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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you have sold or transferred all your shares in China CITIC Financial Asset Management Co., Ltd., you should at once hand this circular with the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**中国中信金融资产**  
**China CITIC Financial AMC**

**中國中信金融資產管理股份有限公司**  
**China CITIC Financial Asset Management Co., Ltd.**

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

*(Stock Code: 2799)*

**REMUNERATION SETTLEMENT PLAN OF DIRECTORS FOR 2022**  
**REMUNERATION SETTLEMENT PLAN OF SUPERVISORS FOR 2022**  
**FINAL FINANCIAL ACCOUNT PLAN FOR 2023**  
**PROFIT DISTRIBUTION PLAN FOR 2023**  
**FIXED ASSET BUDGET PLAN FOR 2024**  
**WORK REPORT OF THE BOARD FOR 2023**  
**WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2023**  
**AND**  
**NOTICE OF 2023 ANNUAL GENERAL MEETING**

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China CITIC Financial Asset Management Co., Ltd. will convene the AGM on Tuesday, 28 May 2024 at 3:00 p.m. at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC. Notice of the AGM is set out on pages 27 to 29 in this circular.

If you wish to appoint a proxy to attend the AGM on your behalf, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon no later than 24 hours before the time scheduled for holding the AGM (i.e. before 3:00 p.m. on Monday, 27 May 2024) or any adjourned meeting thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any adjourned meeting thereof should you so wish.

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## DEFINITIONS

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

“AGM” or “2023 Annual General Meeting”	the annual general meeting of the Company for 2023 to be held at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC, on Tuesday, 28 May 2024 at 3:00 p.m.
“Articles of Association”	the Articles of Association of China CITIC Financial Asset Management Co., Ltd. as amended from time to time
“Board” or “Board of Directors”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“Chairman”	the chairman of the Board of the Company
“CITIC Group”	CITIC Group Corporation
“Company”	China CITIC Financial Asset Management Co., Ltd.
“Company Law”	the Company Law of the People’s Republic of China
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi
“Group”	the Company and its subsidiaries
“H Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HKD and listed on the Main Board of the Hong Kong Stock Exchange
“HKD”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRSs”	the International Accounting Standards (IAS), the International Financial Reporting Standards, amendments and the related interpretations issued by the International Accounting Standards Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange

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## DEFINITIONS

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“MOF”	the Ministry of Finance of the PRC
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the People’s Republic of China
“Share(s)”	share(s) of the Company, including Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of the Shares of the Company
“Supervisor(s)”	the supervisor(s) of the Company
“%”	percent



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**China CITIC Financial Asset Management Co., Ltd.**

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

**(Stock Code: 2799)**

*Executive Directors:*

Mr. Liu Zhengjun (*Chairman*)

Mr. Li Zimin (*President*)

*Non-executive Directors:*

Ms. Zhao Jiangping

Mr. Xu Wei

Mr. Tang Hongtao

*Independent Non-executive Directors:*

Mr. Shao Jingchun

Mr. Zhu Ning

Ms. Chen Yuanling

Mr. Lo Mun Lam, Raymond

*Registered Office:*

No. 8 Financial Street, Xicheng District

Beijing

the PRC

*Principal Place of Business*

*in Hong Kong:*

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai, Hong Kong

26 April 2024

Dear Sir or Madam,

**REMUNERATION SETTLEMENT PLAN OF DIRECTORS FOR 2022**  
**REMUNERATION SETTLEMENT PLAN OF SUPERVISORS FOR 2022**  
**FINAL FINANCIAL ACCOUNT PLAN FOR 2023**  
**PROFIT DISTRIBUTION PLAN FOR 2023**  
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**NOTICE OF 2023 ANNUAL GENERAL MEETING**

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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed 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

Resolutions to be proposed at the AGM for the Shareholders to consider and approve include: (1) remuneration settlement plan of Directors for 2022; (2) remuneration settlement plan of Supervisors for 2022; (3) final financial account plan for 2023; (4) profit distribution plan for 2023; (5) fixed asset budget plan for 2024; (6) work report of the Board for 2023; and (7) work report of the Board of Supervisors for 2023. The above resolutions are ordinary resolutions.

The resolution to be proposed at the AGM for Shareholders' consideration only and not for their approval is: review of the work report of the independent non-executive Directors for 2023.

Details of the matters to be considered at the AGM are set out in the notice of AGM on pages 27 to 29 in this circular. In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make well-informed decisions, this circular provides detailed information regarding the matters to be considered at the AGM, including matters to be considered at the AGM (see Appendix I), work report of the Board for 2023 (see Appendix II), work report of the Board of Supervisors for 2023 (see Appendix III) and work report of the independent non-executive Directors for 2023 (see Appendix IV).

### 3. AGM

The Company will convene the AGM at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC on Tuesday, 28 May 2024 at 3:00 p.m. The notice of the AGM is set out in this circular.

In order to determine the list of H Share Shareholders who are entitled to attend the AGM, as well including the abovementioned closure dates, the Company will close the H Share Register of members from Thursday, 23 May 2024 to Tuesday, 28 May 2024 (both days inclusive). H Share Shareholders 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 before 4:30 p.m. on Wednesday, 22 May 2024. Shareholders whose names appear on the H Shares register of members of the Company at the close of business on Wednesday, 22 May 2024 are entitled to attend and vote at the AGM.

A proxy form for use at the AGM is enclosed herein and also published on the website of the Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)). H Share Shareholders who intend to attend the AGM by proxy shall complete and return the proxy form to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 24 hours before the time appointed for holding the AGM (i.e. before 3:00 p.m. on Monday, 27 May 2024) or any of its adjournment (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM if you so wish.

We hereby remind you that, according to Article 65 of the Articles of Association, where the number of equity interests of the Company pledged by a shareholder reaches or exceeds 50% of the equity interests held by such shareholder in the Company, no voting right in respect of the pledged equity interests shall be exercised at the general meeting of Shareholders until the ceasing of the relevant condition.

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## LETTER FROM THE BOARD

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

#### **4. RECOMMENDATION**

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

#### **5. RESPONSIBILITY STATEMENT**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regards to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make this circular or any statement herein misleading.

By order of the Board  
**China CITIC Financial Asset Management Co., Ltd.**  
**LIU Zhengjun**  
*Chairman*

## I. TO CONSIDER AND APPROVE THE REMUNERATION SETTLEMENT PLAN OF DIRECTORS FOR 2022

Pursuant to the Interim Administrative Measures for the Management of Remuneration of Heads of Central Financial Enterprises (Cai Jin [2015] No. 58, hereinafter referred to as the “MOF Measures”) issued by the MOF, the Company’s Articles of Association, the Administrative Measures for the Management of Remuneration for Directors and Supervisors and other relevant requirements, the Company has formulated the remuneration settlement plan of Directors for 2022. Details of the remuneration plan are as follows:

Remuneration for 2022								
Unit: RMB'0,000								
No.	Name	Current position	Independent	Annual basic	Annual	Subtotal	Benefits and	Tenure
			Director	salary	performance		and housing	
			allowance		salary	(4)=(1)+(2)+(3)	fund paid by	
			(1)	(2)	(3)		the employer	(6)
							for 2022	
							(5)	
1	Wang Zhanfeng	Party Committee secretary, Executive Director, Chairman of the Board	—	9.61	5.88	15.49	4.77	January–March
2	Liang Qiang	Deputy Party Committee secretary, Executive Director, President	—	28.82	18.31	47.13	14.45	January–September
3	Wang Wenjie	Member of the Party Committee, Executive Director, Vice President	—	23.06	14.11	37.17	13.03	January–August
4	Zhao Jiangping	Equity Director	—	—	—	—	—	January–December
5	Zheng Jiangping	Equity Director	—	—	—	—	—	January–December
6	Xu Wei	Equity Director	—	—	—	—	—	May–December
7	Xu Nuo	Equity Director	—	—	—	—	—	January–March
8	Zhou Langlang	Equity Director	—	—	—	—	—	January–May
9	Tse Hau Yin	Independent Director	25.00	—	—	25.00	—	January–December
10	Shao Jingchun	Independent Director	25.00	—	—	25.00	—	January–December
11	Zhu Ning	Independent Director	25.00	—	—	25.00	—	January–December
12	Chen Yuanling	Independent Director	25.00	—	—	25.00	—	January–December



