

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



China Cinda Asset Management Co., Ltd.

中國信達資產管理股份有限公司

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

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

DISCLOSEABLE TRANSACTION ISSUANCE OF CONSIDERATION SHARES BY A SUBSIDIARY TO ACQUIRE TARGET ASSET

The Board is pleased to announce that on 12 August 2019, Tongda Venture, an indirect non-wholly owned subsidiary of the Company, entered into the Agreement on Assets Acquisition by Issuance of Shares with Liu Yuanzheng, Liu Shuangzhong, Liu Yanzhen, Huijin Investment, Huizhi Investment, Huili Investment, Cinda Investment and Cinda Innovation. At the same time, Tongda Venture entered into the Performance Estimate Indemnification Agreement with Liu Yuanzheng, Liu Shuangzhong, Liu Yanzhen and Huizhi Investment. According to the Transaction Agreements, Tongda Venture will purchase from the Counterparties the aggregated 100% equity interests in LNSS held by them by way of issuance of the Consideration Shares. Upon completion of the Transaction, LNSS will become a wholly-owned subsidiary of Tongda Venture, and Tongda Venture will cease to be a subsidiary of the Company.

As one or more of the applicable percentage ratios (defined under the Listing Rules) in respect of the Transaction exceed 5% but are less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company should note that the Transaction Agreements are subject to the satisfaction of relevant conditions (or waiver, if applicable), and there is no assurance that any Transaction will be implemented. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

INTRODUCTION

The Board is pleased to announce that on 12 August 2019, Tongda Venture, an indirect non-wholly owned subsidiary of the Company, entered into the Agreement on Assets Acquisition by Issuance of Shares with Liu Yuanzheng, Liu Shuangzhong, Liu Yanzhen, Huijin Investment, Huizhi Investment, Huili Investment, Cinda Investment and Cinda Innovation. At the same time, Tongda Venture entered into the Performance Estimate Indemnification Agreement with Liu Yuanzheng, Liu Shuangzhong, Liu Yanzhen and Huizhi Investment. According to the Transaction Agreements, Tongda Venture will purchase from the Counterparties the aggregated 100% equity interests in LNSS held by them by way of issuance of the Consideration Shares. Upon completion of the Transaction, LNSS will become a wholly-owned subsidiary of Tongda Venture, and Tongda Venture will cease to be a subsidiary of the Company.

Details of the Agreement on Asset Acquisition by Issuance of Shares and the Performance Estimate Indemnification Agreement and other relevant information are set out as follows:

THE AGREEMENT ON ASSET ACQUISITION BY ISSUANCE OF SHARES

Date: 12 August 2019

Parties:

- 1) Tongda Venture;
- 2) Liu Yuanzheng;
- 3) Liu Shuangzhong;
- 4) Liu Yanzhen;
- 5) Huijin Investment;
- 6) Huizhi Investment;
- 7) Huili Investment;
- 8) Cinda Investment; and
- 9) Cinda Innovation.

(Collectively the “**Parties**”)

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, save for Cinda Investment and Cinda Innovation which are the subsidiaries of the Company, the above Counterparties and their respective ultimate beneficial owners are independent third parties of the Company and are not connected persons of the Company.

TARGET ASSET AND CONSIDERATION

According to the Agreement on Asset Acquisition by Issuance of Shares, the Target Asset of the Transaction are the 100% equity interests in LNSS. The consideration of the Transaction will be determined by the Parties through negotiation based on the valuation results in the asset valuation report issued by the appraisal agency with qualifications in securities and futures related businesses and filed with the competent state-owned assets administration authority.

As at the date of signing the Agreement on Asset Acquisition by Issuance of Shares, the valuation work on the Target Asset is still in process, and taking 30 June 2019 as the Valuation Benchmark Date, the estimated valuation result of the 100% equity interests in LNSS is RMB4.4 billion. Taking into account the capital increase arrangement of RMB650 million to the Target Company after the Valuation Benchmark Date of the Transaction, the consideration of the Target Asset, being the 100% equity interests in LNSS, is estimated to be RMB5.05 billion. The estimated consideration of the Target Asset is determined with reference to the technical capabilities, market share, financing situation, operation status and development prospects of LNSS. The final consideration of the 100% equity interests in LNSS shall not violate the relevant laws and regulations in relation to state-owned assets. Tongda Venture will issue the Consideration Shares to pay the consideration for the Target Asset.

