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

If you have sold or transferred all your Shares in Hanhua Financial Holding Co., Ltd., you should at once hand this circular, the enclosed proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Hanhua Financial Holding Co., Ltd.*

瀚華金控股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 3903)

2020 ANNUAL REPORT
2020 REPORT OF THE BOARD OF DIRECTORS
2020 REPORT OF THE BOARD OF SUPERVISORS
2020 PROFIT DISTRIBUTION PLAN
RE-APPOINTMENT OF FINANCIAL AUDITING INSTITUTIONS
PROPOSED APPROVAL OF THE ANNUAL PLAN OF EXTERNAL
GUARANTEE (NON-GUARANTEE BUSINESS) PLAN IN THE
YEAR OF 2021
GRANTING OF GENERAL MANDATE TO THE BOARD
TO ISSUE DEBT FINANCING INSTRUMENTS
AND
NOTICE OF THE AGM

The Notice of the AGM to be held at Conference Room, 7th Floor, Building 2, 11 East Honghu Road, Yubei District, Chongqing, the PRC on Tuesday, 29 June 2021 at 10:00 a.m., is set out on pages 10 to 11 of this circular.

The proxy form for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon to, for holders of H Shares, the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and for holders of Domestic Shares, to the Company's registered office in the PRC at 6-9, Building 2, 11 East Honghu Road, Yubei District, Chongqing, the PRC as soon as possible and in any event not less than 24 hours before the time fixed for holding the AGM or any adjournment thereof.

* For identification purpose only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms and expressions have the meanings set forth below:

“AGM”	the annual general meeting of the Company for 2020 to be held on Tuesday, 29 June 2021 at 10:00 a.m. at Conference Room, 7th Floor, Building 2, 11 East Honghu Road, Yubei District, Chongqing, the PRC
“Articles of Association”	the articles of association of the Company, as amended, altered or supplemented by other means 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
“Company”	Hanhua Financial Holding Co., Ltd.* (瀚華金控股份有限公司), a joint stock limited liability company incorporated in the PRC, the H Shares of which are listed and traded on the Main Board of the Stock Exchange
“Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法)
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi by PRC nationals and/or entities incorporated in the PRC
“Group”	the Company and its subsidiaries
“H Share(s)”	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuance”	the issue of debt financing instruments in one or multiple tranches within the cap amount of bond issuance stipulated in the applicable laws
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice of the AGM”	the notice of the AGM
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Share(s)”	the Domestic Share(s) and H Share(s)
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	supervisor(s) of the Company

Note:

English names of PRC entities are incorporated in this circular for identification purpose only.



Hanhua Financial Holding Co., Ltd.*

瀚華金控股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 3903)

Executive Directors:

Mr. Zhang Guoxiang (*Chairman*)

Mr. Cui Weilan

Non-executive Directors:

Ms. Liu Jiaoyang

Ms. Liu Tingrong

Ms. Wang Fangfei

Mr. Feng Yongxiang

Mr. Liu Bolin

Independent Non-executive Directors:

Mr. Bai Qinxian

Mr. Deng Zhaoyu

Mr. Qian Shizheng

Mr. Ng Leung Sing

Mr. Yuan Xiaobin

Registered Office:

6-9, Building 2

11 East Honghu Road

Yubei District

Chongqing

the PRC

Principal Place of Business

in Hong Kong:

Rm 1203, 12/F

Man Yee Building

68 Des Voeux Road Central

Hong Kong

To the Shareholders

Dear Sir or Madam,

**2020 ANNUAL REPORT
2020 REPORT OF THE BOARD OF DIRECTORS
2020 REPORT OF THE BOARD OF SUPERVISORS
2020 PROFIT DISTRIBUTION PLAN
RE-APPOINTMENT OF FINANCIAL AUDITING INSTITUTIONS
PROPOSED APPROVAL OF THE ANNUAL PLAN OF EXTERNAL
GUARANTEE IN THE YEAR OF 2021
GRANTING (NON-GUARANTEE BUSINESS) PLAN OF
GENERAL MANDATE TO THE BOARD TO ISSUE
DEBT FINANCING INSTRUMENTS
AND
NOTICE OF THE AGM**

I. INTRODUCTION

This circular is to provide you with the Notice of the AGM and relevant information regarding the ordinary resolutions and special resolutions to be proposed at the AGM to allow you to consider to vote for or against or abstain from voting in respect thereof.

