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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)

QUARTERLY UPDATES ON STATUS OF RESUMPTION AND CONTINUED SUSPENSION OF TRADING

This announcement is made by Huafang Group Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.24A 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 (a) 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, September 29, 2023 and January 4, 2024 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; (ix) dated August 24, 2023 in relation to, among other things, update on the operating results for the six months ended June 30, 2023; (x) dated August 31, 2023 in relation to the appointment of the Independent Investigator and the Internal Control Consultant; (xi) dated February 23, 2024 in relation to the key findings of independent investigation and independent internal control review; (xii) dated February 29, 2024 in relation to the audited annual results announcement for the year ended December 31, 2022 and the interim results announcement for the six months ended June 30, 2023; and (xiii) dated March 26, 2024 in relation to the audited annual results announcement for the year ended December 31, 2023 (collectively, the “**Announcements**”); and (b) the 2022 Annual Report and the 2023 Interim Report dated March 15, 2024. Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

RESUMPTION GUIDANCE

As disclosed in the announcement of the Company dated June 23, 2023, the Company received a letter from the Stock Exchange, in which, inter alia, the Stock Exchange sets out the following Resumption Guidance:

- (i) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (ii) conduct an appropriate independent investigation, assess the impact on the Company's business operation and financial position, announce the findings and take appropriate remedial actions;
- (iii) conduct an independent internal control review and demonstrate that the Company has in place adequate internal control and procedures to comply with the Listing Rules;
- (iv) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and
- (v) announce all material information for the Company's shareholders and investors to appraise its position.

UPDATED INFORMATION

Latest Business Development

The Group is principally engaged in offering video- and audio-based live entertainment and social networking services to its users.

Since the suspension of trading in the Shares on April 3, 2023 and up to the date of this announcement, the Group continued to operate its business by implementing its business strategies and the live streaming and video- and audio-based social networking products operated by the Group are accessed and used by its users as usual.

Publication of Outstanding Financial Results

Mazars CPA Limited has been appointed as the new auditor of the Company with effect from August 17, 2023 and to hold office until the conclusion of the next annual general meeting of the Company.

The Company has published all outstanding financial results, including:

- (i) the announcement of audited annual results for the year ended December 31, 2022 on February 29, 2024;
- (ii) the announcement of interim results for the six months ended June 30, 2023 on February 29, 2024;

- (iii) the annual report for the year ended December 31, 2022 on March 15, 2024;
- (iv) the interim report for the six months ended June 30, 2023 on March 15, 2024; and
- (v) the announcement of audited annual results for the year ended December 31, 2023 on March 26, 2024.

Independent Investigation and Internal Control Review

As disclosed in the Announcements, the Company has appointed AOGB Professional Consultancy Services Company Limited (“**AOGB**”), an external and independent accounting firm with appropriate experience and credentials as (i) the Independent Investigator to conduct the Independent Investigation, and (ii) the Internal Control Consultant to conduct the Internal Control Review.

Independent Investigation

As disclosed in the Announcements, AOGB issued the report of the Independent Investigation on February 19, 2024 (the “**Investigation Report**”). For details of the key findings of the Investigation Report, please refer to the announcement of the Company dated February 23, 2024.

Internal Control Review

As disclosed in the Announcements, AOGB issued the report of the Internal Control Review (the “**Internal Control Review Report**”) on February 19, 2024. For details of the key findings of the Internal Control Review Report, please refer to the announcement of the Company dated February 23, 2024.

Demonstrate Compliance with Rule 13.24 of the Listing Rules

The Board considers that the Company has always complied with Rule 13.24 of the Listing Rules given that the Group is carrying out its business with a sufficient level of operations including the live streaming and video- and audio-based social networking products operated by the Group, the management team and staff and its large and active user base and assets of sufficient value including the Group’s tangible and intangible assets and working capital for supporting its business operations.

Submission of Resumption Proposal

The Company has submitted a resumption proposal to the Stock Exchange to demonstrate that the Company has fulfill the conditions set out in the Resumption Guidance for resumption of trading of the shares of the Company.

The Company will update the shareholders of the Company and potential investors on, among others, such progress 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 the Stock Exchange's confirmation on the Company's fulfilment of the Resumption Guidance.

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

Hong Kong, April 1, 2024

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.