
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **China Huarong Asset Management Co., Ltd.**, you should at once hand this circular with the accompanying proxy form and reply slip to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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)

**THE EXTENSION OF THE AUTHORIZATION GRANTED BY THE GENERAL
MEETING OF SHAREHOLDERS RELATING TO THE NON-PUBLIC
ISSUANCE OF OFFSHORE PREFERENCE SHARES
NOTICE OF EXTRAORDINARY GENERAL MEETING
NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING
AND
NOTICE OF H SHAREHOLDERS' CLASS MEETING**

China Huarong Asset Management Co., Ltd. will convene the EGM on Wednesday, 25 September 2019 at 9:30 a.m., the Domestic Shareholders' Class Meeting immediately after the conclusion or adjournment of the EGM (whichever is later) and the H Shareholders' Class Meeting immediately after the conclusion or adjournment of the Domestic Shareholders' Class Meeting (whichever is later), respectively, at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC. Notices of the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting are set out on page 21 to page 26 in this circular respectively.

If you wish to appoint a proxy to attend the EGM, Domestic Shareholders' Class Meeting and/or H Shareholders' Class Meeting on your behalf, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon no later than 24 hours before the time scheduled for holding the EGM, the Domestic Shareholders' Class Meeting and/or H Shareholders' Class Meeting (i.e. before 9:30 a.m. on Tuesday, 24 September 2019) or any adjournment thereof (as the case may be). If you wish to attend the EGM, Domestic Shareholders' Class Meeting and/or H Shareholders' Class Meeting in person or by proxy, you are required to complete and return the accompanying reply slip in accordance with the instructions printed thereon on or before Thursday, 5 September 2019. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM, Domestic Shareholders' Class Meeting and/or H Shareholders' Class Meeting or at any adjournment thereof should you so wish.

CONTENTS

	<i>page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
Introduction	5
Matters to be Considered at the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting	5
Effects of Offshore Preference Share Issuance on the Shareholding Structure of the Company	7
Reasons for the Proposed Offshore Preference Share Issuance	8
EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting	8
Recommendation	9
Responsibility Statement	10
APPENDIX I — PLAN FOR NON-PUBLIC ISSUANCE OF OFFSHORE PREFERENCE SHARES	11
NOTICE OF EXTRAORDINARY GENERAL MEETING	21
NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING	23
NOTICE OF H SHAREHOLDERS' CLASS MEETING	25

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of directors of the Company
“Board Resolution Date”	12 June 2017, being the date on which the Board approved the proposed Plan for Non-public Issuance of Offshore Preference Shares, which is also the announcement date of the Board resolution
“CBIRC”	the China Banking and Insurance Regulatory Commission
“CBRC”	the China Banking Regulatory Commission
“Chairman”	the chairman of the Company
“Class Meeting(s)”	the Domestic Shareholders’ Class Meeting and the H Shareholders’ Class Meeting
“Company”	China Huarong Asset Management Co., Ltd., a joint stock limited liability company incorporated in the PRC, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in RMB
“Domestic Shareholder(s)”	the holder(s) of Domestic Shares
“Domestic Shareholders’ Class Meeting”	the first Domestic Shareholders’ Class Meeting for 2019 to be held by the Company immediately after the conclusion or adjournment of the EGM (whichever is later) on Wednesday, 25 September 2019 at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC
“EGM”	the first extraordinary general meeting of Shareholders for 2019 to be held by the Company at 9:30 a.m. on Wednesday, 25 September 2019 at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC
“H Share(s)”	ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK\$ and listed on the Main Board of Hong Kong Stock Exchange
“H Shareholder(s)”	the holder(s) of H Shares

DEFINITIONS

“H Shareholders’ Class Meeting”	the first H Shareholders’ Class Meeting for 2019 to be held by the Company immediately after the conclusion or adjournment of the Domestic Shareholders’ Class Meeting (whichever is later) on Wednesday, 25 September 2019 at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	6 August 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“MOF”	the Ministry of Finance of the People’s Republic of China
“Offshore Preference Share(s)”	the not more than 200 million (inclusive) preference shares with an aggregate amount of not more than RMB20 billion (inclusive) or its equivalent, proposed to be issued by the Company in the offshore market pursuant to the Plan for Offshore Preference Share Issuance
“Offshore Preference Shareholder(s)”	the holder(s) of Offshore Preference Shares
“Offshore Preference Share Authorization Plan”	“Matters relating to authorization” as specified in item 17 of the Plan for Offshore Preference Share Issuance
“Offshore Preference Share Issuance”	proposed issuance in the offshore market of not more than 200 million (inclusive) preference shares with an aggregate amount of not more than RMB20 billion (inclusive) or its equivalent by the Company pursuant to the Plan for Offshore Preference Share Issuance
“Offshore Preference Share Issuance Authorization”	“Matters authorized in connection with the issuance of Offshore Preference Shares” as specified in the part of item 17.1 under the Offshore Preference Share Authorization Plan
“Plan for Offshore Preference Share Issuance”	the Plan for Non-public Issuance of the Offshore Preference Shares by the Company as considered and approved at each of the third extraordinary general meeting of Shareholders for 2017, the first Domestic Shareholders’ class meeting for 2017 and the first H Shareholders’ class meeting for 2017 of the Company held on 7 August 2017

DEFINITIONS

“PRC” or “China”	the People’s Republic of China, excluding, for the purposes of this circular, Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the share(s) of the Company, including Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of Shares of the Company
“%”	percent

LETTER FROM THE BOARD



中國華融
CHINA HUARONG

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)

Executive Directors:

Mr. Wang Zhanfeng (*Chairman*)
Ms. Li Xin (*President*)

Non-executive Directors:

Mr. Li Yi
Ms. Wang Cong
Ms. Dai Lijia
Mr. Zhou Langlang

Independent Non-executive Directors:

Mr. Tse Hau Yin
Mr. Liu Junmin
Mr. Shao Jingchun
Mr. Zhu Ning

Registered office:

No. 8, Financial Street,
Xicheng District
Beijing
the PRC

Principal place of business

in Hong Kong:
40/F, Sunlight Tower
248 Queen's Road East
Wanchai, Hong Kong

9 August 2019

To the Shareholders,

Dear Sir or Madam,

**THE EXTENSION OF THE AUTHORIZATION GRANTED BY THE GENERAL
MEETING OF SHAREHOLDERS RELATING TO THE NON-PUBLIC ISSUANCE
OF OFFSHORE PREFERENCE SHARES
NOTICE OF EXTRAORDINARY GENERAL MEETING
NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING
AND
NOTICE OF H SHAREHOLDERS' CLASS MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

Reference is made to the announcement of the Company dated 2 August 2019. The Company has considered and approved the resolution in respect of the extension of the authorization granted by the general meeting of Shareholders relating to the non-public issuance of Offshore Preference Shares at the Board meeting held on 2 August 2019.

