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中國華融資產管理股份有限公司

China Huarong Asset Management Co., Ltd.

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

(Stock Code: 2799)

PROFIT WARNING

This announcement is made by China Huarong Asset Management Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Group and a preliminary assessment by the Company on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2018, the Group is expected to record a prominent decrease in the net profit attributable to the shareholders of the Company for the six months ended 30 June 2018 as compared to the corresponding period in 2017. The Board considers that such decrease under the circumstances of deleveraging was mainly due to (1) a substantial increase in provisions as compared to the corresponding period in 2017 as a result of credit risk exposure of part of financial assets held by the Group of the current period; (2) a significant increase in interest expenses as compared to the corresponding period in 2017 result from a great increase of external financing by the Group of the current period; and (3) a decrease in valuations of part of financial assets held by the Group affected by the wide capital market fluctuations of the current period.

The information contained in this announcement is only based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2018, which has not been reviewed by the auditors of the Company. The actual financial results for the six months ended 30 June 2018, which may be different from what is disclosed in this announcement, will be reviewed by the auditors of the Company and will be disclosed in the interim results announcement of the Company for the six months ended 30 June 2018, which is expected to be published before the end of August 2018.

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

By order of the Board
China Huarong Asset Management Co., Ltd.
WANG Cong
Acting Chairman

Beijing, the PRC
12 August 2018

As at the date of this announcement, the Board comprises Mr. WANG Lihua as executive director; Mr. LI Yi, Ms. WANG Cong, Ms. DAI Lijia and Mr. ZHOU Langlang as non-executive directors; Mr. SONG Fengming, Mr. TSE Hau Yin, Mr. LIU Junmin and Mr. SHAO Jingchun as independent non-executive directors.