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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, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Group and a preliminary assessment by the Company on the unaudited consolidated management accounts of the Group for the year ended 31 December 2018, the Group is expected to record a 90%–95% decrease in the net profit attributable to the shareholders of the Company for the year ended 31 December 2018 as compared to the corresponding period in 2017. The current period’s expected decrease in business performance was mainly due to: (1) a greater fall in valuation of some financial assets held by the Group, which was affected by the great fluctuations in capital market after the Group implemented the International Financial Reporting Standard 9 — Financial Instruments in 2018; (2) a greater loss attributable to the shareholders of the Company incurred by the non-financial subsidiaries of the Group, which was affected by the Group’s reduction in non-principal and uncompetitive businesses, market environment and credit risk exposure, etc; (3) a significant increase in the interest expenses of the Group in the current period as compared to the corresponding period in 2017, which was affected by the financing scale.

The information contained in this announcement is only based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2018, which has not been reviewed or audited by the auditors of the Company or approved by the audit committee of the Company. The actual financial results for the year ended 31 December 2018, which may be different from what is disclosed in this announcement, will be reviewed by the auditors of the Company and will be disclosed in the annual results announcement of the Company for the year ended 31 December 2018, which is expected to be published before the end of March 2019.

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

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

Beijing, the PRC
21 February 2019

As at the date of this announcement, the Board comprises Mr. WANG Zhanfeng and Ms. LI Xin as executive directors; Mr. LI Yi, Ms. WANG Cong, Ms. DAI Lijia and Mr. ZHOU Langlang as non-executive directors; Mr. SONG Fengming, Mr. TSE Hau Yin, Mr. LIU Junmin and Mr. SHAO Jingchun as independent non-executive directors.