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HUARCHI GLOBAL GROUP HOLDINGS LIMITED
華記環球集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2296

Warrant Code: 1642

QUARTERLY UPDATE ON PROGRESS OF RESUMPTION

This announcement is made by Huarchi Global Group Holdings Limited (the “**Company**” and 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 under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 23 December 2021, 30 December 2021, 18 February 2022, 31 March 2022 and 6 April 2022 (the “**Announcements**”) in relation to, among others, (i) the Resumption Guidance (the “**Resumption Guidance**”) imposed by the Stock Exchange for resumption of trading in the shares of the Company (the “**Shares**”); (ii) the Company’s status of fulfillment of the same; (iii) quarterly update on progress of resumption; and (iv) the delay in publication of the annual results and despatch of the annual report for the year ended 31 December 2021. Unless otherwise specified, the capitalised terms used herein shall have the same meaning as defined in the Announcements.

QUARTERLY UPDATE ON PROGRESS OF RESUMPTION

As disclosed in the announcement of the Company dated 23 December 2021 and 6 April 2022, the Stock Exchange has imposed and modified the Resumption Guidance for the Company. The Company is taking appropriate steps to fulfill the Resumption Guidance. The status of resumption is summarised as follows:

Independent Investigation

The Independent Investigator, namely Grant Thornton Advisory Services Limited, is in the course of conducting the Independent Investigation. The expected completion date is subject to assessment of the Independent Investigator.

Appointment of Internal Control Consultant

The Board announces that the Independent Investigation Committee has resolved to appoint AVISTA PRO-WIS Risk Advisory Limited, an independent internal control consultant (the “**Internal Control Consultant**”), to conduct an independent internal control review (the “**Internal Control Review**”) in addressing item (ii) of the Resumption Guidance.

The scope of the Internal Control Review covers (i) corporate governance structure and corporate internal controls of the Group; (ii) internal control systems over selected business cycles of the Company as well as its operating subsidiaries in Macau and mainland China; and (iii) internal controls for compliance with the Listing Rules.

The Internal Control Review will cover the year ended 31 December 2021 and address the internal controls as they exist at the time of review. Follow-up review will be performed to report if recommendations suggested by the Internal Control Consultant have been adopted.

The Internal Control Consultant has commenced its work accordingly.

Appointment of Independent Accountants

The Board announces that the Independent Investigation Committee has resolved to appoint SHINEWING (HK) CPA Limited as independent accountants to the Company (the “**Independent Accountants**”) to review the accuracy and completeness of the published financial results of the Company (the “**Assurance Review**”) in addressing item (iv) of the Resumption Guidance. The objectives of the Assurance Review are to demonstrate assurance as to whether the published financial results of the Company are accurate and complete in all material aspects.

The published financial results of the Company to be covered under the Assurance Review include (1) the financial results disclosed in the prospectus of the Company issued in October 2019 for its listing on the Stock Exchange (the “**Listing**”); and (2) all of the financial results published by the Company since the Listing (together as the “**Published Financial Results**”).

The scope of work of the Assurance Review includes, among others, (a) assessment of fraud and risk in relation to any misstatements arising from fraudulent financial reporting and undisclosed connected transactions; (b) identification of any unusual fluctuations and suspicious transactions based on the review of the Published Financial Results; (c) performance of industry benchmark analysis against the financial performance of the Company in the Published Financial Results in order to identify any unusual fluctuation or irregularities; (d) substantive testing on the Published Financial Results in terms of profit and loss account as well as balance sheet items; and (e) review of internal control systems in relation to financial reporting process and account management of certain operating cycles.

The Independent Accountants have commenced their work accordingly.

Outstanding financial results

As disclosed in the announcement of the Company dated 31 March 2022, the publication of the 2021 Annual Results and the despatch of the 2021 Annual Report are subject to the results and/or findings to be made by the independent professional parties as appointed by the Independent Investigation Committee for addressing Resumption Guidance, which may affect the auditor and the arrangement of audit work for the 2021 Annual Results.

UPDATE ON BUSINESS OPERATIONS

The Company is an investment holding company. The subsidiaries and joint operation of the Company are principally engaged in (i) fitting-out works; (ii) construction works; and (iii) repair and maintenance works in Macau, from both private and public sector customers.

Notwithstanding the suspension of trading in the Shares since 19 November 2021, the Group’s business operations have remained usual and continued in their ordinary course. The Group is still in the course of undertaking projects and tendering new projects in Macau as usual, and the Group is able to secure new projects in ordinary course of business.

Besides, since the establishment of two wholly-owned operating subsidiaries in Zhuhai City of mainland China in March 2021, the Group has been actively exploring business opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area and other cities in mainland China. The Group has secured and undertaken a number of interior design and fitting-out projects for private sector customers in mainland China during the year ended 31 December 2021. Leveraging on (i) the Group's expertise in fitting-out works and business reputation in Macau; (ii) the listing status of the Company on the Stock Exchange; and (iii) the rising market demand of fine decoration in mainland China, the Group has been able to develop strategic cooperation with a number of interior designers in mainland China with a view to expanding its interior design and fitting-out business into mainland China, which is expected to bring about synergy and growth for the Group's overall business development in the medium to long run.

Since the date of the Incidents and up to the date of this announcement, the Group has not encountered or been subject to any adverse impact on its ordinary course of business or financial positions as a result of or in relation to the Incidents. The Company has been carrying on business with a sufficient level of operations, thereby complying with Rule 13.24 of the Listing Rules under item (v) of the Resumption Guidance. The Board will continue to assess and monitor the impact of the suspension of trading in the Shares (if any) on the business operations and financial positions of the Group from time to time.

The Company is committed to working towards the resumption of trading in the Shares and has been in discussions with various professional advisers of the Group to explore and consider opportunities available to the Company in formulating a viable resumption proposal to address matters set out in the Resumption Guidance.

Since the date of the Incidents, the Company has published all material information on a timely basis to its Shareholders and potential investors in addressing item (vi) of the Resumption Guidance. Further announcement(s) including quarterly updates will be made in relation to the material developments and progress of resumption as well as fulfillment of the conditions under the Resumption Guidance pursuant to Rule 13.24A of the Listing Rules, or as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 19 November 2021 and will remain suspended until further notice.

Shareholders and potential investors should note that the resumption of trading in the Shares on the Stock Exchange is subject to the fulfillment of the Resumption Guidance and it is uncertain whether the Company could successfully comply with the same. There is no guarantee that the resumption of trading in the Shares on the Stock Exchange will take place. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By order of the Board
Huarchi Global Group Holdings Limited
Chang Wa Jeong
Executive Director

Hong Kong, 18 May 2022

As at the date of this announcement, Mr. Lou Cheok Meng (Chairman and Managing Director), Mr. Chang Wa Jeong and Mr. Ao Weng Kong are the executive directors of the Company; and Dr. Lam Chi Kit BBS MH JP, Dr. Sin Wai Chiu Joseph and Mr. Lo Chun Chiu Adrian are the independent non-executive directors of the Company.