligence supervision. By participating in important meetings such as the meetings of the Board and its special committees, working meetings of the Company, and regulatory briefings, carrying out discussions and interviews, reviewing documents and making thematic researches, the Board of Supervisors continued to strengthen the due diligence supervision over the Board, Senior Management and their members, focusing on the Board and Senior Management's performance of their duties in corporate governance, development strategy, operation management and risk control by carefully reviewed the meeting materials, paid attention to the procedures, decision-making process and results, and duly expressed opinions. The Board of Supervisors revised the Measures on the Performance Supervision of the Board of Supervisors to improve the supervision, carried out annual performance evaluation, and reported the annual performance of the Board, the Board of Supervisors, Senior Management and their members to the shareholders' general meetings and the regulatory authorities as required.

Practically carry out financial supervision. The Board of Supervisors carefully reviewed the regular reports, final financial account plans and profit distribution plans, regularly listened to the debriefing on business performance and audit results, paying attention to the changes in major financial data, major adjustments on financial reports and changes in financial systems and their effects as well as the authenticity of financial information, and expressed independent opinions objectively and impartially. The Board of Supervisors strengthened the communication with external auditors, supervised the independence and effectiveness of external audit work, and provided hints on audit focus; closely monitored the impact of the Pandemic and the economic situation on the financial results of the Company for 2020, and suggested the audit arrangement and response for key areas of concern of the Group and its subsidiaries; paid attention to the adjustment of the business strategies of the Company, got a thorough understanding of the total assets and liabilities, business performance, provision and capital adequacy ratio of the Company through communication, and put forward supervision opinions and suggestions.

Constantly enhance internal control and compliance supervision. The Board of Supervisors supervised the construction of internal control and compliance management system, and issued relevant review opinions on internal control evaluation report. The Board of Supervisors strengthened the supervision over key areas such as anti-money laundering and case prevention, followed up the implementation of the audit opinions and the regulatory opinions of the CBIRC, and supervised the rectification; systematically sorted out the problems found in the Company's regulatory inspection over the years, analyzed and summarized the causes of the problems, and suggested strengthening the responsibility at all levels, focused on the improvements of systems and mechanisms, promoting systematic and radical rectification, and promoting the establishment of a long-term mechanism for internal control and compliance; attached importance to the application of internal and external audit results, and followed up the rectification of suggestions made by auditors over the years.

Continue to strengthen risk management supervision. The Board of Supervisors carried out supervision on the key risk areas and risk mitigation work. The Board of Supervisors regularly listened to the debriefing of risk management reports, focusing on the impact of the Pandemic on the operation and assets quality of the Company; carried out supervision of capital and liquidity; supervised and urged the implementation of regulatory requirements on strict control of liquidity risk in key overseas subsidiaries through investigations and inspections; analyzed the extension and repayment plan adjustment of Restructured Distressed Assets projects and advised the Company to strengthen the approval and post-investment management; paid attention to the management of connected transactions and urged the Company to strengthen the examination, approval and audit supervision in accordance with the regulatory requirements of connected transactions; supervised the integration of subsidiaries and the audit implementation to prevent the occurrence of moral hazard and integrity risk.

Constantly improve supervision efficiency. Adhering to the problem-oriented principle, the Board of Supervisors constantly improved the supervision mechanism and innovated working methods, with an aim to improve the supervision quality and efficiency. The Board of Supervisors promoted the implementation of the supervisory opinions and suggestions, and strengthened the application of the supervisory results; strengthened the communication with the regulatory authorities, the Board and the management, and carried out in-depth investigation and inspection, in order to enhance the understanding of the Company's operation situation; organized the annual joint meeting of supervision coordination for 2020 and the symposium on supervision work of subsidiaries to study key issues, exchange supervision work experience, and conduct training on risk management policies and the latest regulations and policies, so as to improve the overall performance ability. In 2020, the members of the Board of Supervisors performed their duties diligently and faithfully by attending five shareholders' general meetings, seven Board meetings, 32 meetings of the Board's special committees, and ten meetings of Senior Management.

