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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)

PROPOSED A SHARE OFFERING

Proposed A Share Offering

The Board announces that the Company proposes to apply for the A Share Offering. The plan was approved by the Board at the Board meeting held on 24 June 2016 and will be submitted to the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting for approval by Shareholders. The A Share Offering is subject to the approval by Shareholders at the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting as well as the approval by the CSRC and other relevant regulatory authorities.

Authorising the Board to Deal with Matters Relating to the A Share Offering

In order to legally and effectively complete the A Share Offering, simplify decision-making procedures and improve work efficiency related to the A Share Offering, the Board proposes Shareholders to authorise the Board to deal with matters relating to the A Share Offering at the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting. Subject to the approval of such authorisations by the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting, the Board will authorise the Chairman and his authorised person(s) to exercise such authorisations (unless otherwise determined by the Board). The validity period for the above authorisations is 12 months from the date when such authorisations are considered and approved by the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting.

General Information

The Company will convene the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting to (among other things) seek approval by the Shareholders on the proposed A Share Offering. Please note that in addition to the approval by Shareholders, the proposed A Share Offering is also subject to the approval of the CSRC and other relevant regulatory authorities.

A circular containing, among other things, details on the proposed A Share Offering will be despatched to the Shareholders as soon as possible in accordance with the requirements under the Listing Rules.

As the A Share Offering is subject to approval by the CSRC and other relevant regulatory authorities and may or may not proceed, Shareholders and investors should exercise caution when dealing in the H Shares of the Company. Further announcement(s) will be made to disclose any major updates and developments in respect of the A Share Offering in accordance with the Listing Rules and other applicable laws and regulations. This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

Proposed Plan for A Share Offering

The Board resolved to submit a proposed plan for A Share Offering to the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting at the Board meeting held on 24 June 2016. The details of the proposed plan for A Share Offering are as follows:

- Place of listing : Shanghai Stock Exchange
- Type of Shares to be issued and par value : ordinary A Shares, with a par value of RMB1.00 each
- Offering size : Subject to the regulatory requirements regarding the minimum issuance size of the place of listing, the number of A Shares to be issued shall not exceed 6,894,742,669 Shares, representing 15% of the total share capital of the Company immediately after the issuance. The number of A Shares to be issued will be accordingly adjusted upon the occurrence of events such as bonus issue and the capitalisation of capital reserve prior to the A Share Offering. A Shares will be issued as new Shares. The final number will be determined by the Board according to the authorisations obtained from the Shareholders at the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting, and after taking into consideration the market condition and the communication with relevant regulatory authorities and after consultation with the sponsor(s) and the lead underwriter(s)
- Target subscribers : Qualified participants in the price consultation process, and domestic natural persons, legal persons and other institutions which have maintained RMB ordinary share (A share) securities accounts with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited (except those prohibited by the relevant PRC laws, administrative regulations, departmental rules, normative documents and other regulatory requirements applicable to the Company)

Method of issuance	: A combination of off-line book-building and placement qualified participants in the price consultation process and on-line applications or other ways permitted by the regulatory authorities
Pricing methodology	: Subject to the market principle, the issue price will fall within a price range based on consultations with qualified participants and will subsequently be determined in accordance with the results of such cumulative bidding price consultations and market condition (or be determined based on other methods recognized by the CSRC)
Use of proceeds	: Proceeds raised from the A Share Offering, after deducting any issuance expenses, are intended to be solely used to replenish the working capital and develop major businesses of the Company
Valid period of the resolution	: The validity period of the resolution regarding the proposed A Share Offering is 12 months from the date when such resolution is considered and approved by the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting

The A Share Offering is subject to the approval by Shareholders at the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting as well as the approval by the CSRC and other relevant regulatory authorities. The Company will make further announcement(s) when the above proposed plan for the A Share Offering is renewed or finalised.

Authorising the Board to Deal with Matters Relating to the A Share Offering

In order to legally and effectively complete the A Share Offering, simplify decision-making procedures and improve work efficiency related to the A Share Offering, the Board proposes Shareholders to authorise the Board to deal with matters relating to the A Share Offering at the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting, including:

- (1) signing and modifying documents relating to the A Share Offering, including but not limited to any application report, letter of intent, prospectus, sponsor agreement and underwriting agreement, and undertaking all necessary procedures or formalities with relevant government authorities and the CSRC with respect to the A Share Offering;
- (2) making corresponding adjustments on the specific plan for the A Share Offering based on the plan for the A Share Offering approved by the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting and pursuant to the PRC laws, administrative regulations, departmental rules, normative documents and relevant requirements of securities regulatory authorities and actual situations, and taking full responsibility for the implementation of the plan, including but not limited to determining the issuance date, number of shares to be issued, pricing methodology, issue price, method of issuance, target subscribers, placement ratio and other matters related to the A Share Offering;