With reference to the estimated consideration of the Target Asset, the shareholding percentage and consideration of each shareholder of the Target Company before the Transaction are shown in the table below:

Shareholders	Shareholding percentage	Consideration (RMB0'000)
Liu Family	69.31%	350,000.00
Including: Liu Yuanzheng	40.99%	207,000.00
Liu Shuangzhong	17.86%	90,200.00
Liu Yanzhen	10.46%	52,800.00
Huijin Investment	6.53%	33,000.00
Huizhi Investment	3.49%	17,600.00
Huili Investment	0.87%	4,400.00
Cinda Investment	15.84%	80,000.00
Cinda Innovation	3.96%	20,000.00
Total	100.00%	505,000.00

ISSUANCE PLAN FOR CONSIDERATION SHARES

1. Class and nominal value of shares to be issued

The class of the shares under the Issuance is domestic listed and RMB denominated ordinary shares (A shares) of Tongda Venture with a nominal value of RMB1.00 per share.

2. Placees and issuance method

The Issuance is conducted by way of non-public issuance of shares to specific placees, who are the Counterparties.

3. Pricing basis, pricing date and issue price of the Consideration Shares

According to the provisions under Article 45 of the Measures for the Administration of MAR and upon friendly negotiation among the Parties, the Pricing Date for the Issuance of the Consideration Shares is the announcement date of the resolution passed at the 14th meeting of the 8th session of the board of directors of Tongda Venture. The issue price is RMB13.16 per share, which is not less than 90% of the average price of the shares of Tongda Venture for 20 trading days prior to the Pricing Date (RMB13.156 per share), which is in compliance with the relevant provisions of the Measures for the Administration of MAR.

During the period from the Pricing Date to the issue date, if any ex-dividend or ex-right events occur in Tongda Venture, such as distribution of dividend, issue of bonus shares, reserve capitalization or share placement, the issue price for the Consideration Shares will be adjusted according to the relevant regulations of the CSRC and the SSE.

4. Number of shares to be issued

In the Transaction, the estimated consideration of the 100% equity interests in LNSS, to be acquired by Tongda Venture is RMB5.05 billion. Calculated based on such consideration, the consideration will be paid by the issuance of the Consideration Shares by Tongda Venture as follows:

Shareholders	Shareholding percentage	Consideration (RMB0'000)	Number of the Consideration Shares to be issued (share)
Liu Yuanzheng	40.99%	207,000.00	157,294,832
Liu Shuangzhong	17.86%	90,200.00	68,541,033
Liu Yanzhen	10.46%	52,800.00	40,121,580
Huijin Investment	6.53%	33,000.00	25,075,987
Huizhi Investment	3.49%	17,600.00	13,373,860
Huili Investment	0.87%	4,400.00	3,343,465
Cinda Investment	15.84%	80,000.00	60,790,273
Cinda Innovation	3.96%	20,000.00	15,197,568
Total	100.00%	505,000.00	383,738,598

The final number of the Consideration Shares to be issued will be determined based on the valuation results of the Target Asset set out in the asset valuation report issued by the asset appraisal agency with qualifications in securities and futures related businesses and filed with the competent state-owned assets administration authority and the final consideration of the Transaction.

During the period from the Pricing Date to the issue date, if any ex-right or ex-dividend events occur in Tongda Venture, such as distribution of dividend, issue of bonus shares or reserve capitalization, the number of the Consideration Shares to be issued will be adjusted accordingly.

5. Place of listing: the SSE.

Transitional Period Arrangement

1. The Indemnifiers shall guarantee that there is no material adverse change to the Target Asset during the Transitional Period.
2. Based on the negotiation among the Parties, Tongda Venture would be entitled to the revenue generated from LNSS during the Transitional Period. If LNSS records a loss or a decrease in net assets for other reasons during the Transitional Period, the Indemnifiers would indemnify Tongda Venture by ways of cash within 30 days from the date of issuance of the special audit report.

The Indemnifiers shall share such indemnification amount in proportion to their respective shareholding in LNSS in cash. The Indemnifiers shall share such indemnification shares in proportion of their capital contributions to the Target Company when conducting the Transaction to total capital contributions from the Indemnifiers to the Target Company.