II. INDEPENDENT OPINIONS ON RELEVANT MATTERS

Lawful operation

In 2020, the operation of the Company was in compliance with laws and regulations, and its decision-making procedures were in compliance with relevant laws, regulations and the requirements of the Articles of Association. The Board of Supervisors had no objection to the matters submitted to the shareholders' general meetings for consideration. The Board duly implemented the resolutions approved at the shareholders' general meetings. Directors and Senior Management duly performed their duties. The Board of Supervisors was not aware of any breach of laws, regulations and the Articles of Association or any act detrimental to the interests of the Company by any of the Directors or Senior Management in performing their duties.

Financial reports

The financial reports for the year reflected the financial position and operating results of the Company truthfully and fairly.

Opinions on the performance evaluation of Directors, Supervisors and Senior Management

The results of the performance evaluation of all Directors, Supervisors and Senior Management for 2020 were competent.

Internal control

In 2020, the Company continued to improve internal control and the Board of Supervisors had no disagreement with the evaluation opinions on internal control of the Company for 2020.

**GRANTING OF GENERAL MANDATE TO ISSUE
ADDITIONAL H SHARES TO THE BOARD**

In order to meet the long-term development requirements of the Company, to further optimize the capital supplementation mechanism and structure of the Company, to improve the efficiency of corporate governance, to make full use of possible market opportunities and to timely supplement the Company's core tier 1 capital, with reference to the operating practices of H-share listed companies, it is hereby recommended that we propose to the shareholders' general meeting to grant the Board a general mandate to issue ordinary shares in an amount of no more than 20% of issued H shares of the Company, and to authorize the Board to make corresponding amendments to the Articles of Association so as to reflect the capital structure after the completion of the issuance. The above mandate allows the Board to issue new shares to no more than 10 external investors under the appropriate market window, so as to supplement core tier 1 capital of the Company.

PARTICULARS OF THE GENERAL MANDATE

- (I) To authorize the Board to issue additional overseas listed foreign shares ("H Shares") (additional H shares referred to as "New Shares") after taking into account the market conditions and the Company's needs, in an amount of no more than 20% of the issued H Shares of the Company as at the date of passing of this general mandate resolution at the shareholders' general meeting.

- (II) Particulars of the mandate include but are not limited to:
 - 1. To authorize the Board to individually or simultaneously allot, issue and dispose of New Shares in accordance with the Company Law of the PRC and the regulatory requirements of the jurisdictions in which the Shares of the Company are listed based on the market conditions and the needs of the Company, after obtaining the approval of the China Securities Regulatory Commission and other relevant PRC government departments. The number of the New Shares to be allotted and issued (whether pursuant to a share option or otherwise) shall not exceed 20% of the total issued H Shares of the Company as at the date of passing of this resolution.

 - 2. To authorize the Board to exercise all the powers of the Company, to determine the terms and conditions for the allotment and issuance of the New Shares, which include the following:
 - (1) the class and number of the New Shares to be allotted and (or) issued;

 - (2) issuance method;

 - (3) the target of the issuance and the use of proceeds raised;

- (4) pricing method and (or) the issue price (including the price range and the final price) of the New Shares;
 - (5) the commencing and closing dates of the issuance;
 - (6) the class and number of the New Shares to be issued to existing Shareholders; and
 - (7) the making or granting of offers for sale, agreements and options which may require the exercise of such powers.
3. To authorize the Board to execute all necessary documents, to complete the necessary formalities and to take other necessary actions in order to complete the allotment, issuance and listing of the New Shares, provided that there is no violation of the relevant laws, administrative regulations, the regulatory requirements of the jurisdictions in which the Shares of the Company are listed and the Articles of Association, including but not limited to:
- (1) to consider, approve and execute, on behalf of the Company, the agreements in relation to the issuance, including but not limited to the placing underwriting agreement and engagement agreement of intermediaries;
 - (2) to consider, approve and execute, on behalf of the Company, legal documents in relation to the issuance which shall be submitted to the relevant regulatory authorities, and to fulfill the relevant approval processes according to the requirements of the regulatory authorities and the jurisdictions in which the Shares of the Company are listed;
 - (3) to amend the relevant agreements and legal documents mentioned in (1) and (2) above in accordance with the requirements of domestic and overseas regulatory authorities;
 - (4) to decide on the affixing of the Company's seal on the agreements and legal documents in relation to the issuance;
 - (5) to engage intermediaries related to the issuance, to approve and execute all necessary, appropriate, desirable or relevant acts, deeds, documents and other related matters.

