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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) APPOINTMENT OF INDEPENDENT INVESTIGATOR AND
INTERNAL CONTROL CONSULTANT;
AND
(2) CONTINUED SUSPENSION OF TRADING**

This announcement is made by Huafang Group Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company (i) dated March 20, 2023 in relation to the date of Board meeting; (ii) dated March 30, 2023 in relation to the unaudited annual results announcement for the year ended December 31, 2022; (iii) dated April 3, 2023 and April 25, 2023 in relation to, among other things, delay in publication of the 2022 Audited Annual Results and suspension of trading; (iv) dated June 23, 2023 in relation to the Resumption Guidance; (v) dated June 30, 2023 in relation to quarterly updates on status of resumption; (vi) dated July 25, 2023 in relation to updates on the Investigation; (vii) dated August 3, 2023 in relation to the resignation of the Company’s auditor; (viii) dated August 17, 2023 in relation to the appointment of the Company’s auditor; and (ix) dated August 24, 2023 in relation to, among others, update on the operating results for the six months ended June 30, 2023 (collectively, the “**Announcements**”). Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

APPOINTMENT OF INDEPENDENT INVESTIGATOR AND INTERNAL CONTROL CONSULTANT

The Board announces that, on August 31, 2023, the Company has appointed an external and independent accounting firm with appropriate experience and credentials as (i) the Independent Investigator to conduct the Independent Investigation to assess the impact of the Frozen Accounts and the Investigation on the Company's business operation and financial position, and (ii) the Internal Control Consultant, to conduct the Internal Control Review in relation to the Frozen Accounts and demonstrate that the Company has in place adequate internal control and procedures to comply with the Listing Rules. The Company will make further announcement on the material development and progress in relation to the Independent Investigation and the Internal Control Review in due course.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. on April 3, 2023 pending the publication of the 2022 Audited Annual Results, and will remain suspended pending fulfilment of the Resumption Guidance and any supplement or modification thereto.

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
Huafang Group Inc.
花房集团公司
Mr. ZHOU Hongyi
Chairman

Hong Kong, August 31, 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.