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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)

RESULTS ALERT

This announcement is made by China Huarong Asset Management Co., Ltd. (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on preliminary assessment, the Group’s net loss attributable to equity holders of the Company for the six months ended 30 June 2023 is expected to range from approximately RMB4,600 million to RMB5,000 million (for the six months ended 30 June 2022: RMB18,866 million), representing a decrease in loss of approximately 73% to 76%.

In the first half of 2023, by firmly insisting on the general principle of “consolidating foundation, seeking progress while maintaining stability, and improving quality and efficiency”, the Group focused on its strategic objective of “leading itself back on the right track within one year” by swinging into full gear from the very beginning, enhanced its efforts on the reform, further united ideas and gathered strengths, completed the institutional reform at the headquarter and the integration of non-financial subsidiaries, and fully formed an overall positive momentum of development. The significant year-on-year decrease in operating loss in the first half of 2023 was mainly attributed to: (i) the year-on-year increase in the gain or loss from fair value changes of equity assets as a result of deepening business synergy and strengthening equity asset management, coupled with the impact of capital market rebound; (ii) revenue recognised following successful implementation of significant investments, which improves asset structure and optimizes asset allocation, by grasping special opportunities; (iii) recognition of credit impairment losses and unrealized losses from fair value changes of distressed debt assets in order to consolidate assets amid impact from economic environment and industry, with a total amount ranging from approximately RMB22,700 million to RMB23,200 million (for the six months ended 30 June 2022: RMB17,843 million), representing an increase of approximately 27% to 30%, which had offset loss reduction realized by the Group to a certain extent and laid a solid foundation for the sustainable and healthy development in the future.

The year 2023 is the crucial year for the implementation of the Group's "One-Three-Five" strategy. Looking into the future, the Group will maintain strategic focus, reinforce confidence in development, take deepening reform as the breakthrough point and risk resolution and transformation as a dual-wheel drive, and further consolidate and expand the positive momentum. The Group will focus on its core business, return to its origin, and firmly seize the development opportunities of the distressed asset industry to continuously improve operational quality and efficiency, and achieve high-quality development by relying on the advantages of CITIC Group in industry-finance integration.

The financial data in the results alert have not been audited by the auditor.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Beijing, the PRC
17 August 2023

As at the date of this announcement, the Board of Directors comprises Mr. LIU Zhengjun and Mr. LI Zimin as executive directors; Ms. ZHAO Jiangping, Mr. ZHENG Jiangping, 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.