4. Subject to the approval of the relevant PRC authorities and in accordance with the Company Law of the PRC, to authorize the Board to increase the registered capital of the Company to the required amount pursuant to the share issuance method, class and number and the actual condition of the Company's shareholding structure upon the completion of issuance, and take any other required actions and procedures to handle changes in registered capital (including, but not limited to, obtaining approval from relevant regulatory authorities and filing procedures for industrial and commercial registration, etc.).
5. Upon the completion of the allotment and issuance of new shares, to authorize the Board to make amendments to the Articles of Association as appropriate and necessary pursuant to the share issuance method, class and number and the actual condition of the Company's shareholding structure upon the completion of issuance, in order to reflect the changes in the share capital structure, the registered capital and any other changes of the Company caused by this authorization, and take any other required actions and fulfil the required procedures (including, but not limited to, obtaining approval from relevant regulatory authorities and fulfilling procedures for industrial and commercial registration, etc.).

The Board may further authorize the specific authorized persons to deal with the relevant issuance matters.

- (III) The general mandate shall come into force as of the date of passing of this resolution at the annual general meeting and shall continue in force until the earlier of the following two dates:
1. the expiration of the 12-month period following the passing of this resolution at the annual general meeting; or
 2. the date on which the authorization granted under this resolution is revoked or amended by a special resolution of the Shareholders of the Company at the shareholders' general meeting.
- (IV) For avoidance of doubts, the shares, stocks, and securities mentioned in this resolution shall refer to ordinary shares and stocks, excluding preference shares.

CHINA CINDA ASSET MANAGEMENT CO., LTD.**WORK REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS FOR 2020**

The independent non-executive directors of the Company strictly complied with the relevant domestic and foreign laws and regulations, and normative documents, such as the Company Law, the Securities Law of the People's Republic of China, the Measures for the Supervision of Financial Asset Management Companies, the Listing Rules, the Articles of Association and the working rules for independent Directors of the Company, performed their duties rigorously and diligently on an objective, independent and impartial position, actively exercised the rights granted by laws and regulations, made commitment to daily operation and decision marking of the Board of Directors, and earnestly safeguarded the legitimate rights and interests of all shareholders and the Company, during their performing duties in 2020. The performance is reported as follows:

I. INFORMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

As of December 31, 2020, there were four independent non-executive directors of the Company, namely Mr. Zhu Wuxiang, Mr. Sun Baowen, Mr. Lu Zhengfei and Mr. Lam Chi Kuen. The number of independent non-executive directors accounted for more than one-third of the members of the Board, which complied with the Articles of Association, the Rules of Procedures of Board Meetings and relevant regulatory requirements. The three special committees of the Board, namely the Audit Committee, the Connected Transaction Control Committee and the Nomination and Remuneration Committee all have independent non-executive directors as chairmen.

(I) Biographies of independent non-executive directors

Please refer to the announcements of the Company for the biographies of independent non-executive directors.

(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 or 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 consider them to be independent.

