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If you are in any doubt about any aspects of this 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 circular with the accompanying 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)

**GENERAL MANDATE GRANTED TO THE BOARD TO ISSUE
ADDITIONAL SHARES
ENGAGEMENT OF THE ACCOUNTING FIRMS FOR 2023
FINAL FINANCIAL ACCOUNT PLAN FOR 2022
PROFIT DISTRIBUTION PLAN FOR 2022
WORK REPORT OF THE BOARD FOR 2022
WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2022
EXTERNAL FUND DONATION PLAN FOR 2023
THE RE-ELECTION OF MS. ZHAO JIANGPING AS THE
NON-EXECUTIVE DIRECTOR
THE RE-ELECTION OF MR. ZHENG JIANGPING AS THE
NON-EXECUTIVE DIRECTOR
THE RE-ELECTION OF MR. ZHU NING AS THE INDEPENDENT
NON-EXECUTIVE DIRECTOR
THE RE-ELECTION OF MS. CHEN YUANLING AS THE INDEPENDENT
NON-EXECUTIVE DIRECTOR
THE ELECTION OF MR. LO MUN LAM, RAYMOND AS THE INDEPENDENT
NON-EXECUTIVE DIRECTOR
AND
NOTICE OF 2022 ANNUAL GENERAL MEETING**

China Huarong Asset Management Co., Ltd. will convene the AGM on Wednesday, 28 June 2023 at 10:00 a.m. at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC. Notice of the AGM is set out on pages 36 to 38 in this circular.

If you wish to appoint a proxy to attend the AGM on your behalf, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon no later than 24 hours before the time scheduled for holding the AGM (i.e. before 10:00 a.m. on Tuesday, 27 June 2023) or any adjourned meeting thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any adjourned meeting thereof should you so wish.

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“AGM” or “2022 Annual General Meeting”	the annual general meeting of the Company for 2022 to be held at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC, on Wednesday, 28 June 2023 at 10:00 a.m.
“Articles of Association”	the Articles of Association of China Huarong Asset Management Co., Ltd. as amended from time to time
“Board” or “Board of Directors”	the board of Directors of the Company
“Board of Supervisors”	the board of Supervisors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission
“Chairman”	the chairman of the Board of the Company
“China Insurance Rongxin Fund”	China Insurance Rongxin Private Fund Co., Ltd.
“CITIC Group”	CITIC Group Corporation
“Company”	China Huarong Asset Management Co., Ltd.
“Company Law”	the Company Law of the People’s Republic of China
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HKD and listed on the Main Board of the Hong Kong Stock Exchange
“HKD”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Huarong Consumer Finance”	Huarong Consumer Finance Co., Ltd.
“Huarong Securities”	Huarong Securities Co., Ltd.
“Huarong Exchange Center”	Huarong Zhongguancun Distressed Asset Exchange Center Co., Ltd.

DEFINITIONS

“Huarong Trust”	Huarong International Trust Co., Ltd.
“Huarong Xiangjiang Bank”	Huarong Xiangjiang Bank Corporation Limited
“IFRSs”	the International Accounting Standards (IAS), the International Financial Reporting Standards, amendments and the related interpretations issued by the International Accounting Standards Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“MOF”	the Ministry of Finance of the PRC
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the People’s Republic of China
“Share(s)”	share(s) of the Company, including domestic shares and H Shares
“Shareholder(s)”	holder(s) of the Shares of the Company
“Supervisor(s)”	the supervisor(s) of the Company
“%”	percent



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. Liu Zhengjun (*Chairman*)
Mr. Li Zimin (*President*)

Non-executive Directors:

Ms. Zhao Jiangping
Mr. Zheng Jiangping
Mr. Xu Wei
Mr. Tang Hongtao

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

29 May 2023

Dear Sir or Madam,

**GENERAL MANDATE GRANTED TO THE BOARD TO ISSUE
ADDITIONAL SHARES
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AND
NOTICE OF 2022 ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM to enable you to make informed decisions on whether to vote for or against the resolutions at the AGM.

2. MATTERS TO BE CONSIDERED AT THE AGM

Special resolution to be proposed at the AGM for the Shareholders to consider and approve includes: (1) the general mandate granted to the Board to issue additional shares.

Ordinary resolutions to be proposed at the AGM for the Shareholders to consider and approve include: (2) engagement of the accounting firms for 2023; (3) final financial account plan for 2022; (4) profit distribution plan for 2022; (5) work report of the Board for 2022; (6) work report of the Board of Supervisors for 2022; (7) external fund donation plan for 2023; (8) the re-election of Ms. Zhao Jiangping as the non-executive Director; (9) the re-election of Mr. Zheng Jiangping as the non-executive Director; (10) the re-election of Mr. Zhu Ning as the independent non-executive Director; (11) the re-election of Ms. Chen Yuanling as the independent non-executive Director; and (12) the election of Mr. Lo Mun Lam, Raymond as the independent non-executive Director.

The resolution to be proposed at the AGM for Shareholders' consideration only and not for their approval is: review of the work report of the independent non-executive Directors for 2022.

Details of the matters to be considered at the AGM are set out in the notice of AGM on pages 36 to 38 in this circular. In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make well-informed decisions, this circular provides detailed information regarding the matters to be considered at the AGM, including matters to be considered at the AGM (see Appendix I), general mandate of additional issuance of domestic Shares and/or H Shares (see Appendix II), work report of the Board for 2022 (see Appendix III), work report of the Board of Supervisors for 2022 (see Appendix IV), biographies of candidates for Directors (see Appendix V) and work report of the independent non-executive Directors for 2022 (see Appendix VI).

3. AGM

The Company will convene the AGM at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC on Wednesday, 28 June 2023 at 10:00 a.m. The notice of the AGM is set out in this circular.

In order to determine the list of H Share Shareholders who are entitled to attend the AGM, as well including the abovementioned closure dates, the Company will close the H Share Register of members from Friday, 23 June 2023 to Wednesday, 28 June 2023 (both days inclusive). H Share Shareholders who intend to attend the AGM shall deposit the share certificates together with the transfer documents at 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 before 4:30 p.m. on Wednesday, 21 June 2023. Shareholders whose names appear on the H Shares register of members of the Company at the close of business on Wednesday, 21 June 2023 are entitled to attend and vote at the AGM.

LETTER FROM THE BOARD

A proxy form for use at the AGM is enclosed herein and also published on the website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). H Share Shareholders who intend to attend the AGM by proxy shall complete and return the proxy form to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 24 hours before the time appointed for holding the AGM (i.e. before 10:00 a.m. on Tuesday, 27 June 2023) or any of its adjournment (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM if you so wish.

The voting at the AGM shall be by way of registered poll.

4. RECOMMENDATION

The Directors consider that all resolutions set out in the notice of AGM 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 favour of all the resolutions to be proposed at the AGM.

5. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regards to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this 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 circular or any statement herein misleading.

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

I. TO CONSIDER AND APPROVE THE GENERAL MANDATE GRANTED TO THE BOARD TO ISSUE ADDITIONAL SHARES

In order to further optimize the capital replenishment mechanism and structure of the Company, improve the efficiency of the relevant corporate governance procedures, fully utilize possible market opportunities, we hereby request the AGM to grant general mandates to the Board for the issuance of additional domestic shares and/or H Shares in combination with the relevant experience of peers, the main contents of which are as follows:

- (I) to grant a mandate to the Board to separately or jointly issue, allot or dispose additional Shares of the domestic shares and/or H Shares of the Company, with the number of Shares not exceeding 20% of the respective numbers of the Company's issued domestic shares or H Shares at the date of approval by the shareholders' general meeting;
- (II) to grant a mandate to the Board to increase the Company's registered share capital as and when it thinks appropriate and make corresponding amendments to the Articles of Association in order to reflect the new equity structure after the issuance or allocation of shares;
- (III) to grant a mandate to the Board to determine the specific issuance timing, limit for single issuance, method(s) and target(s) of issuance, use of proceeds and other matters that may be related to the additional issuance; and
- (IV) to grant a mandate to the Board, and the Board to grant a mandate to the Chairman, president and other persons that can be authorized in accordance with relevant laws, administrative regulations and the Articles of Association to deal with matters relating to the issuance of shares under the general mandate.

Details of the above mandates are set out in the Appendix II of the circular.

The above resolution has been considered and approved by the Board, and is hereby submitted to the AGM for consideration.

II. TO CONSIDER AND APPROVE THE ENGAGEMENT OF THE ACCOUNTING FIRMS FOR 2023

According to the Administrative Measures for State-owned Enterprises and Listed Companies to Select and Appoint Accounting Firms (Cai Kuai [2023] No. 4) issued by the MOF and other relevant requirements, in order to maintain the consistency of the annual audit work, the Company proposed to re-engage Ernst & Young Hua Ming LLP and Ernst & Young as the domestic and overseas auditors of the Company for 2023 so as to provide services for annual audit and interim review on the consolidated financial statements of the Company and the Group. The audit fee amounted to RMB11.97 million in total, and the Board was authorized to confirm the adjustment of the audit fee.

The above resolution has been considered and approved by the Board, and is hereby submitted to the AGM for consideration.

III. TO CONSIDER AND APPROVE THE FINAL FINANCIAL ACCOUNT PLAN FOR 2022

Pursuant to the 2022 consolidated financial statements and audit report prepared according to the IFRSs, the final financial accounts of the Group for 2022 are hereby reported as follows:

(I) Overall Operating Results

In 2022, the Group recorded a total income of RMB37,264 million from continuing operations, representing a decrease of 45.3% as compared with last year; a total expense of RMB75,063 million from continuing operations, representing an increase of 16.8% as compared with last year; a loss of RMB27,786 million for 2022, of which the loss attributable to the shareholders of the Company amounted to RMB27,581 million.

As of 31 December 2022, the total assets of the Group amounted to RMB955,326 million, representing a decrease of 39.1% as compared with the end of last year; the total liabilities amounted to RMB906,947 million, representing a decrease of 38.1% as compared with the end of last year; the total equity amounted to RMB48,379 million, representing a decrease of 53.5% as compared with the end of last year; the equity attributable to equity holders of the Company amounted to RMB47,027 million, representing a decrease of 20.8% as compared with last year.

