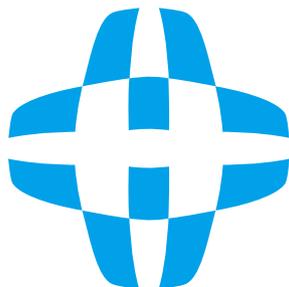


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## **HUARCHI GLOBAL GROUP HOLDINGS LIMITED**

**華記環球集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**Stock Code: 2296**

### **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, 6 April 2022, 18 May 2022, 18 August 2022, 31 August 2022 and 18 November 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 Resumption Guidance; (iii) quarterly updates on progress of resumption; (iv) the further delay in publication of the annual results and despatch of the annual report for the year ended 31 December 2021; and (v) the delay in publication of the interim results and despatch of the interim report for the six months ended 30 June 2022. Unless otherwise specified, the capitalised terms used herein shall have the same meaning as defined in the Announcements.

## **QUARTERLY UPDATE ON PROGRESS OF RESUMPTION**

Pursuant to Rule 13.24A of the Listing Rules, the Board wishes to update the Shareholders and potential investors of the Company that, as at the date of this announcement, the latest development of the Company and the progress of fulfilling the Resumption Guidance are as follows:

### **Independent Investigation**

As at the date of this announcement, the Independent Investigation is currently carried out by the Independent Investigator and is thus ongoing. The Independent Investigator has reviewed the progress of the Independent Investigation and has effectively narrowed down the scope of outstanding issues to which the Company is determined to assist in all necessary ways to facilitate the investigation progress.

The draft report containing preliminary findings of the Independent Investigation is expected to be available to the Independent Investigation Committee by end of March 2023, subject to further assessment by the Independent Investigator. The Company shall make further announcements on the results and major findings of the Independent Investigation as and when appropriate.

### **Internal Control Review**

As of the date of this announcement, the Internal Control Review is currently carried out by the Internal Control Consultant and is thus ongoing. The draft report containing preliminary major internal control deficiencies and recommendations under the Internal Control Review is expected to be available to the Independent Investigation Committee by end of March 2023, subject to further information available to and assessment by the Internal Control Consultant.

The Company will consider and take necessary steps to adopt the recommendations of the Internal Control Consultant for (i) improving its internal control systems and procedures; and (ii) ensuring adequate and appropriate internal controls to be in place. The Company shall make further announcements on the results and major findings of the Internal Control Review as and when appropriate.

## **Assurance Review**

The Assurance Review progressed far behind the intended schedule as the Company encountered practical difficulty in providing accounting and supporting documents to the Independent Accountants at most of the times between late April 2022 and late November 2022. The assurance work flow became more efficient until and when CACM had eventually released to the Company copies of accounting and supporting documents seized in November 2022.

Both the Company and the Independent Accountants have been working together at full force to expedite the Assurance Review but it remains premature at this stage to assess the availability date of report of the Assurance Review, which is subject to further assessment and information received by the Independent Accountants. Further announcement will be made once the intended reporting date of the Assurance Review is determined.

## **Outstanding financial results**

In light of the ongoing Independent Investigation and Assurance Review, the results and/or findings of which shall be crucial in determining the arrangement of audit work for the Company, the publication for the 2021 Annual Results as well as the despatch of the 2021 Annual Report shall accordingly be postponed.

As a result of the postponement of release of the 2021 Annual Results, the publication of the 2022 Interim Results as well as the despatch of the 2022 Interim Report will also have to be delayed.

In contemplation of the aforesaid delay of the Company's financial results, the publication of the annual results and despatch of the annual report for the year ended 31 December 2022 are also likely to be delayed.

The Company shall make further announcements in respect of any updates on the publication of the outstanding financial results as and when appropriate.

## **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.

The Group has conducted its ordinary course of business with realistic and optimistic prospects since the Incidents up to the date of this announcement. The Incidents and the suspension of trading in the Shares have never resulted in any materially adverse impact to the Group's business, financial position or development plan.

In this connection, the Board wishes to emphasize that the Group's business operations have remained usual and continued in their ordinary course in all material aspects, notwithstanding the Incidents and the suspension of trading in the Shares since November 2021. The Group was awarded about 100 and about 40 new projects with aggregate contract sum of approximately MOP180 million and MOP145 million during the years ended 31 December 2021 and 2022, respectively.

Looking forward, the economy in Macau is expected to gradually recover from the outbreak of COVID-19 (especially after the lifting of various preventive measures in late 2022) and more infrastructure projects are anticipated to be launched by the Macau government in 2023. The Directors are confident that the Group should be able to benefit from the potential business opportunities arising from new construction projects. In this regard, the Company has been carrying on business with a sufficient level of operations in compliance 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 shall continue to make all appropriate and necessary efforts to cooperate with and provide assistance to various professional advisers of the Group to seek resumption of trading in the Shares as soon as practicable, having committed to taking active steps to address the matters and fulfill the requirements as 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 of the Company 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 of the Company 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, 20 February 2023

*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.*