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中國華融資產管理股份有限公司

China Huarong Asset Management Co., Ltd.

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 2799)

CONTINUING CONNECTED TRANSACTIONS UNDER RULE 14A.60 OF THE LISTING RULES

This announcement is made under Rule 14A.60 of the Listing Rules.

References are made to the announcements dated 17 November 2021, 2 December 2021, 10 December 2021, 23 December 2021, 28 December 2021 and 30 December 2021 (collectively referred to as the “**Announcements**”), and the supplemental circular dated 18 November 2021 (the “**Supplemental Circular**”) of the second extraordinary general meeting of shareholders for 2021 (the “**EGM**”), the first domestic shareholders’ class meeting for 2021 and the first H shareholders’ class meeting for 2021 (collectively referred to as the “**Class Meetings**”) of the Company in relation to, among other things, the resolution regarding the proposed non-public issuance of domestic shares and H shares under specific mandate (the “**Issuance**”), which was considered and approved at the EGM and the Class Meetings, and the Issuance plan, which has been approved by the China Banking and Insurance Regulatory Commission and the China Securities Regulatory Commission. As of the date of this announcement, the Issuance has been completed.

Upon the completion of the Issuance, CITIC Group will hold 23.46% equity in the Company, being a substantial shareholder of the Company and constituting a connected person of the Company under Chapter 14A of the Listing Rules. The subsidiaries of CITIC Group are the associates of CITIC Group, which also constitute connected persons of the Company. Prior to the completion of the Issuance, the Group has entered into agreements in relation to the deposits and loans (collectively referred to as the “**Agreements**”) with CITIC Group and its subsidiaries, respectively. Therefore, the Agreements and the continuing transactions thereunder have become the continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.60 of the Listing Rules, the Company shall comply with the annual review and disclosure requirements. The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules if the terms of the Agreements are amended or renewed.

Background

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Main Terms of the Agreements

1. Loan Agreement

Parties

Huarong Capital, as the borrower

Beijing Branch of China CITIC Bank, as the lender

Date of the Agreement

26 July 2021

Loan

According to the Loan Agreement, China CITIC Bank granted a working capital loan of RMB0.5 billion to Huarong Capital with a loan term from 26 July 2021 to 19 January 2022.

The loan rate is the annum rate. When the interval between the actual drawdown date of a single loan under the Loan Agreement and the date of entering into the Loan Agreement falls within six months (including), the loan rate = a pricing basic rate of 3.85% on the actual drawdown date of a loan plus 85 basis points (1 basis point = 0.01%).

The interest rate shall remain unchanged during the loan period.

The loan shall bear interest from the actual drawdown date. The formula for calculating the interest payable by Huarong Capital under the Loan Agreement is: the interest payable by Huarong Capital = actual loan balance × actual days during the interest-bearing period × annum rate/360 days. If the actual loan balance changes during the interest-bearing period, it shall be calculated section by section according to the actual days.

When the loan is due, the interest shall be paid in full together with its principal.

Loan Guarantee

In accordance with the guarantee contract signed for the loan between the Company and China CITIC Bank, the Company shall provide guarantee (including the principal debt, interest, penalty interest, compound interest, liquidated damages, compensation for damages and all other payables) to China CITIC Bank in relation to the Loan of RMB0.5 billion, with joint-liability guarantee. In the case of the expiration of the obligation performance term under the Loan Agreement, China CITIC Bank is entitled to directly require the Company to undertake its guarantee responsibility when the debtor fails to perform or fails to fully perform its obligations, or when there exist other circumstances where the guarantor shall perform its guarantee responsibility as agreed in the agreement.

Default Liability

For the principal that Huarong Capital fails to repay as agreed in the Loan Agreement, China CITIC Bank shall be entitled to charge a penalty interest in the following ways. Huarong Capital agrees that the calculation of the penalty interest amount shall be subject to the calculation result of China CITIC Bank: according to the actual number of overdue days, a penalty interest with an additional interest rate of 50% based on the loan interest rate then applicable to the Loan Agreement will be charged.

For the interest (including the interest corresponding to the principal declared fully or partially due by China CITIC Bank) and penalty interest that Huarong Capital fails to pay in a timely manner, from the overdue date to the date of full repayment, compound interest will be calculated and collected according to the penalty interest rate of overdue loan and the interest settlement method agreed in the Loan Agreement; for loans overdue and not used in accordance with the purposes agreed in the Loan Agreement, compound interest will be charged on the worse and shall not be charged concurrently.