The major operating results are set out in the following table:

Table 1: Major operating results

Item	In millions of RMB	
	2022	2021
Total assets	955,326.0	1,568,421.8
Total liabilities	906,946.6	1,464,437.4
Total equity	48,379.4	103,984.4
Equity attributable to equity holders of the Company	47,026.9	59,343.9
Total income from continuing operations	37,264.0	68,093.9
(Loss)/profit before tax from continuing operations	(37,116.3)	1,718.5
Net (loss)/profit	(27,786.3)	1,986.1
Net (loss)/profit attributable to equity holders of the Company	(27,581.1)	378.5

(II) Major Financial Income and Expenses

1. Total Income

In 2022, the Group recorded a total income of RMB37,264 million from continuing operations, representing a decrease of 45.3% as compared with last year. In particular, income from distressed debt assets amounted to RMB22,779 million, representing a decrease of 18.9% as compared with last year; the fair value changes on distressed debt assets and other financial assets and liabilities were RMB-5,448 million in total, representing a decrease of 431.5% as compared with last year; the interest income was RMB11,225 million, representing a decrease of 17.4% as compared with last year; dividend income was RMB914 million, representing a decrease of 14.0% as compared with last year; other income and other net gains or losses were RMB6,490 million, representing an increase of 133.7% as compared with last year.

2. Total Expenses

In 2022, the total expenses on continuing operations of the Group amounted to RMB75,063 million, representing an increase of 16.8% as compared with last year. In particular, the interest expenses amounted to RMB37,065 million, representing a decrease of 13.2% as compared with last year; the commission and fee expense were RMB594 million, representing an increase of 184.9% as compared with last year; the operating expenses were RMB6,839 million, representing a decrease of 9.2% as compared with last year; the impairment losses under ECL model were RMB29,381 million, representing an increase of 122.3% as compared with last year; and the impairment losses on other assets were RMB1,184 million, representing an increase of 95.9% as compared with last year.

The major financial income and expenses are set out in the following table:

Table 2: Major financial income and expenses

In millions of RMB

Item	For the year ended 31 December	
	2022	2021
Income from distressed debt assets	22,779.1	28,077.2
Fair value changes on distressed debt assets	5,709.8	6,464.5
Fair value changes on other financial assets and liabilities	(11,158.2)	11,599.3
Interest income	11,225.4	13,592.1
Finance lease income	1,056.3	2,040.9
Gains from derecognition of financial assets measured at amortised cost	16.1	1,228.0
(Losses)/gains from derecognition of debt instruments at fair value through other comprehensive income	(591.4)	265.7
Commission and fee income	233.5	413.9
Net gains on disposals or deemed disposals of subsidiaries, associates and joint ventures	589.0	571.7
Dividend income	914.3	1,063.2
Other income and other net gains or losses	6,490.1	2,777.4
Total income from continuing operations	37,264.0	68,093.9
Interest expenses	(37,064.5)	(42,679.8)
Commission and fee expense	(593.8)	(208.4)
Operating expenses	(6,839.4)	(7,533.0)
Impairment losses under ECL model	(29,381.0)	(13,214.6)
Impairment losses on other assets	(1,184.4)	(604.6)
Total expenses on continuing operations	(75,063.1)	(64,240.4)
Change in net assets attributable to other holders of consolidated structured entities	352.9	(2,269.7)
Share of results of associates and joint ventures	329.9	134.7
(Loss)/profit before tax from continuing operations	(37,116.3)	1,718.5
Income tax credit/(expense)	3,734.8	(4,211.9)
Loss after tax from continuing operations	(33,381.5)	(2,493.4)
Profit after tax from discontinued operations	5,595.2	4,479.5
(Loss)/profit for the year	(27,786.3)	1,986.1
Attributable to:		
Equity holders of the Company	(27,581.1)	378.5
Holder of perpetual capital instruments	531.1	1,219.2
Non-controlling interests	(736.3)	388.4

(III) Financial Position

As of 31 December 2022, the total assets of the Group amounted to RMB955,326 million, representing a decrease of RMB613,096 million as compared to the end of last year. In particular, the balance of assets from three segments including distressed asset management, financial services, and asset management and investment amounted to RMB710,394 million, RMB107,095 million, RMB212,631 million, respectively, representing a decrease of RMB91,742 million, RMB481,438 million and RMB41,637 million, respectively, from the end of last year.

As of 31 December 2022, the total equity of the Group amounted to RMB48,379 million, representing a decrease of RMB55,605 million as compared to the end of last year. Equity attributable to equity holders of the Company reached RMB47,027 million, representing a decrease of RMB12,317 million as compared to the end of last year.

Total assets of each segment are set out in the following table:

Table 3: Total segment assets

In millions of RMB, except for percentages

Segment	2022		2021	
	Total assets	Percentage	Total assets	Percentage
Distressed asset management	710,394.2	75.6%	802,135.8	51.9%
Financial services	107,094.8	11.4%	588,533.1	38.1%
Asset management and investment	212,630.5	22.6%	254,267.0	16.5%
Inter-segment elimination	(90,653.9)	(9.6%)	(99,428.2)	(6.4%)
Total segment assets	939,465.6	100.0%	1,545,507.7	100.0%

The above resolution has been considered and approved by the Board, and is hereby submitted to the AGM for consideration.

IV. TO CONSIDER AND APPROVE THE PROFIT DISTRIBUTION PLAN FOR 2022

According to the Company's and consolidated audited financial report for 2022, the profit distribution plan for 2022 is reported as follows:

Upon the audit of Ernst & Young Hua Ming LLP, the net loss of the parent company for 2022 amounted to RMB26,138 million. In accordance with the Company's actual situation and the relevant requirements of the Company Law and the Articles of Association, no statutory surplus reserve, any surplus reserve and general risk reserve will be withdrawn for the year. With the addition of the accumulated undistributed profit in the previous period of RMB-51,185 million and undistributed profit carried forward from other comprehensive income of RMB180 million, the accumulated distributable profit of the parent company amounted to RMB-77,143 million as of 31 December 2022.

In accordance with the relevant requirements of the Company Law and the Articles of Association, the Company proposes not to make profit distribution for 2022, nor to convert capital reserves into shares or make other distribution based on the actual situation of the Company's current operation and development.

The above resolution has been considered and approved by the Board, and is hereby submitted to the AGM for consideration.

V. TO CONSIDER AND APPROVE THE WORK REPORT OF THE BOARD FOR 2022

In accordance with the regulatory requirements and the Articles of Association, and based on the actual work of the Board in 2022, the Company formulated the work report of the Board for 2022. The text of the report is set out in Appendix III to this circular.

The above resolution has been considered and approved by the Board, and is hereby submitted to the AGM for consideration.

VI. TO CONSIDER AND APPROVE THE WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2022

In accordance with the regulatory requirements and the Articles of Association, and based on the actual work of the Board of Supervisors in 2022, the Company formulated the work report of the Board of Supervisors for 2022. The text of the report is set out in Appendix IV to this circular.

The above resolution has been considered and approved by the Board of Supervisors, and is hereby submitted to the AGM for consideration.

VII. TO CONSIDER AND APPROVE THE EXTERNAL FUND DONATION PLAN FOR 2023

To thoroughly implement the spirit of General Secretary Xi Jinping's important instructions on central government agencies making further efforts in the targeted poverty alleviation and the requirements of Opinions of the Central Committee of the Communist Party of China and the State Council on Better Implementation of the Key Work of Comprehensively Promoting Rural Revitalisation in 2023 (《中共中央國務院關於做好2023年全面推進鄉村振興重點工作的意見》), in 2023, the Company will continue to carry out the targeted poverty alleviation and other work by the central government agencies. In 2023, the Company will consolidate RMB3 million of the external fund donation plan, of which the parent company will contribute RMB1.5 million and the subsidiaries will contribute RMB1.5 million. We propose to submit to the AGM to grant authorities to the Board, and for the Board to grant to the president, and for the president to grant to other persons to deal with the specific matters for the use of donation fund for 2023 within the donation amount of the Company.

The above resolution has been considered and approved by the Board, and is hereby submitted to the AGM for consideration.

VIII. ELECTION OF THE NON-EXECUTIVE DIRECTORS AND INDEPENDENT NON-EXECUTIVE DIRECTORS

Reference is made to the announcement of the Company dated 25 May 2023 in relation to the proposed election of Directors. In accordance with the Company Law and other laws and regulations and the Articles of Association, the terms of certain Directors of the Board will expire at the end of June 2023. To ensure smooth implementation of work of the Board, the Board proposes to elect five candidates to serve as Directors of the Company, including two non-executive Directors and three independent non-executive Directors, details of which are as follows:

1. The re-election of Ms. Zhao Jiangping as the non-executive Director of the Company;

2. The re-election of Mr. Zheng Jiangping as the non-executive Director of the Company;
3. The re-election of Mr. Zhu Ning as the independent non-executive Director of the Company;
4. The re-election of Ms. Chen Yuanling as the independent non-executive Director of the Company;
5. The election of Mr. Lo Mun Lam, Raymond as the independent non-executive Director of the Company.

According to the relevant provisions in the Articles of Association, the terms of office of Mr. Liu Zhengjun and Mr. Li Zimin as executive Directors, and of Mr. Xu Wei and Mr. Tang Hongtao as non-executive Directors of the Company, have not expired, and such Directors will continue to perform their duties.

According to the relevant provisions in the Guidelines for Corporate Governance of Banking and Insurance Institutions and the Articles of Association, the cumulative term of office of an independent non-executive Director in the Company shall not exceed six years. Both Mr. Tse Hau Yin and Mr. Shao Jingchun have served as the independent non-executive Directors of the Company for six years, and have submitted their resignations to the Board in March 2021 and November 2022, respectively, by which they will cease to be candidates for independent non-executive Directors. In order to ensure that the composition of the Board and the relevant special committees of the Board is in compliance with the relevant laws, regulations and regulatory requirements, their resignations will take effect from the date on which the new independent non-executive Director(s) elected at the general meeting of Shareholders of the Company formally assume his/her/their duty(ies). During this period, they will continue to perform their duties as independent non-executive Directors and the chairmen and members of the relevant special committees of the Board.