Tongda Venture and the Counterparties agreed that, the last day of the month immediately preceding the month of the Closing Date shall be deemed to be the Target Asset delivery audit base date, and an accounting firm with the qualification in securities related business, engaged by Tongda Venture and agreed by Counterparties, will carry out the audit of profit or loss incurred of the Target Asset during the Transitional Period. The special audit report issued by such accounting firm will be the basis for Tongda Venture and the Counterparties confirming the profit or loss of the Target Asset during the profit or loss vesting period.

3. During the Transitional Period, LNSS shall not carry out profit distribution or similar acts, and all the shareholders of LNSS confirmed that before entering into the Agreement on Assets Acquisition by Issuance of Shares, LNSS had no arrangements on profit distribution proposed to be carried out or partly carried out.
4. During the Transitional Period, unless obtaining the consent from Tongda Venture, the Counterparties shall not create any third party rights such as mortgage or pledge over the Target Asset, and shall through the exercise of the shareholder's rights, guarantee the Target Company shall not conduct any act of disposal of assets, make external guarantee or increase its material debt, which are not relevant to the normal production and operation of the Target Company during the Transitional Period.

Completion of the Transaction

1. Before the closing of the Transaction, all the Counterparties are required to complete the following matters in relation to the Transaction:
 - (1) to assist Tongda Venture to complete legal and business due diligence review and financial audit work in connection with the Transaction;
 - (2) to complete and provide all legal documents which are in compliance with the provisions of relevant laws, regulations, and regulatory documents and the review requirements of the CSRC.

2. The Transaction shall be completed within six months after the approval of the CSRC (or such later date as agreed by the Parties in writing). At that time, all of the following matters shall be completed:
 - (1) the delivery of the Target Asset;
 - (2) Tongda Venture has issued Consideration Shares to the Counterparties as required by the Agreement on Assets Acquisition by Issuance of Shares and the Consideration Shares have been registered under the names of the Counterparties in Shanghai Branch of CSDCCL.
3. The Counterparties shall, within three months after the Issuance approved by the CSRC, properly complete the delivery procedures of the Target Asset in accordance with the relevant laws and regulations, including but not limited to:
 - (1) to amend the articles of association of LNSS in relation to the equity interests legally held by Tongda Venture;
 - (2) to complete the relevant procedures in relation to changes in the shareholders and shareholding at the competent administration authority for industry and commerce;
 - (3) to certify that Tongda Venture has owned 100% equity interests in LNSS by other legal means.
4. Upon the completion of the transfer of equity of LNSS, Tongda Venture shall engage an accounting firm with the qualification to practice the securities business, to verify the capital contributions from the Counterparties by using 100% equity interests in LNSS to subscribe for the Consideration Shares and to issue the report on verification of the capital contributions.

Arrangements for the Undistributed Accumulated Profits

1. Undistributed accumulated profits of Tongda Venture before completion of the Transaction will be shared by its new and existing shareholders after closing of the Transaction according to their respective shareholding percentage after the Issuance.
2. Undistributed accumulated profits of LNSS before the Closing Date will be owned by Tongda Venture after the closing.

Conditions Precedent to the Effectiveness of the Agreement

The Agreement on Assets Acquisition by Issuance of Shares shall be established from the date on which the official seals of the Parties are affixed and signed by the legal representatives/executive partners/executive partners' proxy(ies) or authorized representatives of the above-mentioned persons, and shall become effective on the date on which all of the following conditions are satisfied (subject to the date of satisfaction of the last condition):

1. The asset valuation report of the Target Asset is reviewed and filed by the competent state-owned assets administration authority;
2. The completion of the internal decision-making procedures of the Counterparties in respect of matters such as the Transaction and the specific plan of the Transaction;

3. The board of directors of Tongda Venture passes the resolution to approve the specific plan of the Transaction;
4. The Transaction plan is reviewed and approved by the competent state-owned assets administration authority;
5. A resolution of the shareholders' general meeting of Tongda Venture is passed to approve the matters related to the Transaction, including but not limited to the approval of this Transaction. At the same time, the shareholders' general meeting of Tongda Venture agree to waive the obligation of Liu Yuanzheng, Liu Shuangzhong, Liu Yanzhen and the party acting in concert with them Huizhi Investment to acquire the shares of Tongda Venture by way of general offer;
6. The Transaction plan is approved by the CSRC.