The resolution above is to be approved by the Shareholders by way of a special resolution at the EGM and also to be approved by the Domestic Shareholders at the Domestic Shareholders' Class Meeting and by the H Shareholders at the H Shareholders' Class Meeting, respectively.

In addition, the Offshore Preference Share Issuance is subject to all necessary approval and is also subject to certain factors including market conditions.

The purpose of this circular is to provide you with the information regarding resolutions to be proposed at the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting to enable you to make an informed decision on whether to vote for or against the resolutions at the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting.

2. MATTERS TO BE CONSIDERED AT THE EGM, DOMESTIC SHAREHOLDERS' CLASS MEETING AND H SHAREHOLDERS' CLASS MEETING

To consider and approve the resolution in respect of the extension of the authorization granted by the general meeting of Shareholders relating to the non-public issuance of Offshore Preference Shares

Reference is made to (1) the circular of the Company dated 23 June 2017 regarding, among other things, the proposed Plan for Offshore Preference Share Issuance, including the authorization to the Board to deal with matters relating to the Offshore Preference Share Issuance; (2) the announcement of the Company dated 7 August 2017 regarding, among other things, the Company's consideration and approval of the Plan for Offshore Preference Share Issuance, including the authorization to the Board to deal with matters relating to the Offshore Preference Share Issuance; (3) the circular of the Company dated 10 August 2018 regarding, among other things, the extension of the authorization to the Board granted by the general meeting of Shareholders to deal with matters relating to the Offshore Preference Share Issuance; and (4) the announcement of the Company dated 26 September 2018 regarding, among other things, the Company's consideration and approval of the extension of the authorization to the Board granted by the general meeting of Shareholders to deal with matters relating to the Offshore Preference Share Issuance.

The Plan for Offshore Preference Share Issuance has been considered and approved at each of the third extraordinary general meeting of Shareholders for 2017, the first Domestic Shareholders' class meeting for 2017 and the first H Shareholders' class meeting for 2017 of the Company held on 7 August 2017, item 17 of which is the Offshore Preference Share Authorization Plan. The validity period of the Plan for Offshore Preference Share Issuance is 36 months commencing from the date of considering and approving of the resolution at the third extraordinary general meeting of Shareholders for 2017, the first Domestic Shareholders' class meeting for 2017 and the first H Shareholders' class meeting for 2017 of the Company, and the validity period of the Offshore Preference Share Issuance Authorization under Offshore Preference Share Authorization Plan is 12 months commencing from the date of considering and approving of the resolution at the third extraordinary general meeting of Shareholders for 2017, the first Domestic Shareholders' class meeting for 2017 and the first H Shareholders' class meeting for 2017 of the Company. The conditions precedent under the proposed issuance and listing of Offshore Preference Shares of the Company include: (i) approval from the Board of the Company; (ii) approval and authorization from the Shareholders' general meeting and class meetings of the Company; (iii) approval from the CBIRC; (iv) approval from the CSRC; (v) approval and response from the National Development and Reform

LETTER FROM THE BOARD

Commission regarding the foreign debt scale of Pilot Enterprise of Foreign Debt Scale Management required for the Offshore Preference Share Issuance; and (vi) approval from the Hong Kong Stock Exchange for the listing and trading. As at the Latest Practicable Date, the approvals/responses mentioned in (i), (ii) and (v) above had been obtained. Since the approval of the Plan for Offshore Preference Share Issuance at the extraordinary general meeting and class meetings on 7 August 2017, the Company continued certain works including study of the Plan for Offshore Preference Share Issuance and the capital market condition, preparation of the relevant documents and application for approvals in relation to the issuance of Offshore Preference Shares.

The extension of the authorization to the Board granted by the general meeting of Shareholders to deal with matters relating to Offshore Preference Share Issuance has been considered and approved at the fourth extraordinary general meeting of Shareholders for 2018, the first Domestic Shareholders' class meeting for 2018 and the first H Shareholders' class meeting for 2018 of the Company held on 26 September 2018, and the validity period is 12 months commencing from the date of considering and passing the resolution at the fourth extraordinary general meeting of Shareholders for 2018, the first Domestic Shareholders' class meeting for 2018 and the first H Shareholders' class meeting for 2018 of the Company. Since the extension of the validity period of the Offshore Preference Share Authorization Plan for 12 months by the general meeting of Shareholders on 26 September 2018, the Company has carried out the works mainly in three aspects, as follows: (1) the Company closely followed up the market situations, regularly inquiring the price trend of offshore preference shares of Chinese financial institutions and interbank, and conducting the case study relating to issuance of offshore preference shares; (2) the management have conducted discussion and demonstration in respect of the suitable timing of Offshore Preference Share Issuance according to the market situations and operating conditions of the Company; (3) the Company strengthened the communication with the regulatory authorities in respect of the Offshore Preference Share Issuance. However, as the limits of the Company's internal and external factors, it is currently expected that the works for the Offshore Preference Share Issuance are still unable to be completed within the validity period after the extension of Offshore Preference Share Authorization Plan. Given the validity period of the Plan for Offshore Preference Share Issuance will be expired on 6 August 2020 and considering the needs of the capital supplement for the future operation development of the Company, the Company determined to extend the validity period of the Offshore Preference Share Authorization Plan to the expiration date of the Plan for Offshore Preference Share Issuance abovementioned. At present, liquidity of overseas capital market remained sufficiently, and the conditions of Offshore Preference Share Issuance become more favorable as compared with 2018. In the next step, the Company will continue to pay close attention to market conditions, further strengthen communication and report to the regulatory authorities, and resume the application and issuance of Offshore Preference Shares at an appropriate time.

Given the validity period of the Offshore Preference Share Issuance Authorization will be expired on 25 September 2019, while relevant works for the issuance of Offshore Preference Shares are still undergoing, in order to ensure the effective and smooth implementation of the Offshore Preference Share Issuance, the Company proposes to extend the validity period of the Offshore Preference Share Issuance Authorization. The extended validity period will be from 26 September 2019 to the expiration date of the Plan for Offshore Preference Share Issuance (i.e. 6 August 2020). The Plan for Offshore Preference Share Issuance is still within the 36-month validity period, the specific contents of the Offshore Preference Share Authorization Plan remain unchanged, and the "Matters authorized in connection with Offshore Preference Shares that remain outstanding" under item 17.2 of the Plan for Offshore Preference Share Issuance continues to apply so long as such Offshore Preference Shares remain outstanding. The full text of the Plan for Offshore Preference Share Issuance including the Offshore Preference Share Authorization Plan are set out in Appendix I to the circular of the Company dated 23 June 2017 and reproduced in Appendix I to this circular. For the coming validity period, the Company plans to continue on updating the relevant documents and obtaining for approvals from the relevant regulatory authorities for the issuance of Offshore Preference Shares.

LETTER FROM THE BOARD

The resolution has been considered and approved by the Board, and is hereby submitted to the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting for consideration and approval, respectively.

