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

If you have sold or transferred all your shares in Huarong International Financial Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee, or to the bank, stock broker or other agent through whom the sale or the 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.

(1) RE-ELECTION OF RETIRING DIRECTORS;
(2) GENERAL MANDATES TO ISSUE AND BUY BACK SHARES; AND
(3) NOTICE OF ANNUAL GENERAL MEETING

A letter from the Board is set out on pages 3 to 7 of this circular.

A notice dated 29 May 2019 convening the AGM of the Company to be held at 3:00 p.m. on Friday, 28 June 2019 at Level 29, One Pacific Place, 88 Queensway, Hong Kong is set out on pages 14 to 18 of this circular.

The proxy form for the AGM has been posted to you on 29 May 2019. Whether or not you are able to attend and vote at the AGM in person, please complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time scheduled for the holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

29 May 2019
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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 any statement herein or this circular misleading.
In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM” the forthcoming annual general meeting of the Company to be convened and held at 3:00 p.m. on Friday, 28 June 2019 at Level 29, One Pacific Place, 88 Queensway, Hong Kong

“Audit Committee” the audit committee of the Company

“Board” the board of Directors

“Buy-back Mandate” the proposed general mandate to be granted to the Directors to buy back Shares as defined in paragraph 3(b) under the section headed Letter from the Board contained in this circular

“Bye-laws” the bye-laws of the Company, as amended from time to time

“Company” Huarong International Financial Holdings Limited (華融國際金融控股有限公司), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 993)

“controlling shareholder(s)” has the meaning ascribed under the Listing Rules

“Director(s)” the director(s) of the Company

“Group” the Company and its subsidiaries

“HK$” Hong Kong dollars(s), the lawful currency of Hong Kong

“Hong Kong” the Hong Kong Special Administrative Region of the PRC

“Issue Mandate” the proposed general mandate to be granted to the Directors to allot, issue and deal in the Shares as defined in paragraph 3(a) under the section headed Letter from the Board contained in this circular

“Latest Practicable Date” 23 May 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

“Listing Rules” the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time

“Nomination Committee” the nomination committee of the Company
DEFINITIONS

“PRC” the People’s Republic of China which for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Remuneration Committee” the remuneration committee of the Company

“SFO” the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), including its amendments from time to time

“Share(s)” issued share(s) of HK$0.001 each in the capital of the Company

“Shareholder(s)” holder(s) of the Share(s)

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“substantial shareholder(s)” has the meaning ascribed under the Listing Rules

“Takeovers Code” The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong

“%” per cent.
To the Shareholders,

Dear Sir or Madam,

(1) RE-ELECTION OF RETIRING DIRECTORS;
(2) GENERAL MANDATES TO ISSUE AND BUY BACK SHARES; AND
(3) NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The primary purpose of this circular is to provide Shareholders with notice of the AGM and the information regarding the resolutions to be proposed to seek approval of the Shareholders at the AGM in relation to: (i) the re-election of the retiring Directors; and (ii) the grant of Issue Mandate and Buy-back Mandate.

2. RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Board comprises five Directors, namely Mr. Bai Junjie, Mr. Xu Yong, Dr. Wong Tin Yau Kelvin, Mr. Ma Lishan and Mr. Guan Huanfei.

According to Bye-law 86(2B) of the Bye-laws, any Director appointed by the Board to fill a casual vacancy on the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting. Accordingly, Mr. Bai Junjie shall retire from office as Director at the AGM and being eligible, offer himself for re-election.
According to Bye-law 87 of the Bye-laws, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to not less than one-third) shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors’ on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director newly appointed by the Board to fill a casual vacancy on the Board shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. Accordingly, Mr. Xu Yong and Mr. Ma Lishan shall retire from office as Director by rotation at the AGM and being eligible, offer themselves for re-election.

The re-election of Directors has been reviewed by the Nomination Committee which made recommendation to the Board that the re-election be proposed for Shareholders’ approval at the AGM. The recommendations were made in accordance with the Director Nomination Policy, which are disclosed in pages 36 to 37 of the 2018 annual report of the Company.

The Company has received from each of the independent non-executive Directors annual confirmations of his independence pursuant to Rule 3.13 of the Listing Rules. The Nomination Committee has assessed the independence of the independent non-executive Directors, including Mr. Ma Lishan, who has offered himself for re-election at the AGM, and affirmed that all independent non-executive Directors remain independent.

