

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.



ANNOUNCEMENT: UPDATE ON THE LITIGATION AGAINST KAI MUK COMPANY

This announcement is made by HangKan Group Limited (the “**Company**”) on a voluntary basis. Reference is made to the annual reports of the Company for each of the years ended 31 December 2017, 2018 and 2019 and the interim reports of the Company for each of the six months ended 30 June 2018, 2019 and 2020 in which it was disclosed that the Company had instituted legal proceedings against Tong Chung Ming trading as Kai Muk Company (the “**Defendant**”) to recover outstanding trade deposits amounted to HK\$8,530,000 under High Court Action No. 1767 of 2018. The trial took place from 7 December 2020 to 10 December 2020.

The board of directors of the Company (the “**Board**”) is pleased to announce that the High Court of Hong Kong (the “**Court**”) has handed down its judgment (the “**Judgment**”) on 20 January 2021, and it has ruled in favour of the Company. The Court found that the witness called by the Defendant (the “**Defendant’s Witness**”), Mr. Cheuk who has described himself as a representative of the Defendant, was a dishonest witness. The Court found that he was deliberately evasive in his answers on numerous occasions during the course of his evidence and he appeared very reluctant to assist the Court to understand the scope and size of the business of the Defendant. Further, the Court found that the Defendant’s Witness at times gave evidence contrary to what was previously stated in his witness statement or substantially changed the case which was being advanced by the Defendant, or evidence which was, in the Court’s view, simply untruthful. The Court also found that the overall circumstances cast significant doubt as to the veracity of certain documents presented by the Defendant to the Court, and that the Court did not accept the genuineness and accuracy of the contents of various documents produced by the Defendant. The Judgment can be found in www.judiciary.hk.

Pursuant to the Judgement, the Defendant shall pay to the Company the remaining balance of the deposit amounted HK\$8,530,000, with interest at HSBC Prime +1% from 31 March 2018 to the date of Judgment (i.e. 20 January 2021), and at the Judgment Rate thereafter, and shall pay the costs of the Company (together the “**Judgement Debt**”).

The Company is taking actions to enforce the Judgment against the Defendant. The Company reserves all its rights against those ex-directors of the Company involved especially the one who used a fabricated chop of the Company in a document relied by the Defendant. Further announcement will be made by the Company to keep shareholders and potential investors of the Company informed of any material development in this regard as well as other recovery actions against Lituo Enterprise (HK) Limited and Trade Rosy Global Limited as and when appropriate.

By order of the Board
HangKan Group Limited
Chik Wai Chun
Company Secretary

Hong Kong, 25 January 2021

As at the date of this announcement, the Board comprises (i) four executive Directors, namely Dr. CHAN Man Fung (Co-chairman), Mr. PUI Wai Lun (Co-chairman), Mr. SU Chun Xiang and Mr. PANG Ho Yin; and (ii) three independent non-executive Directors, namely Mr. LEE Ming Tung, Mr. CHOW Chi Hang Tony and Mr. ZHANG Kun.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited 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 GEM website at www.hkgem.com for at least seven days from the day of its publication. This announcement will also be published on the Company’s website at www.ourhkg.com.