II. ANNUAL PERFORMANCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

(I) Attendance of meetings and relevant resolutions

In 2020, the Company held five shareholders' general meetings, seven Board meetings and 32 meetings of special committees of the Board. The independent non-executive directors attended or participated in all above meetings on schedule and attentively. Before the meetings, independent non-executive directors pre-reviewed the relevant documents and actively communicated with the Company with respect relevant matters; at the meetings, they listened with due care and considered each resolution, actively participated in discussion and decision-making in line with the actual operation of the Company, and gave full play to their professional expertise to give professional advice, and exercised voting rights in an independent, objective and prudent manner; after the meetings, they kept close communication with the Board Secretary, the Board of Directors' Office and accountable departments for relevant issues, and tracked the progress of important issues. In 2020, the independent non-executive directors of the Company provided constructive and professional suggestions and opinions on strategic planning, corporate governance, risk management, internal control, connected transaction management, and external and internal auditing, and had no objection to the resolutions of the Board or its special committees. In addition, they expressed independent opinions on significant matters, such as profit distribution plan, connected transaction, nomination of director candidates and appointment of senior management, in order to facilitate the Board's scientific decision making, standardized and professional operation and long-term development of the Company.

In 2020, the attendance of independent non-executive directors of the Company at shareholders' general meetings, and meetings of the Board and its special committees is as follows:

Independent non-executive directors	Number of meetings attended/required to attend						
	Shareholders' general meetings	Meetings of special committees of the Board					
		Board meetings	Strategic development committee	Audit committee	Risk management committee	Nomination and remuneration committee	Connected transaction control committee
Zhu Wuxiang	5/5	7/7	-	-	-	5/5	8/8
Sun Baowen	5/5	7/7	5/5	8/8	-	5/5	-
Lu Zhengfei	5/5	7/7	-	8/8	6/6	-	8/8
Lam Chi Kuen	5/5	7/7	5/5	8/8	-	-	-

Notes: "Number of meetings attended" includes attendance at the scene, participation in the conference by telephone, or video.

(II) Operation of the Board and its special committees

1. The Board. In 2020, the Company convened seven Board meetings to consider and approve 45 resolutions and review 21 reports. The resolutions that were approved by the Board included seven resolutions on operation and management matters, four resolution on major transaction, five resolutions on work reports, eight resolutions on personnel appointment, one resolution on remuneration and insurance and 20 other resolutions.
2. Special committees of the Board. The operation of special committees of the Board in 2020 was as follows:

The Strategic Development Committee held five meetings to consider 12 resolutions, mainly including the 2019 final financial account plan, the 2020 annual consolidated operation plan, the budget of investment in capital expenditure for 2020, the plan of spin-off of Cinda Securities and listing of A Shares, the plan of non-public issuance of offshore preference shares and the plan of issuance of onshore undated capital bonds, and debriefed the reports on the 2019 corporate governance report and the report on the implementation of the Company's strategic development plan (2019).

The Audit Committee held eight meetings to review 10 resolutions, mainly including the 2019 annual report (annual results announcement), the internal control evaluation report for 2019, the risk management report for 2019, the internal audit work plan for 2020, the appointment of accounting firms for 2020, and the 2020 interim report (interim results announcement), and debriefed 11 reports including the report on internal audit work for 2019, auditor's report on the Company's 2019 management recommendations, 2020 interim financial statement review plan, and 2020 annual financial statement audit plan.

The Risk Management Committee held six meetings to consider nine resolutions, mainly including 2019 risk management report, the evaluation report on internal control for 2019, report on anti-money laundering efforts for 2019, Risk Appetite Statement of the Group (2020), and the revision of the Corporate Compliance Work Management Procedures, and to debrief eight reports including the quarterly risk management reports, and compliance management report for 2019.

The Nomination and Remuneration Committee held five meetings to consider 10 resolutions, mainly including the nomination of candidates for the directors of the Company to the Board, the nomination of members for special committees of the Board, preliminary review on the qualifications of Vice President and CFO candidates, and renewal of liability insurance for directors, supervisors and senior management, discussion of the structure and composition of the Board of Directors, the performance of duties of directors and the independence of independent directors, and to debrief the Nomination and Compensation Committee's work plan for 2020.

