

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



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 04621 (Preference Shares))

COMPLETION OF SPIN-OFF AND LISTING OF CINDA SECURITIES ON SHANGHAI STOCK EXCHANGE

References are made to the announcements of China Cinda Asset Management Co., Ltd. (the “**Company**”) dated August 5, 2020, November 27, 2020, December 28, 2020, June 30, 2022 and December 16, 2022 (the “**Announcements**”) in relation to the proposed spin-off and separate listing of Cinda Securities Co., Ltd. (“**Cinda Securities**”) and its subsidiaries on the Shanghai Stock Exchange (the “**Proposed Spin-off and Listing**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

The Company has received the letter from the Hong Kong Stock Exchange on November 27, 2020 confirming that the Company may proceed with the spin-off and be waived from providing its existing shareholders with an assured entitlement to shares in Cinda Securities pursuant to Practice Note 15 of the Listing Rules, and the Proposed Spin-off and Listing has been approved by the CSRC and the Shanghai Stock Exchange (the “**SSE**”) in accordance with legal procedures.

Cinda Securities completed its initial public offering of RMB ordinary shares (the “**Offering**”) on January 20, 2023, and its RMB ordinary shares (“**A-shares**”) were listed and traded on the SSE on February 1, 2023. Upon the completion of the Proposed Spin-off and Listing, Cinda Securities remains a subsidiary of the Company.

LISTING RULES IMPLICATIONS

Upon the completion of the Proposed Spin-off and Listing, the Company’s interests in Cinda Securities will reduce from 87.42% to 78.67%. The Proposed Spin-off and Listing constitutes a deemed disposal of the Company under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio in respect of the Proposed Spin-off and Listing is more than 5% but less than 25%, the Proposed Spin-off and Listing constitutes a discloseable transaction of the Company and is therefore subject to the announcement and reporting requirements but exempt from the shareholders’ approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

References are made to the Announcements in relation to the Proposed Spin-off and Listing. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

The Company has received the letter from the Hong Kong Stock Exchange on November 27, 2020 confirming that the Company may proceed with the spin-off and be waived from providing its existing shareholders with an assured entitlement to shares in Cinda Securities pursuant to Practice Note 15 of the Listing Rules, and the Proposed Spin-off and Listing has been approved by the CSRC and the SSE in accordance with legal procedures.

Cinda Securities completed the Offering on January 20, 2023, and its A-shares were listed and traded on the SSE on February 1, 2023. Upon the completion of the Proposed Spin-off and Listing, Cinda Securities remains a subsidiary of the Company.

THE OFFERING OF CINDA SECURITIES

Number of the Offering

Cinda Securities offered a total of 324,300,000 A-shares on January 20, 2023, representing 11.11% of the total number of shares of Cinda Securities in issue prior to the Offering and 10.00% of the total number of shares after the Offering.

Offer Price

The offer price of Cinda Securities is RMB8.25 per share, which was determined by Cinda Securities and the joint lead underwriters through negotiation based on the preliminary inquiry and comprehensive consideration of Cinda Securities' fundamentals, the industry in which it operates, market conditions, valuation level of listed companies in the same industry, demand for proceeds and underwriting risks, etc.

Use of Proceeds

The gross proceeds from the Offering of Cinda Securities are RMB2,675,475,000. After deducting the issuance expenses, the proceeds will be used to replenish the capital of Cinda Securities to increase the working capital and develop the main business.

Changes in Shareholding Structure

Upon the completion of the Proposed Spin-off and Listing, the Company's interests in Cinda Securities will reduce from 87.42% to 78.67%, and Cinda Securities remains a subsidiary of the Company and its financial results will continue to be consolidated into the Company's consolidated financial statements.

