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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt about any aspects of this supplemental circular or as to the action to be taken, you should consult your stockbroker or other registered dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in China Huarong Asset Management Co., Ltd., you should at once hand this supplemental circular with the accompanying supplemental proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**IMPLEMENTATION OF HUARONG CONSUMER FINANCE EQUITY  
TRANSFER PROJECT  
IMPLEMENTATION OF HUARONG TRUST EQUITY  
RESTRUCTURING PROJECT  
CHANGE IN USE OF REMAINING NET PROCEEDS  
FROM H SHARE OFFERING  
AND  
SUPPLEMENTAL NOTICE OF THE FIRST EGM OF 2021**

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This supplemental circular (the “**Supplemental Circular**”) shall be read in conjunction with the circular of the First EGM of 2021, dated 2 July 2021 (the “**First Circular**”).

Notice of the First EGM of 2021 of the Company to be held at 3:00 p.m. on Tuesday, 17 August 2021 at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC is set out in the First Circular. The supplemental notice of the First EGM of 2021 dated 3 August 2021 is set out in this Supplemental Circular. The resolutions as set out in this Supplemental Circular will be submitted to the First EGM of 2021 for consideration. The supplemental proxy form for the First EGM of 2021 (the “**Supplemental Proxy Form**”) is enclosed in this Supplemental Circular and is published on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

If you wish to appoint a proxy to attend the First EGM of 2021 on your behalf, you are required to complete and return the accompanying Supplemental Proxy Form in accordance with the instructions printed thereon no later than 24 hours before the time scheduled for holding the First EGM of 2021 (i.e. before 3:00 p.m. on Monday, 16 August 2021) or any adjournment thereof (as the case may be). Completion and return of the Supplemental Proxy Form will not preclude you from attending and voting in person at the First EGM of 2021 or at any adjournment thereof should you so wish. The proxy form enclosed in the First Circular (the “**First Proxy Form**”) that has been returned to the H Share registrar of the Company will remain valid and effective to the extent applicable if correctly completed.

Unless otherwise indicated, capitalised terms used herein shall have the same meanings as those defined in the First Circular.

3 August 2021

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## DEFINITIONS

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*In this Supplemental Circular, unless the context otherwise requires, the following expressions have the following meanings:*

“First EGM of 2021”	the first extraordinary general meeting of Shareholders for 2021 to be held by the Company at 3:00 p.m. on Tuesday, 17 August 2021 at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC
“Huarong Consumer Finance”	Huarong Consumer Finance Co., Ltd., a subsidiary of the Company
“Huarong Trust”	Huarong International Trust Co., Ltd., a subsidiary of the Company
“Ministry of Finance”	Ministry of Finance of the People’s Republic of China



**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)**

*Executive Directors:*

Mr. Wang Zhanfeng (*Chairman*)  
Mr. Wang Wenjie

*Non-executive Directors:*

Ms. Zhao Jiangping  
Mr. Zheng Jiangping  
Mr. Xu Nuo  
Mr. Zhou Langlang

*Independent non-executive Directors:*

Mr. Tse Hau Yin  
Mr. Shao Jingchun  
Mr. Zhu Ning  
Ms. Chen Yuanling

*Registered office:*

No. 8 Financial Street, Xicheng District  
Beijing  
the PRC

*Principal place of business*

*in Hong Kong:*  
40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai, Hong Kong

3 August 2021

*To the Shareholders,*

Dear Sir or Madam,

**IMPLEMENTATION OF HUARONG CONSUMER FINANCE EQUITY  
TRANSFER PROJECT  
IMPLEMENTATION OF HUARONG TRUST EQUITY  
RESTRUCTURING PROJECT  
CHANGE IN USE OF REMAINING NET PROCEEDS  
FROM H SHARE OFFERING  
AND  
SUPPLEMENTAL NOTICE OF THE FIRST EGM OF 2021**

**1. INTRODUCTION**

Reference is made to the circular dated 2 July 2021 of the Company in respect of the First EGM of 2021. The purpose of this Supplemental Circular is to provide you with the information regarding the supplemental resolutions to be proposed at the First EGM of 2021 to enable you to make an informed decision on whether to vote for or against the supplemental resolutions at the First EGM of 2021.