3. EFFECTS OF OFFSHORE PREFERENCE SHARE ISSUANCE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For reference and illustration purposes only, assuming that an issue size equivalent to RMB20 billion of Offshore Preference Shares were issued and all the Offshore Preference Shares were subject to conversion, on the basis that the initial mandatory conversion price is HK\$3.39¹, the number of H Shares issuable upon conversion of the Offshore Preference Shares would not exceed 6,767,889,935 H Shares.

As at the Latest Practicable Date, there were 25,043,852,918 H Shares of the Company in issue. Assuming that the number of issued H Shares remains as stated above on the date the proposed special resolutions regarding the Plan for Offshore Preference Share Issuance are passed at the EGM and the Class Meetings, the maximum number of H Shares may be issued represents (i) 27.02% of the total number of H Shares in issue of the Company, (ii) 21.27% of the enlarged H Shares of the Company, and (iii) 17.32% of the current total issued Shares of the Company.

For illustrative purpose only, the table below sets forth the impact on the Company's share capital structure if all the Offshore Preference Shares under the proposed issuance were converted into H Shares pursuant to the Plan for Offshore Preference Share Issuance:

Share Capital	As at the Latest Practicable Date		After issuance of the Offshore Preference Shares ¹		After conversion of all the Offshore Preference Shares ²	
	Shares	Percentage of share capital	Shares	Percentage of share capital	Shares	Percentage of share capital
Domestic Share	14,026,355,544	35.90%	14,026,355,544	35.90%	14,026,355,544	30.60%
H Share	25,043,852,918	64.10%	25,043,852,918	64.10%	31,811,742,853	69.40%
Total issued H Shares held by the connected persons of the Company	12,376,355,544	49.42%	12,376,355,544	49.42%	12,376,355,544	38.90%
Total issued H Shares held by the public Shareholders of the Company	12,667,497,374	50.58%	12,667,497,374	50.58%	19,435,387,309	61.10%
Total	<u>39,070,208,462</u>	<u>100.00%</u>	<u>39,070,208,462</u>	<u>100.00%</u>	<u>45,838,098,397</u>	<u>100.00%</u>

¹ If there is no trigger event for mandatory conversion, the issuance of the Offshore Preference Shares will not affect the ordinary share capital of the Company.

² The maximum number of H Shares issuable upon conversion of the Offshore Preference Shares is calculated based on the assumptions that (i) the issue size is equivalent to RMB20 billion and all of the Offshore Preference Shares are subject to conversion, and (ii) the conversion price is HK\$3.39.

¹ For basis of determination of the initial mandatory conversion price, please refer to the circular of the Company dated 23 June 2017 which includes, among other things, the proposed non-public issuance of Offshore Preference Shares.

LETTER FROM THE BOARD

Based on the public information available to the Company and on the basis that all the Offshore Preference Shares will be initially placed to persons independent from the Company and persons that are not connected persons of the Company, the Company's public float will not be affected by the issuance of Offshore Preference Shares. Assuming all of the Offshore Preference Shares were converted at the initial mandatory conversion price of HK\$3.39, the Company will continue to comply with the public float requirements under rules 8.08(1)(a) and (b) of the Listing Rules that at least 25% of the Company's total issued share capital must at all times be held by the public, subject to other changes in the Shares, the Shareholders or the capital of the Company.

Based on the public information available to the Company and to the knowledge of the Directors as of the Latest Practicable Date, the public float of the Company is in compliance with relevant requirement of relevant laws and regulations and the Listing Rules.

4. REASONS FOR THE PROPOSED OFFSHORE PREFERENCE SHARE ISSUANCE

The Company is subject to a series of requirements of capital supervision, including no less than 9%, 10% and 12.5% of core tier one capital adequacy ratio, tier one capital adequacy ratio and capital adequacy ratio, respectively, required by Measure on Capital Management of Financial Asset Management Companies (Provisional). As of 31 December 2018, the Company's capital adequacy ratio was 13.62%, meeting regulatory requirements. The Company's annual general meeting for 2015 has considered and approved the tier II capital bond schemes for the issuance of no more than an aggregate amount of RMB30 billion of principal, with a valid period up to June 2019. The Company has completed the issuance of tier II capital bonds amounted to RMB20 billion therein in June 2017 and December 2018. The Company has considered and approved to extend the validity of the resolution for the tier II capital bond to the conclusion of the annual general meeting for 2019 of the Company at annual general meeting for 2018. Other than the tier II capital supplement schemes, in accordance with applicable laws and regulations, the Offshore Preference Share Issuance is the main measures to replenish other tier one capital, thus is an effective means to enhance capital base of the Company.

5. EGM, DOMESTIC SHAREHOLDERS' CLASS MEETING AND H SHAREHOLDERS' CLASS MEETING

The Company will convene the EGM on Wednesday, 25 September 2019 at 9:30 a.m., the Domestic Shareholders' Class Meeting immediately after the conclusion or adjournment of the EGM (whichever is later) and the H Shareholders' Class Meeting immediately after the conclusion or adjournment of the Domestic Shareholders' Class Meeting (whichever is later), respectively, at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC. To consider and approve (if thought fit) the resolutions as listed in the notices of the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting set out on page 21 to page 26 of this circular, the resolutions will be submitted to the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting, respectively.

LETTER FROM THE BOARD

In order to determine the H Shareholders who are entitled to attend the EGM and H Shareholders' Class Meeting, the H Shares register of members of the Company will be closed from Monday, 26 August 2019 to Wednesday, 25 September 2019 (both dates inclusive), during which no transfer of H Shares will be effected. H Shareholders who intend to attend the EGM and/or the H Shareholders' Class Meeting shall deposit the share certificates together with the transfer documents at the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at or before 4:30 p.m. on Friday, 23 August 2019. H Shareholders whose names appear on the H Share register of members of the Company at the close of business on Friday, 23 August 2019 are entitled to attend the EGM and the H Shareholders' Class Meeting.

Proxy forms and reply slips for use at the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting are enclosed herein and also published on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The Shareholders who intend to attend the EGM, Domestic Shareholders' Class Meeting and/or H Shareholders' Class Meeting by proxy shall complete and return the proxy form(s) according to the instructions printed thereon. H Shareholders shall return the proxy form(s) to Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong 24 hours before the time appointed for holding the EGM and/or H Shareholders' Class Meeting or any adjournment thereof (as the case may be) (i.e. 9:30 a.m. on Tuesday, 24 September 2019). The Domestic Shareholders shall return the proxy form(s) to the Board office of the Company at No. 8 Financial Street, Xicheng District, Beijing, the PRC 24 hours before the time appointed for holding the EGM and/or Domestic Shareholders' Class Meeting or any adjournment thereof (as the case may be) (i.e. 9:30 a.m. on Tuesday, 24 September 2019). Completion and return of the proxy form(s) will not preclude you from attending and voting at the EGM, Domestic Shareholders' Class Meeting and/or H Shareholders' Class Meeting in person should you so wish.

