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China Cinda Asset Management Co., Ltd.

中國信達資產管理股份有限公司

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

(Stock Code: 01359)

PROPOSED ISSUANCE OF U.S.\$1,700,000,000 4.40% NON-CUMULATIVE PERPETUAL OFFSHORE PREFERENCE SHARES

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

BofA Securities	BOCOM International	CCB International	China Merchants Securities (HK)
China Securities International	Cinda International	Guotai Junan International	ICBC International
Mizuho Securities	Nanyang Commercial Bank	Standard Chartered Bank	UBS

Joint Lead Managers and Joint Bookrunners

ANZ	Bank of Communications	BOC International	Chengtong Hong Kong
China Everbright Bank Hong Kong Branch	China International Capital Corporation	CLSA	CMBC Capital
Deutsche Bank	J.P. Morgan	SMBC Nikko	SPDB International

The Company has entered into the Subscription Agreement with the Joint Lead Managers, pursuant to which the Joint Lead Managers have severally and not jointly agreed, subject to the terms of the Subscription Agreement and in reliance upon the representations, agreements, undertakings and warranties contained therein, to subscribe, or procure subscribers to subscribe, for the Offshore Preference Shares on the terms of the Subscription Agreement. The Offshore Preference Shares will have a par value of RMB100 each and will be issued as fully paid so that the issuance price of the Offshore Preference Shares will be U.S.\$20 each.

The Offshore Preference Shares will be issued pursuant to the Articles, the Shareholder Resolutions and the authorisation from the Board to the Chairman of the Board or any other person authorised by the Chairman of the Board. The Offshore Preference Shares when issued will be regarded as Additional Tier 1 Capital of the Company.

Upon the Winding-Up of the Company, holders of the Offshore Preference Shares shall rank: (a) junior to holders of (i) all liabilities of the Company (including subordinated liabilities) and (ii) obligations issued or guaranteed by the Company that rank or are expressed to rank senior to the Offshore Preference Shares; (b) equally in all respects with each other and without preference among themselves and with holders of the Parity Obligations; and (c) in priority to the Ordinary Shareholders. On such Winding-Up of the Company, any remaining assets of the Company shall, after the distributions in accordance with the Conditions have been made, be applied to the claims of the Offshore Preference Shareholders equally in all respects with the claims of holders of all Parity Obligations and in priority to the claims of the Ordinary Shareholders.

The Offshore Preference Shares are perpetual and have no maturity date. The Offshore Preference Shares are not redeemable at the option of the Offshore Preference Shareholders, and the Offshore Preference Shareholders do not have the right to put back the Offshore Preference Shares to the Company. However, the Company may, subject to obtaining CBIRC Approval and compliance with the conditions to the distribution of dividends set out in the Conditions and the Redemption Preconditions, upon prior notice to the Offshore Preference Shareholders and the Fiscal Agent, redeem all or part of the Offshore Preference Shares on the First Reset Date and on any Dividend Payment Date thereafter. The redemption price for each Offshore Preference Share so redeemed shall be the aggregate of an amount equal to its Liquidation Preference plus any declared but unpaid dividends in respect of the period from (and including) the immediately preceding Dividend Payment Date to (but excluding) the date scheduled for redemption. Further details are described in the Conditions.

Subject as provided in the Conditions, each Offshore Preference Share shall entitle the holder thereof to receive non-cumulative dividends which have not been otherwise cancelled payable annually in arrear. Each dividend will be payable, subject as provided under the Conditions, annually in arrear on November 3 in each year after declaration by the Board. Subject as provided in the Conditions, the first Dividend Payment Date will be November 3, 2022. The Offshore Preference Shares will accrue dividends on their Liquidation Preference during the period from and including the Issue Date to but excluding the First Reset Date, at the rate of 4.40% per annum, and thereafter at the relevant Reset Dividend Rate. Subject to a resolution to be passed at a shareholders' general meeting of the Company on each such occasion, the Company may elect to cancel (in whole or in part) any dividend otherwise scheduled to be paid on a Dividend Payment Date in the manner set out in the Conditions.

If any Trigger Event occurs, the Company shall (having obtained the CBIRC Approval but without the need for the consent of the Offshore Preference Shareholders or the Ordinary Shareholders) cancel any dividend in respect of the Relevant Loss Absorption Amount that is unpaid accrued up to and including the Conversion Date, and irrevocably and compulsorily convert with effect from the Conversion Date all or some of the Offshore Preference Shares into corresponding number of H Shares.

Based on the CNY Central Parity Rate published by the China Foreign Exchange Trade System on October 27, 2021, the gross proceeds from the offering of the Offshore Preference Shares will be approximately RMB10.86 billion. The Company expects that the net proceeds from the Offshore Preference Shares issuance, after deduction of the commissions and expenses relating to the issuance, being approximately RMB10.82 billion, subject to the approvals by the relevant regulatory authorities, will be used to replenish the Company's Additional Tier 1 Capital.

The distribution of the Offering Circular or any other offering material and the offering, sale or delivery of the Offshore Preference Shares is restricted by law in certain jurisdictions including, but not limited to, the United States, PRC, Hong Kong, Japan, Singapore, European Economic Area and the United Kingdom. The Offshore Preference Shares and the H Shares issuable upon Conversion of the Offshore Preference Shares have not been, and will not be, registered under the Securities Act. Accordingly, the Offshore Preference Shares and the H Shares issuable upon Conversion of the Offshore Preference Shares are not allowed to be offered or sold in the United States, except in those transactions where relevant exemption has been obtained or the registration requirements of the Securities Act are not applicable. The Offshore Preference Shares will be offered outside the United States in compliance with Regulation S.

The Offshore Preference Shares are offered to professional investors only and are only suitable for professional investors. Investors should not purchase the Offshore Preference Shares in the primary or secondary markets unless they are professional investors and understand underlying risks. Offshore Preference Shares are complex financial instruments with high risks and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Offshore Preference Shares to retail investors. The Offshore Preference Shares are not intended to and should not be offered, sold or otherwise made available to any retail investors in the European Economic Area or in the United Kingdom. The Offshore Preference Shares will be issued in registered form and issued and transferable only in minimum amounts of U.S.\$200,000 (or 10,000 Offshore Preference Shares) and integral multiples of U.S.\$1,000 (or 50 Offshore Preference Shares) in excess thereof.

The Company will apply to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Offshore Preference Shares and the H Shares to be issued upon Conversion of the Offshore Preference Shares. The Offshore Preference Shares are issued to professional investors only. A further announcement will be made before listing of and dealings in the Offshore Preference Shares commence.

The Offshore Preference Shares are expected to be rated “B1” by Moody’s. A rating is not a recommendation to buy, sell or hold the Offshore Preference Shares and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. Prospective investors should evaluate each rating independently of any other rating of the Offshore Preference Shares or other securities of the Company.