Lock-up Period of Consideration Shares

1. The Consideration Shares acquired by Liu Yuanzheng, Liu Shuangzhong, Liu Yanzhen and Huizhi Investment through the Transaction shall not be transferred within 36 months from the completion date of the Issuance, and thereafter shall be subject to the relevant requirements of the CSRC and the SSE. Upon the expiry of the above-mentioned lock-up period, if the profit indemnification obligation under the Performance Estimate Indemnification Agreement has not been fulfilled, the above-mentioned lock-up period will be extended to the date of fulfillment of the indemnification obligation.
2. The shares of Tongda Venture held by Cinda Investment prior to this Transaction and the Consideration Shares acquired by it through the Transaction shall not be transferred within 36 months from the completion date of the Issuance, and thereafter shall be subject to the relevant requirements of the CSRC and the SSE.
3. The Consideration Shares acquired by Huijin Investment and Huili Investment through the Transaction shall not be transferred within 24 months from the completion date of the Issuance, and thereafter shall be subject to the relevant requirements of the CSRC and the SSE.
4. The Consideration Shares acquired by Cinda Innovation through the Transaction shall not be transferred within 36 months from the completion date of the Issuance, and thereafter shall be subject to the relevant requirements of the CSRC and the SSE.
5. All Counterparties undertake that within 6 months after the completion of the Transaction, if the closing price of the shares of Tongda Venture for 20 consecutive trading days is lower than the issue price, or if the closing price as at the end of the 6 months after the completion of the Transaction is lower than the issue price, the lock-up period for the above shares acquired through the Transaction will be automatically extended for at least 6 months.
6. The above terms shall be applicable to any additional shares of Tongda Venture received due to the distribution of bonus shares, reserve capitalisation or other events occur in Tongda Venture.

Performance Estimate Indemnification Agreement

Date: 12 August 2019

Parties:

- 1) Tongda Venture;
- 2) Liu Yuanzheng;
- 3) Liu Shuangzhong;
- 4) Liu Yanzhen; and
- 5) Huizhi Investment.

Performance Undertaking and Performance Indemnification

According to the Performance Estimate Indemnification Agreement entered into among Tongda Venture and the Indemnifiers, the Indemnifiers have undertaken that under the Transaction, the net profit of LNSS attributable to the parent company after deducting non-recurring profit or loss in 2019, 2020 and 2021 shall not be less than RMB280,000,000, RMB390,000,000 and RMB530,000,000, respectively. If the actual net profit of LNSS is less than the undertaken net profit, the Indemnifiers will indemnify Tongda Venture for any short fall under their profit indemnification obligation.

If the Transaction fails to be completed by 31 December 2019 (inclusive), the undertaking period shall be extended to 2022.

Performance Incentives

If the total accumulated net profit realized by the Target during the performance undertaking period exceeds the total undertaking amount of the net profit, Tongda Venture agrees to pay up to 20% of the excess amount to the key personnel of the Target Company in cash on a lump-sum basis, provided that the Transaction has been approved by the CSRC and the transfer of the Target Asset has been completed. The actual rewarded personnel and the distribution plan shall be subject to the approval by the board of directors of the Target Company and the consent of the board of directors of Tongda Venture. The total amount of the performance incentives shall not be more than 20% of the consideration of the Target Asset.

Effectiveness of the Agreement

The Performance Estimate Indemnification Agreement is established from the date of signing the agreement among the parties and shall take effect on the same date as the Agreement on Assets Acquisition by Issuance of Shares, and shall terminate upon the termination of the Agreement on Assets Acquisition by Issuance of Shares.

Reasons for and Benefits of the Transaction

Upon completion of the Transaction, the principal business of Tongda Venture will change from commodity sales to high-end equipment manufacturing. The Transaction is in compliance with the industrial policy and the requirements for supply-side reform of the state and it will not only enhance the overall profitability of Tongda Venture, improve the development potential, but also boast positive meaning for the Company to further strengthen and highlight the core operation capability.

Directors View

The Directors are of the view that the Transaction Agreements and the Transaction contemplated thereunder are entered into in the ordinary and usual course of business of the Company on normal commercial terms, and are fair and reasonable and in the interests of the Company and shareholders as a whole.