Notes:

- As resolved at the 2013 first extraordinary general meeting, the remunerations of the Chairman and executive Directors of the Company are paid by the Company; the remunerations of equity Directors are paid by Shareholders; and the allowances of independent Directors are paid by the Company.
- Wang Zhanfeng's remuneration from April to December 2022 was accounted for in China Orient Asset Management Co., Ltd. Liang Qiang's remuneration from October to December 2022 was accounted for in China Cinda Asset Management Co., Ltd. Wang Wenjie completed his retirement procedures in August 2022 and receives his pension according to the regulations since September.

The above resolution has been considered and approved by the Board, and is hereby submitted to the AGM for consideration.

## II. TO CONSIDER AND APPROVE THE REMUNERATION SETTLEMENT PLAN OF SUPERVISORS FOR 2022

Pursuant to the MOF Measures, the Articles of Association, and the Administrative Measures for the Remuneration of Directors and Supervisors, the Company formulated the remuneration settlement plan of Supervisors for 2022. Details of the remuneration plan are as follows:

Remuneration for 2022							Unit: RMB'0,000	
No.	Name	Current position	Supervisor allowance	Annual basic salary	Annual performance salary	Subtotal	Benefits and annuity, social insurance and housing provident fund paid by the employer for 2022	Tenure
			(1)	(2)	(3)	(4)=(1)+(2)+(3)	(5)	(6)
1	Hu Jianzhong	Deputy Party committee secretary, Chairman of the Board of Supervisors	—	38.43	23.52	61.95	19.84	January–December
2	Cheng Fengchao	External Supervisor	20.00	—	—	20.00	—	January–December
3	Han Xiangrong	External Supervisor	20.00	—	—	20.00	—	January–December
4	Sun Hongbo	Employee Representative Supervisor	2.00	—	—	2.00	—	January–December
5	Guo Jinghua	Employee Representative Supervisor	2.00	—	—	2.00	—	January–December

Note:

As resolved at the 2013 first extraordinary general meeting, the remunerations of the Chairman of the Board of Supervisors of the Company are paid by the Company; the allowances of external Supervisors and employee representative Supervisors are paid by the Company.

The above resolution has been considered and approved by the Board of Supervisors, and is hereby submitted to the AGM for consideration.

### III. TO CONSIDER AND APPROVE THE FINAL FINANCIAL ACCOUNT PLAN FOR 2023

Pursuant to the 2023 audited consolidated financial statements of the Company, the final financial accounts for 2023 are hereby reported as follows:

#### (I) Business performance

In 2023, focusing on the ideology of “consolidating the foundation, seeking progress while maintaining stability, and improving quality and efficiency”, the Group completed the goal of investment and risk mitigation, achieved the turnaround from loss to profit in operating results, and successfully completed the set target of “wrenching us back on the right track in one year” with the trend of “start is sprint”. In 2023, the Company recorded a total income of RMB75,800 million from continuing operations, a total expense of RMB75,330 million from continuing operations, and the net profit attributable to the Shareholders of the Company amounted to RMB1,766 million.

Unit: In 100 million of RMB

Item	2023	2022 (Restated)
Total income from continuing operations	758.00	369.33
Profit/(loss) before tax from continuing operations	10.72	-371.86
Net profit/(loss)	2.12	-277.92
Net profit/(loss) attributable to equity holders of the Company	17.66	-275.87

The total salary provision for 2023 amounted to RMB1.89 billion, representing a year-on-year decrease of 24%. The major financial income and expenses are set out in the following table:

Unit: In 100 million of RMB

Item	For the year ended 31 December	
	2023	2022 (Restated)
Income from distressed debt assets	172.48	227.79
Fair value changes on distressed debt assets	-8.93	57.10
Fair value changes on other financial assets and liabilities	-24.95	-111.58
Interest income	131.28	112.25
Finance lease income	6.83	10.56
Gains from derecognition of financial assets measured at amortised cost	7.00	0.16
Gain/(loss) from derecognition of debt instruments at fair value through other comprehensive income	1.54	-5.91
Commission and fee income	1.99	2.34
Net gains on disposals or deemed disposals of subsidiaries, associates and joint ventures	0.07	5.89
Dividend income	8.83	9.14

Unit: In 100 million of RMB

Item	For the year ended 31 December	
	2023	2022 (Restated)
Other income and other net gains or losses	461.86	61.59
<b>Total income from continuing operations</b>	<b>758.00</b>	<b>369.33</b>
Interest expenses	-345.32	-370.65
Commission and fee expenses	-5.54	-5.94
Operating expenses	-62.22	-65.78
Impairment losses under the ECL model	-330.26	-293.81
Impairment losses on other assets	-9.96	-11.84
<b>Total expenses on continuing operations</b>	<b>-753.30</b>	<b>-748.02</b>
Change in net assets attributable to other holders of consolidated structured entities	-0.02	3.53
Share of results of associates and joint ventures	6.04	3.30
<b>Profit/(loss) before tax from continuing operations</b>	<b>10.72</b>	<b>-371.86</b>
Income tax (expense)/credit	-8.60	37.99
<b>Profit/(loss) after tax from continuing operations</b>	<b>2.12</b>	<b>-333.87</b>
<b>Profit after tax from discontinued operations</b>	<b>—</b>	<b>55.95</b>
<b>Profit/(loss) for the year</b>	<b>2.12</b>	<b>-277.92</b>
Attributable to:	—	—
Equity holders of the Company	17.66	-275.87
Holders of perpetual capital instruments	0.76	5.31
Non-controlling interests	-16.30	-7.36

**(II) Financial Position**

As of 31 December 2023, the total assets of the Company amounted to RMB968,103 million, the total liabilities amounted to RMB920,066 million, the total equity amounted to RMB48,037 million, and equity attributable to equity holders of the Company reached RMB47,995 million.

Unit: In 100 million of RMB

Item	For the year ended 31 December	
	2023	2022 (Restated)
Total assets	9,681.03	9,578.04
Total liabilities	9,200.66	9,070.60
Total equity	480.37	507.44
Equity attributable to equity holders of the Company	479.95	493.53

The above resolution has been considered and approved by the Board, and is hereby submitted to the AGM for consideration.

**IV. TO CONSIDER AND APPROVE THE PROFIT DISTRIBUTION PLAN FOR 2023**

According to the Company's and consolidated audited financial report for 2023, the profit distribution plan for 2023 is reported as follows:

According to the financial statements (in terms of the legal person) of the Company for 2023 which was audited by Ernst & Young Hua Ming LLP, the net profit of the Company for the year amounted to RMB1.083 billion. With the addition of the accumulated undistributed profit (restated) at the beginning of the period of RMB-76.363 billion and the subtraction of dividend distribution to the holders of perpetual debt capital of RMB863 million, the accumulated distributable profit of the Company amounted to RMB-76.143 billion as of 31 December 2023.