Completion of the Subscription Agreement and issue of the Offshore Preference Shares is subject to the satisfaction or waiver of the conditions precedent therein. In addition, the Subscription Agreement and issue of the Offshore Preference Shares may be terminated in certain circumstances. Accordingly, shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

The Company has entered into the Subscription Agreement with the Joint Lead Managers, pursuant to which the Joint Lead Managers severally and not jointly agreed, subject to the terms of the Subscription Agreement and in reliance upon the representations, agreements, undertakings and warranties contained therein, to subscribe, or procure subscribers to subscribe, for the Offshore Preference Shares on the terms of the Subscription Agreement.

The Offshore Preference Shares will be issued pursuant to the Articles, the Shareholder Resolutions and the authorisation from the Board to the Chairman of the Board or any other person authorised by the Chairman of the Board. The Offshore Preference Shares when issued will be regarded as Additional Tier 1 Capital of the Company.

The distribution of the Offering Circular or any other offering material and the offering, sale or delivery of the Offshore Preference Shares is restricted by law in certain jurisdictions including, but not limited to, the United States, PRC, Hong Kong, Japan, Singapore, European Economic Area and the United Kingdom. The Offshore Preference Shares and the H Shares issuable upon Conversion of the Offshore Preference Shares have not been, and will not be, registered under the Securities Act. Accordingly, the Offshore Preference Shares and the H Shares issuable upon Conversion of the Offshore Preference Shares are not allowed to be offered or sold in the United States, except in those transactions where relevant exemption has been obtained or the registration requirements of the Securities Act are not applicable. The Offshore Preference Shares will be offered outside the United States in compliance with Regulation S.

The Offshore Preference Shares are offered to professional investors only and are only suitable for professional investors. Investors should not purchase the Offshore Preference Shares in the primary or secondary markets unless they are professional investors and understand underlying risks. The Offshore Preference Shares are complex financial instruments with high risks and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Offshore Preference Shares to retail investors. The Offshore Preference Shares are not intended to and should not be offered, sold or otherwise made available to any retail investors in the European Economic Area or in the United Kingdom. The Offshore Preference Shares will be issued in registered form and issued and transferable only in minimum amounts of U.S.\$200,000 (or 10,000 Offshore Preference Shares) and integral multiples of U.S.\$1,000 (or 50 Offshore Preference Shares) in excess thereof.

THE SUBSCRIPTION AGREEMENT

Date

October 27, 2021

Parties

- (i) the Company (as issuer); and
- (ii) Merrill Lynch (Asia Pacific) Limited, Australia and New Zealand Banking Group Limited, Bank of Communications Co., Ltd. Hong Kong Branch, BOCI Asia Limited, BOCOM International Securities Limited, CCB International Capital Limited, China Chengtong (Hong Kong) Asset Management Company Limited, China Everbright Bank Co., Ltd., Hong Kong Branch, China International Capital Corporation Hong Kong Securities Limited, China Merchants Securities (HK) Co., Limited, China Securities (International) Corporate Finance Company Limited, Cinda International Capital Limited, CLSA Limited, CMBC Securities Company Limited, Deutsche Bank AG, Hong Kong Branch, Guotai Junan Securities (Hong Kong) Limited, ICBC International Securities Limited, J.P. Morgan Securities PLC, Mizuho Securities Asia Limited, Nanyang Commercial Bank, Limited, SMBC Nikko Securities (Hong Kong) Limited, SPDB International Capital Limited, Standard Chartered Bank and UBS AG Hong Kong Branch (as Joint Lead Managers).

Subscription

The Joint Lead Managers severally and not jointly agreed, subject to the terms of the Subscription Agreement and in reliance upon the representations, agreements, undertakings and warranties contained therein, to subscribe, or procure subscribers to subscribe, for the Offshore Preference Shares on the terms of the Subscription Agreement. The Company expects that the issuance of the Offshore Preference Shares will be completed on the Closing Date.

The Offshore Preference Shares will have a par value of RMB100 each and will be issued as fully paid up capital so that the issuance price of the Offshore Preference Shares will be U.S.\$20 each.

Subscribers

To the best of the Company's knowledge, information and belief, the Joint Lead Managers (excluding Cinda International Capital Limited and Nanyang Commercial Bank, Limited) are not connected persons (as defined in the Hong Kong Listing Rules) of the Company.

The Joint Lead Managers have informed the Company that no less than six qualified placees are intended to be procured by them for the Offshore Preference Shares but subject to a maximum limit of 200 qualified placees for the Offshore Preference Shares. To the best of the Company's knowledge, information and belief, each of the placees (and its respective ultimate beneficial owners) intended to be procured by the Joint Lead Managers are not connected persons (as defined in the Hong Kong Listing Rules) of the Company.

Conditions Precedent to the Subscription

The obligations of the Joint Lead Managers to subscribe and pay for or procure subscribers to subscribe and pay for the Offshore Preference Shares are conditional upon:

1. *Closing Certificate*: on the Closing Date, there having been delivered to the Joint Lead Managers a certificate substantially in the form set out in the Subscription Agreement dated the Closing Date, signed by an authorised officer of the Company to the effect that:
 - (a) the representations and warranties of the Company in the Subscription Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date;
 - (b) the Company has complied in all material respects with all the agreements and satisfied all the conditions on its part to be performed or satisfied by it at or prior to the Closing Date; and
 - (c) there has been no material adverse change, or development or event involving a prospective material adverse change, in the condition (financial or otherwise), business prospects, earnings, business or properties of the Company or the Group, whether or not arising from transactions in the ordinary course of business from that set forth in the Offering Circular;
2. *Auditors' Letter*: on each of the date of the Offering Circular and the Closing Date, there having been delivered to the Joint Lead Managers a letter, in the form agreed between the Company and the Joint Lead Managers, dated the date of the Offering Circular and the Closing Date (as the case may be) and addressed to the Joint Lead Managers from Ernst & Young, auditors of the Company;
3. *Legal Opinions*: on the Closing Date, there having been delivered to the Joint Lead Managers (i) an opinion as to Hong Kong law from Allen & Overy, legal advisers to the Joint Lead Managers; (ii) an opinion as to PRC law from Haiwen & Partners, legal advisers to the Joint Lead Managers; and (iii) an opinion as to PRC law from King & Wood Mallesons, legal advisers to the Company, in each case in form reasonably satisfactory to the Joint Lead Managers, dated the Closing Date;
4. *Incumbency Certificate*: on the Closing Date, there having been delivered to the Joint Lead Managers a certificate certifying the names, titles and specimen signatures of the persons authorised on behalf of the Company:
 - (a) to execute the Issue Documents;
 - (b) to authorise issues of the Offshore Preference Shares and sign or give or deliver all notices and other documents to be delivered in connection with the Issue Documents; and
 - (c) to take any other action in relation to the Issue Documents;