Implications under the Listing Rules

As one or more of the applicable percentage ratios (defined under the Listing Rules) in respect of the Transaction exceed 5% but are less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Information on LNSS

LNSS is a limited liability company incorporated under the laws of the PRC. Its principal businesses include the research and development, manufacturing, sale, installation, commissioning, operation, maintenance, leasing, repair, remanufacturing and technical consultation services of shield tunneling machine, TBM tunnel boring machine, shaft boring machine, roadheader, underground multi-storey parking garage and accessories; construction and installation services.

The unaudited financial information of LNSS for each of the two years ended 31 December 2017 and 31 December 2018 are set out below:

	For the year ended 31 December 2017 (RMB0'000)	For the year ended 31 December 2018 (RMB0'000)
Total profit	14,210.02	21,828.73
Net profit	<u>12,366.07</u>	<u>18,285.59</u>

The unaudited total assets and net assets of LNSS as at 31 December 2018 prepared under the Accounting Principles of Chinese Enterprises are RMB2,497.5309 million and RMB348.7972 million, respectively.

Information on Tongda Venture

Tongda Venture is a joint stock limited company incorporated under the laws of the PRC and an indirect non-wholly owned subsidiary of the Company, the A shares of which are listed on the SSE. The principal businesses of Tongda Venture include investment in high-tech industry, investment in real economy and asset management, development and operation of agricultural business and domestic trade.

The audited financial information of Tongda Venture for each of the two years ended 31 December 2017 and 31 December 2018 are set out below:

	For the year ended 31 December 2017 (RMB0'000)	For the year ended 31 December 2018 (RMB0'000)
Total profit	1,361.94	-4,054.08
Net profit deducted extraordinary gain and loss attributable to the shareholders of listed company	<u>1,086.93</u>	<u>-6,180.32</u>

The audited total assets and net assets attributable to the shareholders of Tongda Venture as of 31 December 2018 prepared under Accounting Principles of Chinese Enterprises are RMB473.9257 million and RMB268.9173 million, respectively.

Prior to the Transaction, the total share capital of Tongda Venture is 139,143,550 shares. Cinda Investment held 56,606,455 shares of Tongda Venture and is the controlling shareholder of Tongda Venture. According to the estimated consideration of the Transaction, the total share capital of Tongda Venture will increase to 522,882,148 shares upon completion of the Transaction and it will cease to be the subsidiary of the Company.

Name of shareholders	Before the Transaction		After the Transaction	
	Number of shares held (share)	Shareholding percentage	Number of shares held (share)	Shareholding percentage
Cinda Investment	56,606,455	40.68%	117,396,728	22.45%
Liu Family	–	–	265,957,445	50.86%
Including: Liu Yuanzheng	–	–	157,294,832	30.08%
Liu Shuangzhong	–	–	68,541,033	13.11%
Liu Yanzhen	–	–	40,121,580	7.67%
Huijin Investment	–	–	25,075,987	4.80%
Huizhi Investment	–	–	13,373,860	2.56%
Huili Investment	–	–	3,343,465	0.64%
Cinda Innovation	–	–	15,197,568	2.91%
Other shareholders of listed companies	82,537,095	59.32%	82,537,095	15.79%
Total	<u>139,143,550</u>	<u>100.00%</u>	<u>522,882,148</u>	<u>100.00%</u>

Information on the Liu Family

Liu Yuanzheng, Liu Shuangzhong and Liu Yanzhen are siblings, and Liu Yuanzheng is the managing partner of Huizhi Investment. Therefore, Liu Yuanzheng, Liu Shuangzhong, Liu Yanzhen and Huizhi Investment are persons acting in concert.

Information on Huijin Investment

Huijin Investment is a limited partnership incorporated under the laws of the PRC and its principal businesses are industrial investment, corporate management and consulting services.

Information on Huizhi Investment

Huizhi Investment is a limited partnership incorporated under the laws of the PRC and its principal businesses are industrial investment, corporate management and consulting services.

Information on Huili Investment

Huili Investment is a limited partnership incorporated under the laws of the PRC and its principal businesses are industrial investment, corporate management and consulting services.

Information on Cinda Investment

Cinda Investment is a limited liability company incorporated under the laws of the PRC and its principal businesses are external investment, commercial property management, hotel management, property management, asset management, asset restructuring, investment consultation and investment adviser.

Information on Cinda Innovation

Cinda Innovation is a limited liability company incorporated under the laws of the PRC and its principal businesses are project investment and investment management.

