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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)**

## **PROFIT WARNING**

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 ordinary shareholders of the Company for the year ended 31 December 2022 is expected to be around RMB27,600 million. Key factors affecting the Group’s annual performance include: First, due to the impact of volatility in the capital market, the fair values of certain equity financial assets had declined, resulting in significant unrealized losses. Second, business layout was optimized and adjusted, resulting in phased decreases in the size and income from acquisition-and-restructuring distressed debt assets. Third, affected by macroeconomic situation and downturn in the real estate industry, provisions for credit impairment losses had increased.

In 2022, confronted with complex and severe external environment, with strong support from relevant departments, shareholders and investors, in accordance with the overall idea of “consolidate foundation, seek growth while maintaining stability, and improve quality and efficiency”, the Group adopted a series of powerful measures including setting strategies and clear directions, promoting coordination and strengthening core business, pressing ahead with reform and selection of talents, stabilizing finance and optimizing structure, risk resolution and transformation achieved remarkable outcomes. Compared with the first half of 2022, losses had been reduced by around RMB10.1 billion in the second half of 2022, the Group managed to achieve a positive momentum.

The year 2023 is a crucial year for the implementation of the Group's "One-Three-Five" strategy. The Group will reinforce confidence, maintain strategic focus, further concentrate on its core business, return to its origin, continue to promote streamlining and reorganisation, and optimize asset structure. The Group will deepen the reform of mechanisms, reduce cost and enhance efficiency, and improve the quality and efficiency of development. Relying on the advantages of CITIC Group Corporation ("CITIC Group") in industry-finance integration, the Group will give full play to the synergistic effect and create a financial asset management company with special characteristics and differentiation.

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  
19 March 2023

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