The Shareholders who intend to attend the EGM, Domestic Shareholders' Class Meeting and/or H Shareholders' Class Meeting in person or by proxy shall complete and return the reply slip(s) by hand, by post or by fax (fax no: (852) 2865 0990) to Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (if you are an H Shareholder) or the Board office of the Company (if you are a Domestic Shareholder) at No. 8 Financial Street, Xicheng District, Beijing, the PRC on or before Thursday, 5 September 2019.

The voting at the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting shall be by way of registered poll.

6. RECOMMENDATION

The Directors consider that all resolutions set out in the notices of the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting for consideration and approval by Shareholders are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of all resolutions proposed at the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting.

LETTER FROM THE BOARD

7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. 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 this circular or any statement herein misleading.

As the Offshore Preference Share Issuance is subject to all necessary approval being obtained and various factors including market conditions and may or may not proceed, Shareholders and investors should exercise caution when dealing in the H Shares. Further announcement(s) will be made by the Company to disclose any major updates and developments in respect of the Offshore Preference Share Issuance in accordance with the Listing Rules and other applicable laws and regulations.

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

The Plan for Non-public Issuance of Offshore Preference Shares is written in Chinese, with no official English translation. The English translation is provided for reference only. In case of any discrepancy between the two versions, the Chinese version shall prevail. The full version of the Plan for Non-Public Issuance of Offshore Preference Shares is as follows:

Plan for Non-public Issuance of Offshore Preference Shares

The Company has the following plan for the non-public issuance of Offshore Preference Shares:

1 Type of preference shares to be issued

The type of preference shares to be issued in the offshore market will be preference shares that comply with the requirements of the PRC and overseas laws, regulations and regulatory documents (the “**Offshore Preference Shares**”).

2 Number of preference shares to be issued and issue size

The aggregate number of the Offshore Preference Shares to be issued will not exceed 200 million (inclusive), with an aggregate amount to be issued not exceeding RMB20 billion or its equivalent (inclusive). The actual issue size is to be determined by the Board within the above-mentioned limit, in accordance with the authorization given by the Shareholders’ general meeting.

3 Par value and issue price

The par value of the Offshore Preference Shares will be RMB100 per share. The Offshore Preference Shares will be issued at or above the par value. The actual currency and issue price will be determined by the Board prior to issuance with reference to market conditions and in accordance with relevant laws and regulations, market practice and the authorization given by the Shareholders’ general meeting.

4 Maturity

The Offshore Preference Shares will not have any maturity date.

5 Method of issuance and target investors

The issuance of Offshore Preference Shares will be conducted by way of private placement in accordance with the relevant rules on issuance and the Offshore Preference Shares shall, after being approved by regulatory authorities, be issued in a single series in accordance with the relevant procedures.

Each series of the Offshore Preference Shares will be offered to no more than 200 qualified investors who comply with the requirements under relevant regulatory rules and other laws and regulations. All target investors shall subscribe for the Offshore Preference Shares in cash.

6 Lock-up period

There will be no lock-up period for the Offshore Preference Shares.

7 Dividend distribution terms

7.1 Principles for determining the dividend rate

The proposed dividend rate for the Offshore Preference Shares (such dividend rate will be calculated by reference to the issue price of the Offshore Preference Shares, similarly construed hereinafter) may be adjusted at different intervals. The dividend rate at the time of issuance shall be determined by the Board by way of market pricing, in accordance with the authorization given by the Shareholders' general meeting with reference to such factors including relevant laws and regulations, market conditions at the time of issuance, investors' need and the actual circumstances of the Company. In any dividend rate adjustment period, dividends on the Offshore Preference Shares will be paid at the same prescribed dividend rate and will be reset at specified intervals thereafter.

The dividend rate consists of the benchmark interest rate and the fixed spread. The fixed spread will be determined by deducting the benchmark interest rate at the time of issuance from the dividend rate at the time of issuance of the Offshore Preference Shares and will remain unchanged once determined. On the reset date, the new dividend rate for the next dividend rate adjustment period will be determined, and will equal to the sum of the benchmark interest rate as at the reset date and the fixed spread as determined at the time of issuance.

The dividend rate of the Offshore Preference Shares will not be higher than the weighted average return on equity of the Company for the last two financial years before the issuance.

7.2 Conditions for distribution of dividends

7.2.1 If the Company has distributable after-tax profits¹ after making up for previous years' losses and contributing to the statutory reserve and general reserve, the Company may pay dividends to the Offshore Preference Shareholders in accordance with the Articles of Association, provided that the capital adequacy of the Company meets regulatory requirements. The Offshore Preference Shareholders shall rank in priority to the Ordinary Shareholders in terms of dividend distribution. Distribution of dividends will not be affected by the rating of the Company and will not be adjusted as a result of any change to such rating.

7.2.2 In order to meet the regulatory requirements for the eligibility criteria for Additional Tier 1 Capital instruments, the Company shall have the right to cancel dividend payments on the Offshore Preference Shares in whole or in part at its discretion and this will not constitute an event of default. The Company, at its discretion, may use any dividend so cancelled to repay other debts that are due. The cancellation of any dividend payment to the Offshore Preference Shareholders will only constitute a restriction on the payment of dividend to the Ordinary Shareholders and will not constitute any other restrictions on the Company. Any declaration and payment of all of the dividends on the Offshore Preference Shares by the Company will be determined by the Board in accordance with the authorization given by the Shareholders' general meeting. Any cancellation of all or part of the dividends on the Offshore Preference Shares shall be subject to the consideration and approval by the Shareholders' general meeting. Any cancellation by the Company of any dividends on the Offshore Preference Shares shall be notified to the Offshore Preference Shareholders at least ten working days prior to the dividend payment date.

¹ Distributable after-tax profits is the undistributed profit as shown in the financial statements of the parent company prepared in accordance with Chinese Accounting Standards or International Financial Reporting Standards, whichever amount is lower

7.2.3 If the Company cancels all or part of the distribution of dividends on the Offshore Preference Shares, the Company shall not distribute any profits to the Ordinary Shareholders from the next day following the resolution being approved at the Shareholders' general meeting until the resumption of payment of dividends in full².

7.3 Method of dividend payment

Dividends on the Offshore Preference Shares shall be payable in cash. The dividend bearing principal amount of the Offshore Preference Shares shall be the aggregate value of the Offshore Preference Shares then issued and outstanding (namely, the product of the issue price of the Offshore Preference Shares and the number of shares under the Offshore Preference Shares then issued and outstanding, similarly construed hereinafter). Dividends on the Offshore Preference Shares shall be paid annually, and will be accrued from the due date for payment for the issuance of the Offshore Preference Shares.