* *For identification purpose only*

LETTER FROM THE BOARD

II. MATTERS TO BE TRANSACTED AT THE AGM

Proposals to be proposed at the AGM for Shareholders' approval by way of ordinary resolutions include:

- (1) To consider and approve the 2020 Annual Report.
- (2) To consider and approve the 2020 Report of the Board of Directors.
- (3) To consider and approve the 2020 Report of the Board of Supervisors.
- (4) To consider and approve the 2020 Profit Distribution Plan.
- (5) To consider and approve the Re-appointment of Financial Auditing Institutions.

Proposals to be proposed at the AGM for Shareholders' approval by way of special resolutions include:

- (6) To consider and approve the Annual Plan of External Guarantee in the year of 2021.
- (7) To consider and approve the Granting of General Mandate to the Board to Issue Debt Financing Instruments.

ORDINARY RESOLUTIONS:

(1) 2020 Annual Report

An ordinary resolution will be proposed at the AGM to approve the 2020 Annual Report, which has been published by the Company on the websites of the Stock Exchange and of the Company on 19 April 2021.

(2) 2020 Report of the Board of Directors

An ordinary resolution will be proposed at the AGM to approve the 2020 Report of the Board of Directors, which is set out in the Company's 2020 Annual Report.

(3) 2020 Report of the Board of Supervisors

An ordinary resolution will be proposed at the AGM to approve the 2020 Report of the Board of Supervisors, which is set out in the Company's 2020 Annual Report.

(4) 2020 Profit Distribution Plan

An ordinary resolution will be proposed at the AGM to approve the 2020 Profit Distribution Plan.

The net profit of the Company amounted to RMB208 million on a consolidated basis for the year 2020, including net profit attributable to the owners of the Company of RMB151 million. As of 31 December 2020, actual distributable profit amounted to RMB529 million.

Taking into account the continuous impacts of COVID-19 on the economic environment starting at the end of 2019 as well as the Company's future development planning and daily operation needs, in order to ensure the Company's long-term development and the realization of strategic goals, and to better take into consideration the long-term interests of Shareholders, the following profit distribution plan is formulated: Based on the total share capital registered on the equity registration date of the implementation of the equity distribution, a total of RMB 138 million

LETTER FROM THE BOARD

will be distributed to the Shareholders of the Company with RMB 0.3 (tax included) in cash for every 10 Shares. The remaining distributable profits will be distributed in subsequent years.

Such dividend if approved at the AGM will be paid to holders of Domestic Shares in RMB and to holders of H Shares in Hong Kong dollar as converted based on the average median exchange rate of RMB against Hong Kong dollar published by the People's Bank of China for the five consecutive business days immediately before the date of the AGM. Subject to shareholders' approval at the AGM, the final dividend will be paid to Shareholders whose names appear on the register of members of the Company on Friday, 30 July 2021.

For the purpose of determining shareholders' entitlement to the final dividend, the register of members of the Company will be closed from Monday, 26 July 2021 to Friday, 30 July 2021 (both days inclusive). To be qualified for the final dividends for the financial year ended 31 December 2020, non-registered holders of H shares must lodge documents with respect to their transfer no later than 4:30 p.m. on Friday, 23 July 2021 for registration with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(5) Re-appointment of Financial Auditing Institutions

KPMG Huazhen (Special General Partnership) and KPMG performed their duties in auditing the financial statements of the Company for 2020 and finished the audit of the 2020 financial statements of the Company on time, during which they demonstrated a high level of code of conduct and quality and capability to deal with financial matters of significance, and met requirements of the Company on an auditing institution.

The Board proposed to reappoint KPMG Huazhen (Special General Partnership) and KPMG as the auditing institutions of the Company for 2021 for financial reporting standards of the PRC and of Hong Kong, respectively, with a term commencing from the date of such re-appointment and ending upon the date on which the annual general meeting of the Company for 2021 is convened, and to authorize the Board to determine their remunerations according to their audit duties.

