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華融國際金融控股有限公司

HUARONG INTERNATIONAL FINANCIAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 993)

PROFIT WARNING

This announcement is made by Huarong International Financial Holdings Limited (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 of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 (the "**Year**") and the information currently available to the Board, the Group is expected to record a material net loss for the Year. The Board estimates that the consolidated net loss of the Group for the Year would exceed the net loss reported for the six months ended 30 June 2018 by around 30%.

The increase in the expected net loss was mainly subject to the complex and volatile economic environment and the continued downturn volatility of the Hong Kong securities market in the second half of 2018, the Company expects to increase the provisions for the direct investments in debt instruments, receivables, loans and advances in margin financing of the Group at the end of the Year and the unrealised (non-cash) loss arising from the adverse fair value change of the financial assets at fair value through profit or loss would also increase.

As at the date of this announcement, the Company is still in the process of finalising the consolidated annual results of the Group for the Year. Hence, the information contained in this announcement is based on a preliminary review by the Board on the information currently available to the Board, and is not based on any figure or information which has been audited or reviewed by the independent auditors of the Company. Shareholders and potential investors are advised to read carefully the announcement of the annual results of the Group for the Year which is expected to be released in March 2019.

China Huarong Asset Management Co., Ltd., the controlling shareholder of the Company, will continue to support the Company.

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

By order of the Board
Huarong International Financial Holdings Limited
Bai Junjie
Chairman

Hong Kong, 21 February 2019

As at the date of this announcement, the executive directors of the Company are Mr. Bai Junjie and Mr. Xu Yong, and the independent non-executive directors are Dr. Wong Tin Yau Kelvin, Mr. Ma Lishan and Mr. Guan Huanfei.