7.4 Dividend accumulation

The dividends on the Offshore Preference Shares will be non-cumulative, namely, in the event of any cancellation by the Company of all or part of the dividends on the Offshore Preference Shares, any amount of dividends not paid to the Offshore Preference Shareholders in full in the current period will not be accumulated to the following dividend period.

7.5 Distribution of residual profits

After receiving the dividends at the prescribed dividend rate, the Offshore Preference Shareholders shall not be entitled to any distribution of residual profits of the Company together with the Ordinary Shareholders.

8 Terms of mandatory conversion

8.1 Mandatory conversion trigger events

Unless the losses of the Company can be fully absorbed prior to assumption of the losses by the Offshore Preference Shareholders, in accordance with the relevant requirements of the CBRC, upon the occurrence of the following trigger events, the Company shall have the right to convert, without the approval of the Offshore Preference Shareholders, all of the Offshore Preference Shares then issued and outstanding into H Shares based on the aggregate value of such Offshore Preference Shares. Upon conversion of the Offshore Preference Shares into H Shares, such H Shares will not be converted back to preference shares under any circumstances.

A trigger event means the earlier of the following events: (1) the CBRC having concluded that without a decision on the conversion into Ordinary Shares, the Company would become non-viable, and (2) the relevant authorities such as the MOF and the People's Bank of China having concluded that without a decision on a public sector injection of capital or equivalent support, the Company would become non-viable.

² Resumption of payment of dividends in full means that the Company decides to resume payment of dividends in full to the Offshore Preference Shareholders. However, as the Offshore Preference Shares have adopted a non-cumulative dividend approach, the Company will not pay any dividends which have been cancelled in previous years

Upon the occurrence of the above mandatory conversion trigger events, the Company shall report to the CBRC for review and determination and shall fulfil its relevant information disclosure obligations such as making provisional reports or announcements in accordance with relevant regulatory requirements.

8.2 Mandatory conversion period

The mandatory conversion period of the Offshore Preference Shares commences on the first trading day immediately following the completion date of the issuance of the Offshore Preference Shares and ends on the date of redemption or conversion of all the Offshore Preference Shares.

8.3 Mandatory conversion price and method of adjustments of the mandatory conversion price

The initial mandatory conversion price of the Offshore Preference Shares will be equal to the net asset value per share attributable to equity holders of the parent company as disclosed in the Company's audited consolidated financial statements as at the end of 2016 and denominated in Hong Kong dollars (which shall be converted with reference to the RMB Central Parity Rate to Hong Kong dollars used by the interbank foreign exchange market as published by the China Foreign Exchange Trade System on the trading day prior to the Board Resolution Date³ on the Plan for Offshore Preference Share Issuance and rounded up to the nearest 2 decimal places) or the average trading price of the H Shares of the Company for the 20 trading days preceding the Board Resolution Date⁴ in respect of the issuance of the Offshore Preference Share (whichever is higher).

In the event that the Company, among other things, distributes bonus shares with respect to its H Shares, makes capitalisation issues with respect to its H Shares, issues H Shares below the market price of the H Shares (excluding any increase in the share capital as a result of conversion of certain financial instruments issued by the Company that are convertible into Ordinary Shares) or makes any rights issues with respect to its H Shares, after the date the Board approves the Plan for Offshore Preference Share Issuance, the Company will adjust the mandatory conversion price to reflect the above events on a cumulative basis and in the order of the occurrence of such events. The distribution of cash dividends to the Ordinary Shareholders will not result in any adjustment to the mandatory conversion price. The mandatory conversion price will be adjusted based on the following:

Bonus share issuance or capitalisation issue: $P1 = P0 \times N/(N + n)$;

Issuance of new H Shares below the market price of the H Shares or by way of a rights issue: $P1 = P0 \times (N + k)/(N + n)$; $k = n \times A/M$;

Where, "P1" denotes the effective mandatory conversion price after adjustment; "P0" denotes the effective mandatory conversion price before adjustment; "N" denotes the aggregate number of H Shares before such bonus share issuance, capitalisation issue, issuance of new H Shares below the market price of the H Shares or rights issue; "n" denotes the number of new H Shares issued as a result of such bonus share issuance, capitalisation issue, issuance of new H Shares below the market price of the H Shares or rights issue; "A" denotes the price for such issuance of new H Shares below the market price of the H Shares or rights issue; and "M" denotes the closing price of H Shares on the trading day preceding the date of announcement of such issuance of new H Shares below the market price of the H Shares or rights issue (namely, announcement containing the effective and irrevocable terms of such issuance or rights issue).

³ i.e. 12 June 2017

⁴ i.e. 12 June 2017

In the event that the rights and interests of the Offshore Preference Shareholders may be affected by any redemption of the Ordinary Shares by, or merger or division of, the Company or any other circumstance which causes changes in the Company's share class, number of shares and/or shareholders' equity, the Company shall have the right to adjust the mandatory conversion price based on the actual circumstances and in accordance with the principles of fairness, justice and equity as well as to fully protect the rights and interests of the Offshore Preference Shareholders and the Ordinary Shareholders. The adjustment mechanism for the mandatory conversion price in those circumstances will be determined in accordance with the relevant regulations.

8.4 Principles for determining the ratio and number for mandatory conversion

Upon the occurrence of a trigger event, the Board will, in accordance with the approval of the CBRC and the authorization given by the Shareholders' general meeting, confirm the aggregate amount of the Offshore Preference Shares for mandatory conversion and implement mandatory conversion of all of the Offshore Preference Shares then issued and outstanding. The formula for determining the number of shares to be converted shall be: $Q = V/P \times \text{conversion exchange rate}$. Where: "Q" denotes the number of H Shares that shall be converted from the Offshore Preference Shares held by each Offshore Preference Shareholder; "V" denotes the amount of the Offshore Preference Shares held by each Offshore Preference Shareholder that is subject to mandatory conversion (namely, the number of the Offshore Preference Shares held by such Offshore Preference Shareholder multiplied by the issue price, similarly construed hereinafter); "P" denotes the effective mandatory conversion price for the Offshore Preference Shares; and the "conversion exchange rate" refers to the cross rate between Hong Kong dollars and the currency in which the Offshore Preference Shares are denominated based on the RMB Central Parity Rate published by the China Foreign Exchange Trading System on the trading day preceding the Board Resolution Date⁵ in respect of the Plan for Offshore Preference Share Issuance. Any fractional share will be dealt with by the Company in accordance with relevant regulatory requirements. Where it is not specified in the regulatory requirements, any fractional share will be rounded down to the nearest integral number.

Upon the occurrence of a trigger event, all of the Offshore Preference Shares then issued and outstanding will be converted into corresponding number of H Shares based on the above formula.

8.5 Entitlement to dividends on Ordinary Shares in the year of mandatory conversion

The H Shares to be issued as a result of the mandatory conversion of the Offshore Preference Shares will rank *pari passu* with the existing issued H Shares, and all Ordinary Shareholders whose names appear on the register of members of the Company on the record date for dividend entitlement (including the H Shareholders as a result of the mandatory conversion of the Offshore Preference Shares) shall be entitled to receive the dividend for the current dividends period and enjoy the same rights.

