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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)

VOLUNTARY ANNOUNCEMENT COMMENCEMENT OF BUSINESS OF HUARONG KUNLUN QINGHAI ASSET MANAGEMENT CO., LTD.

The board of directors (the “**Board**”) of China Huarong Asset Management Co., Ltd. (the “**Company**”) is pleased to announce that Huarong Kunlun Qinghai Asset Management Co., Ltd. (華融昆侖青海資產管理股份有限公司) (“**Huarong Kunlun**”), the establishment of which the Company was involved, has officially commenced business operations on June 23, 2016. Huarong Kunlun is a local asset management company in the Qinghai Province, established through the joint efforts and close cooperation of the Company and the People’s Government of Qinghai Province. The establishment of Huarong Kunlun was approved by the People’s Government of Qinghai Province on June 8, 2016.

The registered capital of Huarong Kunlun is RMB1 billion and its business scope includes asset management, investment, comprehensive financial services and other business activities approved by the regulatory authorities.

As all the applicable percentage ratios are below 5%, the Company’s capital contribution in Huarong Kunlun does not constitute a notifiable transaction under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The establishment of Huarong Kunlun is an important step of the Company to implement the five national initiatives of “cutting overcapacity, destocking, deleveraging, reducing cost and shoring up weak growth areas”, to adapt to the new normal, look for new drivers for our business development and to further expand, consolidate and optimize the distressed asset management business, which is our core business. It is of great significance to perfect our financial services system, enhance financial services methods, deepen financial services function and serve local economy and to prevent local financial risks.

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 of the Company 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.