Information on the Group

The Group is principally engaged in distressed asset management, and provides customized financial solutions and differentiated asset management services to its clients through its diversified business platforms.

Definitions

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

“A Share(s)”	RMB ordinary shares of Tongda Venture
“Agreement on Assets Acquisition by Issuance of Shares”	the Agreement on Assets Acquisition by Issuance of Shares dated 12 August 2019 entered into between Tongda Venture and the Counterparties
“Board”	the board of directors of the Company
“Cinda Innovation”	Cinda Innovation Investment Co., Ltd., a subsidiary of the Company
“Cinda Investment”	Cinda Investment Co., Ltd., a subsidiary of the Company
“Closing Date”	the date on which the Counterparties transfer the Target Asset to Tongda Venture and complete the registration procedures for industrial and commercial changes
“Company”	China Cinda Asset Management Co., Ltd.
“Consideration Share(s)”	the new ordinary shares (A shares) with a par value of RMB1.00 per share to be issued to the Counterparties by Tongda Venture to pay the consideration of the Target Asset, which will be listed on the SSE
“Counterparties”	Liu Yuanzheng, Liu Shuangzhong, Liu Yanzhen, Huijin Investment, Huizhi Investment, Huili Investment, Cinda Investment and Cinda Innovation
“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Huijin Investment”	Liaoyang Huijin Investment Management Center (Limited Partnership)
“Huili Investment”	Liaoyang Huili Investment Management Center (Limited Partnership)
“Huizhi Investment”	Liaoyang Huizhi Investment Management Center (Limited Partnership)

“Indemnifiers”	Liu Yuanzheng, Liu Shuangzhong, Liu Yanzhen and Huizhi Investment
“Issuance”	the proposed issuance of A shares by Tongda Venture to the Counterparties as the Consideration Shares
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Liu Family”	Liu Yuanzheng, Liu Shuangzhong and Liu Yanzhen
“Measures for the Administration of MAR”	Measures for the Administration of the Material Asset Restructurings of Listed Companies
“Performance Estimate Indemnification Agreement”	the Agreement on Performance Estimate Indemnify of Assets Acquisition by Issuance of Shares dated 12 August 2019 entered into between Tongda Venture and the Indemnifiers
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Pricing Date”	the date of announcement of Tongda Venture on the board resolution of the Transaction
“RMB”/“Yuan”	Renminbi yuan, the legal currency of the PRC
“Shanghai Branch of CSDCCL”	the Shanghai Branch of China Securities Depository and Clearing Corporation Limited
“SSE”	Shanghai Stock Exchange
“Target Asset”	100% equity interest of LNSS
“Target Company”/“LNSS”	Liaoning Censcience Industry Co., Ltd.
“Tongda Venture”	Shanghai Tongda Venture Capital Co., Ltd., an indirect non-wholly owned subsidiary of the Company
“Transaction Agreements”	the Agreement on Assets Acquisition by Issuance of Shares and the Performance Estimate Indemnification Agreement
“Transaction”	the issuance of Consideration Shares by Tongda Venture to Liu Yuanzheng, Liu Shuangzhong, Liu Yanzhen, Huijin Investment, Huizhi Investment, Huili Investment, Cinda Investment and Cinda Innovation for the purchase of the 100% equity interest of LNSS pursuant to the Agreement on Assets Acquisition by Issuance of Shares and the Performance Estimate Indemnification Agreement

“Transitional Period”	the period from Valuation Benchmark Date to Closing Date
“Valuation Benchmark Date”	30 June 2019
“%”	per cent

Shareholders and potential investors of the Company should note that the Transaction Agreements are subject to the satisfaction of relevant conditions (or waiver, if applicable), and there is no assurance that any eventual transaction will be implemented. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Beijing, the PRC
12 August 2019

As at the date of this announcement, the Board of the Company consists of Mr. ZHANG Zi'ai and Mr. CHEN Xiaozhou as executive Directors, Mr. HE Jieping, Mr. XU Long, Ms. YUAN Hong, Mr. ZHANG Guoqing and Mr. LIU Chong as non-executive Directors, and Mr. CHANG Tso Tung, Stephen, Mr. XU Dingbo, Mr. ZHU Wuxiang and Mr. SUN Baowen as independent non-executive Directors.