5. *Authorisation*: on or before the Closing Date, there having been delivered to the Joint Lead Managers a copy of resolution of the Board dated December 3, 2020 and the Shareholder Resolutions dated February 2, 2021 in relation to the issue of the Offshore Preference Shares and the performance of its obligations under the Fiscal Agency Agreement and the Offshore Preference Shares;
6. *Regulatory approvals*: on or before the Closing Date, there having been delivered to the Joint Lead Managers a copy of each of the approvals of the CSRC, the CBIRC and National Development and Reform Commission of the PRC in respect of the issue of the Offshore Preference Shares and such approvals remaining in full force and effect, and not altering the terms of any Issue Document, on the Closing Date;
7. *Listing*: on or before the Closing Date, there having been delivered to the Joint Lead Managers a copy of the approval from the Hong Kong Stock Exchange to list the Offshore Preference Shares and the new H Shares of the Company to be issued upon Conversion, subject only to the issue of the Offshore Preference Shares and such H Shares;
8. *Rating*: on or before the Closing Date, there having been delivered to the Joint Lead Managers, confirmations from Moody's that it has assigned the rating of "B1" to the Offshore Preference Shares;
9. *Issue documentation*: the remaining Issue Documents are executed on or before the Closing Date by or on behalf of all parties thereto;
10. *No material adverse change*: subsequent to the execution of the Subscription Agreement and prior to and as of the Closing Date, there having been (i) no material loss or interference with business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labour disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority of the Company or any of its subsidiaries, except as set forth in or contemplated in the Offering Circular or (ii) no change, or any development involving a prospective change, in or affecting the condition (financial or otherwise), business prospects, earnings, business or properties of the Company and the Group, whether or not arising from transactions in the ordinary course of business, the effect of which, in the judgment of the Joint Lead Managers (upon consultation with the Company to the extent practicable), so material and adverse as to make it impractical or inadvisable to proceed with the offering or delivery of the Offshore Preference Shares as contemplated in the Offering Circular;
11. *Accuracy of representations and performance of obligations*: on the Closing Date (a) the representations and warranties of the Company in the Subscription Agreement and any certificate in connection with the issue of the Offshore Preference Shares being accurate at, and as if made on, the Closing Date; and (b) the Company having performed in all material respects its obligations under the Subscription Agreement to be performed;
12. *No adverse change of rating*: during the period commencing on the execution of the Subscription Agreement and ending on the Closing Date, there having been no decrease in the rating of any of the Company's debt or equity securities by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Securities Act), or any notice given of any intended or potential decrease in any such rating or of a possible change in any such rating that does not indicate the direction of the possible change;

13. *Eligibility of the Offshore Preference Shares:* the Offshore Preference Shares being eligible for clearance and settlement through Euroclear and Clearstream, Luxembourg;
14. *Other Documents:* the Joint Lead Managers having received any other documents (including, but not limited to, any governmental approvals and any resolutions, consents and authorities) relating to the issue, sale or delivery of the Offshore Preference Shares which the Joint Lead Managers may reasonably require for the purpose of enabling the issuance and sale of the Offshore Preference Shares, or in order to evidence the accuracy of any of the representations or warranties, or the fulfilment of any of the conditions, herein contained.

The Joint Lead Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the above paragraphs.

Termination of the Subscription

The Joint Lead Managers may, by notice to the Company, terminate the Subscription Agreement at any time prior to payment of the gross subscription moneys for the Offshore Preference Shares to the Company in any of the following circumstances:

1. if there shall have come to the notice of the Joint Lead Managers any breach of, or any event rendering untrue or incorrect, any of the warranties and representations contained therein (or any deemed repetition thereof) or failure to perform the Company's covenants or agreements contained in the Subscription Agreement;
2. if any of the conditions specified above in the section headed "Conditions Precedent to the Subscription" have not been satisfied or waived by the Joint Lead Managers; and
3. if in the opinion of the Joint Lead Managers (i) trading in securities generally on the London Stock Exchange, the Singapore Exchange Securities Trading Limited or the Hong Kong Stock Exchange shall have been suspended or limited or minimum prices shall have been established on such exchange; (ii) a banking moratorium shall have been declared either by PRC, United Kingdom, Singapore or Hong Kong authorities; (iii) a material disruption in securities settlement, payment or clearance services in Hong Kong shall have occurred; or (iv) there shall have occurred any outbreak or escalation of hostilities, declaration by the PRC or Hong Kong of a national emergency or war or any calamity or crisis or any change in financial, political or economic conditions, the effect of which makes it, in the judgment of the Joint Lead Managers (upon consultation with the Company to the extent practicable), impractical or inadvisable to proceed with the offering or delivery of the Offshore Preference Shares as contemplated in the Offering Circular.

PRINCIPAL TERMS OF THE OFFSHORE PREFERENCE SHARES

The Articles and the Conditions are written in Chinese. In the event of any inconsistency between (i) on the one hand, the Articles and the Conditions in Chinese and (ii) on the other hand, any translations of the Articles and the Conditions in other languages, the Chinese versions of the Articles and the Conditions shall prevail. In addition, in the event of any inconsistency between the Articles and the Conditions, the Articles shall prevail.

The principal terms of the Offshore Preference Shares are summarised as follows:

<i>Company</i>	China Cinda Asset Management Co., Ltd.
<i>Offering</i>	U.S.\$1,700,000,000 4.40% Non-Cumulative Perpetual Offshore Preference Shares
<i>Issue Price</i>	100%
<i>Liquidation Preference and Authorised Denomination</i>	The Offshore Preference Shares will have a par value of RMB100 each and will be issued as fully paid-up capital in U.S. dollars so that the issuance price of the Offshore Preference Shares will be U.S.\$20 each (the “ Liquidation Preference ”). The Offshore Preference Shares will be issued in registered form and issued and transferable only in minimum amounts of U.S.\$200,000 (or 10,000 Offshore Preference Shares) and integral multiples of U.S.\$1,000 (or 50 Offshore Preference Shares) in excess thereof (each an “ Authorised Denomination ”).
<i>Issue Date</i>	November 3, 2021
<i>Maturity Date</i>	The Offshore Preference Shares are perpetual and will have no maturity date.
<i>Status and Rights upon Liquidation</i>	Upon the Winding-Up of the Company, holders of the Offshore Preference Shares shall rank: <ul style="list-style-type: none">(a) junior to holders of (i) all liabilities of the Company (including subordinated liabilities) and (ii) obligations issued or guaranteed by the Company that rank or are expressed to rank senior to the Offshore Preference Shares;(b) equally in all respects with each other and without preference among themselves and with holders of the Parity Obligations; and(c) in priority to the Ordinary Shareholders.

Upon the Winding-Up of the Company, the assets of the Company shall be distributed in the following order of priority:

- (i) payment of the liquidation fees;
- (ii) payment of salaries of the employees, social security expenses and statutory compensation;
- (iii) payment of outstanding taxes; and
- (iv) payment of other debts of the Company.

