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花房集团
HUAFANG GROUP

Huafang Group Inc.
花房集团公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3611)

**(1) DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS
ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2022;
(2) DELAY IN DESPATCH OF ANNUAL REPORT FOR THE YEAR
ENDED DECEMBER 31, 2022;
(3) POSTPONEMENT OF BOARD MEETING; AND
(4) CONTINUAL SUSPENSION OF TRADING**

References are made to the announcement of Huafang Group Inc. (花房集团公司) (the “**Company**”) dated March 30, 2023 in relation to the unaudited consolidated final results of the Company and its subsidiaries (the “**Group**”) for the year ended December 31, 2022 and the announcement of the Company dated March 31, 2023 (the “**Announcement**”) in relation to delay in publication of the audited consolidated final results for the year ended December 31, 2022 (the “**2022 Audited Annual Results**”) in accordance with Rules 13.49(1) and 13.49(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”).

**DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022 AND DELAY IN DESPATCH OF
ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2022**

As disclosed in the Announcement, as the Company needed additional time to provide relevant documents required by the Company’s auditor (the “**Auditor**”) for certain bank accounts which had been frozen, the Company was unable to publish the 2022 Audited Annual Results by March 31, 2023 in accordance with Rules 13.49(1) and 13.49(2) of the Listing Rules. The Company aimed to hold a board meeting on April 25, 2023 to approve the 2022 Audited Annual Results and its publication.

As of the date of this announcement, the aggregate cash amount of the frozen accounts of the Group (the “**Frozen Accounts**”) was approximately RMB136.1 million. Certain authorities in the PRC also initiated an investigation on an investee company in which the Group holds 25% equity interest (the “**Investigation**”), which involves the Frozen Accounts. As of the date of this announcement, the above Frozen Accounts have not been unfrozen. The Board hereby emphasizes that the operation of the Group remains normal.

As the Company is actively communicating with the Auditor for the purpose of evaluating the impact on the Group pending the progress of the Investigation, the board of directors of the Company (the “**Board**”) believes that the Company is unable to (i) publish the 2022 Audited Annual Results on or before April 25, 2023; and (ii) despatch the annual report for the year ended December 31, 2022 (the “**2022 Annual Report**”) to the shareholders of the Company (the “**Shareholders**”) on or before April 30, 2023 in accordance with Rule 13.46(2) of the Listing Rules. Furthermore, after consultation with its PRC legal advisor, based on the experience of the Company and its PRC legal advisor in the timeline of the relevant PRC authorities’ investigation, the Company expects to publish the 2022 Audited Annual Results and despatch the 2022 Annual Report on or before June 30, 2023, subject to the actual progress of the Investigation. The Company is working closely with the Auditor and will endeavour to provide the necessary information and documents as required so that the Auditor can complete its auditing process as soon as possible. The Company will issue further announcement(s) to Shareholders and investors in a timely manner regarding the development of the above matter.

POSTPONEMENT OF BOARD MEETING

As explained above, since the auditing process of the Auditor has not been completed, the meeting of the Board originally scheduled to be held on April 25, 2023 to, among other things, approve the 2022 Audited Annual Results shall be postponed to another date to be fixed and announced by the Board.

CONTINUAL SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on April 3, 2023 pending the publication of the 2022 Audited Annual Results. The Company will make further announcement(s) to keep its shareholders and potential investors informed of any progress as and when appropriate.

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

By Order of the Board
Huafang Group Inc.
花房集团公司
Mr. ZHOU Hongyi
Chairman

Hong Kong, 25 April 2023

As at the date of this announcement, the Board comprises Ms. YU Dan as executive director, Mr. ZHOU Hongyi, Mr. CHEN Shengmin and Mr. ZHAO Dan as non-executive directors, and Mr. CHEN Weiguang, Mr. LI Bing and Ms. QIAN Aimin as independent non-executive directors.