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**RESUMPTION GUIDANCE;
FURTHER DELAY IN PUBLICATION OF THE 2022 ANNUAL RESULTS
AND THE 2022 ANNUAL REPORT;
AND
SUSPENSION OF TRADING**

This announcement is made by Kangqiao Service Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated March 31, 2023, April 18, 2023 and April 25, 2023 in relation to, among other things, (i) delay in publication of annual results for the year ended December 31, 2022 and delay in despatch of annual report; (ii) the Auditor’s Letter; and (iii) suspension of trading (collectively, the “**Announcements**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

RESUMPTION GUIDANCE

On May 24, 2023, the Company received a letter from the Stock Exchange setting out the guidance for the resumption of trading in the shares of the Company on the Stock Exchange (the “**Resumption Guidance**”). Pursuant to the Resumption Guidance, the Company shall:

- (a) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (b) conduct an appropriate independent investigation into the omission of the Property Development Guarantee and the Dingfeng-Yuanxuan Guarantee from the guarantee obligation list provided by the Company to the Auditor (the “**Issues**”), assess their impact on the Company’s business operation and financial position, announce the findings and take appropriate remedial actions;

- (c) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet the obligations under the Listing Rules;
- (d) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and
- (e) inform the market of all material information for the Company's shareholders (the "**Shareholders**") and other investors to appraise the Company's position.

The Stock Exchange requires the Company to meet the Resumption Guidance, remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its shares is allowed to resume. For this purpose, the Company has the primary responsibility to devise its action plan for resumption. The Stock Exchange further indicated that it may modify or supplement the Resumption Guidance if the Company's situation changes.

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on October 2, 2024. If the Company fails to remedy the issues causing its trading suspension, fulfil the Resumption Guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by October 2, 2024, the Listing Division of the Stock Exchange will recommend the Listing Committee of the Stock Exchange (the "**Listing Committee**") to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.

The Company is taking appropriate steps to comply with the Resumption Guidance and will seek to resume trading of its shares as soon as possible. The Company will keep the Shareholders and potential investors informed of the latest progress as and when appropriate and will announce quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

FURTHER DELAY IN PUBLICATION OF THE 2022 ANNUAL RESULTS AND THE 2022 ANNUAL REPORT

As disclosed in the Announcements, the Company had commenced the investigation process to address the matters raised in the Auditor's Letter. As the investigation and other internal control reviews are still ongoing, there will be a further delay in the publication of the 2022 Annual Results and the 2022 Annual Report.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange have been suspended since 9:00 a.m. on April 3, 2023 and will remain suspended until further notice.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Kangqiao Service Group Limited
SONG Gewei
Chairman

Hong Kong, May 31, 2023

As at the date of this announcement, the Board comprises Mr. SONG Gewei as the chairman and non-executive director; Mr. DAI Wei, Mr. KANG Weiguo and Ms. WANG Na as the executive directors; and Dr. LI Haitao, Dr. FAN Yun and Mr. WONG Yun Pun as the independent non-executive directors.