The above proposal on the re-appointment of financial auditing institutions for 2021 was considered and approved at the meeting of the third session of the Board held on 31 March 2021.

Pursuant to requirements of the Articles of Association, the Board will propose at the AGM an ordinary resolution to approve the re-appointment of KPMG Huazhen (Special General Partnership) and KPMG as the auditing institutions of the Company for 2021 for financial reporting standards of the PRC and of Hong Kong, respectively.

LETTER FROM THE BOARD

SPECIAL RESOLUTIONS:

(6) To consider and approve the Annual Plan of External Guarantee in the year of 2021

In order to satisfy needs and ensure the continuous and steady business development of wholly-owned and holding companies of the Company in 2021, the Company proposes to provide guarantee of no more than RMB23.8 billion to its subsidiaries for 2021 based on external guarantee provided by the Company and its subsidiaries out of the ordinary course of business in 2020, among which, not more than RMB11.3 billion is to be provided to direct or indirect wholly-owned subsidiaries and not more than RMB12.5 billion to those subsidiaries held over 50% but less than 100%. The guarantee to the wholly-owned and holdings companies is to meet their needs arising from business operation. Once implemented, the external financing of the wholly-owned and holdings companies will be directly reflected in consolidated financial statements of the Company and thus such guarantee will not cause any corresponding increase of external liabilities of the Group.

It is proposed to authorize the Company's executive Director and executive president Mr. Cui Weilan to allocate, determine the specific project name, amount, and time limit of the external guarantee within the total amount of guarantee (including the difference supplement), and review the relevant legal documents and handle matters related to transactions. There is no need to submit individual external guarantee within the limit to the general meeting of Shareholders or the Board of Directors for approval, but the Company's external guarantee system should be followed.

This external guarantee plan will be effective from the date of its passing at the AGM and expire on the date on which a general meeting of the Company is convened to consider the next external guarantee plan.

(7) To consider and approve the Granting of General Mandate to the Board to Issue Debt Financing Instruments

To meet the demands of the Company's operations, adjust the debt structure, replenish the working capital and reduce the financing cost, according to the 2021 fund-raising plan of the Company, the Company proposes to issue appropriate debt financing instruments. To seize the positive market opportunity and to enhance the flexibility and efficiency of financing, according to the provisions of the Company Law, the Listing Rules and the Articles of Association, it is proposed at the AGM to seek approval of granting general mandate to the Board to issue debt financing instruments in one or multiple tranches within the cap amount of bond issuance as stipulated in the applicable laws. Details of the Issuance are set out below:

i. ISSUANCE PROGRAMME

Relevant debt financing instruments shall include but not be limited to super short-term commercial paper, short-term commercial paper, mid-term notes, corporate bonds, domestic non-public targeted debt financing instruments, overseas debt financing instruments and overseas bonds/notes denominated in RMB or foreign currencies.

LETTER FROM THE BOARD

ii. PARTICULARS OF THE ISSUANCE

- (i) Issuer: The Company and/or its controlled or wholly-owned subsidiary. Specific issuer shall be determined by the Board according to the Issuance needs.
- (ii) Targets: Investors who meet the conditions for subscription, but no preferential placement to the Shareholders.
- (iii) Issue size: Subject to that the total balance of the outstanding of debt financing instruments under the Issuance shall fall within the requirements under relevant laws and regulations as well as those specified by regulatory authorities, specific issue size shall be determined by the Board according to the capital demands and market situations.
- (iv) Term and type: Not more than 15 years for one single-term instrument or a portfolio of instruments with various terms. Specific term and issue size of each term type shall be determined by the Board according to the capital demands and market situations.
- (v) Use of proceeds: The proceeds to be raised from the Issuance are intended to be used towards meeting the demands of the operations of the Company and/or its controlled or wholly-owned subsidiary, adjusting its debt structure, replenishing its working capital and/or funding its capital investments, among others. Specific use of proceeds shall be determined by the Board according to the capital demand.
- (vi) Term of validity of the resolution: One year from the date of the passing of the resolution at the AGM.