The candidates for Directors in this election meet the conditions of qualification as Directors required by the relevant laws and regulations as well as the Article of Association. The Board agrees to submit the above-mentioned candidates to the general meeting of Shareholders of the Company for consideration. The Directors shall have a term of three years and are eligible for re-election upon the expiration of the term. The Directors re-elected shall continue to perform their duties since the relevant resolutions are considered and approved by the general meeting of Shareholders of the Company, and the new Director shall perform his duty since the relevant resolution is considered and approved by the general meeting of Shareholders of the Company and his qualification as Director is approved by the regulatory authorities.

The biographies of the above-named candidates for Directors are set out in Appendix V of this circular.

Save as disclosed in the biographies, each of the candidates for Directors has confirmed that he/she: (i) does not have any relationship with any of the Directors, Supervisors, senior management, substantial Shareholders or controlling Shareholders of the Company; (ii) does not have any interest in any Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); (iii) is not in possession of any information that is required to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules, nor is he/she involved or has been involved in any activity that shall be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules; (iv) did not hold any directorship in any other listed companies or hold any position in any members of the Group in the last three years; and (v) has no other issues that shall be brought to the attention of the Shareholders of the Company.

The non-executive Directors will not receive any remuneration from the Company and the independent non-executive Directors will receive remuneration from the Company according to the remuneration standard for the independent non-executive Directors adopted by the general meeting of Shareholders of the Company. The remuneration settlement plan will be submitted to the general meeting of Shareholders of the Company for consideration and approval after being considered according to relevant procedures. Details of the remuneration of Directors of the Company are available in the Company's annual report.

For the proposed election of Mr. Zhu Ning, Ms. Chen Yuanling and Mr. Lo Mun Lam, Raymond as the independent non-executive Directors, the Nomination and Remuneration Committee under the Board and the Board have complied with the requirements of Articles of Association and the Board diversification policy of the Company. The Nomination and Remuneration Committee under the Board nominated Mr. Zhu Ning, Ms. Chen Yuanling and Mr. Lo Mun Lam, Raymond as candidates for independent non-executive Directors based on such conditions as their professional experience, skills and knowledge, the possibility of such candidates for independent non-executive Directors to enhance the operation efficiency of the Board, and the available time of such candidates for independent non-executive Directors devoted to the Company. These resolutions are considered by the Board and submitted to the general meeting of Shareholders of the Company for election and decision.

Mr. Zhu Ning, Ms. Chen Yuanling and Mr. Lo Mun Lam, Raymond have professional knowledge in finance, law, financial accounting and other aspects, and all of them have rich working experience in relevant fields and extensive experience as directors of listed companies. The Board believes that Mr. Zhu Ning, Ms. Chen Yuanling and Mr. Lo Mun Lam, Raymond will provide objective, independent and sufficient opinions and analysis on finance, law, market operations, corporate management and other aspects through their extensive experience and knowledge, and that they will also promote the diversity of the Board structure in various aspects including gender, culture, professional skills and qualifications.

The Nomination and Remuneration Committee under the Board and the Board have also assessed the independence of Mr. Zhu Ning, Ms. Chen Yuanling and Mr. Lo Mun Lam, Raymond in accordance with the independence standards set out in Rule 3.13 of the Listing Rules and considered that they do not have any other current and prior relationship with any of the Directors, senior management members, substantial Shareholders or controlling Shareholders of the Company, and therefore confirmed that they are all independent persons.

The above resolutions have been considered and approved by the Board, and are hereby submitted to the AGM for consideration.

GENERAL MANDATE OF ADDITIONAL ISSUANCE
OF DOMESTIC SHARES AND/OR H SHARES

I. CONTENTS OF THE MANDATE

- (I) To grant a mandate to the Board to determine whether to issue additional domestic shares and/or H Shares of the Company, after taking into account the market conditions and the needs of the Company, with the number of shares not exceeding 20% of the respective numbers of the Company's issued domestic shares or H Shares at the date of passing this resolution by the general meeting of shareholders.
- (II) Particulars of the mandate include but are not limited to:
1. Generally and unconditionally to grant a mandate to the Board to separately or jointly issue, allot or dispose domestic shares and/or H Shares (the "New Shares") during the Relevant Period (as defined below) in accordance with the Company Law and the regulatory requirements of the jurisdictions in which the Shares of the Company are listed (as amended from time to time) based on the market conditions and the needs of the Company, after obtaining the approval of the relevant PRC government departments. The number of the New Shares to be allotted and issued (whether pursuant to a share option or otherwise) shall not exceed 20% of the respective numbers of the Company's issued domestic shares or H Shares at the date of passing this resolution by the general meeting of shareholders.
 2. To grant a mandate to the Board to exercise all the powers of the Company, to determine the terms and conditions for the allotment and issuance of the New Shares, which include the following:
 - (1) the class and number of the New Shares to be allotted and (or) issued;
 - (2) issuance method;
 - (3) the target of the issuance and the use of proceeds raised;
 - (4) pricing method and (or) the issue price (including the price range and the final price) of the New Shares;
 - (5) the commencing and closing dates of the issuance;
 - (6) the class and number of the New Shares to be issued to existing shareholders; and
 - (7) the making or granting of offers for sale, agreements and options which may require the exercise of such powers.

3. To grant a mandate to the Board to execute necessary documents, to complete the necessary formalities and to take other necessary actions in order to complete the allotment, issuance and listing of the New Shares, provided that there is no violation of the relevant laws, administrative regulations, the regulatory requirements of the jurisdictions in which the Shares of the Company are listed and the Articles of Association, including but not limited to:
 - (1) to engage intermediaries related to the issuance, to consider, approve and execute, on behalf of the Company, the agreements and documents in relation to the issuance, including but not limited to the placing underwriting agreement and engagement agreement of intermediaries;
 - (2) to consider, approve and execute, on behalf of the Company, legal documents in relation to the issuance which shall be submitted to the relevant regulatory authorities, and to fulfill the relevant approval processes according to the requirements of the regulatory authorities and the jurisdictions in which the Shares of the Company are listed and to carry out necessary procedures including filing, registration and recording with the relevant government departments in mainland China and/or Hong Kong and/or any other regions and jurisdictions (if applicable);
 - (3) to amend the relevant agreements and legal documents mentioned in (1) and (2) above in accordance with the requirements of domestic and overseas regulatory authorities; and
 - (4) to approve and execute all necessary, appropriate, desirable or relevant acts, deeds, documents and other related matters in relation to the issuance.
4. Subject to the approval of the relevant PRC authorities and in accordance with the Company Law, to grant a mandate to the Board to increase the registered capital of the Company to the required amount pursuant to the method, class and number of the allocation of New Shares and the actual condition of the Company's shareholding structure upon the completion of issuance, and take any other required actions and procedures to handle changes in registered capital (including, but not limited to, obtaining the approval from relevant regulatory authorities and performing filing procedures for industrial and commercial registration, etc.).
5. To grant a mandate to the Board to make amendments to the Articles of Association as appropriate and necessary pursuant to the method, class and number of the allocation of New Shares as well as the actual condition of the Company's equity structure after the issuance, in order to reflect the changes in the share capital structure, the registered share capital and any other changes of the Company caused by this mandate, and take any other required actions and fulfil the required procedures for the changes in registered share capital (including, but not limited to, obtaining approval from relevant regulatory authorities and performing filing procedures for industrial and commercial registration, etc.).

(III) Other than the proposals and agreements on share selling made and the share options granted by the Board for the issuance of domestic shares and/or H Shares during the Relevant Period, and further advance of such proposals and agreements on share selling or exertion of share options that may be needed upon completion of the Relevant Period, the above mandates shall be within the Relevant Period. The Relevant Period means the period from the date of passing this resolution by the 2022 AGM to the earliest of the following three dates:

1. the end day of the Company's 2023 shareholders' general meeting;
2. the expiration date of twelve months from the date on which this resolution is approved at the 2022 AGM; or
3. the date on which the authorization granted under this resolution is withdrawn or amended by a special resolution of the shareholders of the Company at the shareholders' general meeting.

The Board may exercise the authorization above only in accordance with the Company Law, the Securities Law, the Listing Rules or all applicable laws, regulations and provisions of any other government or regulatory authorities and with the approval of the relevant government authorities.

II. RELATED AUTHORIZATION MATTERS

In order to improve the decision-making efficiency, reduce internal approval procedures and seize market opportunities, it is proposed to the shareholders' general meeting to authorize the Board, and the Board to authorize the Chairman, president and other persons that can be authorized in accordance with relevant laws, administrative regulations and the Articles of Association to deal with matters relating to the issuance of shares under the general mandate.

WORK REPORT OF THE BOARD FOR 2022

2022 was a milestone year in the development history of China Huarong Asset Management Co., Ltd. (the “**Company**”), the Company joined CITIC Group as approved by the Communist Party of China Central Committee and the State Council and initiated a new stage of development. Over the past year, the Board of the Company resolutely implemented the national economic and financial policies, strictly complied with laws, regulations and regulatory requirements and earnestly performed the authorization granted by the general meeting of Shareholders. Grounded on the new development stage, the Company was fully integrated into the overall development of CITIC Group, implemented the new development philosophy and adhered to focusing on the main responsibility and core business. Efforts were made to deepen the system and mechanism reform, prevent and mitigate risks, improve corporate governance and consolidate the internal management foundation, achieving a steady transition without substantially changing the pattern, staff force and operations, and the solid progress has been made in promoting high-quality development.

