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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)

**OVERSEAS REGULATORY ANNOUNCEMENT OF
A CONTROLLING SHAREHOLDER
AND
CONTINUED SUSPENSION OF TRADING**

This announcement is made by Huafang Group Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) in relation to a recently published announcement of a controlling shareholder of the Company.

Songcheng Performance Development Co., Ltd.* (宋城演艺发展股份有限公司), a controlling shareholder of the Company, is a A-share listed company on Shenzhen Stock Exchange (stock code: 300144) (“**Songcheng Performance**”) and beneficially owns approximately 35.35% of the total issued shares of the Company as at the date of this announcement.

The Company noticed that Songcheng Performance published an announcement on June 6, 2024 (the “**Songcheng Performance Announcement**”), which contains the forecast of certain financial information of the Group for the five years ending December 31, 2028 (including revenue growth rate, gross profit margin, selling expenses ratio, administrative expenses ratio and R&D expenses ratio) (the “**Financial Forecast**”). Pursuant to the Songcheng Performance Announcement, Songcheng Performance disclosed the Financial Forecast in response to the enquiry from the Shenzhen Stock Exchange on the basis of the provision for impairment of Songcheng Performance’s long-term equity investment in the Company.

The Company would like to emphasize that the Financial Forecast is not audited or reviewed by the external auditors and the audit committee of the Company. The shareholders of the Company shall not make any investment decisions in undue reliance upon the Financial Forecast, and the Company shall not be liable for any losses arising from the undue use of or reliance upon the Financial Forecast. The Company will publish its preliminary announcements of results for the half-year, preliminary announcements of results for the financial year, interim reports and annual reports and other updates on the Group's financial results in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**").

The Songcheng Performance Announcement contains forward-looking financial estimates of the Group. Forward-looking information involves risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, the Group's financial results may differ from those expressed in any forward-looking statements in the Songcheng Performance Announcement, including the Financial Forecast. In light of the risks and uncertainties, the inclusion of forward-looking information in the Songcheng Performance Announcement should not be regarded as representation by the Board or the Company that the plans and objectives will be achieved.

Shareholders of the Company and potential investors are advised not to place undue reliance on the Financial Forecast and to exercise caution when dealing in the securities of the Company.

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 audited consolidated final results for the year ended December 31, 2022, and will remain suspended pending the Stock Exchange's confirmation on the Company's fulfilment of the resumption guidance and any supplement or modification thereto.

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

Hong Kong, June 17, 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.

* For identification purposes only