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Guoan International Limited
國安國際有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 143)

FURTHER SUPPLEMENTAL ANNOUNCEMENT TO ANNUAL REPORTS, INTERIM REPORTS AND ADDITIONAL INFORMATION ON THE USAGE OF THE PROCEEDS FROM THE RIGHTS ISSUE IN 2017

Reference is made to the prospectus of rights issue (the "**Prospectus**") of Guoan International Limited (the "**Company**") dated 12 April 2017, the Company's annual report for the fifteen months ended 31 December 2017, interim report for the six months ended 30 June 2018, annual report for the year ended 31 December 2018 and interim report for the six months ended 30 June 2019, which were published on 30 April 2018, 21 September 2018, 26 April 2019 and 24 September 2019 respectively (collectively the "**Financial Statements**"), and the announcement of the Company dated 5 September 2018 (the "**2018 Announcement**"). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Prospectus, the financial statements and the 2018 Announcement.

In addition to the information already disclosed, the Board would like to provide additional information in relation to the use of net proceeds of HK$422.6 million raised from the rights issue which was completed on 11 May 2017 as follows:–

Original allocation of the net proceeds as disclosed in the prospectus dated 12 April 2017	Actual use of net proceeds up to 30 June 2018	Actual use of net proceeds up to 30 June 2019	Remaining balance of net proceeds up to 30 June 2019	Reallocation of the remaining net proceeds
Approximately HK$286.2 million for repayment of the New Shareholder's Loan granted by the Controlling Shareholder to facilitate the Acquisition of the Target Company (excluding the Deposit already paid)	Approximately HK$286.2 million	Approximately HK$286.2 million	Nil	Not applicable.

Original allocation of the net proceeds as disclosed in the prospectus dated 12 April 2017	Actual use of net proceeds up to 30 June 2018	Actual use of net proceeds up to 30 June 2019	Remaining balance of net proceeds up to 30 June 2019	Reallocation of the remaining net proceeds
Approximately HK$8 million for payment of Property related professional and agency fees for the Acquisition	Approximately HK$6.2 million was used for the original purpose, and the remaining net proceeds of approximately HK$1.8 million were re-allocated and applied as part payment of the HK$20 million deposit of the Group's proposed acquisition of Yicko Securities Limited as disclosed in the Company's circular dated 24 May 2018 (the "Yicko Deposit").	Approximately HK$6.2 million was used for the original purpose, and the remaining net proceeds of approximately HK$1.8 million were re-allocated and applied as part payment of the HK$20 million deposit of the Group's proposed acquisition of Yicko Securities Limited as disclosed in the Company's circular dated 24 May 2018 (the "Yicko Deposit").	Nil	Not applicable.
Approximately HK$15 million for payment of renovation costs for the Target Property	Approximately HK$3.3 million was used for the original purpose, and the remaining net proceeds of approximately HK$11.7 million were re-allocated and applied as part payment of the Yicko Deposit.	Approximately HK$3.3 million was used for the original purpose, and the remaining net proceeds of approximately HK$11.7 million were re-allocated and applied as part payment of the Yicko Deposit.	Nil	Not applicable.
Approximately HK$50 million for repayment of a shareholder's loan granted by the Controlling Shareholder in 2016 (including the Deposit)	Approximately HK$50 million	Approximately HK$50 million	Nil	Not applicable.
Approximately HK$26 million for repayment of bank borrowings, a former director's loan and other payables	Approximately HK$0.3 million	Approximately HK$0.3 million	Approximately HK$25.7 million	All the remaining net proceeds are intended to be utilized for the same specific use by 31 December 2019, and the Board is in negotiation with the former director for repayment of his loan.

Original allocation of the net proceeds as disclosed in the prospectus dated 12 April 2017	Actual use of net proceeds up to 30 June 2018	Actual use of net proceeds up to 30 June 2019	Remaining balance of net proceeds up to 30 June 2019	Reallocation of the remaining net proceeds
Approximately HK$37.4 million as general working capital of the Group	(i) Approximately HK$14.5 million was used for the original purpose and applied as payment of various expenses including remuneration of directors and employees, property management fee and rates, legal and professional fees, audit fees, listing fees, and office and vehicle expenses.	(i) Approximately HK$14.5 million was used for the original purpose and applied as payment of various expenses including remuneration of directors and employees, property management fee and rates, legal and professional fees, audit fees, listing fees, and office and vehicle expenses.	Nil	Not applicable.
	(ii) Approximately HK$6.5 million was re-allocated and applied as part payment of the Yicko Deposit.	(ii) Approximately HK$6.5 million was re-allocated and applied as part payment of the Yicko Deposit.		
	(iii) Approximately HK$16 million was re-allocated and applied as investment in the Group's wine business.	(iii) Approximately HK$16 million was re-allocated and applied as investment in the Group's wine business.		
	(iv) The remaining balance of approximately HK$0.4 million would be applied as general working capital of the Group.	(iv) The remaining balance of approximately HK$0.4 million was used for the original purpose and applied as payment of various expenses.		

By Order of the Board
Guoan International Limited
DU Jun
Chairman

Hong Kong, 15 October 2019

As at the date of this announcement, the Board comprises 9 Directors, of which 2 are executive Directors, namely Mr. HUANG Zhen Qian and Mr. SO Haw Herman, 4 are non-executive Directors, namely Mr. DU Jun, Mr. LI Xiang Yu, Mr. CUI Ming Hong and Ms. BAI Wei, and 3 are independent non-executive Directors, namely Mr. WONG Chun Man, Mr. TSE Yung Hoi and Mr. NG Man Kung.