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華融投資股份有限公司

HUARONG INVESTMENT STOCK CORPORATION LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2277)

PROFIT WARNING

This announcement is made by Huarong Investment Stock Corporation 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 and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that, based on a preliminary assessment of the Group’s unaudited consolidated management accounts for the year ended 31 December 2019 (the “**Relevant Period**”) and all information currently available to the Board, the Group is expected to record a net loss of not less than HK\$900 million for the Relevant Period as compared with the net profit recorded for the year ended 31 December 2018.

The expected net loss was mainly due to (i) substantial provisions that are expected to be made against the Group’s loan and debt instruments, and finance lease receivable and (ii) unrealised losses arising from the adverse fair value change of the financial assets at fair value through profit or loss.

As the Company is still in the process of preparing and finalizing the Group’s consolidated annual results for the Relevant Period, the information contained in this announcement is only based on a preliminary assessment made by the Board with reference to the current unaudited consolidated management accounts of the Group and all information currently available to the Board, and such information has not been audited or reviewed by the independent auditors of the Company. Therefore, the actual results of the Group for the Relevant Period may differ from the information contained in this announcement. Shareholders and potential investors are advised to refer to the details of the Group’s financial results for the Relevant Period which is expected to be published by the end of March 2020.

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

By order of the Board
Huarong Investment Stock Corporation Limited
Yu Meng
Chairman

Hong Kong, 20 March 2020

As at the date of this announcement, the executive directors of the Company are Mr. Yu Meng, Mr. Xu Xiaowu and Mr. Chen Qinghua; and the independent non-executive directors of the Company are Mr. Chan Kee Huen Michael, Mr. Tse Chi Wai and Dr. Lam Lee G.