9 Terms of conditional redemption

9.1 The body of exertion for Redemption right

The Company shall have the right to redeem the Offshore Preference Shares subject to obtaining the approval of the CBRC. The Offshore Preference Shareholders do not have the right to require the Company to redeem the Offshore Preference Shares and should not expect that the Offshore Preference Shares will be redeemed. The Offshore Preference Shares will not contain any term allowing investors to put back the

⁵ i.e. 12 June 2017

Offshore Preference Shares to the Company and the Offshore Preference Shareholders shall not have any right to require the Company to repurchase the Offshore Preference Shares held by them.

9.2 Redemption conditions and period

From the fifth year (inclusive) following the completion date of the issuance of the Offshore Preference Shares or as approved by the CBRC and other regulatory authorities, and subject to obtaining the approval of the CBRC and the compliance with the relevant requirements, the Company shall have the right to redeem all or part of the Offshore Preference Shares. The specific commencement date of redemption period shall be determined by the Board (as authorized by the Shareholders' general meeting) in accordance with market conditions. The redemption period ends on the date of conversion or redemption of all the Offshore Preference Shares.

The exercise by the Company of its right to redeem the Offshore Preference Shares shall be subject to the fulfilment of the following conditions:

- 9.2.1 the Company shall use capital instruments of the same or superior quality to replace the Offshore Preference Shares to be redeemed and such replacement shall only be made at a time at which the Company has a sustainable income generating capability; or
- 9.2.2 the capital position of the Company immediately after redemption of the Offshore Preference Shares will remain significantly higher than the regulatory capital requirements prescribed by the CBRC and other relevant regulatory authorities.

9.3 Redemption price and basis for determining the redemption price

The redemption price of the Offshore Preference Shares will be an amount equal to the issue price plus the amount of dividend declared but unpaid for the current period.

10 Restrictions on voting rights and terms of restoration of voting rights

10.1 Restrictions on voting rights

Under normal circumstances, the Offshore Preference Shareholders are not entitled to convene or attend any Shareholders' general meetings of the Company nor do the Offshore Preference Shares carry any voting rights in any Shareholders' general meeting. If any of the following matters occurs, the Offshore Preference Shareholders will be entitled to attend Shareholders' general meetings and vote as a separate class. Under such circumstance, each Offshore Preference Share will be entitled to one vote, but the Offshore Preference Shares held by the Company do not entitle the Company to vote:

- 10.1.1 amendments to the Articles of Association related to preference shares;
- 10.1.2 reduction of the registered capital of the Company by more than 10% on a single or aggregate basis;
- 10.1.3 merger, division, dissolution or change of corporate form of the Company;
- 10.1.4 issuance of preference shares by the Company; or

10.1.5 other events specified in the laws, administrative regulations and departmental rules and the Articles of Association.

Resolutions relating to the above matters shall be approved by more than two thirds of the votes held by the Ordinary Shareholders present at the meeting (including preference shareholders with restored voting rights) and by more than two thirds of the votes held by the preference shareholders present at the meeting (excluding preference shareholders with restored voting rights).

10.2 Terms of restoration of voting rights

Following the issuance of the Offshore Preference Shares by the Company and so long as such Offshore Preference Shares remain outstanding, if the Company fails to pay the prescribed dividend to the Offshore Preference Shareholders for three financial years in aggregate or two consecutive financial years, the Offshore Preference Shareholders will have the right to attend and vote at the Shareholders' general meetings together with the Ordinary Shareholders from the day immediately after the Shareholders' general meeting resolves that the Company will not pay the prescribed dividend for the current dividend period. The formula for calculating the voting rights of the Offshore Preference Shares with restored voting rights is as follows: $Q = V/P \times \text{conversion exchange rate}$, with any fractional restored voting right rounded down to the nearest whole number.

Where: "Q" denotes the H Share voting rights restored from the Offshore Preference Shares held by each Offshore Preference Shareholder; "V" denotes the aggregate value of the Offshore Preference Shares with restored voting rights held by each Offshore Preference Shareholder; "P" denotes the conversion price, where the conversion price is equal to the initial mandatory conversion price; and the "conversion exchange rate" refers to the cross rate between Hong Kong dollars and the currency in which the Offshore Preference Shares are denominated based on the RMB Central Parity Rate published by the China Foreign Exchange Trading System on the trading date preceding the Board Resolution Date⁶ in respect of the Plan for Offshore Preference Share Issuance.

10.3 Cancellation of restoration of voting rights

After such restoration of the voting rights of the Offshore Preference Shares, such restored voting rights shall be cancelled from the date of full payment of the dividend on the Offshore Preference Shares for the current dividend period. After the cancellation of the restored voting rights, if the Company fails to make any scheduled dividend payment, then "10.2 Terms of restoration of voting rights" above shall apply again.

11 Order of distribution on liquidation and procedures for liquidation

In accordance with the Articles of Association, the residual assets of the Company will be distributed to Shareholders according to the class of shares and proportion to their respective shareholdings after the payment of the liquidation costs, employees' salaries, social insurance and statutory compensation and taxes in arrears, and the settlement of the Company's debts.

⁶ i.e. 12 June 2017

When the Company is in winding-up proceedings due to any of its dissolutions or bankruptcies or other reasons, the residual assets of the Company after the settlement under laws, administrative regulations, departmental rules and the aforesaid provisions of the Articles of Association, shall be preferentially distributed to the Offshore Preference Shareholders in an amount equal to the aggregate value of the Offshore Preference Shares then issued and outstanding plus any declared but unpaid dividends for the current period. If there are insufficient residual assets, the distribution will be made ratably according to the aggregate value of the Offshore Preference Shares held by each Offshore Preference Shareholder as a proportion of the aggregate value of all preference shares.

The remaining assets of the Company after settlement in accordance with the provisions aforesaid shall be distributed to the Ordinary Shareholders in proportion to the shareholding of Ordinary Shares held by them.

12 Rating arrangements

The detailed rating arrangements for the Offshore Preference Shares will be determined in accordance with relevant laws, regulations and market conditions for issuance.

13 Security arrangements

The Offshore Preference Shares will not have any security arrangements.

14 Use of proceeds

Subject to the approvals of relevant regulatory authorities, after deduction of the commissions and expenses relating to the issuance, the net proceeds from the issuance of the Offshore Preference Shares will be used to replenish the Company's Additional Tier 1 Capital to support its business development.

15 Listing/trading arrangements

The listing/trading arrangements for the Offshore Preference Shares will be set out in the issuance documents.

16 Validity period of the resolution for the issuance of Offshore Preference Shares

The Plan for Offshore Preference Share Issuance will be valid for 36 months from the date on which the resolution is approved at the Shareholders' general meeting⁷.

