恆勤集團有限公司
HangKan Group Limited

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

SUPPLEMENTAL INFORMATION TO THE 2018 ANNUAL REPORT AND 2019 INTERIM REPORT

References are made to the annual report for the year 31 December 2018 ("**2018 Annual Report**") of HangKan Group Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") published on 29 March 2019 and the interim report for the six months ended 30 June 2019 ("**2019 Interim Report**") of the Company published on 13 August 2019. Capitalised terms used in this announcement shall have the same meanings as those defined in the 2018 Annual Report and 2019 Interim Report unless otherwise defined herein.

In addition to the information disclosed in the 2018 Annual Report and 2019 Interim Report, the board (the "**Board**") of directors of the Company (the "**Directors**", and each a "**Director**") would like to provide additional information in relation to the use of proceeds from issue for cash of equity securities of the Company.

USE OF LISTING PROCEEDS

In respect of the listing proceeds from the initial public offering of the Company in 2015, the remaining proceeds in the amount of HK$7.7 million was scheduled to be utilised in the payment of research and development fee and payment for the patents of production technology by various collaborating institutes by the end of 2017. However, payment has not been made for the intended uses as the research results were not as anticipated. The listing proceeds of HK$7.7 million remain unutilised and has been placed as short-term interest-bearing deposit with authorised financial institutes in the PRC. The Group intends to utilise the remaining proceeds for the intended uses as disclosed in the 2018 Annual Report and 2019 Interim Report, i.e. the development of production technology of new products or the new or improved production technology of existing products, on or before 31 December 2021.

USE OF PROCEEDS FROM PLACING

In respect of the placing exercise of the Company completed in November 2018, as at 31 December 2018, the Company utilised HK$8.7 million (equivalent to approximately CNY7.4 million) and the unutilised net proceeds amounted to HK$12.7 million (equivalent to approximately CNY10.8 million). As at 30 June 2019, the Company utilised HK$11.1 million (equivalent to approximately CNY9.6 million) and the unutilised net proceeds amounted to HK$10.3 million (equivalent to approximately CNY8.9 million). The expected timeline for the utilization of the remaining net proceeds is set out below:

	Remaining balance of unutilised net proceeds as at 31 December 2018 HK$ (million)	Remaining balance of unutilised net proceeds as at 31 December 2018 CNY Equivalent (million)	Remaining balance of unutilised net proceeds as at 30 June 2019 HK$ (million)	Remaining balance of unutilised net proceeds as at 30 June 2019 CNY Equivalent (million)	Expected amounts to be utilised for the year ending 31 December 2020 HK$ (million)	Expected amounts to be utilised for the year ending 31 December 2020 CNY Equivalent (million)
Repayment of short-term debt and other payables of the Group	2.2	1.9	2.2	1.9	2.2	1.9
Settlement of professional and audit fees	4.4	3.7	3.7	3.2	3.7	3.2
General working capital of the Group	6.1	5.2	4.4	3.8	4.4	3.8
Total	12.7	10.8	10.3	8.9	10.3	8.9

This announcement is supplemental to and should be read in conjunction with the 2018 Annual Report and 2019 Interim Report. The supplementary information provided in this announcement does not affect any other information contained in the 2018 Annual Report and 2019 Interim Report, save as disclosed above, the contents of the 2018 Annual Report and 2019 Interim Report remain unchanged.

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

21 October 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.