On such Winding-Up of the Company, any remaining assets of the Company shall, after the distributions in accordance with the Conditions have been made, be applied to the claims of the Offshore Preference Shareholders equally in all respects with the claims of holders of all Parity Obligations and in priority to the claims of holders of the Ordinary Shares. On such Winding-Up of the Company, in respect of each Offshore Preference Share, the holder shall be entitled to an amount in respect of each Offshore Preference Share which will be equal to the Liquidation Preference together with any declared but unpaid dividends in respect of that Offshore Preference Share.

If there are insufficient remaining assets upon such Winding-Up of the Company to cover the amounts payable in full on the Offshore Preference Shares and all Parity Obligations, the Offshore Preference Shareholders and the holders of such Parity Obligations will share rateably in the distribution of such remaining assets (if any) of the Company in proportion to the full amounts to which they are respectively entitled.

After payment of the full amounts to which the Offshore Preference Shareholders are entitled on a Winding-Up of the Company, such Offshore Preference Shareholders will have no right or claim to any of the Company's remaining assets.

Dividends

Subject as provided in the Conditions, each Offshore Preference Share shall entitle the holder thereof to receive non-cumulative dividends which have not been otherwise cancelled payable annually in arrear.

Each dividend will be payable, subject as provided in the Conditions, annually in arrear on November 3 in each year after declaration by the Board. Subject as provided in the Conditions, the first Dividend Payment Date will be November 3, 2022.

Dividends in respect of the Offshore Preference Shares shall be calculated per U.S.\$1,000 in Liquidation Preference of the Offshore Preference Shares (the “**Calculation Amount**”). Dividends payable per Calculation Amount for a Dividend Period shall be equal to the product of the corresponding Dividend Rate, the Calculation Amount and the day-count fraction for the Dividend Period, rounding the resulting figure to the nearest U.S. cent (half a U.S. cent being rounded upwards).

Dividend Rate

The Offshore Preference Shares will accrue dividends on their Liquidation Preference at the relevant Dividend Rate below:

- (a) from and including the Issue Date to but excluding the First Reset Date, at the rate of 4.40% per annum; and
- (b) thereafter, in respect of the period from and including the First Reset Date and each Reset Date falling thereafter to but excluding the immediately following Reset Date, at the relevant Reset Dividend Rate,

provided that the Dividend Rate shall not at any time exceed 8.41% per annum, being the weighted average return on equity of the Company (calculated based on the return attributable to the Ordinary Shareholders) for the two most recent financial years prior to the Issue Date.

Conditions to Distribution of Dividends

Notwithstanding any other provision in the Conditions, the payment by the Company of any dividend on any Dividend Payment Date is subject to:

- (a) the Board having passed a resolution to declare such dividends in accordance with the Articles;
- (b) the Company having distributable after-tax profits (which are based on the undistributed profits of the Company as shown in the financial statements of the parent company prepared in accordance with the Chinese Accounting Standards for Business Enterprises (as amended from time to time) or the International Financial Reporting Standards issued by the International Accounting Standards Board (as amended from time to time), whichever is the lower), after offsetting the losses in previous years and contributing to its statutory reserve fund and general reserves; and
- (c) the relevant capital adequacy ratios of the Company meeting the regulatory capital requirements for financial asset management companies.

Further, subject to a resolution to be passed at a shareholders' general meeting of the Company on each such occasion, the Company may elect to cancel (in whole or in part) any dividend otherwise scheduled to be paid on a Dividend Payment Date in the manner set out in the Conditions. The Company may at its discretion use the funds arising from the cancellation of such dividend to repay other indebtedness due and payable.

The cancellation of all or part of any dividend in accordance with the Conditions shall not constitute a default for any purpose by the Company. Dividend payments are non-cumulative, and in the event of any cancellation by the Company of all or part of the dividends pursuant to the resolutions of a shareholders' general meeting and the Conditions, any amount of dividends not paid to the Offshore Preference Shareholders in full in the current Dividend Period will not be accumulated to the following Dividend Period.

Following receipt of dividends as set forth in the Conditions (subject to certain conditions in the Conditions), the Offshore Preference Shareholders shall not be entitled to receive any distribution of residual profits of the Company together with the Ordinary Shareholders.

***Restrictions Following
Cancellation of Dividends***

If the Board elects to cancel (in whole or in part) any dividend scheduled to be paid on a Dividend Payment Date (but not where such dividend has been cancelled pursuant to the Conditions upon the occurrence of a Trigger Event), the cancellation of such dividend (in whole or in part) on the Offshore Preference Shares will also require a resolution to be passed at a shareholders' general meeting. The Company undertakes that any resolution passed at a shareholders' general meeting that cancels a dividend (in whole or in part) on the Offshore Preference Shares will be a Parity Obligation Dividend Cancellation Resolution and undertakes that it will not propose to any shareholders' general meeting a resolution to cancel any dividend on the Offshore Preference Shares that is not a Parity Obligation Dividend Cancellation Resolution.

From the day immediately following the shareholders' general meeting passing the Parity Obligation Dividend Cancellation Resolution, the Company shall not make any payment in cash or otherwise on, and will procure that no distribution or dividend in cash or otherwise is made on, any Ordinary Shares or on any other class of shares or obligations that ranks or is expressed to rank junior to the Offshore Preference Shares unless or until the earlier of: (i) the dividend scheduled to be paid on any subsequent Dividend Payment Date is paid in full to Offshore Preference Shareholders; or (ii) the redemption or purchase and cancellation of all outstanding Offshore Preference Shares or the Conversion of all outstanding Offshore Preference Shares.

Conversion

If any Trigger Event occurs, the Company shall (having obtained the CBIRC Approval but without the need for the consent of the Offshore Preference Shareholders or the Ordinary Shareholders):

- (a) cancel any dividend in respect of the Relevant Loss Absorption Amount that is unpaid accrued up to and including the Conversion Date; and
- (b) irrevocably and compulsorily convert with effect from the Conversion Date all or some of the Offshore Preference Shares into H Shares in accordance with the Conditions as follows:
 - (i) the Offshore Preference Shares shall be Converted concurrently with the write-off, conversion or cancellation of all other Additional Tier 1 Capital Instruments, in accordance with the terms thereof or any applicable laws and regulations, but prior to the write-off, conversion or cancellation of any Tier 2 Capital Instruments; and
 - (ii) the Offshore Preference Shares shall be Converted into such number of H Shares as is equal to (A) the Relevant Loss Absorption Amount (as converted into Hong Kong dollars at the fixed exchange rate of U.S.\$1.00 to HK\$7.7522) divided by (B) the effective Compulsory Conversion Price and rounded down (to the extent permitted by applicable laws and regulations) to the nearest whole number of H Shares, and any fractional share less than one H Share resulting from the Conversion will not be issued and no cash payment or other adjustment will be made in lieu thereof.

The H Shares issuable upon Conversion shall be issued to a nominee appointed by the Company to hold on behalf of the Offshore Preference Shareholders in accordance with the Conditions.