In accordance with the relevant requirements of the Company Law and the Articles of Association and the Company's actual situation, no statutory surplus reserve, any surplus reserve and general risk reserve will be withdrawn for 2023. The Company will not make dividend distribution or convert capital reserves into shares or make other distribution.

As of 31 December 2023, the Company's cumulative outstanding losses amounted to RMB76.143 billion, with a paid-in share capital of RMB80.247 billion. The amount of outstanding losses exceeded one-third of the total paid-in share capital. The Company will adhere to the guidance of Party building and maintain its strategic focus. Relying on CITIC Group's advantages in both industry and finance, we have actively adjusted and optimized our asset allocation and business structure, built core competitiveness of core business, continuously improved operating quality and efficiency to achieve high-quality development.

The above resolution has been considered and approved by the Board, and is hereby submitted to the AGM for consideration.

**V. TO CONSIDER AND APPROVE THE FIXED ASSETS BUDGET PLAN FOR 2024**

In accordance with the regulatory requirements of the MOF and in light of the overall development plan and operational needs of the Company, the Company has formulated the fixed assets budget plan for 2024 (in terms of the parent company, the same below), the contents of which are as follows:

The fixed assets budget of the Company for 2024 amounts to RMB103.7377 million, including: RMB11.2684 million for house renovation, RMB7.2719 million for daily-use fixed assets, RMB230,000 for official vehicle replacement, RMB12.1544 million for electronic equipment purchasing, and RMB72.813 million for confirmation of ownership.

The above resolution has been considered and approved by the Board, and is hereby submitted to the AGM for consideration.

**VI. TO CONSIDER AND APPROVE THE WORK REPORT OF THE BOARD FOR 2023**

In accordance with the regulatory requirements and the Articles of Association, and based on the actual work of the Board in 2023, the Company formulated the work report of the Board for 2023. The text of the report is set out in Appendix II to this circular.

The above resolution has been considered and approved by the Board, and is hereby submitted to the AGM for consideration.

**VII. TO CONSIDER AND APPROVE THE WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2023**

In accordance with the regulatory requirements and the Articles of Association, and based on the actual work of the Board of Supervisors in 2023, the Company formulated the work report of the Board of Supervisors for 2023. The text of the report is set out in Appendix III to this circular.

The above resolution has been considered and approved by the Board of Supervisors, and is hereby submitted to the AGM for consideration.

## WORK REPORT OF THE BOARD FOR 2023

In 2023, the Board of Directors of the Company conscientiously implemented the decisions and plans of the Party Central Committee, adhered to the general principle of pursuing progress while maintaining stability, implemented the new development concept in a complete, accurate and comprehensive manner, actively practiced the political and people-centric nature of financial work, kept in mind the nation interests, and served the needs of the real economy with the Company's capabilities. It adhered to the organic integration of Party leadership and corporate governance, strengthened strategic leadership, improved the Company's operation and management system, and strengthened the construction of the Board of Directors. With the strong support of relevant state departments, regulatory authorities and shareholders, the Company has turned its performance into a profit and taken a solid step forward in high-quality development, accomplished the strategic goal of "wrenching us back on the right track in one year", and started a new journey of high-quality development with a new brand and a new image. Following is the report on the main work of the Board of Directors of the Company in 2023:

### I. ADHERING TO THE LEADING ROLE OF PARTY BUILDING AND ACHIEVING NEW PROGRESS IN THE IMPROVEMENT OF GOVERNANCE SYSTEM

#### (I) Stay Committed to the Organic Integration of Party Leadership and Corporate Governance, and Thoroughly Explore the New Model of Modern Corporate Governance for State-owned Financial Institutions

The Board of the Company connected the Party Committee's rules of procedure and the decision-making mechanism of the Board of Directors in an orderly manner, and strictly implemented the policy requirement that the study and discussion by the Party Committee shall act as a pre-procedure for decision-making on major issues by the general meeting of Shareholders, the Board of Directors and the senior management. It continuously improved the communication mechanism before, during and after events between the Party Committee and the governance body of "shareholders' general meeting, Board of Directors, Board of Supervisors, and senior management", and promoted the Party Committee and the "shareholders' general meeting, Board of Directors, Board of Supervisors, and senior management" to perform their duties, effectively check and balance, and coordinate operation.

#### (II) Improve Corporate Governance System and Enhance Corporate Governance Capacity

Following the basic principles of corporate governance, the Board of the Company continued to improve the governance system, enhanced governance capacity and lifted the quality and efficiency of governance. **First, The Company name has been changed.** In accordance with the overall strategic planning and positioning of the Company, the Company was officially renamed "China CITIC Financial Asset Management Co., Ltd.", which marks a significant milestone in the Company's reform and risk mitigation, and will help the Company establish a brand-new corporate image based on the brand value of the CITIC Group. The Articles of Association was revised due to the name change to further enhance the standardization of corporate governance. **Second, the Board of Directors carried out corporate governance assessment work.** In accordance with regulatory requirements, the Board carried out self-examination and self-assessment in various aspects such as the top-level design of corporate governance, management of related party transactions, internal control of risks and audit supervision, and continued to improve the relevant policies of corporate governance, so as to embed the advantages of policy in corporate governance and enhance the scientificity, robustness and effectiveness of corporate governance. **Third, the Board of Directors strengthened equity management.** The Board continuously improved the communication mechanism with shareholders,

strengthened equity management and continuously improved the level of shareholder governance. It conducted regular equity self-inspection to keep abreast of changes in shareholdings of substantial shareholders and other important matters in a timely manner, and to further strengthen the normal management of shareholders' shareholding behavior. In accordance with the regulatory rules, the Company had four substantial shareholders in aggregate, which was approved by the financial supervision and administration departments, and the shareholders' behavior was in compliance with the laws and regulations, the regulatory rules and the requirements of the Articles of Association. It cooperated with and assisted the Shareholder, the Ministry of Finance, to transfer 2,407,400,372 domestic shares (representing 3% of the total issued shares of the Company) held by it in the Company to CITIC Group for capital increase, and transfer and registration procedures related to the equity change were completed.

### (III) Fulfill Social Obligations and Corporate Responsibility

The Board of Directors actively fulfilled its environmental, social and corporate governance responsibilities, continuously consolidated the achievements of poverty alleviation, built a good corporate culture, and established the corporate image of responsibility and commitment. **First, the Board of Directors strengthened the ESG management.** In accordance with ESG guidelines and regulatory requirements, the Board of Directors continued to improve ESG governance structure, management system and working mechanism, integrated environmental, social and governance requirements into the whole process of business development, prepared and published annual social responsibility report. **Second, the Board of Directors consolidated and expanded the achievements of poverty alleviation.** Upholding the concept of Enlightenment and Inspiration, empowering rural education; aiming at the difficulties and pain points of poverty and re-poverty due to illness in mountainous areas, innovatively built an insurance network featuring “equipment + insurance + surgery + training”; actively leveraged our financial advantages, empowering rural cultivate and develop characteristic industries. **Third, the Board of Directors advocated green office.** By advocating paperless office for employees, water and electricity conservation, it reduced the daily operating costs of the Company as much as possible, and achieved revenue increase and expenditure reduction, forming a good culture of “Conserving Energy by Everyone in Everything” in the Company, and making positive contributions to the construction of beautiful China.