### 2. MATTERS TO BE CONSIDERED AT THE FIRST EGM OF 2021

The supplemental resolutions to be proposed at the First EGM of 2021 for consideration and approval by Shareholders are: (5) to consider and approve the implementation of Huarong Consumer Finance equity transfer project; (6) to consider and approve the implementation of Huarong Trust equity restructuring project; and (7) to consider and approve the change in use of remaining net proceeds from H Share Offering. The supplemental resolutions 5 and 6 are to be approved by the Shareholders by way of special resolutions at the first EGM of 2021, and the supplemental resolution 7 is to be approved by the Shareholders by way of an ordinary resolution at the First EGM of 2021.

Details of the above matters to be considered at the First EGM of 2021 are set out in the supplemental notice of the First EGM of 2021 on pages 8 to 9 in this Supplemental Circular. In order to enable you to have a better understanding of the supplemental resolutions to be proposed at the First EGM of 2021 and to make well-informed decisions, we have provided detailed information regarding the matters to be supplementarily considered at the First EGM of 2021 in this Supplemental Circular (see Appendix I).

### 3. FIRST EGM OF 2021

Supplemental Proxy Form in respect of the supplemental resolutions is enclosed in this Supplemental Circular. The First Proxy Form enclosed in the First Circular that has been returned to the H Share registrar of the Company will remain valid and applicable to the permissible extent if correctly completed. The Supplemental Proxy Form will not affect the validity of any proxy form duly completed and returned by you in respect of the resolutions set out in the notice of the First EGM of 2021 dated 2 July 2021 (the “**First Notice of the First EGM of 2021**”). If you have validly appointed a proxy to attend and act for you at the First EGM of 2021 but do not duly complete and return the Supplemental Proxy Form, your proxy will be entitled to vote at discretion on your behalf on the supplemental resolutions set out in the supplemental notice of the First EGM of 2021 dated 3 August 2021 (the “**Supplemental Notice of the First EGM of 2021**”). If you do not duly complete and return the First Proxy Form for the First EGM of 2021 but have duly completed and returned the Supplemental Proxy Form and validly appointed a proxy to attend and act for you at the First EGM of 2021, your proxy will be entitled to vote at discretion on your behalf on the resolutions set out in the First Notice of the First EGM of 2021.

Please refer to the First Notice of the First EGM of 2021 and the First Circular for details of other resolutions to be submitted to the First EGM of 2021 for consideration, eligibility for attending, proxy, registration procedures, closure of register of members and other matters.

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## LETTER FROM THE BOARD

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### 4. RECOMMENDATION

The Directors consider that the supplemental resolutions set out in the Supplemental Notice of the First EGM of 2021 for consideration and approval by Shareholders are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of the supplemental resolutions to be proposed at the First EGM of 2021.

### 5. RESPONSIBILITY STATEMENT

This Supplemental Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regards to the Company. The Directors will collectively and individually assume full responsibility for the accuracy of the information contained in this Supplemental Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make this Supplemental Circular or any statement herein misleading.

By order of the Board  
**China Huarong Asset Management Co., Ltd.**  
**WANG Zhanfeng**  
*Chairman*

## I. TO CONSIDER AND APPROVE THE IMPLEMENTATION OF HUARONG CONSUMER FINANCE EQUITY TRANSFER PROJECT

Reference is made to the announcement of the Company dated 2 August 2021 in relation to (among others) 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. The Valuation Benchmark Date is determined as 30 June 2021.
- (2) In order to facilitate the smooth forwarding of the Equity Transfer scheme, we hereby submitted 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 submitted to the Board for consideration and approval and is hereby submitted to the general meeting of Shareholders for consideration and approval to commence the implementation of Huarong Consumer Finance equity transfer project.

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.

## II. TO CONSIDER AND APPROVE THE IMPLEMENTATION OF HUARONG TRUST EQUITY RESTRUCTURING PROJECT

Reference is made to the announcement of the Company dated 2 August 2021 in relation to (among others) 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 hereby 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 submitted to the Board for consideration and approval and is hereby submitted to the general meeting of Shareholders for consideration and approval to commence the Huarong Trust equity restructuring project.

