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華邦金融控股有限公司

Huabang Financial Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3638)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019, THE INTERIM REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019 AND THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2020

Reference is made to (i) the annual report of Huabang Financial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 March 2019 (the “**2019 Annual Report**”); (ii) the interim report for the six months ended 30 September 2019 (the “**2020 Interim Report**”); and (iii) the annual report for the year ended 31 March 2020 (the “**2020 Annual Report**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the 2019 Annual Report, the 2020 Interim Report and the 2020 Annual Report (collectively, the “**Reports**”).

The Company would like to provide the following additional information to the Reports in relation to the use of proceeds raised from the initial public offering of the Company in September 2013 (the “**Proceeds**”).

USE OF PROCEEDS

As at 31 March 2019, 30 September 2019 and 31 March 2020, the utilisation of Proceeds and the expected timeline of application of the unutilised Proceeds of approximately HK\$21.2 million, HK\$18.8 million and HK\$1.4 million, respectively, were as follows:

	As at 31 March 2019			As at 30 September 2019			As at 31 March 2020			
	Proposed Application	Actual utilised Proceeds	Unutilised Proceeds	Actual utilised Proceeds	Unutilised Proceeds	Revised allocation of the unutilised Proceeds (Note 1)	Expected use of the unutilised Proceeds for six months ending 31 March 2020	Expected use of the unutilised Proceeds for year ending 31 March 2021	Actual utilised Proceed	Unutilised Proceeds (Note 2)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Increase market share	13,140	7,165	5,975	9,450	3,690	3,690	2,300	1,390	11,723	1,417
Strengthen R&D and design capability	13,860	1,841	12,019	1,885	11,975	0	0	0	1,885	0
Enhance quality control and improve production capability	5,400	2,164	3,236	2,278	3,122	200	200	0	2,478	0
General working capital	3,600	3,600	0	3,600	0	0	0	0	3,600	0
Procurement of computer and peripheral products	0	0	0	0	0	14,897	14,897	0	14,897	0
Total:	36,000	14,770	21,230	17,213	18,787	18,787	17,397	1,390	34,583	1,417

Note 1: For the reasons of revised allocation of the unutilised Proceeds, please refer to the paragraph headed “Change in Use of Proceeds” under the section headed “Management Discussion and Analysis” in the 2020 Interim Report for more details.

Note 2: The Company currently expects to fully utilised the remaining Proceeds of approximately HK\$1.4 million to increase market share for the year ending 31 March 2021.

As disclosed in the 2020 Interim Report, the Company reviewed the utilisation of the net Proceeds from time to time in light of the overall business environment where the Group operates. The Company operates in the trading business of computer and peripheral products as its major business since 2011 and originally planned to provide value added services to the customers by utilising the Proceeds to strengthen the R&D and design capability and enhance the quality control and production capability of such business segment. However, due to the changing demand of the customers and volatile economic environment, the Company reviewed the business strategies and resolved to reallocate the unutilised Proceeds and place more focus on the procurement of computer and peripheral products for the trading business. As such, the Group has not fully utilised the remaining Proceeds as at 30 September 2019 which was originally planned and currently expects to utilise the remaining Proceeds in full for the year ending 31 March 2021.

The above additional information does not affect other information contained in the Reports and, save as disclosed in this announcement, the remaining contents of the Reports remain unchanged.

On behalf of the Board
Huabang Financial Holdings Limited
George Lu
Chairman and Chief Executive Officer

Hong Kong, 1 September 2020

As at the date of this announcement, the executive Director is Mr. George Lu; the non-executive Director is Mr. Pang Chung Fai Benny; and the independent non-executive Directors are Mr. Loo Hong Shing Vincent, Mr. Zhu Shouzhong and Mr. Li Huaqiang.