中國華融
CHINA HUARONG

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, collectively referred to as 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 (the "**Board**") of the Company wishes to inform the shareholders of the Company 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 2020, the Group is expected to record a decrease of approximate 90% to 95% in the net profit attributable to the shareholders of the Company for the six months ended 30 June 2020 as compared to the corresponding period in 2019.

The decrease in the 2020 interim results of the Group was mainly due to: 1. the further decrease in the interest income from debt investments other than distressed assets of the Group as compared to the corresponding period of last year due to the impact of COVID-19 epidemic and continuous decrease in the scale of non-core and non-advantageous businesses; 2. a significant decrease in the gains generated from fair value changes on part of financial assets held by the Group due to the weaker performance of the capital market in the first half of 2020 as compared to the corresponding period of last year.

In the first half of 2020, facing the impact of the COVID-19 epidemic and the challenges of complex and volatile business environment, the Group adhered to the general tone of making progress while remaining stable, and maintained prudent on the whole and progressive as to the core business. It continuously strengthened the acquisition of distressed assets, optimized business structure, and improved innovation capabilities in the core business, made full use of the rescue financial function and achieved positive results. In the next step, the Group will continue to forge the core business of distressed assets to be strong and precise, accelerate the transformation and innovation of core business, promote risk resolution and downsizing and deepen reforms, striving to achieve the goal of high-quality development of the Company.

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 2020, which has not been reviewed or audited by the auditors of the Company or approved by the audit committee of the Company. The Company's actual financial results for the six months ended 30 June 2020, 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 2020, which is expected to be published before the end of August 2020.

Shareholders of the Company 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 Zhanfeng
Chairman

Beijing, the PRC
12 August 2020

As at the date of this announcement, the Board comprises Mr. WANG Zhanfeng and Ms. LI Xin as executive directors of the Company; Ms. ZHAO Jiangping, Mr. ZHENG Jiangping and Mr. ZHOU Langlang as non-executive directors of the Company; Mr. TSE Hau Yin, Mr. LIU Junmin, Mr. SHAO Jingchun and Mr. ZHU Ning as independent non-executive directors of the Company.