The Connected Transaction Control Committee held eight meetings to consider six resolutions, mainly including identification of connected persons of the Company, 2019 connected transaction management report, and to debrief nine reports including the quarterly connected transaction reports, 2019 Group internal transaction management report, and connection transaction management report for the first half of 2020.

(III) Cooperation between the Company and independent non-executive directors in work implementation

In 2020, the Company actively and effectively cooperated with the independent non-executive directors in performing their duties by providing the necessary working conditions and giving them full rights to know and express. In order to facilitate the work of independent non-executive directors during the Pandemic, the Company actively provided protective measures and assisted independent non-executive directors in convening and participating in governance meetings through video conferences and teleconferences; organized research and training for directors, including independent non-executive directors, to help directors enhance their ability to perform their duties. In order to ensure that independent non-executive directors enjoy the same right to know as other directors, the Company notified independent non-executive directors in advance of matters to be decided by the Board within the statutory time and provided sufficient information, so that independent non-executive directors had a full understanding of the Company's operation and management. All directors were invited to participated in and express their opinions at the meeting of special committees of the Board. In addition, the Company attached great importance to and continuously improved the communication mechanism with independent non-executive directors, and other directors, senior management and the Board maintained smooth and timely routine communication with independent non-executive directors to provide in time information on the Company's operation and business development, regulatory policies and market economic environment, risk management and internal control, compliance, corporate governance and other important issues of concern, which facilitated the Board to make scientific decisions and promptly respond to and reasonably adopt suggestions and opinions on the relevant matters which independent non-executive directors expressed.

III. KEY CONCERNS ON THE PERFORMANCE OF DUTIES OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS FOR THE YEAR

The independent non-executive directors of the Company attached great importance to multiple key tasks including corporate strategic planning, integration of the Group's strategic resources, qualification of the directors and senior management, control of connected transactions, information disclosure, external auditing, implementation of internal control and appointment of accounting firms. They made clear judgment on relevant key matters in accordance with laws and regulations and provided the Company with independent and objective opinions and suggestions.

(I) Overview on the Strategic Planning of the Company

Despite the sudden outbreak of the COVID-19, and the complex and changing external environment, the Company met all targets set out in the “Second Five-year Plan” on schedule by maintaining its strategic determination, firmly implementing the “Second Five-Year Plan”, focusing on its main responsibilities and main business, and continuing to practice the high-quality development idea of “professional operation, efficiency first and value creation”. The independent non-executive directors paid close attention to the impacts of the complex situation on the implementation of the strategy, such as the COVID-19, intensified competition and strict financial regulation, listened to the report of the management on the implementation of the strategic plan, and offered professional opinions and suggestions on the problems identified during the implementation of the strategic plan.

In 2020, the Board organized the formulation of the Company’s Third Five-year Plan. The independent non-executive directors paid great attention to the process of developing this strategic plan. They gained an in-depth understanding of the Company’s operations by attending the Board meetings and relevant special committees, seminars between the independent non-executive directors and the Board chairman, operation reporting meetings, as well as reviewing the Company’s operating information and communicating with relevant personnel to provide suggestions for the Company to develop new strategic plan with their own professional knowledge and management experience.

(II) Integration of strategic resources of the Group

In 2020, the Board paid great attention to and strictly complied with regulatory requirements, actively promoted the reduction of hierarchies of the Group and market-oriented reforms among subsidiaries. Firstly, it considered and approved the merger plan of relevant subsidiaries and urged the Company to accelerate the clearing and integration. As at the end of 2020, the clearing and integration of a total of 30 affiliated institutions were completed. Secondly, the integration of platform companies was accelerated. The disposal of the equity interests of Happy Life was completed; the spin-off and listing of Cinda Securities was considered and approved to support it to expand financing channels, to enhance capital strength, and to improve the competitiveness of its securities business and synergy with the Group’s main business. Thirdly, supports were provided to the management to intensify market-oriented reform of subsidiaries. Taking the tenure target accountability system as a breakthrough, the market-oriented reform of subsidiaries was promoted to a deeper level. Independent non-executive directors provided constructive opinions and suggestions on the reduction of hierarchies of the Group and the clearing of the institutions according to the actual situation of the Company. The independent non-executive directors agreed to the resolutions relating to integration of subsidiaries, such as the spin-off and listing of Cinda Securities.

