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HUAZHANG TECHNOLOGY HOLDING LIMITED

華章科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1673)

CHANGE OF AUDITORS

The Board announces that Ernst & Young has resigned as the auditor of the Company with effect from 21 December 2018, as the Company could not reach a consensus with Ernst & Young on the audit fee for the year ending 30 June 2019.

The Board further announces that the Board proposes to appoint PricewaterhouseCoopers as the new auditor to fill the casual vacancy following the resignation of Ernst & Young.

RESIGNATION OF AUDITOR

The Board of directors (the “**Board**”) of Huazhang Technology Holdings Limited (the “**Company**”) hereby announces that Ernst & Young (“**EY**”) has resigned as the auditor of the Company with effect from 21 December 2018, as the Company could not reach a consensus with EY on the audit fee for the year ending 30 June 2019.

The Company is incorporated under the laws of the Cayman Islands and to the knowledge of the Board there is no requirement under the laws of the Cayman Islands for the resigning auditor to confirm whether or not there is any circumstance connected with their resignation which they consider should be brought to the attention of the Company’s members and creditors. EY has therefore not issued such confirmation.

The Board further confirm that EY has not yet commenced any audit work on the financial statements of the Group for the financial year ending 30 June 2019. The Board believes that the change of auditor will not have any significant impact of the interim review for the six months ending 31 December 2018. The Board and audit committee of the Company (the “**Audit Committee**”) also confirm that there is no disagreement or outstanding matters between the Company and EY, and there are no other matters or circumstances in connection with the change of auditor of the Company that need to be brought to the attention of the shareholders of the Company or creditors of the Company.

The Board would like to express its appreciations to EY for its services rendered to the Group in the past years.

APPOINTMENT OF AUDITOR

The Board further announces that, as at 21 December 2018, the Board has resolved, with the recommendation from the Audit Committee, the appointment of PricewaterhouseCoopers with effect from 21 December 2018 as the new auditor of the Company, to fill the casual vacancy following the resignation of EY and to hold office until the conclusion of the next annual general meeting of the Company. Pursuant to Article 155 of the articles of association of the Company, the Board may fill any causal vacancy in the office of auditors. Therefore, no special general meeting will be held for this purpose.

The Board hereby announces that for the purpose of enhancing the standard of the Company's corporate governance and level of accounting scrutiny, upon approval of the Audit Committee, the Company will adopt a policy in respect of rotation of auditor for every three years starting from the year ending 31 December 2019.

By Order of the Board
Huazhang Technology Holding Limited
Zhu Gen Rong
Chairman

Hong Kong, 21 December 2018

As at the date of this announcement, the executive Directors are Mr. Zhu Gen Rong, Mr. Wang Ai Yan, Mr. Jin Hao and Mr. Zhong Xin Gang, and the independent non-executive Directors are Ms. Chen Jin Mei, Mr. Dai Tian Zhu and Mr. Kong Chi Mo