## II. STRENGTHENING STRATEGIC GUIDANCE AND PROMOTING HIGH-QUALITY DEVELOPMENT TO OBTAIN NEW ACHIEVEMENTS

### (I) Serve the National Strategies and Improve the Core Competitiveness of the Core Business of Distressed Assets

The Board of Directors focused on the ideology of “serving the needs of the country with the capabilities of the Company” and gave full play to the significant functions of financial asset management companies in serving the national strategies, thus supporting the real economy. **First, the Board of Directors functioned the Company as a national team and main force in distressed asset disposal.** We maintained industry-leading levels in the acquisition scale of distressed asset packages, adhered to the multi-channel operations both online and offline, constantly expanded marketing channels and improved asset disposal efficiency. **Second, the Board of Directors actively promoted the transformation and development of the core business.** With the businesses such as central and state-owned enterprise reform, defaulted bonds acquisition, relief of problematic organizations, and bankruptcy restructuring, a batch of innovative projects were implemented. Relying on CITIC Group's advantages in both industry and finance, and giving play to the synergy effect, a replicable and promotable model for alleviating difficulties and mitigating risks was

established, effectively facilitating the virtuous cycle between financial market and the real economy. **Third, the Board of Directors optimized and adjusted business structure.** The product structure was optimized, forming a scaling trend for existing asset vitalization and debt mitigation projects. The client composition was optimized, with over 50% of newly invested projects from quality state-owned enterprises. The regional layout was constantly optimized, with over 60% of new investment projects allocated to key regions. The industrial structure was optimized, with diverse industries that new projects allocated to and effective reduction in concentration on the real estate industry.

## (II) Strengthen Strategic Management and Promote the Implementation of Strategic Objectives

The Board of Directors paid close attention to the implementation of the “14th Five-Year” Plan, and urged the senior management of the Company to maintain strategic stability, consolidate main responsibilities, further clarify development positioning, and enhance execution capabilities. **First, the Board of Directors improved the strategic planning and management mechanism.** The Board of Directors revised the relevant systems for strategic planning, strengthened strategic transmission, built a sound strategic planning system, and further enhanced strategic execution capabilities; coordinated and promoted the integration of strategic planning and business planning, resource allocation, business authorization, performance appraisal, remuneration and performance, human resources management to form policy synergies. **Second, the Board of Directors guided all business units to formulate differentiated development plans.** The Board of Directors formulated the strategic resource allocation plan, specified the Company’s key regional and industry layout objectives, and implemented the classification and management of its branches, promoted its branches and subsidiaries to formulate differentiated development plans and related supporting mechanisms based on their own conditions, so as to transform the strategic “blueprint” into a “roadmap”. **Third, the Board of Directors strengthened the supervision of strategy implementation.** The Board of Directors conducted the annual evaluation of the “14th Five-Year” Plan to evaluate the scientificity, rationality and effectiveness of the development plan, and continuously improved the efficiency of plan execution.

## (III) Continue to Deepen Reforms and Consolidate the Foundation of High-quality Development

The Board of Directors took reform as the guide and driving force to promote comprehensive deepening of reform and changed the Company’s name, so as to enter a new era of high-quality development with a brand-new look. **First, the Board of Directors supported the promotion of institutional reform.** The Board of Directors streamlined and optimized the headquarters department of the Company to enhance the marketing, management and service capabilities of the headquarters. The Board of Directors continued to clean up and integrate non-financial subsidiaries to cultivate differentiated development advantages. **Second, the Board of Directors improved the market-oriented incentive and restraint mechanism.** The Board of Directors optimized the fixed floating ratio of remuneration and strongly linked remuneration performance with operating performance, reflecting the difference between good and bad performance; increased the application of assessment results, promoted the competence of cadres and employees regardless of promotion or demotion, and encouraged them to take responsibility. **Third, the Board of Directors strengthened technological empowerment.** The Board of Directors promoted the construction of new business core systems and cloud-based management, built financial informatization 2.0, and completed the standardized governance of regulatory data for the parent company. **Fourth, the Board of Directors established the concept of cost reduction and efficiency enhancement.** The Board of Directors



strictly controlled the budget and emphasized the quality and efficiency of expenses; optimized the procurement process to reduce bulk expenditure costs; and studied and made good use of tax policies to implement the detailed integration of business and finance.

### III. CONSOLIDATING THE MANAGEMENT FOUNDATION AND IMPROVING THE SYSTEM AND MECHANISM TO PRESENT A NEW LOOK

#### (I) Adhere to Both Prevention and Mitigation to Improve Asset Quality

The Board of Directors adhered to the bottom line thinking and supervised the Company to take multiple measures to prevent and mitigate risks, so as to ensure high-quality development with effective risk management and control. **First, the Board of Directors deepened the construction of a comprehensive risk management system.** The Board of Directors formulated the Plan for Deepening the Construction of Comprehensive Risk Management System and the three-year action plan, as well as the risk preference statement for 2023 and optimized the transmission mechanism and risk management concepts, improved the risk governance structure, and enhanced the quality and efficiency of risk management. **Second, the Board of Directors improved the whole process management of the project.** The Board of Directors strengthened access control and built an authorization system with “upper limits on authorization, standards for exercising authority and supervision over the use of power”; improved the “specialized, professional and expert” review mechanism, established the “T+1” project re-inspection mechanism and the project review mechanism to improve the quality and efficiency of review and approval; implemented post-investment management, established a pre-review mechanism for post-investment management plans, and conducted post-investment management inspections of stock projects.

#### (II) Strengthen Internal Control and Compliance Management, and Give Full Play to the Joint Force of Audit Supervision

The Board of Directors adhered to the concept of systematicness, continuously improved the long-term mechanism of internal control and compliance, strengthened audit supervision, and promoted the consolidation of the foundation of compliant operation and safe and stable development. **First, the Board of Directors improved the ability of internal control and management.** By carrying out internal control evaluation and post-system evaluation, the Board of Directors will improve the system, optimize the management of internal control processes, and improve the effectiveness of internal control management tools. **Second, the Board of Directors improved the compliance management mechanism.** The Board of Directors has established a mechanism for rectification and acceptance supervision of regulatory opinions at the source to solve the problems of repeated investigation and repeated offenders, formulated the Three-Year Action Plan for Improving Compliance Management, established and operated a compliance management system, formulated internal specifications for external regulations, sorted out regulatory opinions and formed a database of legal compliance issues, and established a normalized accountability mechanism to further improve compliance management capabilities. **Third, the Board of Directors improved the comprehensive effectiveness of audit supervision.** The Board of Directors has improved the building of the internal audit system, carried out economic responsibility audits and special audits on anti-money laundering, related party transactions, information technology and remuneration, promoted the rectification and implementation of audit findings and external audit management recommendations, and continuously strengthened the application of audit results. **Fourth, the Board of Directors strengthened the**

**quality and effectiveness of related party transaction control.** The Board of Directors regulated the management of the whole process of related party transactions, such as prior identification, authority application, review and approval, information disclosure and reporting, optimized the functions of the related party transaction system, built a related party transaction information database, and comprehensively improved the level of information management and control of related party transactions.

### **(III) Firmly Hold the Bottom Line of Capital Compliance to Ensure Liquidity Safety**

The Board kept an eye on the Company's capital adequacy and liquidity safety, studied measures to alleviate capital pressure, improved capital utilization efficiency, and strengthened liquidity management capabilities to ensure capital compliance and liquidity safety. **First, the Board of Directors enhanced capital management.** The Board of Directors firmly made the annual capital management plan, enhanced the connection with the operation plan and risk appetites, strengthened the implementation supervision, giving full play to the guidance and restriction functions of the capital plan. It intensified daily supervision and rolling calculation on capital adequacy, improving the level of foresight and refinement on capital management. **Second, the Board of Directors restored the endogenous capital accumulation capacity.** It actively expanded business, made high-quality investments, optimized asset layout and business structure, improved operation efficiency and financial position to guarantee that the capital meets relevant standards. **Third, the Board of Directors strengthened liquidity management.** It closely monitored liquidity breaches, carried out liquidity press tests and improved liquidity provision levels. The Board of Directors did its best to repay due liabilities and refinance, enhanced bond issue intensity, and optimized debt products and maturity structure. As at the end of 2023, both the capital adequacy ratio and leverage ratio of the Company met the regulatory requirements.