⁷ i.e. 36 months from 7 August 2017

17 Matters relating to authorization

17.1 Matters authorized in connection with the issuance of Offshore Preference Shares

To ensure the successful implementation of the issuance of Offshore Preference Shares, it is proposed that the Shareholders' general meeting authorize the Board, and the Board delegate the authority to the Chairman and the person(s) authorized by the Chairman, to exercise, under the framework and principles approved at Shareholders' general meeting, the full power to jointly or individually deal with the matters in connection with the issuance of the Offshore Preference Shares within the validity period of the authorization for the issuance of the Offshore Preference Shares, including but not limited to those set out below:

- 17.1.1 to formulate and implement the final Plan for Offshore Preference Share Issuance, including but not limited to:
 - (1) to determine the actual issue number and issue size of the Offshore Preference Shares within the approved total issue number and issue size;
 - (2) to determine the method for determining the dividend rate and the specific dividend rate and adjusted dividend rate period of the Offshore Preference Shares;
 - (3) to determine whether the Offshore Preference Shares will be issued at or above par value, the issue price of the Offshore Preference Shares, the denomination currency, the issuance method of the Offshore Preference Shares, and the specific commencement date of the redemption period, redemption conditions, with reference to market conditions before issuance;
 - (4) to determine the timing of issuance (including suspension, termination, etc.), the arrangements relating to issuance and target investors of the Offshore Preference Shares with reference to market conditions and subject to approval from regulatory authorities; and
 - (5) to determine other matters in relation to the issuance plan (including but not limited to rating arrangements, special account for the proceeds, the tax arrangements in relation to any dividend payment, and the listing of the Offshore Preference Shares) and to make necessary adjustments to the Plan for Offshore Preference Share Issuance according to the latest regulatory requirements or opinions of regulatory authorities, except those matters that requires a separate vote at a Shareholders' general meeting in accordance with the relevant laws and regulations and the Articles of Association.
- 17.1.2 if there are any new laws, regulations, regulatory rules or policies by relevant regulatory authorities on preference shares or any changes to market conditions occurring prior to the issuance of the Offshore Preference Shares, to amend the issuance plan accordingly to reflect such changes, except for amendments that requires a separate vote at a Shareholders' general meeting according to relevant laws, regulations and the Articles of Association;
- 17.1.3 to produce, amend, execute and file the application materials relating to the issuance and transfer of the Offshore Preference Shares, and the documents relating to the issuance and transfer of the Offshore Preference Shares (such as offering circular, issuance circular, prospectus and etc., as

applicable) and to deal with related matters, such as approval, registration, filing, authorization and consent by relevant regulatory authorities according to the requirements of such relevant regulatory authorities;

17.1.4 to amend, execute, implement, submit and publish all contracts, agreements and documents (including but not limited to underwriting agreements and other agreements entered into with intermediaries in respect of the issuance of the Offshore Preference Shares, agreements relating to the issuance proceeds, subscription agreements entered into with investors, announcements, circulars and other disclosure documents) in relation to the issuance of the Offshore Preference Shares;

17.1.5 to make appropriate amendments, adjustments and supplements to the issuance terms of the Offshore Preference Shares (including but not limited to the relevant terms in relation to mandatory conversion) in accordance with the opinions of the relevant regulatory authorities and the actual circumstances of the Company to the extent permitted by laws and regulations; and

17.1.6 to deal with other matters relating to the issuance of the Offshore Preference Shares.

The authorization for the issuance of the Offshore Preference Shares shall remain valid during the 12 months following the passing of the resolution at the Shareholders' general meeting. If the issuance of the Offshore Preference Shares is not completed before the expiration of the validity period of such authorization, then such authorization will lapse, but the Board has the right to seek approval at a Shareholders' general meeting to extend or renew the validity period of such authorization.

17.2 Matters authorized in connection with Offshore Preference Shares that remain outstanding

So long as the Offshore Preference Shares remain outstanding, it is proposed that the Shareholders' general meeting authorize the Board to exercise full power to deal with, under laws and regulations, the Articles of Association, relevant regulatory rules and in accordance with the framework and principles approved at the Shareholders' general meeting, the following matters:

17.2.1 to deal with all matters relating to conversion of the Offshore Preference Shares during the conversion period upon occurrence of any trigger event for mandatory conversion of the Offshore Preference Shares, including but not limited to, determining the timing of conversion, conversion ratio and implementing the procedures for conversion, issuing related H Shares, amending the relevant provisions of the Articles of Association, dealing with regulatory approvals, registering with the administration for industry and commerce for the change in registered capital of the Company as well as other matters;

17.2.2 to decide on matters relating to redemption of the Offshore Preference Shares during the redemption period with reference to market conditions and other factors, and to deal with all matters relating to redemption as approved by the CBRC and other regulatory authorities; and

17.2.3 to determine and deal with matters in relation to dividend payment to Offshore Preference Shareholders in accordance with the requirements of the issuance documents. However, cancellation of preference share dividends in whole or in part shall still require the approval of the Shareholders' general meeting.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the first extraordinary general meeting of Shareholders for 2019 (the “**EGM**”) of China Huarong Asset Management Co., Ltd. (the “**Company**”) will be held at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC on Wednesday, 25 September 2019 at 9:30 a.m., for considering and, if thought fit, passing the following resolution:

SPECIAL RESOLUTION

1. To consider and approve the resolution in respect of the extension of the authorization granted by the general meeting of Shareholders relating to the non-public issuance of Offshore Preference Shares.

Closure of Register of Members

The register of members of the Company will be closed from Monday, 26 August 2019 to Wednesday, 25 September 2019 (both dates inclusive), during which period no transfer of Shares will be registered. H Shareholders and Domestic Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 23 August 2019 will be entitled to attend the EGM. Any H Shareholder who wishes to attend the EGM shall deposit the share certificates together with the transfer documents at the H Share registrar, Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on Friday, 23 August 2019.

The address of the H Share registrar of the Company is as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Details of the above resolution are set out in the circular published by the Company on 9 August 2019. Unless otherwise stated, terms used in this notice shall have the same meaning as defined in the circular.

