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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)

RESUMPTION OF TRADING

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

References are made to the announcements dated 17 November 2021, 2 December 2021, 10 December 2021, 23 December 2021, 28 December 2021 and 30 December 2021 (collectively referred to as the “**Announcements**”) and the supplemental circular dated 18 November 2021 (the “**Supplemental Circular**”) of the second extraordinary general meeting of shareholders for 2021 (the “**EGM**”), the first domestic shareholders’ class meeting for 2021 and the first H shareholders’ class meeting for 2021 (collectively referred to as the “**Class Meetings**”) of the Company, in relation to, among other things, the resolution regarding the proposed non-public issuance of domestic shares and H shares under specific mandate (the “**Issuance**”), which was considered and approved at the EGM and the Class Meetings, and the approvals of the China Banking and Insurance Regulatory Commission and the China Securities Regulatory Commission on relevant matters of the Company’s Issuance and the listing approval for the issuance of H shares from The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). All the conditions precedent of the Issuance and the share subscription agreements as set out in the Announcements and the Supplemental Circular have been satisfied, and the issuance of domestic shares and H shares has been completed on 30 December 2021.

Background of Suspension of Trading

As disclosed in the announcement dated 31 March 2021 of the Company, the Company was unable to publish the 2020 annual results as a relevant transaction of the Company was still being finalised and the auditor of the Company will need more information and time to complete the necessary audit procedures for the audit of the financial information of the Group for the year ended 31 December 2020. At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021 pending the publication of the Company’s audited 2020 annual results and the Company’s fulfilment of the resumption conditions.

Fulfilment of Resumption Guidance

As disclosed in the announcement dated 22 June 2021 of the Company, at the request of the Stock Exchange, the resumption of trading in the shares of the Company is subject to the fulfilment of the following guidance (the “**Resumption Guidance**”):

1. publish all outstanding financial results required under the Listing Rules and address any audit modifications;
2. demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules; and
3. inform the market of all material information for the Company’s shareholders and investors to appraise the Company’s position.

As at the date of this announcement, the Company has fulfilled the Resumption Guidance on the following basis:

1. The Company published its 2020 annual results and 2021 interim results on 29 August 2021. Ernst & Young issued an unqualified opinion on the Group’s consolidated financial position as at 31 December 2020, and a disclaimer of opinion on the Group’s consolidated financial performance and cash flows for the year ended 31 December 2020. Please refer to “17. Audit Report and Financial Statements” of the 2020 annual results of the Company for details.

Ernst & Young issued a disclaimer of opinion on the Group’s consolidated financial performance and cash flows for the year 2020 due to the fact that, regarding matters described in Note III.2 to the consolidated financial statements for the year ended 31 December 2020, the auditor was unable to make reasonable judgement on whether any of the associated gains or losses recognized by the Group in 2020 should have been recorded in the consolidated statement of profit or loss and the consolidated statement of comprehensive income of previous years. The above matter has no impact on current period’s figures in the Group’s consolidated financial statements of 2021, but has a potential impact on the comparability of current period’s figures and the corresponding figures in the Group’s consolidated statements of profit or loss, comprehensive income and cash flows of 2021, which in turn may have an impact on the audit opinion. As the financial performance and cash flows of 2020 will not be presented as the corresponding figures in financial statements of 2022 and subsequent periods, the above matter will not have an impact on the audit/review opinion on interim financial statements and financial statements of 2022 and subsequent periods. The auditor of the Company and the audit committee of the board of directors of the Company (the “**Board**”) had no objection to the above-mentioned matters.

2. As at the date of this announcement, the business operations of the Group are continuing as usual in all material respects.

As the 2020 annual results of the Company has decreased sharply and the capital adequacy ratio of the Company is lower than that of regulatory requirements, the Company has:

- Firstly, implemented the introduction of strategic and financial investors and capital increase. The Company replenished its capital while complying with regulatory requirements, with the size of capital increase to be no more than RMB42 billion. The Company has completed the Issuance on 30 December 2021. Please refer to the Announcements and the Supplemental Circular for details of the Issuance.
- Secondly, taken measures including promotion of business transformation, rational allocation of resources. On the one hand, it will transfer the equities of Huarong Consumer Finance Co., Ltd., Huarong International Trust Co., Ltd., Huarong Securities Co., Ltd. and other financial licensed subsidiaries to recover the long-term equity investment in the transferred financial license subsidiaries, with the premium of control transfer (subject to final transaction outcome) correspondingly increasing the endogenous capital replenishment; on the other hand, it returns to core business, adjusts business structure, reduces the capital consumption and increases capital return.

The above measures can support the year-end capital adequacy level of the Company to meet the regulatory requirements. As at the date of this announcement, the Company has completed the Issuance and received capital replenishment, and the Company's capital adequacy ratio has met the regulatory requirements. Besides, in accordance with Rule 13.24(1) of the Listing Rules, an issuer shall carry out, directly or indirectly, a business with a sufficient level of operations and assets of sufficient value to support its operations. As set out in the 2020 annual report and 2021 interim report of the Company, the main financial indicators of the Company for 2020 and the first half of 2021 are as follows:

In millions of RMB

	For the six months ended 30 June 2021	For the year ended 31 December 2020
Total income	46,063	76,508
Profit for the period/loss for the year	1,624	(106,274)
	As of 30 June 2021	As of 31 December 2020
Total assets	1,605,617	1,641,467
Total equity	65,753	64,257

As a result of the foregoing, the Company is of the view that it has sufficient level of operations and assets of sufficient value to support its operations, and is capable of demonstrating its compliance with Rule 13.24 of the Listing Rules.

3. The Company has disclosed all material information on its business, financial performance and operation management in the 2020 annual results, 2021 interim results and other publications in accordance with the Listing Rules and other applicable regulatory requirements. To the knowledge of the directors of the Company, there is no other information required to be disclosed under Part XIVA of the Securities and Futures Ordinance and no other undisclosed information that is material for the Company's shareholders and other investors to appraise the Company's position.

Resumption of Trading

At the request of the Company, trading in shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021. The Company recently received the decision on direct resumption of trading of the Company's shares under Rule 6.07 of the Listing Rules from the Stock Exchange. As the Resumption Guidance has been fulfilled, an application has been made by the Company to the Stock Exchange for the resumption of trading in the shares on the Stock Exchange with effect from 9:00 a.m. on 5 January 2022.

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

Beijing, the PRC
4 January 2022

As at the date of this announcement, the Board comprises Mr. WANG Zhanfeng, Mr. LIANG Qiang and Mr. WANG Wenjie as executive directors; Ms. ZHAO Jiangping, Mr. ZHENG Jiangping, Mr. XU Nuo and Mr. ZHOU Langlang as non-executive directors; Mr. TSE Hau Yin, Mr. SHAO Jingchun, Mr. ZHU Ning and Ms. CHEN Yuanling as independent non-executive directors.