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新融宇集團(控股)有限公司
Infinity Financial Group (Holdings) Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1152)

CLARIFICATION ANNOUNCEMENT

This announcement is made voluntarily by Infinity Financial Group (Holdings) Limited (the “Company”).

Reference is made to the annual report of the Company for the year ended 31 December 2016 (the “Annual Report”). The Board would like to provide further information to the discussion and analysis of the Group’s performance during the financial year and the material factors underlying its result and financial position.

For the year ended 31 December 2016, the principal businesses recorded a revenue of approximately HK\$61,742,000, showing a decrease of 40.2% in revenue of approximately HK\$103,171,000 from previous year in 2015. This is due to: for the year ended 31 December 2016, the trading of metal and equipment segment record a revenue of approximately HK\$50,930,000, showing a decrease of 41.7% in revenue of approximately HK\$87,342,000 from previous year in 2015; and for the year ended 31 December 2016, the finance leasing segment record a revenue of approximately HK\$10,812,000, showing a decrease of 31.7% in revenue of approximately HK\$15,829,000 from previous year in 2015.

The decrease in revenue in trading of metal and equipment segment mainly attributable to the reason of a weakening in market demand in 2016 when compared with that of 2015. The revenue in trading of metal and equipment segment in 2016 arising from one customer which is a large private enterprise established in Shanghai which is principally engaged in the import, export and trading of office equipment, metal products, non-ferrous metals, iron ore products, precious metals, mineral products and many other industrial raw materials and consumable products. In respect of this particular customer, the Group managed its risk exposure by securing a purchase order from the customer before the Group places a purchase order with the supplier; and with credit terms receiving the sale proceed from customer before settlement to the supplier. As at 31 December 2016, this particular customer has fully settled all his sale proceed without any outstanding receivable due to the Group. The weakening in market demand may as a result of the gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing towards consumption and services. Despite the decrease in revenue in 2016, the operation of trading of metal and equipment segment is running smoothly and efficiently for the Group. The Group is currently in final stage of negotiation in respect of several

trading transactions which is likely to materialize soon. In view of the progress of those negotiating trading transactions, the Board is confident that the risk of concentrated customer reliance is insignificant.

For the year ended 31 December 2016, the trading of metal and equipment segment record a segment profit of approximately HK\$496,000, showing an increase of 3.1% in segment profit of approximately HK\$481,000 from previous year in 2015. The increase in the trading of metal and equipment segment profit mainly due to the effort of the Group in increasing the efficiency of operation on the trading of metal and equipment segment.

The decrease in revenue in finance leasing segment mainly due to the effect of the monetary policy in China remain loose in 2016. This enable our potential customers have many other alternatives to satisfy their financial demands. On the other hand, our Group play a more cautious and conservative attitude on strengthening our Group's internal controls on asset and risk management, in order to protect the quality of assets as a whole, by placing more stringent requirement on our finance leasing customers.

For the year ended 31 December 2016, the finance leasing segment record a segment loss of approximately HK\$19,626,000, showing an increase of 906.5% in segment loss of approximately HK\$1,950,000 from previous year in 2015. The increase in the finance leasing segment loss mainly due to an exchange loss of HK\$17,696,000 allocated into the finance leasing segment. This HK\$17,696,000 exchange loss is mainly a result of the fact that RMB had been depreciated approximately 7.0% from 1 January 2016 to 31 December 2016 against US\$ or HK\$. Excluding the effect of exchange loss of HK\$17,696,000, for the year ended 31 December 2016, the finance leasing segment record a segment loss of approximately HK\$1,930,000, showing a decrease of 1.0% in segment loss of approximately HK\$1,950,000 from previous year in 2015. The decrease in the finance leasing segment loss is mainly due to the effort of the Group in reducing the overall operating cost of finance leasing segment. Despite the decrease in revenue in finance leasing segment in 2016, the Board is confident that with the concrete plan of the Government of China to maintain the growth of China's GDP, the finance leasing segment will pick up.

By Order of the Board
Infinity Financial Group (Holdings) Limited
Yu Xueming
Chairman

Hong Kong, 2 June 2017

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Yu Xueming (Chairman), Mr. Yu Chuanfu (Chief Executive Officer), Mr. Sit Yau Chiu, Mr. Zheng Qiang and Mr. Ng Hoi, one non-executive Director, namely, Mr. Chan Yee, Herman and five independent non-executive Directors, namely, Mr. Wang Wei Hung Andrew, Mr. Sin Ka Man, Mr. Zhao Li Xin, Mr. Ho Man and Mr. Yeh Tung Ming.