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.

### **III. TO CONSIDER AND APPROVE THE CHANGE IN USE OF REMAINING NET PROCEEDS FROM H SHARE OFFERING**

Reference is made to the announcement of the Company dated 2 August 2021 in relation to proposed change in use of remaining net proceeds from H Share Offering.

Reference is made to the prospectus (“**H Share Prospectus**”) of the Company dated 16 October 2015 in relation to (among others) the use of proceeds from H Share Offering. In order to improve the efficiency of the utilization of proceeds from H Share Offering and reduce financial costs, thereby more effectively deploying financial resources and promoting the Company’s business development, the Board proposed to change the use of remaining net proceeds from H Share Offering of the Company.

#### **(1) The Use of Net Proceeds from H Share Offering**

In 2015, the Company received proceeds of total HKD19,696.7 million upon the initial public offering of the H Shares, and the net proceeds were HKD19,227.1 million after deducting issuance-related expenses. According to the H Share Prospectus of the Company, the Company intended to use the net proceeds for capital replenishment, of which the allocation is as follows:

- (i) approximately 60% (approximately HKD11,614.3 million) for developing the distressed asset management business, the Company’s core business.
- (ii) approximately 30% (approximately HKD5,698.1 million) for developing the financial services business by increasing capital contribution to the subsidiaries of such business segment.
- (iii) approximately 10% (approximately HKD1,914.7 million) for developing the asset management and investment business, expanding the investment business and increasing capital contribution to the subsidiaries of such business segment.



**(2) Proposed Change in Use of Remaining Net Proceeds from H Share Offering**

The revised use of the net proceeds is set out as follows:

- (i) 60% (HKD11,518.1 million, equivalent to RMB9,600 million) has been used to develop distressed asset management business, the Company's core business (fully utilized).
- (ii) 15% (HKD2,807.0 million, equivalent to RMB2,500 million) has been used to develop financial services business by increasing capital contribution to the subsidiaries of such business segment (fully utilized).
- (iii) 10% (HKD1,898.8 million, equivalent to RMB1,600 million) has been used to develop the asset management and investment business, expand the investment business and increase capital contribution to the subsidiaries of such business segment (fully utilized).
- (iv) the remaining 15% (HKD3,003.2 million) is adjusted to provide capital contribution and fund support to major subsidiaries (unutilized).

**(3) Reasons for Proposed Change in Use of Remaining Net Proceeds from H Share Offering**

Until the announcement day, the Company has settled and used HKD16,223.9 million (equivalent to RMB13,700 million) of the proceeds. The portions of proceeds for distressed asset management business, asset management and investment business have been fully utilized on the original allocation proportion, HKD2,807.0 million was utilized by developing financial services business on the original allocation proportion, and HKD2,843.9 million was remained unutilized. In addition, after the payment of overseas listing fees, HKD159.3 million was remained unutilized neither. Therefore, the balance of the unutilized proceeds is HKD3,003.2 million in total.

In order to enhance the efficiency of the utilization of the proceeds and reduce the financial costs, thereby enabling more effective deployment of financial resources and promoting the Company's business development, the Company proposed to change the remaining proceeds of HKD3,003.2 million in total to provide capital contribution and fund support to major subsidiaries.

The aforementioned resolution has been submitted to the Board for consideration and approval and is hereby submitted to the general meeting of Shareholders for consideration and approval.



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)

**SUPPLEMENTAL NOTICE OF THE FIRST EGM OF 2021**

References are made to the notice of the first extraordinary general meeting of Shareholders for 2021 (the **"First Notice of the First EGM of 2021"**) and the circular of the first extraordinary general meeting of Shareholders for 2021 (the **"First Circular"**) dated 2 July 2021 of China Huarong Asset Management Co., Ltd. (the **"Company"**), in which the time and venue of the first extraordinary general meeting of Shareholders for 2021 (the **"First EGM of 2021"**) of the Company and resolutions to be submitted at the meeting for Shareholders' consideration were set out.