## **IV. STRENGTHENING SELF-CONSTRUCTION AND IMPROVING QUALITY AND EFFICIENCY OF OUR DECISION-MAKING TO TAKE NEW STEPS FORWARD**

### **(I) Optimize the Structure of the Board of Directors and Enhance Directors' Ability to Perform Duties**

The Company constantly optimized the composition of the Board of Directors and enhanced the Directors' performance capabilities, so as to ensure that the Directors give full play to their professional advantages and work as the core of decision-making. **First, the Board of Directors optimized its composition.** The Board of Directors carried out the nomination and election of independent Directors and completed the re-election of Directors who had served for three years. With reference to the changes of Directors and combining the composition demands of members of special committees under the Board of Directors, the Board of Directors reasonably arranges the composition of special committees to guarantee the smooth operations of the Board of Directors and special committees. **Second, the Board of Directors kept the Directors well informed.** The Board of Directors invited Directors to attend various work meetings and senior management meetings, in a bid to provide a strong basis for their scientific decision-making. By means of themed reports, forums and others, the Board of Directors improved the Directors' knowledge of decision-making issues to enhance the efficiency of discussion and decision. **Third, the Board of Directors supported the Directors to conduct surveys.** In order to provide the Board with a sound basis for scientific decision-making, the Directors of the Company carried out surveys on operation departments and grass-root units, focusing on the key works, including implementing the development strategies and

preventing and mitigating risks, as well as themes like building risk warning mechanism, establishing corporate governance systems for state-owned financial enterprises and managing related party transactions, put forward strategic opinions and suggestions, constantly improved the pertinence and effectiveness of the surveys and convertibility of the results. **Fourth, the Board of Directors actively organized training programs for Directors.** In 2023, the Directors of the Company, in full compliance with the Listing Rules and relevant regulatory requirements, attended training with topics and other business training held by the Hong Kong Chartered Governance Institute, in a bid to further improve their expertise and ability to perform their duties.

## **(II) Optimize the Operation Mechanism of the Board of Directors to Achieve Compliant and Highly-effective Decisions**

The Company constantly strengthened the construction of the Board of Directors, and optimized the review and decision-making mechanism of the Board of Directors to ensure that the Directors participate in the guidance, review and supervision across the whole processes of planning, promotion, decision-making and post-evaluation, so as to firmly give play to the foresight and leading functions of the Board of Directors. **First, the Board of Directors convened meetings in compliance with laws and regulations.** In 2023, the Board of Directors convened 3 shareholders' general meetings to consider and hear 20 proposals and reports, 7 Board meetings to consider and hear 61 proposals and reports, and 27 meetings of special committees under the Board of Directors to hear 64 proposals and reports. **Second, the Board of Directors improved the working mechanism of proposal deliberation.** It strengthened the overall coordination and planning of Board meetings, strictly ensured the high quality of proposals, advanced the time of proposal submission for review to ensure that the proposals were fully deliberated and studied, and improve the deliberation efficiency of the Board of Directors and special committees. **Third, the Board of Directors strengthened the overseeing and implementation.** It established ledgers for overseeing directors' opinions, carried out cancelation management, followed up the implementation by the responsible departments throughout the process, and promptly provided feedback to the Board of Directors to ensure that the opinions and suggestions are implemented in a timely manner.

## **(III) Improve Information Transparency and Protect the Interests of Stakeholders**

In strict compliance with the laws, regulations and regulatory requirements at home and abroad, the Board of Directors constantly improved the quality of information disclosure, and strengthened investor relations management to protect the legitimate rights and interests of shareholders and creditors. **First, the Board of Directors conscientiously conducted information disclosure in accordance with laws and regulations.** It standardized the performance of information disclosure obligations, issued periodic reports and extraordinary announcements with no misstatements, misleading representations or material omissions in a timely and accurate manner, and completed regulatory inquiries and statutory reporting on time. Meanwhile, it conscientiously conducted insider management to prevent insider trading and effectively protect the legitimate interests of shareholders. **Second, the Board of Directors strengthened investor relations management.** It adhered to the ideology of “disclosing and listening” (“走出去，引進來”), conducted general communications with key institutional investors, retail investors and analysts from investment banking institutions by categories, organized annual and interim results conferences to respond positively to market concerns and convey positive signals that the Company has an overall positive trend to the capital market, maintaining investor confidence. **Third, the Board of Directors strengthened the protection of the interests of creditors.** It paid the due financing principal and interest on schedule without any default, actively cooperated with creditors to carry out due diligence and post-loan management, and fully disclosed relevant information in a timely manner to protect the legitimate rights and interests of creditors.

## **WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2023**

In 2023, the Board of Supervisors performed its duty with fidelity and diligence in compliance with China's laws and regulations, regulatory provisions and the Articles of Association. The Board of Supervisors firmly conducted supervision, actively improved the quality and efficiency of supervision, made efforts to promote the Company to establish and improve corporate governance, improved the quality and efficiency of serving the real economy, and achieved high-quality development, which effectively safeguarded the legitimate rights and interests of the Company, Shareholders, employees and other stakeholders.

### **I. CONVENING OF MEETINGS OF THE BOARD OF SUPERVISORS**

During the Reporting Period, the Company's Board of Supervisors held 4 meetings of the Board of Supervisors to review and approve 11 resolutions. The Supervision Committee of the Board of Supervisors held 3 meetings to consider 3 resolutions.

### **II. SUPERVISION WORK**

#### **(I) Performance Supervision**

**First**, the Board of Supervisors enhanced its pertinence in daily supervision. By attending relevant meetings of the Board of Directors and senior management, accessing documents, listening to reports, carrying surveys and other methods, the Board of Supervisors continuously paid attention to the compliance with laws, regulations and the Articles of Association by the Board of Directors, senior management and its members, as well as the implementation of national economic and financial policies, resolutions adopted by general meetings of shareholders and the Board of Directors. **Second**, the Board of Supervisors paid attention to the implementation of the Company's development strategy. According to the relevant regulatory requirements, the Board of Supervisors was constantly aware of the implementation of the Company's "14th Five-Year" Plan, in particular, the effectiveness of strategy transmission mechanism and the sustainability of policy guarantee. **Third**, the Board of Supervisors paid attention to the construction of corporate governance mechanisms of subsidiaries. By carrying out surveys, listening to reports and other ways, the Board of Supervisors learned the situations of subsidiaries' construction of governance systems, operation mechanism and authorization, promoted the optimization of corporate governance system that fits not only the development strategies of the Group and the parent company, but also the industrial regulation and actual situations of subsidiaries. **Fourth**, the Board of Supervisors conducted an annual performance evaluation of directors and senior management members. According to the relevant regulatory requirements and relevant evaluation measures of the Company, the Board of Supervisors studied and formulated the plan of performance evaluation of directors and senior management members for 2023, determined the scope of evaluators and the main working procedures, The Board of Supervisors adhered to the principles of legitimation and compliance, objectiveness and justice, standard and unity, scientificity and effectiveness, listened to opinions on the performance of duties by directors and senior management members in a multi-dimensional manner. The meeting of the Board of Supervisors studied and considered the opinions and gave evaluation results, so as to promote the Directors and members of senior management to fully perform their duties in compliance with laws and regulations.

