华章科技
HUAZHANG TECHNOLOGY

Huazhang Technology Holding Limited
華章科技控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01673)

PROFIT WARNING AND BUSINESS UPDATE

This announcement is made by Huazhang Technology Holding Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") 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).

The board of the Company (the "**Board**") wishes to inform shareholders and potential investors of the Company that based on the Company's preliminary assessment of the unaudited consolidated management accounts of the Group and information currently available to the Board, the Group is expected to report a significant decline in profit as compared to the unaudited consolidated net profit of HK$22.2 million attributable to owners of the Company for the six months ended 31 December 2014.

The anticipated decline in profit for the six months ending 31 December 2015 is mainly attributable to (i) the slowdown of Chinese economy, which has affected the project progress or delay in the completion, as a result, revenue decreased significantly (ii) the Group completed two one-stop service contracts and recognized revenue of approximately HK$100.0 million for the six months ended 31 December 2014 as the revenue contributed from the one-stop service contracts was approximately HK$3.7 million for the five months ended 30 November 2015.

The Group still maintains a good control on costing and is actively looking for new projects and exploring overseas markets. For the five months ended 30 November 2015, the Group have entered contracts with amount of approximately HK$316.9 million, as compared with the same period in last year, an increase of approximately 64.5%. The Board believes that if the Chinese economy can be stabilized in the foreseeable future, the customers will then pick up the pace of their investment in the projects, the Group expects its financial results to turn around. In addition the overall financial position of the Group is stable (i.e. sufficient liquidities and cash on hands), the Group is well poised to capture any opportunities in the downturn of the market.

It should be noted that the Company has yet to finalize the interim results of the Group for the six months ending 31 December 2015, and that the information contained in this announcement is based on a preliminary assessment of the management accounts of the Company for five months ended 30 November 2015 and other information currently available to the Group, both of which require further discussion and review by the Company's auditors and the audit committee of the Company. As a result, the actual results of the Group for the six months ending 31 December 2015 may or may not be different from that disclosed herein. Shareholders and potential investors are therefore advised to read carefully the unaudited interim results announcement of the Group for the six months ending 31 December 2015 to be published on or before 28 February 2016.

Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 24 December 2015

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.