A Trigger Event may occur on more than one occasion, and the Offshore Preference Shares may be subject to a Conversion on more than one occasion.

If some but not all of the Offshore Preference Shares are to be Converted, the Offshore Preference Shares in respect of each other shall be Converted rateably in the manner determined by the Company acting in good faith and having regard to market conventions.

Compulsory Conversion Price

The initial compulsory conversion price for the Offshore Preference Shares is HK\$4.52 per H Share, subject to adjustment as described in the Conditions.

The initial Compulsory Conversion Price is equal to the net asset value per share attributable to equity holders of the parent company as disclosed in the Company's reviewed consolidated financial statements as at June 30, 2020 and denominated in Hong Kong dollars.

The Compulsory Conversion Price shall be adjusted:

- (a) if the Company shall issue any H Shares credited as fully paid up to the holders of H Shares by way of bonus issuance or capitalisation issue;
- (b) if (i) the Company shall issue any H Shares (excluding any increase in the share capital as a result of conversion of certain financial instruments issued by the Company that are convertible into Ordinary Shares) at a price per H Share which is less than the closing price per H Share (as published by the Hong Kong Stock Exchange) on the trading day immediately preceding the date of the first public announcement of such issuance of new shares (being the announcement containing the effective and irrevocable terms of such issuance) or (ii) the Company issues any H Shares by way of a rights issue; and
- (c) in the event that the rights and interests of the Offshore Preference Shareholders may be affected by any repurchase of the Ordinary Shares by the Company, any merger or division of the Company or any other circumstances that may cause changes in the Company's share class, number of shares and/or shareholders' equity.

Optional Redemption

The Company may, subject to obtaining CBIRC Approval and compliance with the conditions to the distribution of dividends set out in the Conditions and the Redemption Preconditions, upon not less than 30 nor more than 60 days' notice to the Offshore Preference Shareholders and the Fiscal Agent, redeem all or part of the Offshore Preference Shares on the First Reset Date and on any Dividend Payment Date thereafter, until all the Offshore Preference Shares have been redeemed or Converted. The redemption price for each Offshore Preference Share so redeemed shall be the aggregate of an amount equal to its Liquidation Preference plus any declared but unpaid dividends in respect of the period from (and including) the immediately preceding Dividend Payment Date to (but excluding) the date scheduled for redemption.

Taxation and Withholding

All payments of Liquidation Preference and/or dividends in respect of the Offshore Preference Shares will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of the PRC or any political subdivision or any authority thereof or therein having power to levy tax in the PRC, unless such withholding or deduction is required by the law of the PRC. In that event, the Company shall pay such additional amounts as will result in the receipt by the Offshore Preference Shareholders of such amounts as would have been received by them if no such withholding or deduction had been required, except for limited circumstances described in the Conditions.

Limited Voting Rights

Pursuant to the Articles, Offshore Preference Shareholders shall not be entitled to convene, attend or vote at any shareholders' general meeting of the Company, other than in the circumstances set out in the Conditions.

Only under certain circumstances as specified in the Articles and the Conditions may the Offshore Preference Shareholders be entitled to attend the shareholders' general meeting of the Company and vote only upon such Special Resolution, and the Offshore Preference Shareholders will be entitled to one vote in respect of each outstanding Offshore Preference Share and vote together with other preference shareholders as a separate class from the Ordinary Shareholders. The Offshore Preference Shares held by, or on behalf of, the Company shall have no voting rights.

Any Special Resolution shall be approved by more than two-thirds of votes held by the Ordinary Shareholders present at the meeting (including preference shareholders with restored voting rights) and by more than two-thirds of votes held by the preference shareholders present at the meeting (excluding preference shareholders with restored voting rights).

The Company shall, in accordance with the Articles, notify the Offshore Preference Shareholders of any shareholders' general meeting which involves a Special Resolution.

Restoration of Voting Rights

Subject to the cancellation of restored voting rights as described in the Conditions, if a voting rights restoration event as specified in the Conditions occurs, then, as from the day immediately after the date on which the shareholders' general meeting resolves that the Company will not pay in full such dividend which triggers the voting rights restoration event, each holder of an Offshore Preference Share shall, to the extent permitted under applicable shareholding law, be entitled to attend and vote upon any resolution proposed at any shareholders' general meeting as if he or she was the holder of such number of Ordinary Shares as is equal to the aggregate Liquidation Preference of the Offshore Preference Shares (as converted into Hong Kong dollars at the fixed exchange rate of U.S.\$1.00 to HK\$7.7522) divided by the initial Compulsory Conversion Price (being HK\$4.52 per H Share) (without further adjustment) rounded down (to the extent permitted by applicable laws and regulations) to the nearest whole number of H Shares.

Cancellation of Restored Voting Rights

Any voting rights granted to the Offshore Preference Shareholders as described in the Conditions will be cancelled from the date on which the next scheduled dividend is paid in full. For the avoidance of doubt, voting rights may be subsequently restored if the circumstances described in the Conditions reoccur following such cancellation.

Further Issues

The Company may from time to time create and issue further preference shares ranking as regards participation in the profits and assets of the Company equally in all respects with the Offshore Preference Shares and so that any such further preference shares may be denominated in any currency and may carry as regards participation in the profits and assets of the Company rights identical in all respects to those attaching to the Offshore Preference Shares.

Governing Law

The Offshore Preference Shares and the rights and obligations attached to them are governed by, and shall be construed in accordance with, PRC law.

Arbitration

Any dispute or claim of rights relating to the affairs of the Company and arising between holders of overseas listed shares (including the Offshore Preference Shares) and the Company, or between holders of overseas listed shares (including the Offshore Preference Shares) and directors, supervisors or senior management members of the Company, or between holders of overseas listed shares (including the Offshore Preference Shares) and holders of other shares, and arising as a result of the rights and obligations provided for in the Articles, the Company Law and other applicable laws, administrative regulations, shall be referred to arbitration by the parties involved.

Disputes in respect of the definition of Offshore Preference Shareholders and in relation to the register of Offshore Preference Shareholders need not be resolved by arbitration.

Rating

B1 by Moody's. A rating is not a recommendation to buy, sell or hold the Offshore Preference Shares and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. Potential investors should evaluate independently each of the ratings of the Offshore Preference Shares or other securities of the Company.

APPLICATION FOR LISTING

The Company will apply to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Offshore Preference Shares and the H Shares to be issued upon Conversion of the Offshore Preference Shares. The Offshore Preference Shares are issued to professional investors only. A further announcement will be made before listing of and dealings in the Offshore Preference Shares commence.

REASONS FOR THE ISSUANCE AND USE OF PROCEEDS

The Company is the leading asset management company in China, focusing on distressed asset management and providing customised financial solutions to its clients through the synergistic operation of its diversified business platforms.