(III) Qualification of the directors and senior management

In 2020, there were certain changes to the composition of the member of the Board and senior management of the Company. The independent non-executive directors made careful assessment on the composition of the Board and senior management and conducted conscientious review on the qualifications of the candidates for directors and senior management in strict compliance with the laws and regulations and the requirements of the Articles of Association. The independent non-executive directors agreed to the nomination of members of the Board and senior management of the Company.

(IV) Connected transactions

In 2020, the independent non-executive directors paid close attention to the development of domestic and overseas supervisory regulations and standards in respect of connected transactions, earnestly reviewed the matters concerning confirmation of connected parties of the Company, promoted the Company to develop the Guidelines on the Management of Connected Transactions (Trial) in accordance with the regulatory requirements for connected transactions, and refine the management procedure for connected parties, and reviewed the report on the management of connected transactions on a quarterly basis, supervised the Company to continuously improve the IT-based management level for connected transactions, and ensured the compliance of connected transactions with laws and regulations. The independent non-executive directors issued their independent opinions on the two proposals on connected transactions submitted to the Board for consideration on the principle of impartiality, fairness, objectiveness and independence.

(V) Implementation of information disclosure

In 2020, the Company strove to overcome the impact of the Pandemic and completed the preparation and disclosure of high-quality regular reports on schedule, prepared and disclosed 2019 annual report, 2020 interim report and interim announcements in strict accordance with the regulatory requirements and information disclosure requirements of listed companies. The independent non-executive directors actively fulfilled their duties in the preparation and disclosure of the annual report, conducted supervision and examination over the disclosure of announcement, urged the Company to perform duties of information disclosure in a due, accurate, true and complete manner by strict compliance with the regulatory requirements, and ensured that there were no false records, misleading statements or major omission. Moreover, the Company was required to further strengthen the management of insiders to protect investors' equal right to know the major matters.

(VI) Risk management and implementation of internal control

In 2020, the Company continued to attach importance to strengthening risk management and control in the Group's work, adhered to the risk management concept of "protecting the bottom-line by managing risks proactively", further strengthened the transmission mechanism of the Group's risk appetite, and exerted the guidance and restraint role of the Group's risk management policies. The effectiveness of the Group's risk management was further improved. In addition, the Company also paid attention to strengthening the management of key areas of internal control, further improving the scientific, standardized and effective internal control system, establishing employee behavior management system and strengthening compliance training and publicity to solidify the foundation of internal control and boost the sound development of the Company's business operations. The independent non-executive directors carefully reviewed the Company's risk management report, internal control evaluation report, internal audit work report and compliance management report, and continuously urged the Company to improve its risk management and internal control compliance. The independent non-executive directors recognized the effectiveness of the Company's risk management and internal control, and were of the view that the Company had no major defects in internal control of financial reports and no major defects identified in internal control of non-financial reports.

(VII) Appointment of accounting firms

In an objective, rigorous and impartial manner, the independent non-executive directors considered that the domestic and international accounting firms engaged by the Company have performed audit duties diligently and responsibly, maintained independent and objective practice standards in the auditing, and issued various professional, objective and fair reports for the Company on time, and have sufficient independence and professional competence through reviewing the relevant information about Ernst & Young Hua Ming LLP and Ernst & Young, listening to the report of Ernst & Young auditor and comprehensively understanding the performance of their duties, and therefore agreed to appoint Ernst & Young Hua Ming LLP and Ernst & Young as the auditors of the Company for 2020.

