

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



CHINA HUIRONG FINANCIAL HOLDINGS LIMITED

中國匯融金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1290)

SUPPLEMENTAL ANNOUNCEMENT

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to (i) the annual report of China Huirong Financial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2019 published by the Company on 21 April 2020 (the “**2019 Annual Report**”); (ii) the announcement of the Company dated 23 November 2017 (the “**Placing Announcement**”) relating to the placing of 50,000,000 new shares of the Company under general mandate (the “**Placing**”); and (iii) the announcement of the Company dated 14 December 2017 relating to the completion of the Placing (the “**Completion Announcement**”). Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the 2019 Annual Report and the Placing Announcement.

The Board would like to provide an update to the use of the proceeds from the Placing as supplemental information to the 2019 Annual Report.

USE OF PROCEEDS RAISED FROM THE PLACING

As disclosed in the Completion Announcement, an aggregate of 50,000,000 Placing Shares were issued and allotted to not less than six Placees, who were Independent Third Parties, at a price of HK\$1.10 per Placing Share pursuant to the Placing Agreement. The Company raised a net proceeds of approximately HK\$54,445,000 (equivalent to approximately RMB46,071,264.84). The Company intended to apply the net proceeds from the Placing for the Group’s general working capital and/or for financing the money lending business of the Group launched in Hong Kong.

The following table sets out the use of the net proceeds from the Placing by the Group for the financial year ended 31 December 2018 and 31 December 2019, respectively:

	As at 31 December 2019 <i>(Unit: RMB)</i>	As at 31 December 2018 <i>(Unit: RMB)</i>
Net Proceeds Raised	46,071,264.84	46,071,264.84^(iv)
Actual Use of Net Proceeds		
General working capital ⁽ⁱ⁾	16,325,384.25	8,717,454.41 ^(iv)
Financing the money lending business in Hong Kong ⁽ⁱⁱ⁾	19,221,340.00	35,148,650.00
Unutilized Net Proceeds⁽ⁱⁱⁱ⁾	10,524,540.59	2,205,160.43

Notes:

- (i) During the financial year ended 31 December 2018 and the financial year ended 31 December 2019, respectively, (a) the expenditures on general working capital mainly comprised rental for the Hong Kong office premise, compensation paid to Hong Kong employees, secretarial service fees, legal fees and audit fees paid; and (b) the Group incurred general working capital of RMB8,717,454.41 and RMB7,607,929.84, respectively, and in aggregate being RMB16,325,384.25.
- (ii) During the financial year ended 31 December 2018, the Group made inter-company short term loans in the aggregate amount of RMB35,148,650.00. During the financial year ended 31 December 2019, an amount of RMB15,927,310.00 of the inter-company short term loans had been repaid.
- (iii) Unutilized net proceeds currently held in cash is intended to be utilized as the Group's general working capital and/or for financing the Group's lending business in Hong Kong in accordance with the use of proceeds previously disclosed in the Placing Announcement.
- (iv) The Board noted that the figures of (i) the net proceeds raised by the Group from the Placing; and (ii) the actual use of the net proceeds from the Placing in general working capital, as disclosed in the 2018 interim report and the 2019 interim report of the Company, respectively, were not accurate due to classification of accounting entries. The Board would like to clarify that the net proceeds raised by the Group from the Placing should be approximately RMB46,071,264.84, and the actual use of the net proceeds in general working capital should be RMB4,704,500.55, RMB8,717,454.41 and RMB13,093,493.47 as at 30 June 2018, 31 December 2018 and 30 June 2019, respectively.

The Board confirmed that the above supplemental information does not affect other information contained in the 2019 Annual Report and, save as disclosed above, the content of the 2019 Annual Report remains accurate and unchanged.

For the purpose of illustration only and unless otherwise stated, conversion of HK\$ into RMB in this announcement is based on the exchange rate of HK\$1 to RMB0.8462. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.

By Order of the Board
China Huirong Financial Holdings Limited
Wu Min
Chairman

Hong Kong, 29 April 2020

As at the date of this announcement, the executive directors of the Company are Mr. Wu Min and Mr. Zhang Changsong, the non-executive directors of the Company are Mr. Zhuo You, Mr. Zhang Cheng, Mr. Ling Xiaoming and Ms. Zhang Shu and the independent non-executive directors of the Company are Mr. Zhang Huaqiao, Mr. Feng Ke and Mr. Tse Yat Hong.