In order to meet the requirement of capital for the sustainable development of the Company, improve the capability of capital management, enhance the operating competence of the Company, and support the sustainable and stable development of the core business of distressed asset management including distressed assets acquisition and disposal, and debt-to-equity swaps, the Company plans to conduct a non-public issuance of the Offshore Preference Shares to replenish the Company's Additional Tier 1 Capital.

Based on the CNY Central Parity Rate published by the China Foreign Exchange Trade System on October 27, 2021, the gross proceeds from the offering of the Offshore Preference Shares will be approximately RMB10.86 billion. The Company expects the net proceeds from the Offshore Preference Shares issuance, after deduction of the commissions and expenses relating to the issuance, being approximately RMB10.82 billion, subject to the approvals by the relevant regulatory authorities, will be used to replenish the Company's Additional Tier 1 Capital.

The Board considers that the proposed issuance of the Offshore Preference Shares is in the interests of the Company and the shareholders of the Company as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not carried out any issue of equity securities for fund-raising purposes during the 12 months immediately preceding the date of this announcement.

IMPACT ON THE COMPANY'S SHARE CAPITAL

If there is no Trigger Event for Conversion, the issuance of the Offshore Preference Shares will not affect the ordinary share capital of the Company. However, if Conversion is triggered, the Company's ordinary share capital will be increased.

The number of H Shares issued upon Conversion of all the U.S.\$1,700,000,000 Offshore Preference Shares to be issued by the Company would be 2,915,650,442 H Shares, assuming all the Offshore Preference Shares are Converted at the initial compulsory conversion price of HK\$4.52 per H Share (as converted into Hong Kong dollars at the fixed exchange rate of US\$1.00 to HK\$7.7522).

The table below sets forth the impact on the Company's share capital structure if all the Offshore Preference Shares to be issued were Converted into H Shares pursuant to the Conversion:

Share Capital	As of June 30, 2021		After issuance of the Offshore Preference Shares		After conversion of the Offshore Preference Shares	
	Shares	Percentage of share capital	Shares	Percentage of share capital	Shares	Percentage of share capital
<i>Domestic Share</i>						
MOF	22,137,239,084	58.00%	22,137,239,084	58.00%	22,137,239,084	53.89%
NCSSF	2,459,693,232	6.44%	2,459,693,232	6.44%	2,459,693,232	5.99%
Total issued Domestic Shares	24,596,932,316	64.45%	24,596,932,316	64.45%	24,596,932,316	59.88%
<i>H Share</i>						
NCSSF	2,901,006,093	7.60%	2,901,006,093	7.60%	2,901,006,093	7.06%
Other public shareholders	10,666,596,738	27.95%	10,666,596,738	27.95%	13,582,247,180	33.06%
Total issued H Shares	13,567,602,831	35.55%	13,567,602,831	35.55%	16,483,253,273	40.12%
Total	38,164,535,147	100.00%	38,164,535,147	100.00%	41,080,185,589	100.00%

Note:

1. If no trigger event for compulsory conversion occurs so long as the Offshore Preference Shares are outstanding, the issuance of the Offshore Preference Shares will not affect the ordinary share capital of the Company.
2. As of June 30, 2021, the total number of shares held by the NCSSF (including 2,459,693,232 Domestic Shares and 2,901,006,093 H Shares) accounted for approximately 14.04% of the total issued share capital of the Company. Therefore, the NCSSF is a substantial shareholder and a core connected person of the Company, and the shares held by the NCSSF would not be treated as held by public.

As at June 30, 2021, all of the Domestic Shares were held by the MOF and NCSSF. After the Conversion of all the Offshore Preference Shares into H Shares based on the abovementioned assumptions, the Domestic Shareholders' shareholding would be decreased to 59.88 per cent. and the MOF would remain the controlling shareholder of the Company.

WAIVER FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES

In connection with the listing of the Offshore Preference Shares, the Company has applied to, and has been granted applicable waivers by, the Hong Kong Stock Exchange from strict compliance with a number of provisions of the Hong Kong Listing Rules.

Those waivers are applied on the following basis:

- The Offshore Preference Shares are more akin to fixed income products such as quasi-debt securities and they have more characteristics in common with debt securities than with equity securities. In particular, the Offshore Preference Shares have a fixed dividend rate and in the event of a redemption, the Offshore Preference Shares will be redeemed at 100% of their issue price. The Offshore Preference Shares may be Converted to H Shares but such conversion will be mandatory and will only occur when there is a Trigger Event.
- The Offshore Preference Shares will be offered to institutional and professional investors only by way of a private placement and will not be made accessible to retail investors. The Offshore Preference Shares are structured in a way that they will not be “Eligible Securities” under the Hong Kong Listing Rules and will not be admitted to the Central Clearing and Settlement System for clearance and settlement. Trading of the Offshore Preference Shares is not expected to take place on the Hong Kong Stock Exchange either on issue or in the secondary market. Instead, the Offshore Preference Shares will be cleared and settled through Euroclear and Clearstream, Luxembourg which is similar to other professionals-only debt securities listed under Chapter 37 of the Hong Kong Listing Rules. The Offshore Preference Shares are therefore designed never to trade on, or otherwise use the facilities of, the Hong Kong Stock Exchange.

The waivers being sought by and granted to the Company are broadly classified into the following categories:

- those in relation to qualifications of listing that are required to cater for the fact that the Offshore Preference Shares are fixed income securities offered only to professional investors;
- those that are required to enable the Offshore Preference Shares to be offered only to institutional and professional investors and not retail investors;
- those that are required to enable the Offshore Preference Shares to be structured in a way that meets the expectations of institutional and professional investors for these type of securities to allow for a plausible offering; and
- those that are required in order to enable the Company not subject to compliance obligations that do not commensurate with the offering and listing of securities similar to debt securities that are made available only to institutional and professional investors.

The waivers being sought by and granted to the Company are listed below:

- Rule 2.07A(2): Requirements for an express, positive confirmation in writing from each holder of the Offshore Preference Shares that corporate communications may be made available using electronic means, and all corporate communications be sent to holders of the Offshore Preference Shares

