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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)**

## **INSIDE INFORMATION AND 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(2)(a) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended June 30, 2024 (the “**Relevant Period**”), the Group is expected to record a net profit attributable to the owners of the Company for the Relevant Period of not less than RMB30.0 million, which represented a turnaround as compared with the approximately RMB688.7 million net loss attributable to the owners of the Company for the corresponding period in 2023 (the “**Last Corresponding Period**”).

The turnaround result was mainly attributable to the non-recurrent of impairment loss on goodwill of approximately RMB681.8 million in the Last Corresponding Period, which was partially offset by an expected decrease in the Group’s revenue of approximately 37.7% to 43.6% from approximately RMB1,626.1 million in the Last Corresponding Period to approximately RMB917.0 million to RMB1,013.5 million in the Relevant Period. Such expected decrease in revenue was primarily due to the challenging external environment and the Group’s implementation of more cautious operating strategies in the Relevant Period.

The Company is in the process of finalising the results of the Group for the Relevant Period. The information contained in this announcement is only based on a preliminary review of the unaudited consolidated management accounts of the Group and the information currently available to the Board and is not based on any figures or information which has been audited or reviewed by the Company's auditors. Further adjustments of the Group's financial results for the Relevant Period may be required. The Company expects to publish the consolidated financial results of the Group for the Relevant Period on August 26, 2024.

## **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.

**Shareholders and potential investors 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 19, 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.*