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恆勤集團有限公司
HangKan Group Limited

(incorporated in Cayman Islands with limited liability)
(Stock code: 8331)

POSITIVE PROFIT ALERT

This announcement is made by HangKan Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**", and each, a "**Director**") of the **Company** is pleased to inform the shareholders of the Company (the "**Shareholders**") and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2019 (the "**Period**"), the Group expects to record a net profit for the Period as compared to a net loss for the corresponding period in 2018. Based on the information currently available, the Board considers the turnaround from loss to profit to be mainly attributable to (i) the rise in revenue due to strong market demand and management's marketing effort; and (ii) the increase in gross profit margin due to the combined effect of increase in average selling price and decrease in unit production cost of both drilling mud and pelletising clay.

The information contained in this announcement is only based on a preliminary review by the Board on the unaudited consolidated management accounts of the Group for the Period and other information currently available to the Board, which have not been reviewed by the audit committee and auditors of the Company, and is subject to possible adjustments. Details of the financial information and performance of the Group for the Period will be disclosed in the interim results announcement of the Company for the Period, which is expected to be approved and published on 6 August 2019.

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

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

30 July 2019

As at the date of this announcement, the Board comprises (i) two executive Directors, namely Mr. SU Chun Xiang and PANG Ho Yin; and (ii) three independent non-executive Directors, namely Mr. LEE Ming Tung, Mr. CHOW Chi Hang Tony and Ms. SHAO Yu.

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.