華億金控集團有限公司

SINOFORTUNE FINANCIAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 08123)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2018

Reference is made to (i) the announcements of Sinofortune Financial Holdings Limited (the "**Company**", together with its subsidiaries the "**Group**") dated 6 July 2018 and 12 October 2018 (the "**Announcements**") and the circular of the Company dated 3 September 2018 (the "**Circular**") relating to the connected transactions involving subscription of new Shares under Specific Mandate (the "**Subscription**"); and (ii) the annual report of the Company dated 18 March 2019 (the "**Annual Report**") for the year ended 31 December 2018 (the "**Relevant Period**"). Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements, the Circular and the Annual Report (as the case may be).

It was disclosed in the Announcements and the Circular that the net proceeds from the Subscription of approximately HK$86,350,000 was intended to be utilized as follows (i) 40%, approximately HK$34,540,000 for development and expansion of the existing Motor Vehicle Business of the Group; (ii) 50%, approximately HK$43,175,000 for investments including potential acquisitions of business related to the Motor Vehicle Business of the Group; and (iii) 10%, the remaining balance of approximately HK$8,635,000 for general working capital of the Group.

USE OF NET PROCEEDS RAISED FROM THE SUBSCRIPTION

The Company would like to disclose that the actual use of the net proceeds from the Subscription during the Relevant Period as follows:–

Net proceeds		Intended use of net proceeds	Actual net proceeds used during the Relevant Period	Remaining balance of unused net proceeds at the end of the Relevant Period
Approximately HK$34,540,000	(i)	For development and expansion of the existing Motor Vehicle Business of the Group	RMB15,000,000 (equivalent to approximately HK$16,980,000) in completing the additional capital contribution to the joint venture company 重慶盛渝泓嘉國際貿易有限公司 (transliterated as Chongqing Sheng Yu Hong Jia International Trading Company Limited) (the "**JV Company**") that became 93.33% owned by the Company	Approximately HK$17,560,000
Approximately HK$43,175,000	(ii)	For investments including potential acquisitions of business related to the Motor Vehicle Business of the Group	Nil	Approximately HK$43,175,000
Approximately HK$8,635,000	(iii)	General working capital of the Group	Nil	Approximately HK$8,635,000

In addition, the Company would like to provide the Shareholders and potential investors of the Company with further information on the use the remaining unused net proceeds:

(i) For the remaining balance of the unused net proceeds of approximately HK$17,560,000 intended to be used for development and expansion of the existing Motor Vehicle Business of the Group at the end of the Relevant Period, none of it has been utilized as at the date of this announcement. As disclosed in the supplemental announcement of the Company dated 13 June 2019 relating to the first quarterly results announcement for the three months ended 31 March 2019, that three factors: (a) the change in government policies in relation to automobile emission standard in the PRC; (b) reduction of value-added tax in the PRC in March 2019; and (c) the on-going Sino-US trade war, had caused a decrease in customer purchase desire and a price reduction for some motor vehicle models by the Group. Facing these unfavourable circumstances surrounding the existing Motor Vehicle Business of the Group, the Group has been adopting a more conservative and tightened approach in the development of the Motor Vehicle Business of the Group, hence, only the RMB15,000,000 (equivalent to approximately HK$16,980,000) out of approximately HK$34,540,000 intended to be used for development and expansion of the existing Motor Vehicle Business of the Group had been utilized during the Relevant Period in completing the additional capital contribution to the JV Company. The management of the Company believes that the decline in sales in parallel imported motor vehicles in the PRC is only temporary, and the Group had already taken measures and actions to boost its vehicle sales. Subject to improvement of market condition for parallel imported motor vehicles in the PRC, it is the intention of the Company to apply the remaining balance of unused net proceeds of approximately HK$17,560,000 to continue the development and expansion of the existing Motor Vehicle Business of the Group within the financial year ending 31 December 2019;

(ii) For the remaining balance of the unused net proceeds of approximately HK$43,175,000 intended to be used for investments including potential acquisitions of business related to the Motor Vehicle Business of the Group at the end of the Relevant Period, none of it has been utilized as at the date of this announcement. During the Relevant Period, the Company had been searching for potential opportunity for investments and acquisitions of business related to the Motor Vehicle Business of the Group, however, no such investment or acquisition had been materialised during the Relevant Period. As disclosed above, the Motor Vehicle Business of the Group has been adversely affected by unfavourable circumstances, as a result the Company will adopt a more conservative approach in relation to further investments in the Motor Vehicle Business of the Group. The Company will continue to search for good potential investment or acquisition opportunities of business related to the Motor Vehicle Business of the Group, and it is the intention of the Company to apply and utilise the said unused net proceeds of approximately HK$43,175,000 within the financial year ending 31 December 2019. Further announcement will be made by the Company on the development and progress of any potential investment or acquisition by the Company of business related to the Motor Vehicle Business of the Group as and when required pursuant to the GEM Listing Rules; and

(iii) For the remaining balance of the unused net proceeds of approximately HK$8,635,000 intended to be used for general working capital of the Group at the end of the Relevant Period, as at the date of this announcement all of the unused net proceeds had been utilised by the Company as its general working capital.

The above additional information does not affect other information contained in the Annual Report and save as disclosed above, the contents of the Annual Report remain correct and unchanged.

By order of the Board
Sinofortune Financial Holdings Limited
Wang Jiawei
Chairman

Hong Kong, 19 August 2019

As of the date of this announcement, the executive Directors are Mr. Wang Jiawei and Ms. Lai Yuk Mui, the non-executive Directors are Mr. Liu Runtong and Mr. James Beeland Rogers Jr. and the independent non-executive Directors are Professor Zhang Benzheng, Mr. Li Jianxing and Professor Chen Shu Wen.

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange 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 announcement 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 announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the website of GEM of the Stock Exchange at http://www.hkgem.com for at least 7 days from the date of its posting and on the Company's website at http://www.sinofortune.hk.