The performance evaluation result of the Board of Supervisors regarding the directors involved in the evaluation in 2023 was as follows: in accordance with relevant regulatory requirements and evaluation measures of the Company, the Board of Supervisors did not find any circumstance in which directors involved in the evaluation should be rated as incompetent in their duty performance in 2023. The performance evaluation result of the Board of Supervisors regarding the directors involved in the evaluation in 2023 was competent.

The performance evaluation result of the Board of Supervisors regarding senior management members involved in the evaluation in 2023 was as follows: in accordance with relevant regulatory requirements and evaluation measures of the Company, the Board of Supervisors did not find any circumstance in which senior management members involved in the evaluation should be rated as incompetent in their duty performance in 2023. The performance evaluation result of the Board of Supervisors regarding senior management members involved in the evaluation in 2023 was competent.

## **(II) Financial Supervision**

**First**, the Board of Supervisors carefully reviewed regular financial reports, considered annual reports, interim reports, annual financial accounts, profit distribution plans and other proposals, regularly heard the work reports of the external audit institutions and continuously paid attention to the impact of changes in the external economic environment, accounting standards and regulatory requirements on the Company's asset structure, core business development and profitability. **Second**, the Board of Supervisors paid attention to the implementation of business plans, regularly accessed financial information, focused on the optimization and adjustment of the geographical distribution of assets, potential exploration and income increase for existing assets and the completion of the operating indicators of operating units, and studied and analyzed the effectiveness of the operation and management policies and mechanisms. **Third**, the Board of Supervisors paid attention to the improvement of performance appraisal system, capital replenishment, tax plans and cost reduction and efficiency enhancement, further facilitated financial management enhancement, regulated financial behaviors and improved the effectiveness of financial resources allocation through the review of documents, conversations and interviews, and communication with the relevant operating units on the implementation status.

## **(III) Internal Control Supervision**

**First**, the Board of Supervisors paid attention to the implementation of the policy requirements of the relevant state departments and the regulatory requirements of the regulatory authorities, accessed relevant materials, listened to the report on the relevant situation, attended relevant meetings, followed up with the Company's implementation progress, and promoted the implementation of regulatory requirements to achieve substantial results. **Second**, the Board of Supervisors paid attention to the optimization and improvement of the internal control system, mainly focused on the establishment and implementation of the systems and regulations, as well as the operation of the internal control mechanism, reviewed the annual internal control evaluation report, continued to strengthen the supervision on related party transactions, anti-money laundering, data governance and the operation of the information system, and followed up the optimization and improvement of the internal control in the important business areas and key risk links. **Third**, the Board of Supervisors attended relevant meetings of the senior management and paid attention to the decision-making and implementation of material projects.

## **(IV) Risk Management Supervision**

**First**, the Board of Supervisors regularly accessed relevant materials, paid attention to the operation of the comprehensive risk management system, formulation and transmission of risk management strategies and risk appetites, the improvement and implementation of risk management policies and procedures, was concerned about the management of consolidated statements, capital management and stress tests, and promoted the further optimization of the comprehensive risk management system. **Second**, the Board of Supervisors conducted surveys on asset quality of certain

institutions, and paid attention to the transmission of risk management culture and the implementation of risk governance mechanism and risk management policies, promoting further enhancement of risk management. **Third**, the Board of Supervisors carried out risk supervision in key areas, strengthened supervision of credit risks, market risks and liquidity risks, monitored changes in relevant indicators, studied and analyzed the improvement and implementation of risk management mechanisms and policies, and further enhanced risk management foresight and effectiveness.

### **III. SELF-CONSTRUCTION OF THE BOARD OF SUPERVISORS**

**First**, the Board of Supervisors performed its duties faithfully and diligently. During the Reporting Period, the Supervisors attended more than 20 meetings of the Company as voting or non-voting attendees and, in accordance with their supervisory duties, carefully studied and deliberated on proposals, expressed their opinions in an objective and fair manner, exercised their voting rights appropriately, and put sufficient time and energy to participate in the supervisory work. The working hours of shareholder representative Supervisors and external Supervisors for the Company met the relevant regulations. The Supervisors conducted a number of surveys, put forward opinions and suggestions, and propelled the Company to further strengthen the policies and mechanisms of operation and management. **Second**, the Board of Supervisors continued to enhance self-construction. Supervisors were organized to attend relevant trainings of the Hong Kong Chartered Governance Institute, and learned the latest policies and requirements of the regulatory authorities in respect of corporate governance, finance, anti-fraud, related party transactions, risk management, etc., to continuously enhance their abilities to perform duties. **Third**, the Board of Supervisors carried out the performance evaluation of Supervisors, studied and formulated the plan for the performance evaluation of Supervisors for 2023, determined the evaluation scope and working procedures, heard opinions on the performance of duties of Supervisors on the basis of self-evaluation and mutual evaluation in a multi-dimensional manner, conducted studies and review and gave evaluation results at its meetings.

The performance evaluation result of the Board of Supervisors regarding the Supervisors involved in the evaluation in 2023 was as follows: in accordance with relevant regulatory requirements and evaluation measures of the Company, the Board of Supervisors did not find any circumstance in which the Supervisors involved in the evaluation should be rated as incompetent in their duty performance in 2023. The Board of Supervisors' performance evaluation result regarding the Supervisors involved in the evaluation was competent in 2023.

**Dear Shareholders,**

In 2023, the independent non-executive Directors of the Company performed their duties faithfully and diligently in strict accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Measures for the Regulation of Financial Asset Management Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other domestic and overseas laws, regulations and normative documents, as well as the Articles of Association and the Work System of Independent Directors. They earnestly attended the general meetings of shareholders and the meetings of the Board of Directors and special committees, performed their duties proactively, and made independent decisions. Centering on the Company's strategic goal of "wrenching us back on the right track in one year", the independent non-executive Directors studied and deliberated on the change of Company name and material matters in relation to operation and management, gave full play to the role of independent Directors, and effectively safeguarded the legitimate interests of the Company and all shareholders. The overall duty performance in 2023 is hereby reported as follows:

## **I. BASIC INFORMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

### **(I) Roles and Functions of Independent Non-executive Directors**

So far, the Company has a total of four independent non-executive Directors, representing more than one-third of the total number of members of the Board of Directors, in compliance with relevant regulatory requirements and the Articles of Association. Since 24 December 2023, Mr. Lo Mun Lam, Raymond has been appointed as an independent non-executive Director and the chairman/member of the relevant special committees of the Company. As Mr. Tse Hau Yin has served in the Company for 6 years and has resigned from the Board, he has ceased to serve as an independent non-executive Director and the chairman/member of the relevant special committees of the Company with effect from the appointment date of Mr. Lo Mun Lam, Raymond.

The four independent non-executive Directors hold the following positions in the special committees of the Board: Mr. Shao Jingchun served as chairman of the Related Party Transaction Committee, and member of the Strategy and Development Committee, the Audit Committee and the Nomination and Remuneration Committee; Mr. Zhu Ning served as chairman of the Nomination and Remuneration Committee, and member of the Strategy and Development Committee and the Related Party Transaction Committee; Ms. Chen Yuanling served as a member of the Strategy and Development Committee, the Risk Management Committee and the Audit Committee; and Mr. Lo Mun Lam, Raymond served as chairman of the Audit Committee, as well as a member of the Strategy and Development Committee and the Related Party Transaction Committee. Please refer to the Company's announcement for the resumes of the four independent non-executive Directors.