Following is the report on the main work of the Board of Directors of the Company in 2022:

I. ENHANCING STRATEGIC GUIDANCE TO PROMOTE REFORM AND DEVELOPMENT OF THE COMPANY

(I) Focus on Main Responsibilities and Core Business and Serve National Development Strategies

Committed to serving national strategies, the Board of Directors of the Company took serving real economy as the starting point and ultimate goal of the transformation and development of the Company, stepped up disposal of distressed assets, accelerated the transformation of business model and optimized the industry layout. These efforts continuously laid a solid foundation for the Company to effectively play its role of the national team and main force in the field of financial asset management. **Firstly**, we improved the quality and efficiency in disposing of distressed assets to resolve financial risks. The Company was actively and prudently involved in the acquisition of distressed asset packages, especially the assets that could be revitalized through restructuring, expedited asset disposal through refined management and classified policies, formulated targeted conservation strategies and explored ways to enhance asset value. **Secondly**, we sped up restructuring business transformation and gave play to the financial rescue function. The Company optimized business structure, actively adopted restructuring approaches to revitalize assets, and increased investment in substantive restructuring business; active efforts were made to expand key business areas, take advantage of opportunities from the “large distressed” business area, and promote business development in fields such as bankruptcy restructuring, reform of state-owned enterprises, relief for the real estate sector, and risk resolution by small and medium-sized financial institutions through reforms. **Thirdly**, we propelled structural improvement in special situations investment business and contributed strength to the transformation and upgrading of the real economy. Focusing on new energy, new materials, advanced manufacturing (intelligent manufacturing, high-end assembly), information technology, security and national defense & military, biotechnology and medical care, basic industries covered by national strategies and other special situations investment businesses, the Company enhanced its presence in the Beijing-Tianjin-Hebei region, the Yangtze River Delta region, the Pearl River Delta region and the Chengdu-Chongqing Economic Circle and served key customers such as central government-owned enterprises, state-owned enterprises and leading private enterprises in support of major national development strategies and development of the real economy.

(II) Formulate Development Plans and Map out a Blueprint for Reform and Development

The period from 2022 to 2025 is an important period for China to further implement its “14th Five-Year” Plan and start on a new journey of fully building a socialist modern country, and also a crucial period for the Company to consolidate the foundation, seek progress while maintaining stability, improve quality and efficiency, and boost high-quality development after joining CITIC Group. To clarify the development goal and implementation approach, the Board of the Company studied and worked out the “14th Five-Year” Development Plan of China Huarong Asset Management Co., Ltd. based on in-depth assessments of the internal and external situation, the development trend of the industry and internal resource endowments, in alignment with China’s “14th Five-Year” Plan and closely following CITIC Group’s “Five-Five-Three” strategy. During the planning period, the Company will undertake the development mission of “implementing national strategies, serving the real economy and mitigating financial risks”, adhere to the development prospect of “focusing on the core business of distressed assets and building a first-class financial asset management company”, bring into play the functions of the four major businesses of “disposal of problematic assets, revitalization of problematic projects, restructuring of problematic enterprises and relief of crisis institutions”, and strive to achieve the “One-Three-Five” strategic goals of “getting on the right track in one year, significantly improving quality and efficiency in three years and becoming an industry benchmark in five years”.

(III) Deepen the Reform in Key Areas to Stimulate Endogenous Development Momentum

The Board of Directors of the Company has focused on solving the deep-seated problems relating to systems and mechanisms, urged the senior management to accelerate the downsizing of organizations, optimized the institutional setup, strengthened building of the talent team and improved the incentive and restraint mechanism, so as to lay a solid foundation and create important conditions for the new development stage of the Company. **Firstly**, the Company has made solid progress in downsizing of organizations. The Company has completed the transfer of equity and overall transfer of Huarong Consumer Finance, Huarong Securities, Huarong Xiangjiang Bank, Huarong Trust and other financial subsidiaries, and the consolidated total assets and liabilities of the Company were reduced to less than RMB1 trillion as expected. **Secondly**, the Company steadily pushed forward institutional reform. It made an overall plan for its institutional reform based on the principles of “bolstering the headquarters, emphasizing the front office, expanding the market and mitigating risks” and the goals of “streamlining institutions, highlighting the core business, simplifying processes and strengthening the management and control”. **Thirdly**, the Company implemented the plan of developing the enterprise by talent management. It guided the formulation of the “14th Five-Year” Talent Development Plan, coordinated the building of the management talent, professional talent and party building talent teams of the Company, and focused on cultivating two types of key talents, namely young management talents and young backbone talents, so as to provide talent security for the Company’s transformation and development. **Fourthly**, the Company deepened the reform of incentive and restraint mechanisms. The Company established a scientific and reasonable indicator system for business performance appraisal, focused on the strategic goal of “breakthrough and transformation”, and guided the operating units to concentrate on mitigating risks while taking into account business transformation and innovative development. It optimized the performance-based salary structure and enhanced the linkage between performance and salaries.

II. COORDINATING DEVELOPMENT AND SAFETY AND STRENGTHENING THE FOUNDATION FOR INTERNAL MANAGEMENT

(I) Accelerate Risk Resolution and Hold the Bottom Line of Risk

The Board of Directors of the Company adhered to the concept of “revenue creation based on effective risk management” and urged the senior management to intensify efforts for the disposal of stock risks, improve the mechanism for prevention and control of incremental risks, and firmly hold the bottom line of liquidity safety, in order to ensure sustainable and sound operation of the Company. **Firstly**, the Company strengthened the building of a comprehensive risk management system. With reference to the comprehensive risk management system of CITIC Group, the Company formulated and implemented the risk management work plan for 2022, continued to be prudent in formulating risk appetite policies and risk limit schemes, and enhanced supervision over implementation and implementation of transmission. **Secondly**, the Company carried out risk investigations, got a clear picture of the quality of assets and consolidated the foundation of operation and management; further advanced the resolution of stock risks, formulated a three-year disposal plan, paid close attention to the risk resolution of key projects, made efforts to “mitigate challenging risks” and improved the effectiveness of risk disposal. **Thirdly**, the Company improved the management mechanism for authorization and customer limit, set strict requirements for business access and review and approval, and established a mechanism for suspending projects with risks to effectively prevent project risks; improved the later-stage management system, conducted special inspections on collaterals and later-stage visits, and strengthened monitoring and supervision over the work of strictly preventing assets quality from deterioration; established the mechanism for conclusion and introspection of risk projects, and summed up and drew lessons to improve the management mechanism. **Fourthly**, the Company made every effort to ensure the stable financing of the parent company, innovated the financing channels and reduced financing costs; reinforced the liquidity management of subsidiaries and solidified the main responsibility of subsidiaries.

(II) Strengthen Internal Management and Consolidate the Foundation of Compliant Operation

The Board of the Company strictly complied with the regulatory requirements, continuously improved the long-term mechanism of internal control and compliance, continued to play the role of internal and external supervision and promoted the consolidation of the foundation of compliant operation to provide a strong guarantee for the safe and stable development. **Firstly**, the level of internal control and compliance management has been improved. The Board enhanced the top-level design of system management, developed and implemented system improvement plans, and streamlined and integrated operational and management systems. The internal control management tools become more efficient by strengthening internal control process management and sorting out internal control processes for business and management activities. The Board pushed forward the rectification of regulatory opinions and audit management proposals, and optimized the existing accountability system and the operating mechanism of the Accountability Committee. Multiple measures were taken to step up compliance publicity and education, build up the philosophy of compliance by all employees, and foster a prudent operation compliance culture. **Secondly**, it made great efforts in economic responsibility audits and special audits on anti-money laundering, related party transactions, bad debt write-off, credit compliance and information security management, information technology and remuneration, organized audit supervision in the areas of internal control and case prevention, deeply advanced the application of audit results, solidified the responsibilities of all parties and kept track of the rectification results to further improve the comprehensive effectiveness of audit supervision. **Thirdly**, it strengthened the

quality and effectiveness of related party transaction control. The related party transactions system was refined by revising three policies on the management of related party transactions and clarifying the requirements for related party transactions. The Board optimized the examination and approval procedures, completed the corporate governance approval procedures involved in the continuing related party transactions plan between the Company and CITIC Group, signed the framework agreement and improved the approval efficiency of synergic business; it urged the senior management to implement the regulatory requirements, standardized the examination and approval and disclosure procedures for material related party transactions, and regularly reviewed the management of related party transactions and related parties.

(III) Enhance Technology Empowerment and Boost Digital Transformation

With a strong emphasis on the information technology empowerment, the Board of the Company impelled the Company to take advantage of opportunities from digital transformation, continuously improved the information blueprint, optimized the information security system, tamped the foundation of data governance, and improved the effectiveness of technology products and the endogenous technology mechanism to enhance the Company's innovation and development capability. **Firstly**, it improved the technology governance system, formulated a technology strategic plan, and established the construction goal of "Digital Huarong". It guided the study on the outline plan for technology support and business empowerment, and continuously intensified the construction of systems for core business, risk control, finance and audit information, with the aim of improving the business capability through the technology capability. **Secondly**, it consolidated the data governance capability. The data governance system was initially established and data standards were sorted out and released, the data governance platform was built, and system data covering business, risk, finance and other aspects could be centrally stored through the Company's data warehouse, laying a foundation for data sharing and application. **Thirdly**, it promoted the construction and application of the information system. With the support of the Board, the assets promotion mobile platform "China Huarong • Rong Yi Tao" (中國華融 • 融易淘) was launched, and the asset preservation system, the statistical information platform, the new expense reimbursement system and other systems of the Company were constructed to further improve management efficiency. **Fourthly**, it reinforced the infrastructure and network security capability. With the completion of the construction and relocation of the data centers, the "one location, two centers" structure was formed for Guodian Production Data Center (國電生產數據中心) and Jindian Disaster Recovery Data Center (金電災備數據中心) to continuously improve network security protection capabilities.

III. STRENGTHENING CORPORATE GOVERNANCE TO ENSURE STANDARDIZED PERFORMANCE OF DUTIES AND SCIENTIFIC DECISION-MAKING BY THE BOARD

(I) Optimize the Corporate Governance Mechanism and Improve the Decision-making and Implementation System

The Board of the Company continued to improve the corporate governance system and enhance the scientificity, stableness and effectiveness of corporate governance to ensure standardized and efficient corporate governance. **Firstly**, it promoted the in-depth integration of the Party's leadership and corporate governance. It improved the communication mechanism before, during and after events between the Party organization and the governance body of "three boards, one management", clarified the scope and decision-making process of major operation and management matters, and promoted the Party organization and the "three boards, one management" to perform their duties, effectively check and balance and coordinate operation. **Secondly**, it completed the amendments to the Articles

of Association according to the changes of the equity structure and registered capital after the capital increase and introduction of strategic investment. At the same time, it strengthened the docking of the rules of procedures of the Board and corporate governance procedures with CITIC Group to further improve the level of corporate governance. **Thirdly**, it carried out “look back” work at the corporate governance evaluation. The Board attached great importance to the assessment results of corporate governance by the CBIRC, urged the Company to implement the rectifications in respect of the construction of “three boards, one management”, group management and control, risk management, internal control and audit supervision and other aspects, reviewed the rectification results, promoted the Company to improve the long-term mechanism, intensified efforts in system implementation, strengthened corporate governance capacity and consolidated the foundation for high-quality development.