The Nomination Committee evaluated the performances of Mr. Ma Lishan and is of the view that he has provided valuable contributions to the Company and has demonstrated his abilities to provide independent, balanced and objective views to the Company’s affairs. The Nomination Committee is also of the view that Mr. Ma Lishan would bring to the Board his own perspective, skills and experience, as further described in his biographical details set out in Appendix I to this circular. Based on the board diversity policy adopted by the Company, the Nomination Committee considers that Mr. Ma Lishan could continue to contribute to the diversity of the Board, in particular with his extensive experience in operation and management of modern large-scale corporations and listed companies.

All Directors offering for re-election have provided valuable advice and contributed their respective experience and expertise to the Board and the Company. The Nomination Committee nominated and the Board recommended Mr. Bai Junjie, Mr. Xu Yong and Mr. Ma Lishan to stand for re-election as Directors as the AGM. Separate resolutions will be proposed at the AGM to approve the re-election of each retiring Director.

Brief biographical details of the retiring Directors who are subject to re-election are set out in Appendix I to this circular.
3. ISSUE AND BUY-BACK MANDATES

At the annual general meeting of the Company held on 24 May 2018, general mandates were given to the Directors to exercise the powers of the Company to buy back Shares and to issue new Shares respectively. As at the Latest Practicable Date, such mandates have not been utilised and will lapse at the conclusion of the AGM.

Ordinary resolutions will be proposed at the AGM to approve the granting of the following new general mandates to the Directors:

(a) the Issue Mandate to issue, allot and deal with Shares up to 20% of the total number of Shares on the date of passing of such resolution (i.e. up to 717,693,202 Shares on the assumption that the number of Shares remains unchanged between the Latest Practicable Date and the date of the AGM); and

(b) the Buy-back Mandate to purchase Shares on the Stock Exchange up to 10% of the total number of Shares on the date of passing of such resolution (i.e. up to 358,846,601 Shares on the assumption that the number of Shares remains unchanged between the Latest Practicable Date and the date of the AGM).

In addition, a separate ordinary resolution will also be proposed at the AGM to extend the Issue Mandate by the number of Shares bought back by the Company pursuant to and in accordance with the Buy-back Mandate (provided that if such mandate is granted to the Directors at the AGM).

The Issue Mandate and the Buy-back Mandate will continue to be in force until the conclusion of the next annual general meeting of the Company held after the AGM or any earlier date as referred to in ordinary resolution No. 4 and No. 5 set out in the notice of the AGM, respectively. The Directors wish to state that they have no immediate plan to issue any new Shares or buy back any Shares pursuant to the Issue Mandate and the Buy-back Mandate.

Under the Listing Rules, the Company is required to give its Shareholders all information which is reasonably necessary to enable its Shareholders to make an informed decision as to whether to vote for or against the resolution to grant to the Directors of the Buy-back Mandate. The explanatory statement containing the information as required by the Listing Rules in connection with the Buy-back Mandate is set out in Appendix II to this circular.

4. ANNUAL GENERAL MEETING

The AGM will be held at 3:00 p.m. on Friday, 28 June 2019 at Level 29, One Pacific Place, 88 Queensway, Hong Kong. Set out on pages 14 to 18 of this circular is a notice convening the AGM at which, among other businesses, resolutions will be proposed to approve the re-election of the retiring Directors and the grant of the Issue Mandate and the Buy-back Mandate. To the best of the Director’s knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.
5. PROXY AND VOTING PROCEDURES

You will find enclosed with this circular a proxy form for use at the AGM. Whether or not you intend to attend the AGM in person, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time scheduled for the holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish.

Pursuant to Bye-law 66 of the Bye-laws and Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all resolutions will be put to vote by way of poll at the AGM. An announcement on the results of the vote by poll will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

6. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 25 June 2019 to Friday, 28 June 2019, both days inclusive, during which period no transfer of Shares will be effected. In order to determine the identity of Shareholders who are entitled to attend and vote at the AGM, all Share transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Monday, 24 June 2019.

7. RECOMMENDATION

The Directors are of the opinion that the re-election of retiring Directors, the grant of the Issue Mandate and Buy-back Mandate are in the interests of the Company and its Shareholders as a whole and recommend you to vote in favour of all the resolutions to be proposed at the AGM.

8. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.
9. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
By order of the Board
Huarong International Financial Holdings Limited
Bai Junjie
Chairman
Mr. Bai Junjie, an executive Director

Mr. Bai Junjie ("Mr. Bai"), aged 51, was appointed as an executive Director and the Chairman of the Company on 1 November 2018. He is also the chairman of the executive committee and a member of each of the Nomination Committee and the risk management committee of the Company. Mr. Bai has worked in the financial industry for years and accumulated extensive experience in banking, investment and asset management. From August 1990 to April 2000, Mr. Bai worked at International Business Department of Industrial and Commercial Bank of China Fujian Branch. In April 2000, Mr. Bai joined China Huarong Asset Management Co., Ltd. ("China Huarong") and held various positions including the deputy general manager of investment business department (international business department) of China Huarong, the secretary of party committee and the general manager of China Huarong Chongqing branch, the general manager of asset management department of China Huarong, the general manager of investment development department of China Huarong and the director of Huarong West-China Development and Investment Co., Ltd. Mr. Bai is currently the secretary of Party Committee, the chairman and the legal representative of Huarong Capital Management Co., Ltd.. Mr. Bai graduated from Peking University majoring in international economics and obtained a bachelor’s degree in economics.

Mr. Bai has entered into an appointment letter with the Company on 1 November 2018 for an initial term of three years commencing from 1 November 2018 which is automatically renewable for a successive term of three years upon the expiry of the said term. He is subject to retirement by rotation at least once every three years and is eligible for re-election at each annual general meeting of the Company in accordance with the Company’s Bye-laws. The remuneration of Mr. Bai is determined by the Board with reference to, his duties and responsibilities, the Company’s performance and the prevailing market conditions and trends.

Save as disclosed above, Mr. Bai does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. He does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules (particularly in relation to subparagraphs (h) to (v) therein) nor are there other matters which need to be brought to the attention of the Shareholders in relation to the proposed re-election of Mr. Bai as an executive Director.

Mr. Xu Yong, an executive Director

Mr. Xu Yong ("Mr. Xu"), aged 39, was appointed as an executive Director, the chief executive officer and a member of each of the executive committee and the risk management committee of the Company on 11 April 2018. Mr. Xu has accumulated years of experience in financial industry and has extensive experience in the business development of banking and securities industries. He worked at several banks and large state-owned securities firms. Mr.
Xu joined China Huarong in 2015. Since August 2016, he successively served as assistant to general manager, director and deputy general manager of China Huarong International Holdings Limited ("CHIH"), a wholly-owned subsidiary of China Huarong. He is currently the legal representative and chairman of Huarong Construction and Investment Asset Management Co., Ltd. (華融建投資產管理有限公司), a non-wholly-owned subsidiary of CHIH, and the director of Huarong International Securities Limited, Huarong International Asset Management Limited, Huarong International Capital Limited, Skymart Global Limited and Huarong International Services Limited, the wholly-owned subsidiaries of the Company. He is also the executive director and legal representative of 華融天海(上海)投資管理有限公司, a wholly-owned subsidiary of the Company. Apart from this, he has resigned all his positions in China Huarong and CHIH or their respective subsidiaries prior to joining the Company. Mr. Xu obtained a master's degree in Economics from Fudan University, and an executive master of business administration degree from the Hong Kong University of Science and Technology.

Mr. Xu has entered into an appointment letter with the Company on 11 April 2018 for an initial term of three years commencing from 11 April 2018 which is automatically renewable for successive terms of three years upon the expiry of the said term. He is subject to retirement by rotation at least once every three years in accordance with the Bye-laws. The remuneration of Mr. Xu is determined by the Board with reference to the recommendation from the Remuneration Committee, the prevailing market rate and his duties and responsibilities in the Company and is subject to review by the Board and the Remuneration Committee from time to time.

Save as disclosed above, Mr. Xu does not have any relationship with any of the Directors, senior management, substantial shareholders or controlling shareholders of the Company. He does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules (particularly in relation to subparagraphs (h) to (v) therein) nor are there other matters which need to be brought to the attention of the Shareholders in relation to the proposed re-election of Mr. Xu as an executive Director.