- Rule 2.07A(3): Requirement for providing the right of holder of the Offshore Preference Shares to request corporate communications in printed hardcopy form
- Rules 2.07C(1)(b)(i), 2.07C(4)(b), 2.07C(6) and 11.14: Requirements that the listing document should be made available to the public and be accompanied by a Chinese translation
- Rule 7.10: Placing guidelines in respect of placements of the Offshore Preference Shares to the general public
- First part of paragraph 3 and paragraphs 4, 5, 6, 8 and 10 of Appendix 6: Placing guidelines in respect of placements of the Offshore Preference Shares to the general public
- Rule 8.07: Requirement of adequate market and sufficient public interest for the Offshore Preference Shares
- Rule 8.08: Requirement of an open market for the Offshore Preference Shares
- Rule 8.13A: Admission of the Offshore Preference Shares as Eligible Securities (as defined in the Hong Kong Listing Rules) by Hong Kong Securities Clearing Company Limited
- Rules 8.16 and 19A.13(3)(a): Appointment of an approved share registrar to maintain the register of members for the Offshore Preference Shares in Hong Kong
- Rule 9.20(1): Submission of a confirmation letter from the Company's financial advisors or auditors confirming the working capital statement has been made by directors after due and careful enquiry
- Rule 9.23(2)(a): Requirement for marketing statements from the lead broker, any distributors and every Exchange Participant (as defined in the Hong Kong Listing Rules) with the Offshore Preference Shares to be placed
- Rule 9.23(2)(b) and paragraph 11 of Appendix 6: Submission of placee lists in respect of the Offshore Preference Shares
- Rules 11.12, 19A.26(1) and paragraph 2 of Appendix 1B: Requirement for a directors' statement of responsibility in respect of information contained in the listing document
- Rules 12.03, 12.04 and 12.05: Requirements in respect of the timing, publication format and information to be disclosed in the formal notice for placing of the Offshore Preference Shares, and that the formal notice should be made available to the public and be made in both English and Chinese language

- Paragraphs 6(1), 6(3), 13, 30, 32, 39, 40(1) and 40(2) of Appendix 1B: Certain specific disclosure requirements in the listing document:
 - Paragraphs 6(1) and 6(3): details of the exchanges on which other debt securities are listed, and particulars of the dealing and settlement arrangements on each such exchanges and between such exchanges
 - Paragraph 13: a statement of the net tangible asset backing for the Offshore Preference Shares
 - Paragraph 30: a working capital statement by the directors in respect of a period of at least 12 months for Nanyang Commercial Bank
 - Paragraph 32: a statement of no material adverse change provided by the directors
 - Paragraph 39: particulars of directors' service contracts
 - Paragraphs 40(1) and 40(2): particulars of interests of directors in assets of the Company and contracts or arrangements of significance
- Paragraph 5 of Appendix 8: Payment of transaction levy on the issuance of the Offshore Preference Shares
- Paragraph 6 of Appendix 8: Payment of trading fee on the issuance of the Offshore Preference Shares

The Company has also obtained approval from the Hong Kong Stock Exchange under Rule 10.06(3) of the Hong Kong Listing Rules regarding the issuance of the Offshore Preference Shares within 30 days after the repurchase by the Company of its shares.

Completion of the Subscription Agreement and issue of the Offshore Preference Shares is subject to the satisfaction or waiver of the conditions precedent therein. In addition, the Subscription Agreement and issue of the Offshore Preference Shares may be terminated in certain circumstances. Accordingly, shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings when used herein:

“Additional Tier 1 Capital”	has the meaning as defined in, or construed in accordance with, the AMC Capital Management Rules
“Additional Tier 1 Capital Instruments”	any equity securities, bonds or other similar obligations issued or guaranteed by the Company that constitute Additional Tier 1 Capital of the Company pursuant to the relevant provisions under the AMC Capital Management Rules
“AMC Administrative Measures”	the Administrative Measures on Financial Asset Management Companies jointly issued by the former China Banking Regulatory Commission, the MOF, the People’s Bank of China, the CSRC and the former China Insurance Regulatory Commission on August 14, 2014, which became effective on January 1, 2015 (as amended from time to time)
“AMC Capital Management Rules”	the Capital Management Measures for Financial Asset Management Companies (Provisional) issued by the former China Banking Regulatory Commission on December 26, 2017, which became effective on January 1, 2018 (as amended from time to time)
“Articles”	the articles of association of the Company as amended from time to time
“Board”	the board of directors of the Company
“Business Day”	a day, excluding a Saturday and a Sunday, on which banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in New York City and the city in which the specified office of the Calculation Agent is located
“Calculation Agent”	China Construction Bank (Asia) Corporation Limited

“CBIRC”	the China Banking and Insurance Regulatory Commission (which expression shall include the former China Banking Regulatory Commission which was merged with the former China Insurance Regulatory Commission as the CBIRC in April 2018) or any other banking and insurance regulatory authority of the State Council or any successor entity, including their respective local counterparts
“CBIRC Approval”	such approval, consent or non-objection from, or reporting to, the CBIRC, or such waiver required in relation to the AMC Administrative Measures from the CBIRC
“Clearstream, Luxembourg”	Clearstream Banking S.A.
“Closing Date”	November 3, 2021 or such later date, not being later than November 17, 2021, as the Company and the Joint Lead Managers may agree in writing
“Company”	China Cinda Asset Management Co., Ltd.
“Compulsory Conversion Price”	the initial compulsory conversion price for the Offshore Preference Shares is HK\$4.52 per H Share, subject to adjustment as described in the Conditions
“Conditions”	the terms and conditions of the Offshore Preference Shares
“Conversion” or “Converted”	irrevocably and compulsorily conversion with effect from the Conversion Date all or some of the Offshore Preference Shares into such number of H Shares as is equal to (i) the Relevant Loss Absorption Amount (as converted into Hong Kong dollars at the fixed exchange rate of U.S.\$1.00 to HK\$7.7522) divided by (ii) the effective Compulsory Conversion Price rounded down (to the extent permitted by applicable laws and regulations) to the nearest whole number of H Shares
“Conversion Date”	the day immediately following the Trigger Event Effective Date
“CSRC”	the China Securities Regulatory Commission or any successor entity
“Dividend Payment Date”	November 3 in each year
“Dividend Period”	the period beginning on and including the Issue Date and ending on but excluding the next succeeding Dividend Payment Date and each successive period beginning on and including a Dividend Payment Date and ending on but excluding the next succeeding Dividend Payment Date

“Dividend Rate”	4.40% per annum and/or the applicable Reset Dividend Rate, as the case may be
“Domestic Share(s)”	ordinary share(s) issued by the Company in the PRC with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB
“Euroclear”	Euroclear Bank SA/NV
“First Reset Date”	November 3, 2026
“Fiscal Agency Agreement”	the fiscal agency agreement in respect of the Offshore Preference Shares to be entered into between the Company as issuer, China Construction Bank (Asia) Corporation Limited as fiscal agent, paying agent and calculation agent, China Construction Bank (Asia) Corporation Limited as registrar and transfer agent on or around November 3, 2021
“Fiscal Agent”	China Construction Bank (Asia) Corporation Limited
“Group”	the Company and its subsidiaries taken as a whole
“H Share(s)”	overseas listed ordinary share(s) issued by the Company with a par value of RMB1.00 each that are listed on the Hong Kong Stock Exchange (stock code: 01359) and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong dollars” or “HK\$”	the lawful currency of Hong Kong
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Issue Date”	November 3, 2021
“Issue Documents”	the Subscription Agreement, the deed of covenant in respect of the Offshore Preference Shares entered into by the Company, the Fiscal Agency Agreement, the agreement between the Company, the receiving agent and fiscal agent, the receiving agency agreement with ICBC (Asia) Trustee Company Limited as receiving agent and any other agreement or instrument to be entered into in conjunction with the offering of the Offshore Preference Shares