(II) Standardize the Operation of the Board of Directors to Ensure Compliant and Highly-effective Decisions

The Company continuously strengthened the construction of the Board, deepened the overall arrangements of meetings of the Board of Directors and special committees, and strengthened pre-meeting communication and overseeing of implementation to ensure the decisions are highly effective and in compliance with regulations and the resolutions are implemented in an effective manner. **Firstly**, as recommended by substantial shareholders, i.e. CITIC Group and China Insurance Rongxin Fund, it standardized the procedures for the nomination, selection and appointment of Directors, further improved professional strength of the Board, adjusted the composition of the special committees under the Board accordingly, and optimized the structure of the special committees under the Board. **Secondly**, under the new equity structure, it improved the working mechanism of proposal deliberation according to the working requirements of Directors, strengthened the overall coordination and planning of meetings, advanced the time of proposal submission for review and strictly controlled the quality of proposals to ensure that the proposals were fully deliberated and studied and improved the deliberation efficiency of the Board and special committees. In 2022, the Board of Directors convened 7 shareholders’ general meetings to consider and hear 24 proposals and reports, 16 Board meetings to consider and hear 85 proposals and reports, and 36 meetings of special committees under the Board to hear 95 proposals and reports. **Thirdly**, the Company strengthened the overseeing and implementation. It established ledgers for overseeing directors’ opinions, carried out cancelation management, followed up the implementation by the responsible departments throughout the process, and promptly provided feedback to the Board of Directors to ensure that the opinions and suggestions are implemented in a timely manner.

(III) Enhance the Directors’ Ability to Perform Duties and Give Full Play to Professional Advantages

The Company focused on enhancing the ability of Directors to perform their duties to ensure that the members of the Board give full play to their professional edge and further improve their decision-making ability. **Firstly**, the Company kept the Directors well informed by inviting them to attend various work meetings and senior management meetings, in a bid to provide a strong basis for their scientific decision-making. **Secondly**, the Company supported the Directors to conduct in-depth surveys. In order to provide the Board with sound basis for scientific decision-making, the Directors of the Company carried out surveys on operation departments and grass-root units, focusing on the priorities of the Company, including implementing the development strategies, concentrating on the main responsibility and core business, preventing and mitigating risks, managing subsidiaries and other issues, put forward strategic opinions and suggestions, constantly improved the pertinence and effectiveness of the surveys and convertibility of the results. **Thirdly**, the Company actively

organized training programs for Directors. In 2022, the Directors of the Company, in full compliance with the Listing Rules and relevant regulatory requirements, attended the advanced seminar on corporate regulation for the companies listed outside of China held by the Hong Kong Chartered Governance Institute, as well as in-house training on relevant topics, in a bid to further improve their expertise and ability to perform their duties.

IV. PAYING ATTENTION TO THE RIGHTS AND INTERESTS OF STAKEHOLDERS AND ACTIVELY FULFILLING SOCIAL RESPONSIBILITIES

(I) Improve Shareholder Governance and Safeguard Shareholders' Rights and Interests

The Board of Directors of the Company honored its commitment to the Hong Kong Stock Exchange and shareholders by completing the full circulation of shares, restoring the public share ratio, and continuing to improve the shareholder governance mechanism, strengthen equity management and safeguard the rights and interests of shareholders. **Firstly**, it assisted the shareholders, China Cinda, Social Security Fund and ICBC Investment, to convert their 8,358 million Domestic Shares into H Shares, which restored the Company's public share ratio to 28.64%, met the requirements of the Hong Kong Listing Rules, further expanded the circulation of the Company's H Shares and enhanced the liquidity of the Company's shares. **Secondly**, it strengthened the equity management. The Company adopted proactive equity management measures, maintained communication in a high-frequent manner with substantial shareholders, conducted regular equity self-examinations, kept abreast of changes in substantial shareholders' shareholdings and other important matters, and further strengthened the regular management of shareholders' shareholding behaviors.

(II) Protect Stakeholders and Fulfill Corporate Responsibilities

In strict compliance with the laws, regulations and regulatory requirements at home and abroad, the Board of Directors of the Company urged the Company to conscientiously fulfill its information disclosure obligations, strengthened investor relations management to protect the legitimate rights and interests of shareholders and creditors. **Firstly**, it conscientiously conducted information disclosure in accordance with laws and regulations. It strictly complied with laws and regulations at home and abroad, standardized the performance of information disclosure obligations, issued periodic reports and extraordinary announcements with no misstatements, misleading representations or material omissions in a timely and accurate manner, and completed regulatory inquiries and statutory reporting on time. Meanwhile, it conscientiously conducted insider management to prevent insider trading and effectively protect the legitimate interests of shareholders. **Secondly**, it strengthened investor relations management. It organized annual and interim results conferences to respond positively to market concerns, communicate frankly with analysts, investors and media present at the conference, and convey positive signals that the Company has achieved a smooth transition after reform and reorganization and accelerated transformation and development; it paid attention to communication with shareholders, stabilized market expectations and enhanced investor confidence through various forms such as issuing answers to reporters' questions, responding to calls and letters from institutions and retail investors. **Thirdly**, it strengthened the protection of the interests of creditors. The Company paid the due financing principal and interest on schedule without any default; it actively cooperated with creditors to carry out due diligence and post-loan management, and fully disclosed relevant information in a timely manner to protect the legitimate rights and interests of creditors.

(III) Strengthen the ESG Management and Fulfill Social Responsibilities

The Board of Directors of the Company actively fulfilled its environmental, social and corporate governance responsibilities, continuously consolidated the achievements of poverty alleviation and established a good corporate image of responsibility and commitment. **Firstly**, it implemented the ESG guidelines and regulatory requirements, continuously improved the social responsibility management system, and guided the preparation of annual social responsibility report. **Secondly**, it gave full play to the unique advantages of counter-cyclical and financial assistance services, fully responded to national strategies, actively and steadily carried out the core business of distressed assets operation, focused on livelihood protection, prevented and resolved risks, and served the real economy. **Thirdly**, it increased the efforts to support, consolidate and expand the achievements of poverty alleviation and helped the targeted poverty alleviation regions to hold the bottom line of preventing a large-scale return to impoverishment. It innovated the financial assistance to promote the comprehensive rural revitalization and development.

WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2022

In 2022, the Board of Supervisors performed its duty with fidelity and diligence in compliance with China's laws and regulations, regulatory provisions and the Articles of Association. Taking playing the role of a supervisory body as the main line of action, the Board of Supervisors enhanced its comprehension of the regularity of the work, systematically improved the methods and paths to institutionalize, normalize and standardize its work; adhering to the problem-oriented and result-oriented approach, the Board of Supervisors paid closer attention to the major issues, key links and critical areas, carried out extensive survey and research, put forward opinions and suggestions on the top-level design, systems and mechanisms as well as methods and paths, and achieved more significant results in the quality and efficiency of supervision; promoting the Company to establish and improve corporate governance, realized the robust and orderly operations, and improved the quality and efficiency of serving the real economy, which effectively safeguarded the legitimate rights and interests of the Company, Shareholders, employees and other stakeholders.

I. CONVENING OF MEETINGS OF THE BOARD OF SUPERVISORS

During the Reporting Period, in accordance with the Articles of Association, the Company's Board of Supervisors held 4 meetings of the Board of Supervisors to review and approve 10 resolutions, including the 2021 Annual Report, and consider 5 resolutions. The Supervision Committee of the Board of Supervisors held 4 meetings to consider 7 resolutions, including the annual audit for 2021.

II. SUPERVISION WORK

(I) Performance Supervision

First, the Board of Supervisors was concerned about the implementation of national economic and financial policies and the enhancement of quality and efficiency of service to the real economy by the Board of Directors and senior management. The Board of Supervisors carried out surveys on the classification and management of its branches, continuously paid attention to the performance of the Board of Directors and senior management in the implementation of national economic and financial policies and regulatory requirements, serving the national strategies, supporting and serving the real economy, coping with the COVID-19 pandemic, promoting the task of "ensuring stability in employment, financial operations, foreign trade, foreign investment, domestic investment, and expectations" and "ensuring security in jobs, basic living needs, operations of market entities, food and energy security, stable industrial and supply chains, and the normal functioning of primary-level governments", and preventing and mitigating financial risks. **Second**, the Board of Supervisors paid attention to the formulation of the Company's development strategy, proposed suggestions on the development path and model, geographical distribution of assets, industry layout, and supporting policies of the Company's core business based on relevant research, actively promoted the formulation of development strategy that complies with the national economic and financial policies and the Company's functional positioning, and pushed forward the further enhancement of the scientificity, rationality and effectiveness in respect of the development strategy. **Third**, the Board of Supervisors was also aware of the compliance with laws and regulations and the Articles of Association by the Board of Directors, senior management and its members, and strengthened the supervision on their performance of duties. By attending general meetings of shareholders and attending relevant meetings of the Board of Directors and senior management, the Board of Supervisors strengthened supervision on the implementation of resolutions adopted by general meetings of shareholders and the Board of Directors, deliberation procedures of the Board of Directors and its special committees, and performance of duties by directors and senior management

members to promote the Board of Directors, senior management and its members to perform their duties in compliance with laws and regulations. **Fourth**, the Board of Supervisors conducted annual performance evaluation of directors and senior management members. According to the relevant regulatory requirements and relevant evaluation measures of the Company, the Board of Supervisors studied and formulated the plan of performance evaluation of directors and senior management members for 2022, determined the scope of evaluators and the main working procedures, combined qualitative and quantitative elements to further broaden the content of quantitative indicators and listened to opinions on the performance of duties by directors and senior management members in a multi-dimensional manner on the basis of self-evaluation and mutual evaluation. The meeting of the Board of Supervisors studied and considered the opinions and gave evaluation results.