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

Beijing, the PRC
9 August 2019

NOTICE OF EXTRAORDINARY GENERAL MEETING

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

Notes:

1. The register of members of the Company will be closed from Monday, 26 August 2019 to Wednesday, 25 September 2019 (both dates inclusive). H Shareholders and Domestic Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 23 August 2019 shall be entitled to attend and vote at the EGM. H Shareholders who wish to attend and vote at the EGM shall deposit the share certificates together with the transfer documents with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 23 August 2019.
2. A Shareholder entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on his/her behalf. A proxy needs not to be a Shareholder, but he/she must attend the EGM in person to represent the relevant Shareholder.
3. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his/her attorney duly authorized in writing. If the Shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its legal representative, Director(s) or duly authorized attorney. If that instrument is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.
4. In order to be valid, the proxy form, the notarized power of attorney or other authorization document (if any) must be delivered to the Board office of the Company at No. 8 Financial Street, Xicheng District, Beijing, the PRC for Domestic Shareholders and to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for H Shareholders not less than 24 hours before the time appointed for the holding of the EGM (i.e. before 9:30 a.m. on Tuesday, 24 September 2019) or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof if he/she so wishes.
5. Domestic Shareholders and H Shareholders who intend to attend the EGM in person or by proxy should deliver the reply slip to the Board office of the Company, at No. 8 Financial Street, Xicheng District, Beijing, the PRC, and to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, respectively, on or before Thursday, 5 September 2019 by hand, by post or by fax (fax no: (852) 2865 0990 for Computershare Hong Kong Investor Services Limited).
6. Pursuant to the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll. As such, all resolutions set out in the notice of the EGM will be voted on by poll.
7. The EGM is expected to last for half a day. Shareholders (in person or by proxy) attending the EGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the EGM shall produce their identity documents.
8. In the case of joint Shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholder(s), and for this purpose, seniority will be determined by the order in which the names stand on the register of members in respect of the relevant joint holding.

NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING



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)

NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN that the first domestic shareholders' class meeting for 2019 (the **"Domestic Shareholders' Class Meeting"**) of China Huarong Asset Management Co., Ltd. (the **"Company"**) will be held at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC on Wednesday, 25 September 2019 immediately after the conclusion or adjournment of the EGM (whichever is later), for considering and, if thought fit, passing the following resolution:

SPECIAL RESOLUTION

1. To consider and approve the resolution in respect of the extension of the authorization granted by the general meeting of Shareholders relating to the non-public issuance of Offshore Preference Shares.

Details of the above resolution are set out in the circular published by the Company on 9 August 2019. Unless otherwise stated, terms used in this notice shall have the same meaning as defined in the circular.

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

Beijing, the PRC
9 August 2019

NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING

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

Notes:

1. The register of members of the Company will be closed from Monday, 26 August 2019 to Wednesday, 25 September 2019 (both dates inclusive). Domestic Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 23 August 2019 shall be entitled to attend and vote at the Domestic Shareholders' Class Meeting.
2. A Shareholder entitled to attend and vote at the Domestic Shareholders' Class Meeting may appoint one or more proxies to attend and vote on his/her behalf. A proxy needs not to be a Shareholder, but he/she must attend the Domestic Shareholders' Class Meeting in person to represent the relevant Shareholder.
3. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his/her attorney duly authorized in writing. If the Shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its legal representative, Director(s) or duly authorized attorney. If that instrument is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.
4. In order to be valid, the proxy form, the notarized power of attorney or other authorization document (if any) must be delivered to the Board office of the Company at No. 8 Financial Street, Xicheng District, Beijing, the PRC for Domestic Shareholders not less than 24 hours before the time appointed for the holding of the Domestic Shareholders' Class Meeting (i.e. before 9:30 a.m. on Tuesday, 24 September 2019) or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude a Shareholder from attending and voting in person at the Domestic Shareholders' Class Meeting or any adjournment thereof if he/she so wishes.
5. Domestic Shareholders who intend to attend the Domestic Shareholders' Class Meeting in person or by proxy should deliver the reply slip to the Board office of the Company, at No. 8 Financial Street, Xicheng District, Beijing, the PRC, on or before Thursday, 5 September 2019 by hand, by post or by fax.
6. Pursuant to the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll. As such, all resolutions set out in the notice of the Domestic Shareholders' Class Meeting will be voted on by poll.
7. The Domestic Shareholders' Class Meeting is expected to last for half a day. Shareholders (in person or by proxy) attending the Domestic Shareholders' Class Meeting are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the Domestic Shareholders' Class Meeting shall produce their identity documents.
8. In the case of joint Shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholder(s), and for this purpose, seniority will be determined by the order in which the names stand on the register of members in respect of the relevant joint holding.

NOTICE OF H SHAREHOLDERS' CLASS MEETING



中國華融

CHINA HUARONG

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)

NOTICE OF H SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN that the first H shareholders' class meeting for 2019 (the "**H Shareholders' Class Meeting**") of China Huarong Asset Management Co., Ltd. (the "**Company**") will be held at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC on Wednesday, 25 September 2019 immediately after the conclusion or adjournment of the Domestic Shareholders' Class Meeting (whichever is later), for considering and, if thought fit, passing the following resolution:

SPECIAL RESOLUTION

1. To consider and approve the resolution in respect of the extension of the authorization granted by the general meeting of Shareholders relating to the non-public issuance of Offshore Preference Shares.

Details of the above resolution are set out in the circular published by the Company on 9 August 2019. Unless otherwise stated, terms used in this notice shall have the same meaning as defined in the circular.

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

Beijing, the PRC
9 August 2019

NOTICE OF H SHAREHOLDERS' CLASS MEETING

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

Notes:

1. The register of members of the Company will be closed from Monday, 26 August 2019 to Wednesday, 25 September 2019 (both dates inclusive). H Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 23 August 2019 shall be entitled to attend and vote at the H Shareholders' Class Meeting. H Shareholders who wish to attend and vote at the H Shareholders' Class Meeting shall deposit the share certificates together with the transfer documents with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 23 August 2019.
2. A Shareholder entitled to attend and vote at the H Shareholders' Class Meeting may appoint one or more proxies to attend and vote on his/her behalf. A proxy needs not to be a Shareholder, but he/she must attend the H Shareholders' Class Meeting in person to represent the relevant Shareholder.
3. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his/her attorney duly authorized in writing. If the Shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its legal representative, Director(s) or duly authorized attorney. If that instrument is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.
4. In order to be valid, the proxy form, the notarized power of attorney or other authorization document (if any) must be delivered to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for H Shareholders not less than 24 hours before the time appointed for the holding of the H Shareholders' Class Meeting (i.e. before 9:30 a.m. on Tuesday, 24 September 2019) or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude a Shareholder from attending and voting in person at the H Shareholders' Class Meeting or any adjournment thereof if he/she so wishes.
5. H Shareholders who intend to attend the H Shareholders' Class Meeting in person or by proxy should deliver the reply slip to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, respectively, on or before Thursday, 5 September 2019 by hand, by post or by fax (fax no: (852) 2865 0990 for Computershare Hong Kong Investor Services Limited).
6. Pursuant to the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll. As such, all resolutions set out in the notice of the H Shareholders' Class Meeting will be voted on by poll.
7. The H Shareholders' Class Meeting is expected to last for half a day. Shareholders (in person or by proxy) attending the H Shareholders' Class Meeting are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the H Shareholders' Class Meeting shall produce their identity documents.
8. In the case of joint Shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholder(s), and for this purpose, seniority will be determined by the order in which the names stand on the register of members in respect of the relevant joint holding.