2. Deposit Agreement

China CITIC Bank provides deposit services to the Group, of which details are set out below:

Date	Deposit Balance <i>(RMB'0,000)</i>	Deposit Term	Interest Rate
10 April 2015	4.86	Due on demand	The interest rate of the Group's deposits in China CITIC Bank shall not be lower than that of similar deposits in the same period offered by major domestic commercial banks in the PRC and shall not exceed the maximum limit set by the People's Bank of China.
31 December 2015	18.62	Due on demand	
30 December 2016	4.44	Due on demand	
15 April 2015	33,450.52	Due on demand	
16 April 2021	US\$60,000,000 (approximately RMB382,368,000)	Due on demand	0.00%
Total	71,715.24	—	—

Reasons for and Benefits of the Transaction

The Group has engaged in ongoing financial service cooperation with China CITIC Bank according to daily operation needs and selected China CITIC Bank as a cooperative partner due to its relatively strong overall strength. The loan and deposit business between the Group and China CITIC Bank are ordinary financial business and help the Group to strengthen its fund management. The terms of the Agreements are fair and reasonable.

Directors' Opinion

Directors (including the independent non-executive Directors) are of the view that the terms of the Agreements are determined after arm's length negotiation. The Agreements, which were entered into in the ordinary and usual course of business of the Company and on normal commercial terms, are fair and reasonable, and in the interest of the Company and its shareholders as a whole. None of the Directors have significant interest in the Agreements.

Listing Rules Implications

Upon the completion of the Issuance, CITIC Group will hold 23.46% equity in the Company, being a substantial shareholder of the Company and constituting a connected person of the Company under Chapter 14A of the Listing Rules. The subsidiaries of CITIC Group are the associates of CITIC Group, which also constitute connected persons of the Company. Prior to the completion of the Issuance, the Group has entered into agreements in relation to the deposits and loans with CITIC Group and its subsidiaries, respectively. Therefore, the Agreements and the continuing transactions thereunder have constituted the continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules. Pursuant to Rule 14A.60 of the Listing Rules, the Company shall comply with the annual review and disclosure requirements. The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules if the terms of the Agreements are amended or renewed.

As the applicable percentage ratios for the continuing transactions under the Loan Agreement and Deposit Agreement exceed 0.1% but are less than 5%, such transactions are subject to the announcement and reporting requirements under Chapter 14A of the Listing Rules, but exempt from compliance with the requirement for approval of independent shareholders.

General Information

The Company mainly engages in such businesses as distressed asset management, financial services, and asset management and investment business in China.

Huarong Capital is a wholly-owned subsidiary of the Company, established on 18 March 2016, which is mainly engaged in asset management, project investment, investment management, investment consulting businesses.

CITIC Group, a limited liability company incorporated in China, is a state-owned large comprehensive multi-national enterprise group deeply engaged in five business sectors, namely comprehensive finance, advanced intellectual manufacture, advanced material, new consumption and modern urbanization. The MOF is the ultimate beneficial owner of CITIC Group.

China CITIC Bank is a joint stock limited company duly incorporated in the PRC and the H shares (stock code: 998) and A shares (stock code: 601998) of which are listed on the Stock Exchange and the Shanghai Stock Exchange respectively. China CITIC Bank is a national commercial bank in China with a strong comprehensive capability and brand competitiveness and has established matured branch network and stable market position. With its leading market capabilities, China CITIC Bank provides corporate & institutional customers nationwide with assorted financial solutions in corporate banking business, international business, financial market business, institutional banking business, investment banking business, transactional banking business and custody business, and purveys personal customers diversified financial products and services covering general retail banking, credit card, consumer finance, wealth management, private banking, going abroad finance and e-banking to meet the comprehensive financial service requirements of enterprises, institutions and personal customers in an all-around way. China CITIC Bank is a subsidiary of CITIC Group.

Definitions

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

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of directors of the Company
“Company”	China Huarong Asset Management Co., Ltd., a joint stock limited liability company incorporated in the PRC, whose H shares are listed on the Main Board of the Stock Exchange
“CITIC Group”	CITIC Group Corporation, which is wholly owned by the MOF
“China CITIC Bank”	China CITIC Bank Corporation Limited, a joint stock limited company incorporated in the PRC and the H shares (stock code: 998) and A shares (stock code: 601998) of which are listed on the Stock Exchange and the Shanghai Stock Exchange, respectively. China CITIC Bank is a subsidiary of CITIC Group
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Huarong Capital”	China Huarong Capital Management Co., Ltd., a wholly-owned subsidiary of the Company
“MOF”	the Ministry of Finance of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States

Continued Suspension of Trading

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited has been suspended from 9:00 a.m. on 1 April 2021 pending the Company's fulfilment of the resumption conditions and will remain suspended until further notice. The Company will make further announcement(s) as and when appropriate.

The Company will keep the Company's shareholders and potential investors informed of the latest progress as and when appropriate and will announce and update quarterly on its development pursuant to Rule 13.24A of the Listing Rules.

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

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

Beijing, the PRC
30 December 2021

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