The performance evaluation result of the Board of Supervisors regarding the directors involved in the evaluation in 2022 was as follows: in accordance with relevant regulatory requirements and evaluation measures of the Company, the Board of Supervisors did not find any circumstance in which directors involved in the evaluation should be rated as incompetent in their duty performance in 2022. The performance evaluation result of the Board of Supervisors regarding the directors involved in the evaluation in 2022 was competent.

The performance evaluation result of the Board of Supervisors regarding senior management members involved in the evaluation in 2022 was as follows: in accordance with relevant regulatory requirements and evaluation measures of the Company, the Board of Supervisors did not find any circumstance in which senior management members involved in the evaluation should be rated as incompetent in their duty performance in 2022. The performance evaluation result of the Board of Supervisors regarding senior management members involved in the evaluation in 2022 was competent.

(II) Financial Supervision

First, the Board of Supervisors strengthened supervision on the preparation and review procedures of regular financial reports, carefully reviewed regular financial reports, annual financial accounts and profit distribution plans. The Supervision Committee of the Board of Supervisors convened meetings to hear the reports on the annual audit results for 2021, the interim review results and annual audit results for 2022, respectively, fully communicated with the external audit institutions and senior management regarding asset quality, expected credit loss model and operations of holding institutions, and made relevant suggestions and promoted the implementation of relevant key issues; the members of the Board of Supervisors attended meetings of the Audit Committee under the Board of Directors and Board meetings, paid attention to the consideration of annual report and interim report by the Board of Directors and the Audit Committee under the Board of Directors. **Second**, the Board of Supervisors regularly accessed operational and financial information, monitored changes in key financial data, paid close attention to trends of change in profitability, assets and liabilities, and financial income and expenditure indicators, and further supervised the implementation of business plans. The Board of Supervisors kept an eye on the implementation of capital replenishment plans, tax plans and cost reduction and efficiency enhancement, and actively appealed to the regulatory authorities to support the Company's replenishment of medium and long-term capital sources. **Third**, the Board of Supervisors implemented the requirements of relevant national departments, paid attention to duty performance treatment and the business expense management of the person in charge of the Company, reviewed the reports on the implementation of the annual budget for 2021 and the preparation of the annual budget for 2022, and urged further strengthening of management.

(III) Internal Control Supervision

First, the Board of Supervisors paid attention to the implementation of the policy requirements of the relevant state departments and the regulatory requirements of the regulatory authorities, listened to the report on the relevant situation, attended relevant meetings, followed up with the Company's implementation progress of preventing and mitigating financial risks and transforming core business, and promoted the implementation of regulatory requirements to achieve substantial results. **Second**, the Board of Supervisors carried out surveys on differentiated operations of non-financial subsidiaries, proposed recommendations on the functional orientation and business model of non-financial subsidiaries, and propelled the Company to make plans for top-level design of institutional layout in a scientific way. **Third**, the Board of Supervisors conducted studies on standardization of post-investment management and made a series of suggestions for optimization to promote the standardized, normalized and process-based post-investment management. **Fourth**, the Board of Supervisors conducted supervision on internal control in key areas, carried out investigations on the construction of internal control compliance and the planning and construction of information systems, respectively, paid attention to internal control on anti-money laundering, case prevention and management, related party transactions and data governance, adhered to problem-orientated principle, and promoted further enhancement of the effectiveness of internal control systems in key areas. **Fifth**, the meeting of the Board of Supervisors considered the annual internal control evaluation report for 2021 and made suggestions on strengthening the application of internal control evaluation results. **Sixth**, the Board of Supervisors assigned the office of the Board of Supervisors to attend relevant meetings of the senior management, and paid attention to the decision-making and implementation of material projects.

(IV) Risk Management Supervision

First, the Board of Supervisors conducted surveys on comprehensive risk management, paid attention to the operation of the comprehensive risk management system, formulation and transmission of risk management strategies and risk appetite, the improvement and implementation of risk management policies and procedures, was concerned about the management of consolidated statements, capital management and stress tests, and promoted the further optimization of the comprehensive risk management system. **Second**, the Board of Supervisors carried out researches on asset quality and risk resolution, investigated the overall status of credit risk and market risk and asset quality control, and helped the Company further improve the risk resolution mechanism and system. **Third**, the Board of Supervisors conducted surveys on asset quality in key regions, of key institutions and key businesses, analyzed and revealed potential and suggestive risks and tendencies of some operating units, and drove the operating units to focus on their main responsibilities and strengthen risk control.

III. SELF-CONSTRUCTION OF THE BOARD OF SUPERVISORS

First, the Board of Supervisors performed its duties faithfully. During the Reporting Period, the Supervisors attended 57 meetings of the Company as voting or non-voting attendees, organized 37 group interviews and 26 routine interviews. The working hours of shareholder representative supervisors and external supervisors for the Company met the relevant regulations. When making decisions about issues pertaining to the Company, the employee representative supervisors took care to collect the demands of the employees in their daily work and aggressively advocated for the employees' lawful rights and interests. In accordance with the rules, the Board of Supervisors reported to the employee representative meeting and accepted the supervision thereof. **Second**, the Board of Supervisors increased the quality and efficiency of duty performance. It conducted a number of on-site and off-site investigations and researches, put forward opinions and suggestions on major issues, difficulties and hot-spot issues that must be solved for the current reform and development of the Company, and propelled the Company to further strengthen the top-level

design of operation and management. **Third**, the Board of Supervisors further improved its abilities to perform its duties. Supervisors attended relevant training of the Hong Kong Chartered Governance Institute and CITIC Group, familiarized them with the latest policies and requirements of the regulatory authorities in respect of corporate governance, anti-fraud, related party transactions, core business development, etc., to continuously enhance their abilities to perform duties. **Fourth**, the Board of Supervisors carried out the performance evaluation of supervisors to evaluate their performance of duties, studied and formulated the plan for the performance evaluation of supervisors for 2022, determined the evaluation scope and working procedures, heard opinions on the performance of duties of supervisors on the basis of self-evaluation and mutual evaluation in a multi-dimensional manner, conducted studies and review and gave evaluation results at its meetings.

The performance evaluation result of the Board of Supervisors regarding the supervisors involved in the evaluation in 2022 was as follows: in accordance with relevant regulatory requirements and evaluation measures of the Company, the Board of Supervisors did not find any circumstance in which supervisors involved in the evaluation should be rated as incompetent in their duty performance in 2022. The Board of Supervisors' performance evaluation result regarding the supervisors involved in the evaluation was competent in 2022.

Ms. Zhao Jiangping, aged 57, has been a non-executive Director of the Company since June 2020 and is a senior accountant. Ms. Zhao Jiangping started her career at the Central Enterprise Division of the Department of Finance of Shanxi Province in July 1988, successively serving as a staff member and a deputy chief staff member of the Central Enterprise Division of the Department of Finance of Shanxi Province from March 1989 to January 1995 (during which she worked as a member of the rural task team at Xiashen Village, Qi County, Shanxi Province from October 1989 to October 1990); a deputy chief staff member and a chief staff member of the Business Division I, a chief staff member of the office, the deputy director of the office, the director of the Business Division II, the director of the office, a member of the party group and a deputy inspector of the Shanxi Finance Ombudsman Office commissioned by the Ministry of Finance from January 1995 to April 2019. She has been a member of the party group of the Shanxi Regulatory Office of the Ministry of Finance from April 2019 to June 2020, successively serving as a deputy inspector and a level-two inspector. Ms. Zhao obtained a bachelor's degree in economics from the Department of Finance of Shanxi College of Finance and Economics, majoring in public finance.

Mr. Zheng Jiangping, aged 58, has been a non-executive Director of the Company since June 2020, and is a representative of the 15th People's Congress of Beijing, a lawyer and a tax accountant. Mr. Zheng started his career at Sichuan Provincial Tax Service in July 1987; successively serving as secretary (deputy director level) of the Party group, deputy director and director of the office of Sichuan Provincial Taxation Service from October 1994 to November 2000. Mr. Zheng successively served as secretary, director of the Party group of Mianyang Tax Service in Sichuan Province from November 2000 to April 2003; a member of the Party group and deputy director of Chengdu Tax Service from April 2003 to January 2006; a member of the Party group and deputy director of Sichuan Provincial Taxation Service from January 2006 to September 2012; successively serving as deputy director of the General Office of the State Taxation Administration (level of deputy director general), an executive deputy secretary of the Party Committee of the State Taxation Administration (level of director general), deputy director (undersecretary) of personnel department (organization department of Party Committee) and director of the office of Party building from September 2012 to June 2020. Mr. Zheng graduated from the public finance of the Department of Finance of Xiamen University with a doctorate in economics.

Mr. Zhu Ning, aged 49, has been an independent non-executive Director of the Company since March 2019. Mr. Zhu served successively as an assistant professor, associate professor and tenured professor at the University of California (Davis), the United States of America from August 2003 to June 2010; a senior vice president and a quantitative strategies director at Lehman Brothers Asia Limited from July 2008 to October 2008; a general consultant and an executive director of the portfolio advisory team of Nomura International (Hong Kong) Limited from January 2009 to August 2010; a professor and the deputy director of Shanghai Advanced Institute of Finance (SAIF), Shanghai Jiao Tong University since July 2010; and a Chair Professor of Oceanwide Finance at PBC School of Finance, Tsinghua University and a deputy director of National Institute of Financial Research and the director of Center for Global Merger Acquisition and Restructuring at Tsinghua University during his sabbatical leave from July 2016 to June 2018. Mr. Zhu is currently also a distinguished professor of finance at Guanghua School of Management at Peking University and a faculty fellow at Yale University International Center for Finance. Mr. Zhu has been an independent non-executive director of China Asset Management (Hong Kong) Limited since March 2012, and an independent non-executive director of UTour Group Co., Ltd. (a company listed on Shenzhen Stock Exchange, stock code: 002707) from May 2018 to June 2021. Mr. Zhu served as an independent non-executive director of Healthcare Co., Ltd. (a company listed on Shanghai Stock Exchange, stock code: 603313) from December 2012 to April 2017, an independent non-executive director of Everbright Securities Co., Ltd. (a company listed on Shanghai Stock Exchange, stock code: 601788, and on the Hong Kong Stock Exchange, stock code: 06178) from February 2013 to September 2017, an independent non-executive director of China Guangfa Bank Co., Ltd. from March 2014 to June 2020, an independent

non-executive director of Leshi Internet Information & Technology Corp., Beijing (a company listed on Shenzhen Stock Exchange, stock code: 300104) from October 2015 to April 2017, an independent non-executive director of Industrial Securities Co., Ltd. (a company listed on Shanghai Stock Exchange, stock code: 601377) from February 2016 to December 2017. Mr. Zhu was also formerly a visiting scholar at Federal Reserve (Philadelphia), Federal Reserve Board of Governors and International Monetary Fund, and a senior visiting researcher at Advanced Research Institute of Waseda University. Mr. Zhu graduated from Yale University with a Ph.D. degree in Finance.