Mr. Ma Lishan, an independent non-executive Director

Mr. Ma Lishan ("Mr. Ma"), aged 67, has been appointed as an independent non-executive Director, a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee and the chairman of the risk management committee of the Company since 19 August 2016. Mr. Ma has extensive experience in operation and management of modern large-scale corporations and listed companies. Mr. Ma graduated from Beijing Foreign Studies University in the PRC in 1975. Mr. Ma served in various positions such as chairman, executive director, general manager in certain large-scale joint ventures and Great Wall Wine under China Oil & Foodstuff Corporation. From January 1996 to June 2003, Mr. Ma served as an executive director of China Foods Limited (HKEx: 506). From May 1997 to June 2003, Mr. Ma served as an executive director and the managing director of China Foods Limited. From June 2000 to June 2003, Mr. Ma served as the deputy general manager of
China Foods Import and Export (Group) Co., Ltd. Mr. Ma was the deputy chairman of Top Glory International Holdings Limited (a shareholder of COFCO Property (Group) Co., Ltd.) from June 2003 to July 2005. From June 2008 to January 2009, Mr. Ma was an executive director of Sino Resources Group Limited (now known as Elife Holdings Limited) (HKEx: 223). From March 2008 to present, he is an independent non-executive director of Silver Base Group Holdings Limited (HKEx: 886). From 2 August 2009 to present, he is an independent non-executive director of Sunac China Holdings Limited (HKEx: 1918). From September 2010 to August 2012, he was also the executive director, managing director and chairman of Hao Tian Resources Group Limited (now known as Hao Tian Development Group Limited) (HKEx: 474). He was the senior consultant in Hao Tian Development Group Limited from August 2012 to August 2016. From 28 June 2016 to present, Mr. Ma is an independent non-executive director of China Minsheng DIT Group Limited (formerly known as China Minsheng Drawin Technology Group Limited) (HKEx: 726) and an independent non-executive director of SRE Group Limited (HKEx: 1207) since 31 March 2016.

Mr. Ma entered into an appointment letter with the Company on 19 August 2016 for an initial term of two years commencing from 19 August 2016 which is automatically renewable for successive terms of two years upon the expiry of the said term. He is subject to retirement by rotation at least once every three years and in accordance with the Bye-laws. Mr. Ma is entitled to a director’s remuneration of HK$310,000 per annum, which is determined by the Board with reference to the recommendation from the Remuneration Committee, the duties and responsibilities of Mr. Ma and the prevailing market conditions, and is subject to review by the Board and the Remuneration Committee from time to time.

Mr. Ma does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. He does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules (particularly in relation to subparagraphs (h) to (v) therein) nor are there other matters which need to be brought to the attention of the Shareholders in relation to the proposed re-election of Mr. Ma as an independent non-executive Director.
The following is a summary of the principal provisions of the Listing Rules relating to the buy-back of its shares on the Stock Exchange by a company whose primary listing is on the Stock Exchange and serves as an explanatory statement required by the Listing Rules to provide the requisite information to enable the Shareholders to make an informed decision whether to vote for or against the resolution to approve the granting of the Buy-back Mandate.

LISTING RULES REQUIREMENTS FOR SHARE BUY-BACK

All on-market share buy-backs must be made in accordance with the Listing Rules, which set out various restrictions with which listed companies have to comply. In particular (a) no shares may be bought back unless they are fully paid-up; (b) the listed company has previously sent to its shareholders an explanatory statement complying with the Listing Rules; and (c) a listed company may not repurchase its own shares on the Stock Exchange unless, inter alia, its shareholders shall have given in advance a specific approval or a general mandate to the directors of the listed company to make such repurchase.

REASON FOR THE SHARE BUY-BACK

Whilst the Directors do not presently intend to buy back any Shares, they believe that flexibility afforded by the Buy-back Mandate, if granted, would be beneficial to the Company and the Shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years and if there are occasions in the future when Shares are trading at a discount to their underlying value, the ability of the Company to buy back Shares can be beneficial to those Shareholders who retain their investment in the Company since this may, depending on the circumstances, result in increases to the fully diluted net assets and/or earnings per Share. The exercise of the Buy-back Mandate by the Directors will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders as a whole.

SHARE CAPITAL

As at the Latest Practicable Date, the issued Shares comprised 3,588,466,011 fully paid Shares. Subject to the passing of the proposed resolution of the grant of Buy-back Mandate, the exercise of the Buy-back Mandate up to the 10% limit would enable the Company to buy back up to 358,846,601 Shares, on the assumption that no further Shares will be issued or bought back before the date of the AGM.