(VIII) Cash dividend and other returns to investors

The formulation and implementation of policy of cash dividend of the Company complied with the requirements of the Articles of Association and the resolutions passed at the shareholders' general meeting. The standards and proportion of dividends were clear and definite and the procedures and mechanism of decision-making were complete, which ensured reasonable returns for shareholders and were not detrimental to the interests of the shareholder of the Company, especially that of minority shareholders, and therefore were considered and approved by the independent non-executive directors.

IV. GENERAL EVALUATION

In performing duties in 2020, the independent non-executive directors of the Company overcame the impacts and inconvenience caused by the COVID-19, and, as always, in strict accordance with the provisions and requirements of relevant laws and regulations for independent directors, diligently performed their duties, adhered to the principles of independence, objectivity and impartiality, continuously improved their ability to perform their duties, promoted the compliant operation of the Company and enhanced the value of the Company, and safeguarded effectively the legitimate rights and interests of the Company and shareholders.

In 2021, the independent non-executive directors will continue to uphold the principles of prudence, diligence and integrity as well as the spirit of responsibility to shareholders, faithfully play their role as independent non-executive directors, fully utilize their expertise and working experience to help enhancing the scientific decision-making ability and leadership of the Board, and contribute to the Company's continuous compliant operation and sound development by offering advice and suggestions.

Independent Non-executive Directors:

Zhu Wuxiang, Sun Baowen, Lu Zhengfei, Lam Chi Kuen

NOTICE OF AGM FOR 2020



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))

NOTICE OF AGM FOR 2020

NOTICE IS HEREBY GIVEN that the annual general meeting of China Cinda Asset Management Co., Ltd. (the “**Company**”) for 2020 (the “**AGM**”) will be held at Conference Room 1111, 11th Floor, No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the People’s Republic of China (the “**PRC**”) at 9:30 a.m. on Friday, June 25, 2021 for considering and, if thought fit, passing the following resolutions:

Ordinary Resolutions

1. To consider and approve the work report of the Board for 2020
2. To consider and approve the report of the Board of Supervisors for 2020
3. To consider and approve the remuneration settlement scheme for the directors for 2019
4. To consider and approve the remuneration settlement scheme for the supervisors for 2019
5. To consider and approve the final financial account plan for 2020
6. To consider and approve the profit distribution plan for 2020
7. To consider and approve the budget of investment in capital expenditure for 2021
8. To consider and approve the appointment of accounting firms for 2021

Special Resolution

9. To consider and approve the granting of general mandate to issue additional H Shares to the Board

As Reporting Document

1. To review the work report of the independent non-executive directors for 2020

NOTICE OF AGM FOR 2020

Notice of Closure of Register of Members

The register of holders of H Shares of the Company will be closed from Tuesday, June 22, 2021 to Friday, June 25, 2021 (both days inclusive), during which period no transfer of H Shares will be registered. Any holder of H Shares of the Company who wishes 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 no later than 4:30 p.m. on Monday, June 21, 2021. Shareholders whose names appear on the register of holders of H Shares of the Company at the close of business on Monday, June 21, 2021 will be entitled to attend and vote at the AGM.

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 the AGM of the Company dated May 26, 2021. 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.
ZHANG Zi'ai
Chairman

Beijing, the PRC
May 26, 2021

As at the date of this notice, 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.

NOTICE OF AGM FOR 2020

Notes:

1. The register of members of the Company will be closed from Tuesday, June 22, 2021 to Friday, June 25, 2021 (both days inclusive). Holders of H Shares and domestic shares whose names appear on the register of members of the Company at the close of business on Monday, June 21, 2021 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, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, June 21, 2021.
2. The register of members of the Company will be closed from Thursday, July 1, 2021 to Tuesday, July 6, 2021 (both days inclusive). Holders of H Shares and domestic shares whose names appear on the register of members of the Company on Tuesday, July 6, 2021, Hong Kong time shall be entitled to receive cash dividend of RMB1.041 (tax inclusive) per 10 shares for 2020 subject to the approval of the Shareholders at the AGM. Dividend for H Shares will be paid in Hong Kong dollars, the actual amount of which shall be calculated on the basis of the average benchmark exchange rate between RMB and Hong Kong dollars as announced by the People's Bank of China in one week prior to the date of the AGM (including the date of the AGM). Holders of H Shares of the Company who wish to receive the cash dividend for 2020 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, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, June 30, 2021, Hong Kong time. The last trading day for H Shares of the Company before ex-dividend will be Monday, June 28, 2021, and the ex-dividend shall start from Tuesday, June 29, 2021.