**SUPPLEMENTAL NOTICE IS HEREBY GIVEN** that the First EGM of 2021 will be held as originally scheduled at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC at 3:00 p.m. on Tuesday, 17 August 2021, for considering and, if thought fit, passing the following resolutions in addition to the resolutions set out in the First Notice of the First EGM of 2021:

**SPECIAL RESOLUTIONS**

5. To consider and approve the implementation of Huarong Consumer Finance equity transfer project
6. To consider and approve the implementation of Huarong Trust equity restructuring project

**ORDINARY RESOLUTION**

7. To consider and approve the change in use of remaining net proceeds from H Share Offering

Please refer to the supplemental circular of the First EGM of 2021 dated 3 August 2021 (the **"Supplemental Circular"**) for details of the aforementioned resolutions. Please read it in conjunction with the First Circular.

By order of the Board  
**China Huarong Asset Management Co., Ltd.**  
**WANG Zhanfeng**  
*Chairman*

Beijing, the PRC  
3 August 2021

*As at the date of this notice, 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.*

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## SUPPLEMENTAL NOTICE OF THE FIRST EGM OF 2021

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*Notes:*

1. The register of members of the Company shall be closed from Sunday, 18 July 2021 to Tuesday, 17 August 2021 (both days inclusive). H Shareholders and Domestic Shareholders of the Company whose names appear on the register of members of the Company at the close of business on Friday, 16 July 2021 will be entitled to attend and vote at the First EGM of 2021. H Shareholders who wish to attend and vote at the First EGM of 2021 shall deposit all the transfer documents together with the Share certificates with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 16 July 2021.
2. The supplemental proxy form (the “**Supplemental Proxy Form**”) concerning the resolutions set forth in this supplemental notice is enclosed in the Supplemental Circular. The first proxy form enclosed in the First Circular (the “**First Proxy Form**”) that has been returned to the H Share registrar of the Company will remain valid and applicable to the permissible extent applicable if correctly completed. The Supplemental Proxy Form will not affect the validity of any proxy form duly completed and delivered by you in respect of the resolutions set out in the First Notice of the First EGM of 2021. If you have validly appointed a proxy to attend and act for you at the First EGM of 2021 but do not duly complete and deliver the Supplemental Proxy Form, your proxy will be entitled to vote at the discretion on the supplemental resolutions set out in this notice. If you do not duly complete and deliver the First Proxy Form but have duly completed and delivered the Supplemental Proxy Form and validly appointed a proxy to attend and act for you at the First EGM of 2021, your proxy will be entitled to vote at the discretion on the resolutions set out in the First Notice of the First EGM of 2021.
3. A Shareholder entitled to attend and vote at the First EGM of 2021 may appoint one or more proxies to attend and vote on his/her behalf. A proxy needs not to be a Shareholder, but he/she must attend the First EGM of 2021 in person to represent the relevant Shareholder.
4. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his/her attorney duly authorized in writing. If the Shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its legal representative, Director(s) or duly authorized attorney. If that instrument is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.
5. In order to be valid, the proxy form, the notarized power of attorney or other authorization document (if any) must be delivered to the Board office of the Company at No. 8 Financial Street, Xicheng District, Beijing, the PRC for Domestic Shareholders and to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for H Shareholders no later than 24 hours before the time appointed for the holding of the First EGM of 2021 (i.e. before 3:00 p.m. on Monday, 16 August 2021) or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude a Shareholder from attending and voting in person at the First EGM of 2021 or any adjournment thereof if he/she so wishes.
6. Pursuant to the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll. As such, the resolutions set out in the Supplemental Notice of the First EGM of 2021 will be voted on by poll.
7. The First EGM of 2021 is expected to last for half a day. Shareholders (in person or by proxy) attending the First EGM of 2021 are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the First EGM of 2021 shall produce their identity documents.
8. In the case of joint Shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholder(s), and for this purpose, seniority will be determined by the order in which the names stand on the register of members in respect of the relevant joint Shareholders.
9. 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.