SOURCE OF FUNDS

In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with the Bye-laws, the Listing Rules and the applicable laws of Bermuda. The applicable laws of Bermuda provide that the amount to be repaid in connection with a share buy-back may be paid from the profits of the Company and/or the proceeds of a new issue of shares made for the purpose of the buy-back or out of capital, if the Company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business.
The Buy-back Mandate, if exercise in full at any time during the proposed buy-back period, may have a material adverse impact on the working capital or gearing position of the Company, as compared with the position disclosed in the latest published audited accounts of the Group for the year ended 31 December 2018. The Directors do not, however, intend to make any buy-back in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the Buy-back Mandate in accordance with the Listing Rules, the applicable laws of Bermuda and the regulations set out in the memorandum of association and the Bye-laws of the Company. None of the Directors nor (to the best of their knowledge, having made all reasonable enquiries) any of their close associates (has the meaning ascribed thereto under the Listing Rules), presently intend to sell Shares to the Company under the Buy-back Mandate in the event that the Buy-back Mandate is granted by the Shareholders.

If as a result of a buy-back of Shares by the Company, a substantial shareholder’s proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert (has the meaning ascribed under the Takeovers Code), depending on the level of increase of the Shareholder’s interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the controlling shareholder of the Company, CHIH and parties acting in concert with it were interested and deemed to be interested in 1,830,117,664 Shares representing approximately 51% of the total Shares. In the event that the Directors should exercise in full the power to buy-back Shares which is proposed to be granted pursuant to the Buy-back Mandate, the percentage interests held by CHIH in the Company would be increased to approximately 56.67% of the total Shares and therefore no obligation would arise in accordance with Rule 26 of the Takeover Code. Save as aforesaid, the Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any buy-back of Shares pursuant to the Buy-back Mandate. In any event, the Directors have no present intention to buy back Shares to such extent which will trigger the mandatory offer requirement pursuant to the Takeovers Code.

No core connected person of the Company has notified the Company that he/she has a present intention to sell any Share to the Company nor has any such core connected person undertaken not to sell any Shares held by him/her to the Company in the event that the Buy-back Mandate is granted.

The Directors will be cautious in exercising the Buy-back Mandate and have no intention to exercise the Buy-back Mandate to such an extent as to jeopardize the public float requirement of 25% or such other prescribed minimum percentage as determined by the Stock Exchange.
MARKET PRICE

The highest and lowest traded market prices for Shares recorded on the Stock Exchange during the 12 months preceding the Latest Practicable Date were as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>Highest traded price HK$</th>
<th>Lowest traded price HK$</th>
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<tr>
<td>May 2018</td>
<td>1.860</td>
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<td>June 2018</td>
<td>1.790</td>
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<td>July 2018</td>
<td>1.500</td>
<td>1.030</td>
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<tr>
<td>August 2018</td>
<td>1.080</td>
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<td>September 2018</td>
<td>1.070</td>
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<td>October 2018</td>
<td>0.840</td>
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<td>November 2018</td>
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<td>December 2018</td>
<td>0.730</td>
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<td>0.570</td>
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<td>February 2019</td>
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<tr>
<td>March 2019</td>
<td>0.870</td>
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<tr>
<td>April 2019</td>
<td>0.800</td>
<td>0.530</td>
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<tr>
<td>May (up to Latest Practicable Date)</td>
<td>0.650</td>
<td>0.500</td>
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SHARE BUY-BACKS MADE BY THE COMPANY

No buy-back of Shares has been made by the Company in the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).
NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “AGM”) of Huarong International Financial Holdings Limited (the “Company”) will be held at 3:00 p.m. on Friday, 28 June 2019 at Level 29, One Pacific Place, 88 Queensway, Hong Kong for considering and, it thought fit, passing with or without amendments, the following resolutions as ordinary resolutions:

As ordinary business:

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “Director(s)”) and independent auditors of the Company for the year ended 31 December 2018.

2. (a) Each as a separate resolution, to re-elect the following retiring Directors:

(i) Mr. Bai Junjie as an executive Director;

(ii) Mr. Xu Yong as an executive Director; and

(iii) Mr. Ma Lishan as an independent non-executive Director.

(b) To authorise the board of Directors (the “Board”) to appoint additional Director(s) and to fix the remuneration of the Directors.