If the Board (including its authorized person) have resolved the relevant issuance within the term of validity of the resolution, and there is no conflict between the authorization continued to granted to the Board (including its authorized person) at a general meeting after the end of the term of validity of the resolution and the authorisation of the relevant issuance, it shall be regarded as the extension of authorization to the Board (including its authorized person) at a general meeting.

iii. AUTHORIZATION TO THE BOARD

- (i) It is proposed to the Shareholders at the AGM to grant the general mandate to the Board to deal with the following in accordance with the specific needs of the Company and market conditions:
 - (a) To determine the issuer, issue size, type, specific instruments, detailed terms, conditions and other matters relating to the Issuance (including, but not limited to, the issue size, principle amount, currency, issue price, interest rate or mechanism for determining the interest rate, issue place, issue timing, term, whether or not to issue in multiple tranches and number of tranches, whether or not to set repurchase or redemption terms, credit rating, guarantee, repayment term, specific fund-raising arrangements within the scope approved at a general meeting, detailed placing arrangements, underwriting arrangements and all other matters relating to the Issuance).
 - (b) To carry out all necessary and ancillary actions and procedures of the Issuance (including, but not limited to, select and engage intermediary institutions, handle all approval, registration and filing procedures with the relevant regulatory authorities in connection with the Issuance on behalf of the Company, execute all necessary

LETTER FROM THE BOARD

documents related to the Issuance, select bonds trustee manager for the Issuance, formulate rules for the bondholders' meeting and handle any other matters relating to the Issuance and trading).

(c) To approve, confirm and ratify any action or procedure relating to the Issuance as mentioned above already taken by the Company.

(d) To make adjustments to the specific proposals for the Issuance in accordance with the comments from the relevant regulatory authorities or the market conditions within the authority granted at a general meeting, except where voting at a general meeting is required by any relevant laws and regulations and the Articles of Association.

(e) To determine and handle all relevant matters relating to the listing of the debt financing instruments upon the completion of the Issuance.

(f) In the case of issuance of corporate debt financing instruments, to determine not to distribute dividends to the Shareholders to safeguard repayment of debts as required under the relevant laws and regulations in the event that the Company expects to, or does fail to pay the principal and/or coupon interests of such bonds as they fall due.

(g) To approve, execute and dispatch any announcements or circulars relating to the Issuance and make any related disclosure in accordance with the requirements of the relevant jurisdictions where the shares of the Company are listed.

(ii) Upon the approval at the AGM, it is proposed that the Shareholders shall authorize the Board to delegate the authorizations set forth in items (a) to (f) of paragraph (i) above to the chairman and/or the president of the Company.

(iii) Upon the approval at the AGM, it is proposed that the Shareholders shall authorize the Board to delegate the authorizations set forth in item (g) of paragraph (i) above to the secretary of the Board.

III. AGM, PROXY FORM AND VOTING BY POLL

The Notice of the AGM to be held at Conference Room, 7th Floor, Building 2, 11 East Honghu Road, Yubei District, Chongqing, the PRC on Tuesday, 29 June 2021, at 10:00 a.m. is set out on pages 10 to 11 of this circular.

A proxy form for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are required to complete and return the proxy form to, for holders of H Shares, the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, and for holders of Domestic Shares, the Company's registered office in the PRC, as soon as possible and in any event not less than 24 hours before the time fixed for holding the AGM or any adjournment thereof.

LETTER FROM THE BOARD

According to Rule 13.39(4) of the Listing Rules, the voting on all the resolutions at a general meeting must be taken by poll. Accordingly, the chairman of the AGM will proceed with the voting of all resolutions to be proposed by poll in accordance with article 88 of the Articles of Association.

IV. CLOSURE OF REGISTER OF MEMBERS IN RESPECT OF THE ENTITLEMENT TO ATTEND THE AGM

In order to determine the list of Shareholders who are entitled to attend the AGM, the register of members of the Company will be closed from Saturday, 29 May 2021 to Tuesday, 29 June 2021 (both days inclusive), during which no transfer of Shares will be effected. To be eligible to attend and vote at the AGM, all transfer documents must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), or the Company's registered office in the PRC at 6-9, Building 2, 11 East Honghu Road, Yubei District, Chongqing, the PRC (for holders of Domestic Shares) not later than 4:30 p.m. on Friday, 28 May 2021.