“Joint Lead Managers”	Merrill Lynch (Asia Pacific) Limited, Australia and New Zealand Banking Group Limited, Bank of Communications Co., Ltd. Hong Kong Branch, BOCI Asia Limited, BOCOM International Securities Limited, CCB International Capital Limited, China Chengtong (Hong Kong) Asset Management Company Limited, China Everbright Bank Co., Ltd., Hong Kong Branch, China International Capital Corporation Hong Kong Securities Limited, China Merchants Securities (HK) Co., Limited, China Securities (International) Corporate Finance Company Limited, Cinda International Capital Limited, CLSA Limited, CMBC Securities Company Limited, Deutsche Bank AG, Hong Kong Branch, Guotai Junan Securities (Hong Kong) Limited, ICBC International Securities Limited, J.P. Morgan Securities PLC, Mizuho Securities Asia Limited, Nanyang Commercial Bank, Limited, SMBC Nikko Securities (Hong Kong) Limited, SPDB International Capital Limited, Standard Chartered Bank and UBS AG Hong Kong Branch
“Liquidation Preference”	the issuance price of the Offshore Preference Shares, which will be U.S.\$20 each
“MOF”	the Ministry of Finance of the PRC
“Moody’s”	Moody’s Investors Service Limited
“NCSSF”	National Council for Social Security Fund, PRC
“Offering Circular”	an offering circular dated October 27, 2021 for use in connection with the offer of the Offshore Preference Shares and the listing of the Offshore Preference Shares on the Hong Kong Stock Exchange
“Offshore Preference Shareholders”	holders of Offshore Preference Shares
“Offshore Preference Shares”	the U.S.\$1,700,000,000 4.40% Non-Cumulative Perpetual Offshore Preference Shares to be issued by the Company outside the PRC to investors on or about the Issue Date
“Ordinary Shareholders”	holders of Ordinary Shares
“Ordinary Shares”	the H Shares and the Domestic Shares

“Parity Obligation Dividend Cancellation Resolution”	a resolution of the shareholders of the Company that resolves irrevocably to cancel payment (and if in part, then in proportion to the full amounts payable) of each dividend or distribution scheduled for payment on the Offshore Preference Shares and any Parity Obligations outstanding on the date the resolution is passed, in each case for a period of 12 months (or such longer period as such resolution specifies which is in integral multiples of 12 months in excess thereof) following the date of such resolution
“Parity Obligations”	any other class of preference shares in the capital of the Company issued from time to time and any other obligations that rank, or are expressed to rank equally with the Offshore Preference Shares (either issued directly by the Company or by a subsidiary where the terms of such obligations benefit from a guarantee or support agreement whereby obligations therein rank or are expressed to rank equally to the Offshore Preference Shares), whether issued outside of the PRC or otherwise
“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement only, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan region of the People’s Republic of China
“Redemption Preconditions”	<p>in relation to any redemption of the Offshore Preference Shares, the Company’s compliance of the following conditions:</p> <ul style="list-style-type: none"> <li data-bbox="638 1202 1485 1393">(a) the Company shall use capital instruments of the same or superior quality to replace the Offshore Preference Shares to be redeemed and such replacement shall only be made at a time at which the Company has a sustainable income generating capability; or <li data-bbox="638 1425 1485 1617">(b) the capital position of the Company immediately after redemption of the Offshore Preference Shares will remain significantly higher than the regulatory capital requirements prescribed by the CBIRC and other relevant regulatory authorities
“Regulation S”	Regulation S under the Securities Act

“Relevant Loss Absorption Amount”	in respect of any Trigger Event, the aggregate Liquidation Preference of the Offshore Preference Shares to be Converted, being:
	<ul style="list-style-type: none"> (i) when the Offshore Preference Shares are Converted in full, the aggregate Liquidation Preference of all Offshore Preference Shares outstanding; or (ii) when the Offshore Preference Shares are Converted in part only, such aggregate Liquidation Preference of the Offshore Preference Shares calculated based on the proportion that the outstanding aggregate Liquidation Preference of the Offshore Preference Shares bears to the total outstanding aggregate principal amount or liquidation preference value of all Additional Tier 1 Capital Instruments (including the Offshore Preference Shares).
“Reset Date”	the First Reset Date and each date that falls five, or a multiple of five, years following the First Reset Rate
“Reset Determination Date”	in relation to a Reset Period, the day falling two Business Days prior to the Reset Date on which such Reset Period commences
“Reset Dividend Rate”	in respect of any Reset Period, the dividend rate per annum (expressed as a percentage) representing the sum of the Benchmark Rate (as defined in the Conditions) in relation to that Reset Period and a fixed margin of 3.232% per annum, as determined by the Calculation Agent on the relevant Reset Determination Date
“Reset Period”	the period from and including the First Reset Date to but excluding the next succeeding Reset Date, and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date
“RMB” or “CNY”	the lawful currency of the PRC
“Securities Act”	the U.S. Securities Act of 1933, as amended from time to time
“Shareholder Resolutions”	the resolutions adopted at the shareholders’ meeting of the Company passed on February 2, 2021
“Special Resolution”	the resolution in which case the Offshore Preference Shareholders will be entitled to attend and vote only upon such resolution

“Subscription Agreement”	the subscription agreement in respect of the Offshore Preference Shares entered into between the Company and the Joint Lead Managers on or around October 27, 2021
“Tier 2 Capital”	has the meaning as defined in or construed in accordance with the AMC Capital Management Rules
“Tier 2 Capital Instruments”	any equity securities, bonds or other similar obligations issued or guaranteed by the Company that constitute Tier 2 Capital of the Company pursuant to the relevant provisions under the AMC Capital Management Rules
“Trigger Event”	the earlier of: <ul style="list-style-type: none"> (a) the CBIRC having concluded that without a decision on a write-off or conversion into Ordinary Shares the Company would become non-viable; and (b) the relevant regulatory authorities such as MOF and the People’s Bank of China having concluded that without a decision on a public sector injection of capital or equivalent support, the Company would become non-viable
“Trigger Event Effective Date”	the date on which the CBIRC or the relevant regulatory authorities has concluded that a Trigger Event has occurred and notified the Company (together with a public announcement) of the occurrence of such Trigger Event. If there is any uncertainty of the Trigger Event Effective Date, the date determined by the CBIRC or the relevant regulatory departments shall prevail
“U.S.” or “United States”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“U.S.\$” or “U.S. dollars”	the lawful currency of the United States

“Winding-Up”

proceedings in respect of the Company for liquidation, dissolution, insolvency or other similar proceeding in respect of the Company (except for the purposes of a reconstruction, consolidation, amalgamation, merger or reorganisation the terms of which have previously been approved by a Special Resolution of the Offshore Preference Shareholders)

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

Beijing, the PRC
October 28, 2021

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