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HONG KONG CHAOSHANG GROUP LIMITED

香港潮商集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 2322)

UPDATE ANNOUNCEMENT NON-FULFILLMENT OF PROFIT GUARANTEE IN RELATION TO THE ACQUISITION OF THE ENTIRE EQUITY INTEREST IN CHAOSHANG FINANCIAL HOLDING LIMITED

References are made to the announcements (the “**Announcements**”) of Hong Kong ChaoShang Group Limited (the “**Company**”) dated 7 January 2019, 20 March 2019, 31 December 2019, 29 April 2022, 13 May 2022, 9 December 2022 and 28 April 2023 and the circular of the Company dated 8 May 2019 (the “**Circular**”), in relation to, among other things, the acquisition of the entire equity interest in ChaoShang Financial Holding Limited (the “**Target Company**”) and the profit guarantees provided by the Vendors. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular.

As disclosed in the Announcements, the Vendors are jointly and severally liable to the Group for the Remaining Balance of the Second Guaranteed Profit Compensation in the sum of HK\$13,062,000. The Company has commenced legal proceedings against the Vendors for, inter alia, recovery of the said remaining balance in December 2022.

The Board hereby announces that, on 15 May 2023, the respective legal representatives of the Company and the Vendors executed a consent summons (the “**Consent Summons**”), pursuant to which the Vendors agreed to pay jointly and severally the Remaining Balance of the Second Guaranteed Profit Compensation in five instalments from May 2023 to August 2023, and the court granted an order in terms of the Consent Summons on 22 May 2023.

The legal proceedings shall be stayed pending full payment of the Remaining Balance

of the Second Guaranteed Profit Compensation. Upon the Vendors' full compliance with the Consent Summons, the Company shall discontinue the action against the Vendors. However, the Consent Summons only concerns the Company's claims against the Vendors in respect of the Remaining Balance of the Second Guaranteed Profit Compensation, and if the Vendors default in repaying any part of the said remaining balance in accordance with the terms under the Consent Summons, the Company may seek judgment against the Vendors with interests and costs. Further, in respect of the Remaining Balance of the Third Guaranteed Profit Compensation, the Company will continue negotiations with the Vendors on payment.

Further announcement(s) will be made by the Company to provide update on the development as and when appropriate.

By order of the Board
Hong Kong ChaoShang Group Limited
Ms. Zheng Juhua
Chairlady

Hong Kong, 23 May 2023

As at the date of this announcement, the executive directors are Ms. Zheng Juhua and Mr. Chan Chi Yuen; the independent non-executive directors are Mr. Man Kwok Leung, Mr. Yu Pak Yan, Peter and Mr. Chi Chi Hung, Kenneth.