### **(II) Description of Independence of Independent Non-executive Directors**

The qualifications, number, and proportion of independent non-executive Directors of the Company were in full compliance with regulatory requirements. They did not have any business or financial interest in the Company and its subsidiaries, nor did they hold any managerial position in the Company. The Company has received annual confirmation letters of independence from each of the current independent non-executive Directors and acknowledged their independence.

## II. ANNUAL DUTY PERFORMANCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

2023 marks a significant year for the transformation and development of the Company. The corporate governance meeting considered major resolutions including the change of Company name, amendments to the Articles of Association, nomination of directors and appointment of senior management, and related party transactions. The independent non-executive Directors actively participated in the corporate governance in accordance with the Articles of Association and relevant regulatory requirements, giving full play to their professionalism and independence and providing strong support to the Board's scientific decision-making.

### (I) Attendance at Meetings

In 2023, the Company convened three general meetings of shareholders in total, reviewed 19 proposals, and heard one report; held seven meetings of the Board of Directors, reviewed 41 proposals, and heard 20 reports. The five special committees under the Board of Directors held 27 meetings in total, and reviewed and heard 64 matters. During the Reporting Period, the independent non-executive Directors of the Company attended the general meetings of shareholders and the meetings of the Board of Directors and special committees of the Board of Directors as follows:

Number of meetings attended in person/number of meetings required to attend

Directors	General meeting of shareholders	Board of Directors	Strategy and Development Committee	Special committees of the Board of Directors			
				Risk Management Committee	Related Party Transaction Committee	Audit Committee	Nomination and Remuneration Committee
Shao Jingchun	3/3	7/7	4/4	N/A	7/7	7/7	5/5
Zhu Ning	1/3	5/7	4/4	N/A	7/7	N/A	5/5
Chen Yuanling	3/3	7/7	4/4	3/4	N/A	5/7	N/A
Lo Mun Lam, Raymond	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Departed Director during the Reporting Period							
Tse Hau Yin	3/3	7/7	4/4	N/A	7/7	7/7	N/A

Notes:

- “Number of meetings attended in person” includes attendance on site and attendance through phone calls or video. Directors who are unable to attend the meetings of the Board of Directors and special committees in person have delegated other Directors to attend the meeting and exercise voting rights on their behalf thereat.
- Mr. Lo Mun Lam, Raymond's attendance rate is not applicable because the Company did not hold relevant meetings during his tenure.

### (II) Participation in Decision-making of the Board of Directors and the Special Committees

#### 1. Participation in Decision-making of the Board of Directors

Each independent non-executive Director performed his/her duties with integrity, independence and diligence, attended the Board meetings in good faith, fully reviewed the decision-making matters at the meetings, expressed their opinions independently and professionally, and voted objectively and prudently, so as to effectively safeguard the legitimate rights and interests of the Company and all shareholders.



In 2023, the Board of Directors held seven meetings in total, including four regular meetings and three extraordinary meetings. 41 proposals were passed and 20 reports were heard at the meetings. Among the proposals passed, there were 19 proposals on operation and management matters, two proposals on system establishment, eight proposals on personnel management, and 12 other proposals.

## **2. *Participation in Decision-making of the Special Committees of the Board of Directors***

All independent non-executive Directors actively performed their roles and responsibilities in the special committees, attended meetings of the special committees on time, reviewed relevant proposals, and assisted in the decision-making of the Board of Directors.

- (1) In 2023, the Strategy and Development Committee convened four meetings in total to consider and hear 15 resolutions and reports, including the fixed assets budget plan of the Company for 2023 and the business plan for 2023 of the Company, etc.
- (2) In 2023, the Risk Management Committee convened four meetings in total to consider and listen to eight resolutions and reports, including the Company's risk management in 2022, the work summary of the Risk Management Committee in 2022 and the work plan for 2023, etc.
- (3) In 2023, the Related Party Transaction Committee convened seven meetings in total to consider and listen to nine resolutions and reports, including the related party transaction management of the Company for 2022, and work summary in 2022 and work plan for 2023 of the Related Party Transaction Committee, and the related party transactions in relation to the acquisition of part of the equity interests in CITIC Limited, etc.
- (4) In 2023, the Audit Committee convened seven meetings in total to consider and listen to 21 resolutions and reports, including the 2022 Annual Results Announcement and the 2022 Annual Report of the Company, the final financial accounts of the Company for 2022, the internal control evaluation report for 2022 and the engagement of accounting firms for 2023, etc.
- (5) In 2023, the Nomination and Remuneration Committee convened five meetings in total to consider and listen to 11 resolutions and reports, including the nomination of Mr. Li Zimin as a member of the special committees of the Board, the nomination of Mr. Wang Yongjie as the secretary to the Board of the Company, and the 2020 and 2021 annual remuneration settlement plan for the Directors and senior management of the Company, etc.

### **(III) Company's Cooperation with Independent Non-executive Directors in Their Work**

The Company attached great importance to the independent non-executive Directors' performance of duty and provided working conditions necessary for the independent non-executive Directors to perform their duties. In order to improve the effectiveness of duty performance of the independent non-executive Directors, the Company made efforts to guarantee the right to know of the independent non-executive Directors and, relying on the office of the Board of Directors, provided a number of services and support for independent non-executive Directors, including providing various communication channels, assisting independent non-executive Directors in participating in symposiums, inspection and relevant training, and providing reference information in a timely manner.

The Company safeguarded the convening and participation of independent non-executive Directors in corporate governance meetings through a combination of online and offline meetings and arranging separate venues in different places. The Company organized research and thematic symposiums for Directors, including independent non-executive Directors, on topics such as implementing development strategies, focusing on main responsibility and core business, preventing and resolving risks and managing and controlling related party transactions. The Company responded promptly to and reasonably adopted the suggestions and opinions made by the independent non-executive Directors on the relevant matters.

### **III. KEY ISSUES OF CONCERN REGARDING ANNUAL DUTY PERFORMANCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

In 2023, the Company proactively implemented the “14th Five-Year” Development Plan and completed three major events: turning around the operating results from losses to gains, reaching the established goal of “wrenching us back on the right track in one year” as scheduled, and officially renamed. The independent non-executive Directors focused on major issues in respect of the Company’s transformation and development, identified key matters, actively and deeply carried out surveys and research, and provided targeted opinions and suggestions.

#### **(I) Implementation of the Strategic Plan**

Independent non-executive Directors paid much attention to and had a deep understanding of the implementation of the Company’s strategic plan through participation in meetings of the Board of Directors, relevant special committees as well as resolution communication meetings, communication with the management, grass-roots research and other ways. Independent non-executive Directors urged the Company to achieve high-quality development with the guidance of strategies, focus on the main responsibilities and core business, improve the quality and efficiency of risk management and control, and strengthen internal control management.

#### **(II) Information Disclosure**

The independent non-executive Directors learned the significant matters of the Company’s operation and management in a timely manner, urged the Company to improve the information disclosure quality and fully protected the rights and interests of shareholders. The independent non-executive Directors urged the Company to prepare and disclose the 2022 Annual Results Announcement and 2022 Annual Report, 2023 Interim Results Announcement and 2023 Interim Report, and various extraordinary announcements in accordance with the domestic and overseas regulatory requirements, constantly improve the quality of information disclosure and ensure to prevent the occurring of false information record, deceptive statement or material omission in light of the principles of truthfulness, accuracy, completeness and timeliness.

#### **(III) Engagement of Accounting Firms**

In 2023, after carefully reviewing the relevant information about Ernst & Young Hua Ming LLP and Ernst & Young and listening to the work report of Ernst & Young’s auditors, the independent non-executive Directors got the whole picture of their performance of duties. They believed that Ernst & Young had enough independence and professional ability as it was able to maintain independent, objective and fair practice standards during the audit process and complete relevant audit work in an orderly manner, and agreed to employ Ernst & Young Hua Ming LLP and Ernst & Young as the Company’s audit institutions for 2023.

