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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) UPDATE ON STATUS OF THE INVESTIGATION; AND  
(2) 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 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 audited consolidated final results for the year ended December 31, 2022 (the “**2022 Audited Annual Results**”) and suspension of trading; (iv) dated June 23, 2023 in relation to the Resumption Guidance; and (v) dated June 30, 2023 in relation to quarterly updates on status of resumption (collectively, the “**Announcements**”). Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

## **UPDATE ON STATUS OF THE INVESTIGATION**

As disclosed in the Announcements, certain authorities in the PRC initiated the Investigation on an investee company in which the Group holds 25% equity interest, which involves the Frozen Accounts.

As of the date of this announcement, the Group is fully cooperating with the relevant government authority on the Investigation and has tendered detained funds pending final judgement (待結案扣押款) of approximately RMB155 million to the government authority. As of the date of this announcement, all Frozen Accounts have been released and can be used for normal business operation. The Company believes that the release of the Frozen Accounts represents a progress in the Investigation, which would facilitate the work to be conducted by the Independent Investigator and the Internal Control Consultant and further the Company's fulfilment of the Resumption Guidance.

The Company will make further announcement on the material developments and progress of the Investigation 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.

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

Hong Kong, July 25, 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.*