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## **ANNOUNCEMENT UPDATE ON THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019**

Reference is made to the announcement of the Company dated 23 March 2020 in relation to the unaudited annual results of the Group for the year ended 31 December 2019 (the “**Unaudited Results Announcement**”). Capitalised terms used herein, unless otherwise defined, shall have the same meanings as those defined in the Unaudited Results Announcement.

### **AUDITOR’S AGREEMENT ON THE 2019 ANNUAL RESULTS**

As stated in the Unaudited Results Announcement, the annual results for the year ended 31 December 2019 (the “**2019 Annual Results**”) contained therein was not then yet agreed by the Company’s auditor as required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

The Company wishes to announce that on 22 April 2020, the Company has obtained the agreement from the Company’s auditor, Elite Partners CPA Limited, on the 2019 Annual Results (including the figures in respect of the Group’s consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position and the related notes thereto) as set out in the Unaudited Results Announcement. The 2019 Annual Results contained in the Unaudited Results Announcement remain unchanged.

### **EXTRACT OF THE AUDITOR’S REPORT**

The following is the extract of the independent auditor’s report from the Auditor on the Group’s consolidated financial statements for the year ended 31 December 2019:

### **QUALIFIED OPINION**

We have audited the consolidated financial statements of HangKan Group Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 76 to 139, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standard Board (“IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## **BASIS FOR QUALIFIED OPINION**

### **Corresponding figures**

The auditor’s report on the consolidated financial statements of the Group for the year ended 31 December 2018 (“**2018 Financial Statements**”) contained qualification on the opening balances and corresponding figures (“**Qualifications**”). Details of which has been set out in the auditor’s report for 2018 Financial Statements dated 7 March 2019.

As the 2018 Financial Statements formed the basis for the corresponding figures presented in the current year’s consolidated financial statements, any adjustments found to be necessary in respect of the Qualifications would have an effect on (i) the opening balance of the corresponding figures in the consolidated financial statements for the year ended 31 December 2019; and (ii) the related disclosures thereof in the consolidated financial statements of the Group for the year ended 31 December 2019.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## **BOARD’S VIEW AND AUDIT COMMITTEE’S VIEW ON THE QUALIFIED OPINION**

As disclosed above of this announcement, the auditor of the Company expressed a qualified opinion in relation to (i) the opening balances of the corresponding figures in the consolidated financial statements for the year ended 31 December 2019; and (ii) the related disclosures thereof in the consolidated financial statements of the Group for the year ended 31 December 2019. (“**Audit Qualification**”).

The Audit Qualification is a consequential result arising from the qualified opinion expressed by the auditor of the Company, containing the qualification in respect of (i) the de-consolidated subsidiaries; and (ii) the gain on disposal of de-consolidated subsidiaries contained in the consolidated financial statements for the year ended 31 December 2018. The details of which have been set out in the auditor’s report for 2018 Financial Statements dated 7 March 2019.

## **The Board and the Audit committee's view**

The Board and the audit committee of the Company (the “**Audit Committee**”) agree with the auditor's view in respect of the Audit Qualification. The Audit Committee has reviewed the management's position on the major judgement areas. There is no disagreement by the Audit Committee with the management's position on the qualified opinions issued by the Company's auditor. The Audit Committee had further discussed with the auditor the impact of the Audit Qualification in subsequent financial year and agreed that the Audit Qualification will be removed for the year ending 31 December 2020 as the possible effects of the items do not affect the results of the Group for the year ended 31 December 2019 and will not recur.

## **SCOPE OF WORK OF ELITE PARTNERS CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2019 as set out in the Unaudited Results Announcement have been agreed by the Company's auditor, Elite Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year as dated on 22 April 2020. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Elite Partners CPA Limited on the Unaudited Results Announcement or this announcement.

By order of the Board  
**HangKan Group Limited**  
**SU Chun Xiang**  
*Executive Director*

Hong Kong, 22 April 2020

*As at the date of this announcement, the Board comprises (i) two executive Directors, namely 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 GEM Listing Rules 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](http://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](http://www.ourhkg.com).*