Ms. Chen Yuanling, aged 59, has been an independent non-executive Director of the Company since October 2020. Ms. Chen worked as a full-time lawyer in economy and finance from 1985 to 2010. She successively served as a lawyer and a partner in law firms such as DeHeng Law Offices in Beijing and Kangda Law Firm in Beijing, and she was a first-grade lawyer. Ms. Chen served as a non-executive director of China Construction Bank Corporation (a company listed on Shanghai Stock Exchange, stock code: 601939, and on the Hong Kong Stock Exchange, stock code: 00939) from June 2010 to June 2016, a non-executive director of New China Life Insurance Company Ltd. (a company listed on Shanghai Stock Exchange, stock code: 601336, and on the Hong Kong Stock Exchange, stock code: 01336) from March 2016 to June 2017, and a deputy general manager and the person in charge of audit of New China Asset Management Co., Ltd. from June 2017 to July 2019. Ms. Chen is currently a senior consultant in DeHeng Law Offices in Beijing and serves concurrently as an independent director of Heilongjiang Transport Development Co., Ltd. (a company listed on Shanghai Stock Exchange, stock code: 601188) from February 2020 to February 2023. Ms. Chen once worked for Government of Jilin Province as a legal adviser, and acted as a mediator at China Council for the Promotion of International Trade and the Mediation Centre of China Chamber of International Commerce, a director of All China Lawyers Association, a member of the Finance Specialize Committee of All China Lawyers Association and an external expert of asset securitization of Shenzhen Stock Exchange. Ms. Chen graduated with a bachelor's degree from the Department of Law of Peking University in 1985 and graduated from the in-service postgraduate program of Business School of Jilin University in 2000.

Mr. Lo Mun Lam, Raymond, aged 69, is currently a managing partner and an executive director of Amasse Capital Holdings Limited (a company listed on the Hong Kong Stock Exchange, stock code: 08168), an independent non-executive director of China Datang Corporation Renewable Power Co., Limited (a company listed on the Hong Kong Stock Exchange, stock code: 01798), an independent non-executive director of Multifield International Holdings Limited (a company listed on the Hong Kong Stock Exchange, stock code: 00898) and an independent non-executive director of Oriental Explorer Holdings Limited (a company listed on the Hong Kong Stock Exchange, stock code: 00430). Mr. Lo served as an executive director and co-managing partner of South Asian Investment Management Company and served as an executive director and the licensee of SPDB International Holdings Limited, an investment bank of Shanghai Pudong Development Bank. Mr. Lo is licensed as a Responsible Officer by the Securities and Futures Commission of Hong Kong for providing Type 1 and 6 (advising on corporate finance) regulated activities advisory. He held directorate level and strategist positions with multinational financial and emerging companies internationally. Mr. Lo served as the chairman of the board of directors and an independent non-executive director of Luk Fook Holdings (International) Limited (a company listed on the Hong Kong Stock Exchange, stock code: 00590) from September 2004 to August 2013, the vice chairman and a non-executive director of Asian Capital Resources (Holdings) Limited (a company listed on the Hong Kong Stock Exchange, stock code: 08025) from June 2001 to May 2014, an independent non-executive director of Guangshen Railway Company Limited (a company listed on the Hong Kong Stock Exchange, stock code: 00525) from June 2011 to May 2014, and an independent non-executive director of Shanghai Zendai Property Limited (a company listed on the Hong Kong Stock Exchange, stock code: 00755) from September 2002 to June 2015. Mr. Lo is a Chartered Accountant trained in England & Wales and Corporate Finance designate of the ICAEW (FCA/CF), a Canadian Chartered Accountant, a Chartered Surveyor (FRICS), a Chartered Arbitrator (FCI Arb.), a Trust & Estate Practitioner (TEP) and the member of International Bar Association. Mr. Lo graduated from the University of Hong Kong and obtained a master's degree in law.

Dear Shareholders,

The independent non-executive Directors of China Huarong Asset Management Co., Ltd. (the “Company”) performed their duties faithfully and diligently in strict accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Measures for the Regulation of Financial Asset Management Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other domestic and overseas laws and regulations as well as the Articles of Association of China Huarong Asset Management Co., Ltd. and the Work System of Independent Directors of China Huarong Asset Management Co., Ltd. They earnestly attended the general meetings of shareholders and the meetings of the Board of Directors and special committees, performed their duties proactively, made independent decisions, and effectively safeguarded the overall interests of the Company and all shareholders. The overall duty performance in 2022 is hereby reported as follows:

I. BASIC INFORMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

(I) Roles and Functions of Independent Non-executive Directors

There were four independent non-executive Directors in the Company. Mr. Tse Hau Yin served as chairman of the Audit Committee, as well as a member of the Strategy and Development Committee and the Related Party Transaction Committee; Mr. Shao Jingchun served as chairman of the Related Party Transaction Committee, and member of the Strategy and Development Committee, the Audit Committee and the Nomination and Remuneration Committee; Mr. Zhu Ning served as chairman of the Nomination and Remuneration Committee, and member of the Strategy and Development Committee and the Related Party Transaction Committee; Ms. Chen Yuanling served as a member of the Strategy and Development Committee, the Risk Management Committee and the Audit Committee. Please refer to the Company’s 2022 Annual Report for the resumes of the four independent non-executive Directors.

(II) Description of Independence of Independent Non-executive Directors

The qualifications, number, and proportion of independent non-executive Directors of the Company were in full compliance with regulatory requirements. They did not have any business or financial interest in the Company and its subsidiaries, nor did they hold any managerial position in the Company. The Company has received annual confirmation letters of independence from each of the current independent non-executive Directors and acknowledged their independence.

II. ANNUAL DUTY PERFORMANCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

(I) Attendance at Meetings and Relevant Resolutions

In 2022, the Company convened seven general meetings of shareholders in total, reviewed 23 proposals, and heard one report; held 16 meetings of the Board of Directors, reviewed 66 proposals,

and heard 19 reports. The five special committees under the Board of Directors held 36 meetings in total, and reviewed and heard 94 matters. During the Reporting Period, the independent non-executive Directors of the Company attended the general meetings of shareholders and the meetings of the Board of Directors and special committees of the Board of Directors as follows:

Directors	Special committees of the Board of Directors						
	General meeting of shareholders	Board of Directors	Strategy and Development Committee	Risk Management Committee	Related Party Transaction Committee	Audit Committee	Nomination and Remuneration Committee
Tse Hau Yin	7/7	16/16	10/10	N/A	7/7	8/8	N/A
Shao Jingchun	7/7	16/16	10/10	N/A	7/7	8/8	6/6
Zhu Ning	4/7	16/16	10/10	N/A	7/7	N/A	6/6
Chen Yuanling	3/7	16/16	10/10	5/5	N/A	8/8	N/A

(II) Operation of the Board of Directors and the Special Committees

1. Board of Directors

In 2022, the Board of Directors held 16 meetings in total, including four regular meetings and 12 extraordinary meetings. 66 proposals were passed and 19 reports were heard at the meetings. Among the proposals passed, there were 34 proposals on operation and management matters, four proposals on system establishment, 10 proposals on personnel management, and 18 other proposals.

2. Special Committees of the Board of Directors

All independent non-executive Directors actively performed their roles and responsibilities in the special committees, attended meetings of the special committees on time, reviewed relevant proposals, and assisted in the decision-making of the Board of Directors.

- (1) In 2022, the Strategy and Development Committee convened ten meetings in total to consider 24 resolutions and reports, including the fixed assets investment budget of the Company for 2022 and the business plan for 2022 of the Company, etc.
- (2) In 2022, the Risk Management Committee convened five meetings in total to consider and listen to 12 resolutions and reports, including the work summary in 2021 and work plan for 2022 of the Risk Management Committee of the Company and amendments to the Systems of Reputational Risk Management, etc.
- (3) In 2022, the Related Party Transaction Committee convened seven meetings in total to consider and listen to 21 resolutions and reports, including the related party transaction management of the Company for 2021, and work summary in 2021 and work plan for 2022 of the Related Party Transaction Committee, the entering into of the Financing and Asset Transactions Framework Agreement with CITIC Group, etc.

- (4) In 2022, the Audit Committee convened eight meetings in total to consider and listen to 23 resolutions and reports, including proposal for the 2021 Annual Results Announcement and the 2021 Annual Report, proposal on the engagement of accounting firms for 2022, the final financial accounts and audit work plan of the Company for 2022, etc.
- (5) In 2022, the Nomination and Remuneration Committee convened six meetings in total to consider and listen to 14 resolutions and reports, including the nomination of Mr. Liu Zhengjun as the candidate for executive Director of the Board of Directors of the Company, the nomination of Mr. Li Zimin as the candidate for executive Director of the Company, the nomination of Mr. Xu Wei as the candidate for non-executive Director of the Board of the Company, the nomination of Mr. Tang Hongtao as the candidate for non-executive Director of the Board of the Company, and the nomination of Mr. Zhu Wenhui as the vice president and chief financial officer of the Company, etc.

