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合豐集團控股有限公司

HOP FUNG GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2320

INSIDE INFORMATION – UPDATES ON TAX ISSUES OF A SUBSIDIARY

This announcement is made by Hop Fung Group Holdings Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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).

Unless otherwise stated, terms used herein shall have the same meanings as defined in the announcement (“**Announcement**”) of the Company dated 17 March 2023.

Below are some recent updates on the various tax issues of Green Forest Paper.

1. TAX ISSUE ABOUT VAT INVOICES FROM SUPPLIERS

The Tax Treatment Decision

As mentioned in the Announcement, on 7 December 2022, Green Forest Paper filed an administrative proceeding against Qingyuan Tax Bureau at the People’s Court of Qingxin District, Qingyuan City, Guangdong Province (廣東省清遠市清新區人民法院) (“**Qingxin Court**”) to request for a revocation of the decision on not accepting the tax payment guarantee application (the “**Revocation Request**”). The hearing of the proceeding was held on 15 February 2023.

Pursuant to the administrative judgement dated 19 April 2023 from the Qingxin Court, the Revocation Request was rejected. Therefore, based on the preliminary assessment by the Company, Green Forest Paper should make approximately RMB182.8 million tax payments (including late fee) to Qingyuan Tax Bureau. However, as advised by PRC legal advisor, the Group has the right to appeal within 15 days from the date of the judgement and the Group is going to appeal.

The Group has obtained a letter from one of the Group's principal banks confirming to provide the Group with financial support. The Group will ensure its solvency if in case of an unfavourable appeal result and the Group has to bear all the tax payments and late fee under the Tax Treatment Decision.

The Tax Penalty Decision

As mentioned in the Announcement, on 24 November 2022, Green Forest Paper filed an administrative proceeding against Guangdong Province Tax Bureau and Qingyuan Tax Bureau at Guangzhou Railway Transport Court (廣州鐵路運輸法院) to request for a review of the Tax Penalty Decision.

The trial of the proceeding was fixed on 25 April 2023.

2. TAX ISSUE ABOUT PAYMENT OF PREVIOUS VAT REFUND

Green Forest Paper made an application for tax payment guarantee on 28 February 2023 and obtained confirmation from Qingxin Tax Bureau about the acceptance of the tax payment guarantee on 23 March 2023.

On 7 April 2023, Green Forest Paper disagreed with the Tax Matter Notice and applied for an administrative review with Qingxin Tax Bureau.

On 12 April 2023, Qingxin Tax Bureau accepted the administrative review on the Tax Matter Notice.

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

By order of the Board
Hop Fung Group Holdings Limited
Hui Sum Ping
Chairman

Hong Kong, 21 April 2023

As at the date of this announcement, the executive directors of the Company are Mr. Hui Sum Ping and Mr. Hui Sum Tai and the independent non-executive directors of the Company are Mr. Tso Sze Wai, Mr. Wong Chu Leung and Mr. Chau Suk Ming.