V. RECOMMENDATION

The Directors consider that all resolutions to be proposed at the AGM are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends you to vote in favor of the resolutions at the AGM as set out in the Notice of the AGM.

VI. RESPONSIBILITY STATEMENT

This circular for which the Directors collectively and individually accept full responsibility, provides information in relation to the Company in compliance with the Listing Rules. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By order of the Board
Hanhua Financial Holding Co., Ltd.
Zhang Guoxiang
Chairman of the Board

Chongqing, the PRC, 28 May 2021

NOTICE OF THE AGM



Hanhua Financial Holding Co., Ltd.*

瀚華金控股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 3903)

NOTICE OF THE 2020 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2020 annual general meeting (the “AGM”) of Hanhua Financial Holding Co., Ltd. (the “Company”) will be held at Conference Room, 7th Floor, Building 2, 11 East Honghu Road, Yubei District, Chongqing, the People’s Republic of China (the “PRC”) on Tuesday, 29 June 2021 at 10:00 a.m., for the following purposes:

ORDINARY RESOLUTIONS

1. To consider and approve the 2020 Annual Report.
2. To consider and approve the 2020 Report of the Board of Directors.
3. To consider and approve the 2020 Report of the Board of Supervisors.
4. To consider and approve the 2020 Profit Distribution Plan.
5. To consider and approve the Re-appointment of Financial Auditing Institutions.

SPECIAL RESOLUTIONS

6. To consider and approve the Annual Plan of External Guarantee in the year of 2021.
7. To consider and approve the Granting of General Mandate to the Board to Issue Debt Financing Instruments.

By order of the Board
Hanhua Financial Holding Co., Ltd.
Zhang Guoxiang
Chairman of the Board

Chongqing, the PRC, 28 May 2021

* *For identification purpose only*

NOTICE OF THE AGM

Notes:

1. In order to determine the list of shareholders who are entitled to attend the AGM, the register of members of the Company will be closed from Saturday, 29 May 2021 to Tuesday, 29 June 2021 (both days inclusive), during which no transfer of shares will be effected. To be eligible to attend and vote at the AGM, all transfer documents must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares), or the Company's registered office in the PRC at 6-9, Building 2, 11 East Honghu Road, Yubei District, Chongqing, the PRC (for holders of domestic shares) not later than 4:30 p.m. on Friday, 28 May 2021.
2. For the purpose of determining shareholders' entitlement to the final dividend, the register of members of the Company will be closed from Monday, 26 July 2021 to Friday, 30 July 2021 (both days inclusive). To be qualified for the final dividends for the financial year ended 31 December 2020, non-registered holders of H shares must lodge documents with respect to their transfer no later than 4:30 p.m. on Friday, 23 July 2021 for registration with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Subject to shareholders' approval at the AGM, the final dividend will be paid to Shareholders whose names appear on the register of members of the Company on Friday, 30 July 2021.
3. A shareholder entitled to attend and vote at the AGM may appoint one or more person (whether he/she is a shareholder or not) to attend and vote at the same on his or her behalf.
4. The instrument appointing a proxy must be in writing and signed by a shareholder or his/her duly authorized attorney. If the shareholder is a corporation, such instrument must be either under its common seal or duly signed by its legal representative, director(s) or duly authorized attorney(s).
5. Shareholders who intend to attend the AGM by proxy should complete the proxy form. For holders of H shares, the proxy form should be returned to the Company's H share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and for holders of domestic shares, the proxy form should be returned to the Company's registered office in the PRC at 6-9, Building 2, 11 East Honghu Road, Yubei District, Chongqing, the PRC, in person or by post as soon as possible and in any event not less than 24 hours before the time fixed for holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending the AGM or any adjournment thereof and voting in person.
6. The AGM is expected to last for less than half a day. Shareholders (in person or by proxy) attending this AGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending this AGM shall present their identity certifications.
7. In case of joint holders of a share, any one of such holders is entitled to vote at the meeting either in person or by proxy for such share, as if he/she is the only one entitled to do so among the joint holders. However, only the vote of the person whose name stands first on the register of members in respect of such share shall be accepted if more than one joint holder attend the meeting personally or by proxy.