Withholding and Payment of Enterprise Income Tax for Foreign Nonresident Enterprise Shareholders

Pursuant to the Enterprise Income Tax Law of the People's Republic of China and its implementation regulations and other relevant rules and regulations, the Company is required to withhold enterprise income tax at the rate of 10% when distributing the annual dividend for 2020 to non-resident enterprise shareholders whose names appear on the H Shares register of members of the Company. Any shares registered in the name of non-individual shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations, will be treated as being held by non-resident enterprise shareholders and therefore will be subject to the withholding of the enterprise income tax. A Non-PRC Resident Enterprise shareholder which is entitled to a preferential tax rate under a tax agreement or an arrangement may, directly or through its entrusted agent or withholding agent, apply to the competent tax authorities for a refund of the excess amount of tax withheld.

Withholding and Payment of Individual Income Tax for Individual Foreign Shareholders

Pursuant to the PRC Individual Income Tax Law, the Implementation Regulations of the PRC Individual Income Tax Law and other relevant laws and regulations and regulatory documents, the Company shall, as a withholding agent, withhold and pay individual income tax for the individual holders of H Shares in respect of the final dividend for the year 2020 to be distributed to them. However, if there are the tax treaties or arrangements between the People's Republic of China ("PRC") and the countries (regions) in which the individual holders of H Shares are domiciled, the Company will withhold and pay individual income tax on behalf of the individual H Shareholders at the effective tax rate stipulated in the relevant tax treaty or arrangement. If the tax treaty or arrangement with the PRC stipulates a tax rate of less than 10%, the Company will temporarily withhold and pay individual income tax at the rate of 10% on behalf of the individual H Shareholders, and the individual holders of H shares may be entitled to certain tax preferential treatments.

NOTICE OF AGM FOR 2020

Dividend Distribution for Investors of Southbound Trading

For investors of the Shanghai Stock Exchange or Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares of the Company (the “**Southbound Trading**”), the Company will distribute the cash dividend for 2020 to China Securities Depository and Clearing Corporation Limited which, as the nominee of the investors of H Shares of Southbound Trading, will then distribute the cash dividends to the relevant investors of H Shares of Southbound Trading through its depository and clearing system. Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) and the Notice on Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No. 127), for domestic individual investors, the Company shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For domestic securities investment funds, the tax payable shall be the same as that for individual investors. The Company will not withhold and pay the income tax of dividends for domestic enterprise investors which shall report and pay the relevant tax themselves.

The record date and the date of distribution of cash dividends and other arrangements for the investors of Southbound Trading will be the same as those for the H Shareholders of the Company. Should the H Shareholders of the Company have any doubts in relation to the aforesaid arrangements, they are recommended to consult their tax advisors for the relevant tax impacts in mainland China, Hong Kong (or Macau) and other countries (regions) on the possession and disposal of the H Shares of the Company

3. 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 need not be a Shareholder of the Company, but he/she must attend the AGM in person to represent the relevant Shareholder.
4. 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.
5. In order to be valid, the proxy form for the AGM, 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 designated for convening the AGM or any adjournment thereof (as the case may be) (i.e. no later than 9:30 a.m. on Thursday, June 24, 2021, Hong Kong time). 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.
6. Pursuant to the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll. As such, all resolutions set out in the notice of the AGM will be voted on by poll.
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 Shareholders.
9. In order to prevent and control the COVID-19 as well as safeguard public health, the Company encourages shareholder(s) to consider appointing the chairman of the AGM as his or her/their respective representative(s) to vote on the relevant resolutions rather than attend the AGM in person.