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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)

PROPOSED IMPLEMENTATION OF HUARONG CONSUMER FINANCE EQUITY TRANSFER PROJECT AND HUARONG TRUST EQUITY RESTRUCTURING PROJECT

This announcement is made by China Huarong Asset Management Co., Ltd. (the “**Company**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of the Company announces that the Company intends to implement the equity transfer project of Huarong Consumer Finance Co., Ltd. (“**Huarong Consumer Finance**”, a subsidiary of the Company) and the equity restructuring project of Huarong International Trust Co., Ltd. (“**Huarong Trust**”, a subsidiary of the Company), details of which are as follows.

PROPOSED IMPLEMENTATION OF HUARONG CONSUMER FINANCE EQUITY TRANSFER PROJECT

The Company sticks to the return to its origin and core businesses to ensure its sustainable operation and development. In accordance with the requirements from regulatory authorities on financial asset management companies of gradual exit from the non-core businesses, the Company intends to implement public transfer of its 70% equity in Huarong Consumer Finance to external parties (the “**Equity Transfer**”). The specific contents of the Equity Transfer scheme are as follows:

- (1) The Company intends to adopt a public way in the Equity Transfer to transfer its shares (630,000,000 shares in total, representing a shareholding of 70%) in Huarong Consumer Finance at lawfully established property rights transfer agency (provincial level (included) or above). The initial listing price shall not be lower than the asset valuation results filed with the Ministry of Finance of the People's Republic of China. The Valuation Benchmark Date is determined as 30 June 2021.

- (2) In order to facilitate the smooth forwarding of the Equity Transfer scheme, we intend to submit to the general meeting of shareholders to grant authorities to the Board, and for the Board to grant to the Chairman, and for the Chairman to grant to the management or other persons to decide and adjust the specific matters of the Equity Transfer (including but not limited to the equity transfer proportion, price and timing of transfer, qualification of equity transferee, equity transfer agreement, etc.) according to the changes in market conditions, to sign relevant legal documents that the Company is required to sign as the transferor, and to handle necessary procedures for the Equity Transfer.

The aforementioned resolution has been considered and approved by the Board and is subject to the consideration and approval by the general meeting of shareholders.

The Company will perform the disclosure and/or review procedure (if applicable) separately according to the requirements of the Listing Rules if the Equity Transfer constitutes notifiable transaction under Chapter 14 and/or connected transaction under Chapter 14A of the Listing Rules after the main terms of the Equity Transfer are determined. The Equity Transfer is subject to the approval by relevant regulatory authorities.

PROPOSED IMPLEMENTATION OF HUARONG TRUST EQUITY RESTRUCTURING PROJECT

In accordance with the requirements from regulatory authorities on financial asset management companies of gradual exit from the non-core businesses, the Company intends to implement restructuring of its equity in Huarong Trust (the “**Equity Restructuring**”). Its specific contents are as follows:

- (1) In respect of the outstanding debt of Huarong Trust, the Company intends to negotiate with main institution creditors, in order to implement the Equity Restructuring of Huarong Trust by way of “debt-to-equity swap and equity transfer”.
- (2) In order to facilitate the smooth forwarding of the Equity Restructuring, we intend to submit to the general meeting of shareholders to grant authorities to the Board, and for the Board to grant to the Chairman, and for the Chairman to grant to the management or other persons to decide and adjust the specific matters of the Equity Restructuring according to the changes in market conditions, to sign relevant legal documents and to handle necessary procedures for the Equity Restructuring.

The aforementioned resolution has been considered and approved by the Board and is subject to the consideration and approval by the general meeting of shareholders.

The Company will perform the disclosure and/or review procedure (if applicable) separately according to the requirements of the Listing Rules if the Equity Restructuring constitutes notifiable transaction under Chapter 14 and/or connected transaction under Chapter 14A of the Listing Rules after the main terms of the Equity Restructuring are determined. The Equity Restructuring is subject to the approval by relevant regulatory authorities.

A circular containing, among others, the details of the above resolutions, together with the notice of the general meeting of shareholders, will be despatched to the shareholders as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited has been suspended with effect from 9:00 a.m. on 1 April 2021 pending the publication of the Company's audited 2020 Annual Results and will remain suspended until further notice. The Company will make further announcement(s) as and when appropriate.

The Company will keep the Company's shareholders and potential investors informed of the latest progress as and when appropriate and will announce quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

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 Huarong Asset Management Co., Ltd.
WANG Zhanfeng
Chairman

Beijing, the PRC
2 August 2021

As at the date of this announcement, the Board comprises Mr. WANG Zhanfeng and Mr. WANG Wenjie as executive directors; Ms. ZHAO Jiangping, Mr. ZHENG Jiangping, Mr. XU Nuo and Mr. ZHOU Langlang as non-executive directors; Mr. TSE Hau Yin, Mr. SHAO Jingchun, Mr. ZHU Ning and Ms. CHEN Yuanling as independent non-executive directors.