Pursuant to the PRC laws and the liquidity restrictions and voluntary lock-up undertakings made by the Company, the shares held by the Company in Cinda Securities are subject to a lock-up period of 36 months from the date of listing of Cinda Securities, and if the closing price of Cinda Securities' shares is lower than the offer price for 20 consecutive trading days within 6 months after the listing of Cinda Securities, or the closing price of Cinda Securities' shares is lower than the offer price as at the end of 6 months after the listing of Cinda Securities, the lock-up period will be automatically extended at least 6 months.

Reasons for and Benefits of the Proposed Spin-off and Listing

The Proposed Spin-off and Listing will further strengthen the financial strength of the Company and enhance the Company's liquidity for holding equity assets in its subsidiaries. Upon the completion of the Proposed Spin-off and Listing, Cinda Securities remains a subsidiary of the Company. The Company can continue to participate in the development of Cinda Securities in the future, which will increase the profitability and core competitiveness of the Company.

Upon the completion of the Proposed Spin-off and Listing, Cinda Securities will have an independent fundraising platform in the capital market, which will not only increase the financing flexibility of Cinda Securities and the Company, but also enhance the brand image and recognition of Cinda Securities, while improving its corporate governance and talent recruitment capabilities.

The directors of the Company, including independent non-executive directors, are of the view that the terms of the Proposed Spin-off and Listing are fair and reasonable and in the interests of the Company and its shareholders as a whole.

GENERAL INFORMATION

The Company

With a focus on operation of distressed assets, the Company provides customers with tailor-made financial solutions and differentiated asset management services through a collaborative and diversified business platform. The ultimate beneficial owner of the Company is the Ministry of Finance of the People's Republic of China.

Cinda Securities

Cinda Securities is a non-wholly owned subsidiary of the Company, currently mainly engaged in the businesses of securities brokerage, securities underwriting and sponsorship, proprietary trading of securities, etc.

Set out below are the key financial figures of Cinda Securities for the two financial years ended December 31, 2020 and 2021, and for the six months ended June 30, 2022 in accordance with the PRC Accounting Standards for Business Enterprises:

Unit: RMB'0,000

	For the six months ended June 30, 2022 (Audited)	For the year ended December 31, 2021 (Audited)	For the year ended December 31, 2020 (Audited)
Profit/(loss) before tax	55,350.05	145,712.54	95,413.01
Profit/(loss) after tax	51,298.94	121,162.83	85,583.22

As at June 30, 2022, the net asset value of Cinda Securities is RMB13,371,467,445.89.

For further information on the Offering of Cinda Securities, please refer to the initial public offering prospectus of Cinda Securities published on the website of the SSE (<http://www.sse.com.cn>).

FINANCIAL IMPACTS

As the Proposed Spin-off and Listing will not result in the Company losing control over Cinda Securities, the Proposed Spin-off and Listing will be accounted for as equity transaction and will not generate the profit or loss recognized in the Company's consolidated statements of profit or loss and consolidated statements of comprehensive income.

LISTING RULES IMPLICATIONS

Upon the completion of the Proposed Spin-off and Listing, the Company's interests in Cinda Securities will reduce from 87.42% to 78.67%. The Proposed Spin-off and Listing constitutes a deemed disposal of the Company under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio in respect of the Proposed Spin-off and Listing is more than 5% but less than 25%, the Proposed Spin-off and Listing constitutes a discloseable transaction of the Company and is therefore subject to the announcement and reporting requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
China Cinda Asset Management Co., Ltd.
ZHANG Weidong
Chairman

Beijing, the PRC
February 1, 2023

As at the date of this announcement, the Board of the Company consists of Mr. ZHANG Weidong, Mr. LIANG Qiang and Mr. ZHAO Limin as executive directors, Mr. HE Jieping, Mr. WANG Shaoshuang, Mr. CHEN Xiaowu, Ms. ZHANG Yuxiang, Mr. TANG Jiang and Mr. LIU Chong as non-executive directors, and Mr. LU Zhengfei, Mr. LAM Chi Kuen, Mr. WANG Changyun and Mr. SUN Maosong as independent non-executive directors.