3. To reappoint Deloitte Touche Tohmatsu as the auditor of the Company and to authorise the Board to fix their remuneration.

As special business:

4. “THAT

(a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the Company or securities convertible into shares, options, warrants or singular rights to subscribe for shares or such other convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which might require the exercise of such power be and is hereby generally and unconditionally approved;
(b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shares authorise the Directors during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period (as defined in paragraph (d) below);

(c) the total number of shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors during the Relevant Period pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) an issue of shares of the Company upon the grant or exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to directors, officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company in force from time to time; or (iv) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed the aggregate of:

(i) 20% of the number of shares of the Company in issue as at the date of passing of this resolution; and

(ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) any shares bought back by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the number of shares of the Company in issue as at the date of passing of this resolution),

and the said approval shall be limited accordingly; and

(d) for the purpose of this resolution “Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

(i) the conclusion of the next annual general meeting of the Company; or

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company (the “Bye-laws”) or the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; or

(iii) the passing of an ordinary resolution by the shareholders of the Company in a general meeting revoking or varying the authority given to the Directors by this resolution; and
“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5. “THAT

(a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (e) below) of all powers of the Company to buy back shares of the Company on the Stock Exchange or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “SFC”) and the Stock Exchange for such purpose, subject to and in accordance with all applicable laws, rules and regulations of the SFC, and/or the requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period (as defined in paragraph (e) below) to procure the Company to buy back its shares at a price determined by the Directors;

(c) the total number of shares which may be bought back by the Company pursuant to paragraph (a) above during the Relevant Period (as defined in paragraph (e) below) shall not exceed 10% of the number of shares of the Company in issue as at the date of passing of this resolution and the authority pursuant to paragraph (a) above shall be limited accordingly;

(d) subject to the passing of each of the paragraphs (a), (b) and (c) of this resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
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(e) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

(i) the conclusion of the next annual general meeting of the Company; or

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; or

(iii) the passing of an ordinary resolution by the shareholders of the Company in a general meeting revoking or varying the authority given to the Directors by this resolution.”

6. “THAT conditional upon the passing of resolution No. 4 and resolution No. 5 as set out in the notice convening this meeting, the general mandate granted to the Directors and for the time being in force to exercise the powers of the Company to allot, issue or otherwise deal with the additional shares of the Company pursuant to resolution No. 4 as set out in the notice convening this meeting be and is hereby extended by the addition thereto of the number of shares of the Company bought back by the Company under the authority granted pursuant to resolution No. 5 as set out in the notice convening this meeting, provided that such extended amount shall not exceed 10% of the number of shares of the Company in issue as at the date of passing of this resolution.”

By Order of the Board

Huarong International Financial Holdings Limited

Bai Junjie
Chairman

Hong Kong, 29 May 2019

Notes:

1. The register of members of the Company will be closed from 25 June 2019 to 28 June 2019, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for attending and voting at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on 24 June 2019.

2. Shareholders who are entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a Shareholder.

3. In order to be valid, the proxy form of Shareholders for the AGM must be deposited by hand or by post to branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time for holding the AGM or any adjournment thereof for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the AGM or any adjourned meetings thereof should they so wish.
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4. Shareholders or their proxies shall provide their identification documents when attending the AGM. In case of a corporate Shareholder, its proxy or other person authorised to attend the meeting with a resolution passed by the board of directors or other decision-making authorities of which the Shareholder is a member, should provide a copy of such resolution.

5. In case of joint holders, the vote of the senior joint Shareholder 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 of the Company in respect of the joint shareholding.

6. Concerning resolution No. 2(a), Mr. Bai Junjie, Mr. Xu Yong and Mr. Ma Lishan shall retire from office of directorship and shall offer themselves for re-election in accordance with the Bye-laws. Details of their information which are required to be disclosed under the Listing Rules are set out in the circular of the Company dated 29 May 2019.

7. Concerning resolution No. 4, the Directors wish to state that they have no immediate plan to issue any new shares. The general mandate to be sought from members pursuant to resolution No. 4 does not violate the provisions of the Companies Act 1981 of Bermuda or the Listing Rules.

8. Concerning resolution No. 5, there is no immediate plan for the Directors to exercise the right of the Company to buy back its own shares. The general mandate to be sought from members pursuant to resolution No. 5 does not violate the provisions of the Companies Act 1981 of Bermuda or the Listing Rules.