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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)

ANNOUNCEMENT

The Ministry of Finance of the PRC (the “MOF”) conducted an inspection of the quality of accounting information from 2014 to 2019 into China Huarong Asset Management Co., Ltd. and its seven subsidiaries since 2021. Upon inspection, it was found that the problems, including failures to the internal control and risk control and serious accounting information distortion, existed in the Company in different degrees from 2014 to 2019. Therefore, administrative penalty decisions were made in accordance with the law, with a fine of RMB100,000 imposed on each of the Company and its seven subsidiaries, and corresponding fines imposed on the persons responsible.

The above issues are related to the financial performance of the Company from 2014 to 2019, and have no direct impact on the current and future business activities of the Company. For the problems discovered during the inspection of the MOF, the Company has conducted a comprehensive review and assessment, and correspondingly recognized credit impairment losses and loss from fair value changes in the financial report for 2020. The auditor had issued unqualified opinion on the consolidated financial position of the Company as at 31 December 2020.

The Company sincerely accepts the penalty decisions from the MOF, and will continue to strengthen internal control and optimize comprehensive risk management system in accordance with the Accounting Law of the People's Republic of China and relevant laws and regulations. Based on the overall idea of “consolidating the foundation, seeking progress while maintaining stability and improving quality and efficiency”, the Company will further strengthen its important role in serving national strategies and supporting the real economy, etc., earnestly fulfill its responsibilities and missions as a financial asset management company.

By order of the Board
China Huarong Asset Management Co., Ltd.
LIU Zhengjun
Chairman

Beijing, the PRC
17 March 2023

As at the date of this announcement, the Board of Directors comprises Mr. LIU Zhengjun and Mr. LI Zimin as executive directors; Ms. ZHAO Jiangping, Mr. ZHENG Jiangping and Mr. XU Wei as non-executive directors; Mr. TSE Hau Yin, Mr. SHAO Jingchun, Mr. ZHU Ning and Ms. CHEN Yuanling as independent non-executive directors.