- (3) determining the capital verification, change in registered capital and custody of shares following the completion of the A Share Offering;
- (4) applying for approvals, registration, filings, verification and consent for the A Share Offering to relevant government departments, regulatory authorities, Shanghai Stock Exchange and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited;
- (5) making any adjustments and amendments to the Articles of Association and other corporate governance documents which have been considered and approved at general meetings and/or Board meetings, and as drafted or amended by the Company pursuant to laws, administrative regulations, departmental rules, normative documents and relevant requirements of securities regulatory authorities due to the needs of the A Share Offering as a result of any changes in laws, administrative regulations, departmental rules, normative documents and relevant requirements of securities regulatory authorities and based on the requirements and suggestions of the relevant government agencies and regulatory authorities in, or out of, the PRC, and the actual situation of the A Share Offering; making corresponding amendments to the Articles of Association with respect to the registered capital and shareholding structure of the Company and handling the modification, filing and registration procedures with company registration authorities and other relevant government departments upon completion of the A Share Offering;
- (6) reducing or transferring the state-owned shares according to applicable laws and regulations;
- (7) engaging and appointing relevant agency(ies) for the A Share Offering, determining their service fees and entering into the engagements or appointment agreements; and
- (8) handling other matters related to the A Share Offering as determined by the Board not listed above.

Subject to the approval of such authorisations by the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting, the Board will authorise the Chairman and his authorised person(s) to exercise such authorisations (unless otherwise determined by the Board).

The validity period for the above authorisations is 12 months from the date when such authorisations are considered and approved by the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting.

Reasons for the proposed A Share Offering

The Directors consider that the A Share Offering will further optimize the corporate governance structure and improve the market competitiveness of the Company. The Directors also consider that the A Share Offering meets the interests of the Company and the Shareholders as a whole.

General Information

The Company will convene the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting to (among other things) seek approval by the Shareholders on the proposed A Share Offering. Please note that in addition to the approval by Shareholders, the proposed A Share Offering is also subject to the approval by the CSRC and other relevant regulatory authorities.

A circular containing, among other things, details on the proposed A Share Offering will be despatched to the Shareholders as soon as possible in accordance with the requirements under the Listing Rules.

As the A Share Offering is subject to approval by the CSRC and other relevant regulatory authorities and may or may not proceed, Shareholders and investors should exercise caution when dealing in the H Shares of the Company. Further announcement(s) will be made to disclose any major updates and developments in respect of the A Share Offering in accordance with the Listing Rules and other applicable laws and regulations. This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

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

“A Share(s)”	ordinary share(s) that are proposed to be issued by the Company under the A Share Offering and subscribed for in Renminbi
“A Share Offering”	proposed initial public offering in the PRC of not more than 6,894,742,669 A Shares by the Company which will be listed on the Shanghai Stock Exchange
“Articles of Association”	Articles of Association of the Company as amended from time to time
“Board”	the board of directors of the Company
“Chairman”	the chairman of the Company
“Company”	China Huarong Asset Management Co., Ltd., a joint stock limited 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)”	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 Renminbi
“Domestic Shareholder(s)”	holder(s) of Domestic Shares
“Domestic Shareholders’ Class Meeting”	class meeting of Domestic Shareholders to be held by the Company for approving, among others, proposed A Share Offering
“EGM”	extraordinary general meeting to be held by the Company for approving, among others, proposed A Share Offering
“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 Hong Kong dollars and listed on the Main Board of Hong Kong Stock Exchange
“H Shareholder(s)”	holder(s) of H Shares
“H Shareholders’ Class Meeting”	class meeting of H Shareholders to be held by the Company for approving, among others, proposed A Share Offering
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of the Company, including Domestic Shares and H Shares

“Shareholder(s)” holder(s) of Shares of the Company

“%” percent

By order of the Board
China Huarong Asset Management Co., Ltd.
LAI Xiaomin
Chairman

Beijing, the PRC
24 June 2016

As at the date of this announcement, the Board comprises Mr. LAI Xiaomin, Mr. KE Kasheng and Mr. WANG Keyue as executive directors of the Company; Mr. TIAN Yuming, Ms. WANG Cong, Ms. DAI Lijia and Mr. WANG Sidong as non-executive directors of the Company; Mr. SONG Fengming, Mr. WU Xiaoqiu, Mr. TSE Hau Yin and Mr. LIU Junmin as independent non-executive directors of the Company.