(III) Company's Cooperation with Independent Non-executive Directors in Their Work

In order to assist independent non-executive Directors to effectively perform their duties, the Company strived to ensure their rights to know and provided working conditions necessary for independent non-executive Directors to perform their duties. In addition, relying on the office of the Board of Directors, the Company provided a number of services and support for independent non-executive Directors, including providing various communication channels, assisting independent non-executive Directors in participating in symposiums, inspection and relevant training, and providing reference information in a timely manner. The Company safeguarded the convening and participation of independent non-executive Directors in corporate governance meetings through a combination of online and offline meetings and arranging separate venues in different places. The Company organized research and thematic symposiums for Directors, including independent non-executive Directors, on topics such as formulating and implementing development strategies, focusing on main responsibility and core business, preventing and resolving risks and controlling related party transactions. The Company responded promptly to and reasonably adopted the suggestions and opinions made by the independent non-executive Directors on the relevant matters.

III. KEY ISSUES OF CONCERN REGARDING ANNUAL DUTY PERFORMANCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS**(I) Formulation and Implementation of the Strategic Plan**

In 2022, in order to implement the “14th Five-Year” Plan of the state and closely follow CITIC Group’s “Five-Five-Three” strategy, the Board of the Company studied and worked out the “14th Five-Year” Development Plan of China Huarong Asset Management Co., Ltd. based on in-depth assessments of the internal and external situation, the development trend of the industry and internal resource endowments, specifying the “One-Three-Five” strategic goals of “getting on the right track in one year, significantly improving quality and efficiency in three years and becoming an industry benchmark in five years”. Independent non-executive Directors paid much attention and gave opinions and suggestions to the formulation and implementation of the Company’s strategic plan through participating in meetings of the Board of Directors and relevant special committees, resolution communication meetings. Independent non-executive Directors understood the implementation of the strategy and development by communicating with the management, grass-roots research and other ways. Independent non-executive Directors urged the Company to focus on transformation and development of business, improve the quality and efficiency of risk management and control and coordinate development and safety.

(II) Transfers of Equity in Licensed Subsidiaries

In 2022, the Company implemented the regulatory requirements, actively and steadily pushed forward the downsizing of institutions, continued to promote the equity transfers of licensed subsidiaries. As of now, the equity transfers of Huarong Trading Center, Huarong Consumer Finance, Huarong Securities, Huarong Xiangjiang Bank and Huarong Trust had been completed. The independent non-executive Directors continuously monitored and closely followed the progress of the equity transfers of the Company’s licensed subsidiaries, reviewed the relevant proposals on the equity transfers of subsidiaries, supported the transformation and development of the Company’s core business, provided guidance to the management in promoting the downsizing of institutions in accordance with regulatory requirements and market-oriented and legalization principles.

(III) Information Disclosure

The independent non-executive Directors urged the Company to prepare and disclose the 2021 Annual Results Announcement and 2021 Annual Report, 2022 Interim Results Announcement and 2022 Interim Report, and various extraordinary announcements in accordance with the domestic and overseas regulatory requirements, constantly improve the quality of information disclosure and ensure to prevent the occurring of false information record, deceptive statement or material omission in light of the principles of truthfulness, accuracy, completeness and timeliness.

(IV) Engagement of Accounting Firms

In 2022, after carefully reviewing the relevant information about Ernst & Young Hua Ming LLP and Ernst & Young and listening to the work report of Ernst & Young's auditors, the independent non-executive Directors got the whole picture of their performance of duties. They believed that Ernst & Young had enough independence and professional ability as it was able to maintain independent, objective and fair practice standards during the audit process and complete relevant audit work in an orderly manner, and agreed to employ Ernst & Young Hua Ming LLP and Ernst & Young as the Company's audit institutions for 2022.

(V) Qualifications of Directors and Senior Management Members

In 2022, the Board of Directors of the Company nominated four Directors and appointed three senior management members. The independent non-executive Directors carefully examined the qualifications of the candidates for directors and senior management members in strict accordance with the laws and regulations and the Articles of Association. The independent non-executive Directors had no objection to the qualifications of the Directors and senior management members of the Company.

(VI) Implementation of Risk Management and Internal Control

The independent non-executive Directors attached great importance to the risk management and construction of internal control and compliance of the Company, and carefully considered the annual risk management, risk management work plan, risk appetite policy, internal control evaluation report and internal audit work report. The independent non-executive Directors supervised the management to strengthen the control of incremental risks, accelerate the disposal of existing risks, improve the ability to predict risks, and continuously promote the construction of a comprehensive risk management system. They also guided the management to carry out rectification according to regulatory opinions, speed up the improvement of the internal control and compliance system, and conduct a thorough internal control evaluation.

(VII) Related Party Transactions

The independent non-executive Directors regularly reviewed the report on the management of related party transactions of the Company, supervised the management to regulate the related party transaction management according to regulatory requirements, strengthened the construction of the related party transaction management system of the Company, oversaw the implementation of the related party transaction system and promoted the construction of the related party transaction system, so as to effectively enhance the quality and efficiency of the related party transaction management of the Company. Meanwhile, the independent non-executive Directors guided the Company to strictly comply with the regulatory rules and the Listing Rules and formulate plans for continuing related party transactions with CITIC Group in respect of funds, assets and services. The independent non-executive Directors issued independent opinions on the proposals for material related party transactions submitted to the Board of Directors for consideration based on the principles of impartiality, fairness, objectivity and independence.

(VIII) Cash Dividends and Other Investor Returns

The formulation and implementation of the Company's cash dividend policy complied with relevant provisions of the Articles of Association and the resolutions of the general meeting of shareholders, and the decision-making procedures and mechanism were complete, upon which the independent non-executive Directors expressed their views. Minority shareholders can fully express their views and demands to safeguard their legitimate rights and interests.

IV. COMPREHENSIVE EVALUATION

In 2022, the independent non-executive Directors performed their duties diligently, independently and impartially in accordance with relevant laws, regulations and the Articles of Association, insisted on independent and objective opinions, and paid attention to safeguarding the interests of minority shareholders. They gave full play to their expertise, and actively contributed their business knowledge and experience to the development of the Company.

In 2023, focusing on relevant key work of the Board of Directors, the independent non-executive Directors will continue to improve corporate governance, strengthen risk prevention and control, and safeguard the interests of shareholders, especially small and medium-sized investors, in accordance with relevant regulatory requirements. They will provide constructive opinions to the Board of Directors on decision-making and actively offer advice and suggestions for the high-quality development of the Company.

It is hereby reported.

Independent non-executive Directors:

Tse Hau Yin, Shao Jingchun, Zhu Ning, Chen Yuanling



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)

NOTICE OF 2022 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of China Huarong Asset Management Co., Ltd. (the “**Company**”) for 2022 (the “**AGM**”) will be held at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the People's Republic of China (the “**PRC**”), on Wednesday, 28 June 2023 at 10:00 a.m., for considering and, if thought fit, passing the following resolutions:

SPECIAL RESOLUTION

1. To consider and approve the general mandate granted to the Board to issue additional shares

ORDINARY RESOLUTIONS

2. To consider and approve the engagement of the accounting firms for 2023
3. To consider and approve the final financial account plan for 2022
4. To consider and approve the profit distribution plan for 2022
5. To consider and approve the work report of the Board for 2022
6. To consider and approve the work report of the Board of Supervisors for 2022
7. To consider and approve the external fund donation plan for 2023
8. To consider and approve the re-election of Ms. Zhao Jiangping as the non-executive Director
9. To consider and approve the re-election of Mr. Zheng Jiangping as the non-executive Director
10. To consider and approve the re-election of Mr. Zhu Ning as the independent non-executive Director
11. To consider and approve the re-election of Ms. Chen Yuanling as the independent non-executive Director
12. To consider and approve the election of Mr. Lo Mun Lam, Raymond as the independent non-executive Director

NOTICE OF 2022 ANNUAL GENERAL MEETING

Closure of Register of Members

The H Share Register of members of the Company will be closed from Friday, 23 June 2023 to Wednesday, 28 June 2023 (both days inclusive), during which no transfer of H Shares will be registered. Any holder of H Shares who wishes to attend the AGM shall deposit the share certificates together with the transfer documents at the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited before 4:30 p.m. on Wednesday, 21 June 2023. Shareholders whose names appear on the register of holders of H Shares of the Company at the close of business on Wednesday, 21 June 2023 will be entitled to attend and vote at the AGM.

The address of the H Share Registrar of the Company:

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen’s Road East
Wanchai, Hong Kong

Details of the above resolutions are set out in the circular for the AGM published by the Company on 29 May 2023. Unless otherwise stated, terms used in this notice shall have the same meaning as those defined in the circular.

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

Beijing, the PRC
29 May 2023

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

Notes:

1. The register of members of the Company will be closed from Friday, 23 June 2023 to Wednesday, 28 June 2023 (both days inclusive). Holders of H Shares and domestic shares of the Company (the “**Domestic Shares**”) whose names appear on the register of members of the Company at the close of business on Wednesday, 21 June 2023 shall be entitled to attend and vote at the AGM. Holders of H Shares who wish to attend and vote at the AGM shall lodge all transfer documents accompanied by the relevant 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 before 4:30 p.m. on Wednesday, 21 June 2023.
2. A Shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a Shareholder, but he/she must attend the AGM in person to represent the relevant Shareholder.

NOTICE OF 2022 ANNUAL GENERAL MEETING

3. 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 documents must be notarized.
4. 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's Office of the Company at No. 8 Financial Street, Xicheng District, Beijing, the PRC for holders of Domestic Shares 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 holders of H Shares not less than 24 hours before the time appointed for the holding of the AGM (i.e. before 10:00 a.m. on Tuesday, 27 June 2023 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 AGM or any adjournment thereof if he/she so wishes.
5. Pursuant to the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll. As such, all resolutions set out in the notice of the AGM will be voted on by poll. On-site voting will be adopted as the voting method for attendees at the AGM.
6. The AGM is expected to last for half a day. Shareholders (in person or by proxy) attending the AGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the AGM shall produce their identity documents.
7. 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 holders.
8. According to the Articles of Association, where the number of equity interests of the Company pledged by a shareholder reaches or exceeds 50% of the equity interests held by such shareholder in the Company, no voting right in respect of the pledged equity interests shall be exercised at the shareholders' general meeting. Upon the registration of pledge of equity interests, such shareholder shall provide the Company with the relevant information of the pledged equity interests in a timely manner.