**(IV) Qualifications of Directors and Senior Management Members**

In 2023, the Board of Directors of the Company nominated five Directors (including four Directors who have served for three years for re-election) and appointed four senior management members. The independent non-executive Directors carefully examined the qualifications of the candidates for directors and senior management members in strict accordance with the laws and regulations and the Articles of Association. The independent non-executive Directors had no objection to the qualifications of the Directors and senior management members of the Company.

**(V) Implementation of Risk Management and Internal Control**

The independent non-executive Directors attached great importance to the risk management and construction of internal control and compliance of the Company, and carefully considered the annual risk management, risk management work plan, risk appetite policy, internal control evaluation report and internal audit work report. The independent non-executive Directors urged the senior management to consistently strengthen risk management and control, prudently study and judge all kinds of risks, and carry out various businesses in accordance with the law. The independent non-executive Directors accelerated the disposal of existing risks and strictly controlled new risks to ensure the non-occurrence of systematic risks. They adhered strictly to the belt-tightening principle to execute strict budget management and implemented the requirements of cost reduction and efficiency enhancement, so as to improve management efficiency. The independent non-executive Directors speeded up the improvement of the internal control and compliance system, conducted a thorough internal control evaluation, and further strengthened the foundation for internal management.

**(VI) Related Party Transactions**

The independent non-executive Directors regularly reviewed the report on the management of related party transactions of the Company, supervised the senior management to regulate the related party transaction management according to regulatory requirements, strengthened the construction of the related party transaction management system, oversaw the implementation of the related party transaction system and promoted the construction of the related party transaction system, so as to effectively enhance the quality and efficiency of the related party transaction management. Meanwhile, the independent non-executive Directors guided the Company to strictly comply with the regulatory rules and the Listing Rules and paid attention to the implementation of the plans for continuing related party transactions the Company entered into with CITIC Group in respect of funds, assets and services. The independent non-executive Directors issued independent opinions on the proposals for material related party transactions submitted to the Board of Directors for consideration based on the principles of impartiality, fairness, objectivity and independence.

**(VII) Cash Dividends and Other Investor Returns**

The formulation and implementation of the Company's cash dividend policy complied with relevant provisions of the Articles of Association and the resolutions of the general meeting of shareholders, and the decision-making procedures and mechanism were complete, upon which the independent non-executive Directors expressed their views. Minority shareholders can fully express their views and demands to safeguard their legitimate rights and interests.

**IV. COMPREHENSIVE EVALUATION**

In 2023, focusing on the Company’s strategic goal of “wrenching us back on the right track in one year”, the independent non-executive Directors performed their duties diligently, independently and impartially in accordance with relevant laws, regulations and the Articles of Association, insisted on the expression of independent and objective opinions, and paid attention to safeguarding the interests of minority shareholders. They gave full play to their expertise, and actively contributed their business knowledge and experience to the development of the Company, thus safeguarding the legitimate rights and interests of the Company and all shareholders.

In 2024, the independent non-executive Directors will continue to faithfully and diligently performance their duties, constantly improve performance capability and contribution and earnestly safeguard the interests of shareholders, especially small and medium-sized investors. They will provide constructive opinions to the Board of Directors on decision-making and actively contribute to the high-quality development of the Company.

It is hereby reported.

Independent non-executive Directors:

**Shao Jingchun, Zhu Ning, Chen Yuanling, Lo Mun Lam, Raymond**



**中国中信金融资产**  
**China CITIC Financial AMC**

**中國中信金融資產管理股份有限公司**  
**China CITIC Financial Asset Management Co., Ltd.**

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

**(Stock Code: 2799)**

**NOTICE OF 2023 ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of China CITIC Financial Asset Management Co., Ltd. (the “**Company**”) for 2023 (the “**AGM**”) will be held at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC, on Tuesday, 28 May 2024 at 3:00 p.m., for considering and, if thought fit, passing the following resolutions:

**ORDINARY RESOLUTIONS**

1. To consider and approve the remuneration settlement plan of Directors for 2022
2. To consider and approve the remuneration settlement plan of Supervisors for 2022
3. To consider and approve the final financial account plan for 2023
4. To consider and approve the profit distribution plan for 2023
5. To consider and approve the fixed asset budget plan for 2024
6. To consider and approve the work report of the Board for 2023
7. To consider and approve the work report of the Board of Supervisors for 2023

**Closure of Register of Members**

The H Share Register of members of the Company will be closed from Thursday, 23 May 2024 to Tuesday, 28 May 2024 (both days inclusive), during which no transfer of H Shares will be registered. Any holder of H Shares who wishes to attend the AGM shall deposit the share certificates together with the transfer documents to the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited before 4:30 p.m. on Wednesday, 22 May 2024. Shareholders whose names appear on the register of holders of H Shares of the Company at the close of business on Wednesday, 22 May 2024 will be entitled to attend and vote at the AGM.

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## NOTICE OF 2023 ANNUAL GENERAL MEETING

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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 published by the Company on 26 April 2024. Unless otherwise stated, terms used in this notice shall have the same meaning as those defined in the circular.

By order of the Board  
**China CITIC Financial Asset Management Co., Ltd.**  
**LIU Zhengjun**  
*Chairman*

Beijing, the PRC  
26 April 2024

*As at the date of this notice, the Board comprises Mr. LIU Zhengjun and Mr. LI Zimin as executive Directors; Ms. ZHAO Jiangping, Mr. XU Wei and Mr. TANG Hongtao as non-executive Directors; Mr. SHAO Jingchun, Mr. ZHU Ning, Ms. CHEN Yuanling and Mr. LO Mun Lam, Raymond as independent non-executive Directors.*

*Notes:*

1. The register of members of the Company will be closed from Thursday, 23 May 2024 to Tuesday, 28 May 2024 (both days inclusive). Holders of H Shares and domestic shares of the Company (the “**Domestic Shares**”) whose names appear on the register of members of the Company at the close of business on Wednesday, 22 May 2024 shall be entitled to attend and vote at the AGM. Holders of H Shares 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 before 4:30 p.m. on Wednesday, 22 May 2024.
2. A Shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a Shareholder, but he/she must attend the AGM in person to represent the relevant Shareholder.
3. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his/her attorney duly authorized in writing. If the Shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its legal representative, 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 documents must be notarized.
4. In order to be valid, the proxy form, the notarized power of attorney or other authorization document (if any) must be delivered to the Board’s Office of the Company at No. 8 Financial Street, Xicheng District, Beijing, the PRC for holders of Domestic Shares and to the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for holders of H Shares not less than 24 hours before the time appointed for the holding of the AGM (i.e. before 3:00 p.m. on Monday, 27 May 2024) or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude a Shareholder from attending and voting in person at the AGM or any adjournment thereof if he/she so wishes.

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## NOTICE OF 2023 ANNUAL GENERAL MEETING

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5. 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. On-site voting will be adopted as the voting method for attendees at the AGM.
6. 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.
7. In the case of joint Shareholders, the vote of the senior who tenders a vote, either 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 holders.
8. According to the Articles of Association, where the number of equity interests of the Company pledged by a shareholder reaches or exceeds 50% of the equity interests held by such shareholder in the Company, no voting right in respect of the pledged equity interests shall be exercised at the shareholders' general meeting. Upon the registration of pledge of equity interests, such shareholder shall provide the Company with the relevant information of the pledged equity interests in a timely manner.