
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in Huazhang Technology Holding Limited (the “Company”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



華章科技控股有限公司

Huazhang Technology Holding Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1673)

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, RE-ELECTION OF DIRECTORS, RE-APPOINTMENT OF AUDITOR AND NOTICE OF ANNUAL GENERAL MEETING

This circular together with a form of proxy will remain on the website of the Company at <http://www.hzeg.com>.

A notice convening the AGM to be held at Room 805A, 8/F, Tower 1, South Seas Centre, 75 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong on 2 December 2019, at 1:30 p.m. is set out on pages 13 to 16 of this circular. Whether or not you are able to attend the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish.

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
Introduction	3
Issue Mandate	4
Repurchase Mandate	4
Re-election of the Directors	4
Re-appointment of the Auditor	4
Annual General Meeting	5
Recommendation	5
APPENDIX I – EXPLANATORY STATEMENT	6
APPENDIX II – DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM	9
NOTICE OF ANNUAL GENERAL MEETING	13

DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Room 805A, 8/F, Tower 1, South Seas Centre, 75 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong on 2 December 2019 at 1:30 p.m.
“AGM Notice”	the notice convening the AGM set out on pages 13 to 16 of this circular
“Annual Report”	the annual report of the Company for the year ended 30 June 2019
“Articles”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the same meaning as defined in the Listing Rules
“Board”	the board of Directors
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time
“Company”	Huazhang Technology Holding Limited, a company incorporated under the laws of the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning as defined in the Listing Rules
“Director(s)”	director(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue and deal with Shares of the Company as set out in resolutions 4 and 6 of the AGM Notice

DEFINITIONS

“Latest Practicable Date”	25 October 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which stock market continues to be operated by the Stock Exchange in parallel with GEM; for the avoidance of doubt, the Main Board excludes GEM
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares of the Company as set out in resolution numbered 5 of the AGM Notice
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	Hong Kong Code on Takeovers and Mergers and Share Buy-backs, as amended from time to time

LETTER FROM THE BOARD



華章科技控股有限公司

Huazhang Technology Holding Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1673)

Executive Directors:

Mr Zhu Gen Rong (*Chairman*)

Mr Wang Ai Yan (*Chief Executive Officer*)

Mr Liu Chuan Jiang

Mr Jin Hao

Independent Non-executive Directors:

Mr Dai Tian Zhu

Mr Kong Chi Mo

Mr. Heng, Keith Kai Neng

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Principal place of business

in Hong Kong:

Room 805A, 8/F,

Tower 1, South Seas Centre

75 Mody Road

Kowloon

Hong Kong

31 October 2019

To the Shareholders

Dear Sir or Madam

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
RE-APPOINTMENT OF AUDITOR AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The Shareholders passed the resolutions to grant the general mandates to the Directors to issue and allot Shares and to exercise the powers of the Company to repurchase its own Shares (the “Previous Mandates”) on 23 November 2018 in accordance with the Listing Rules. The Previous Mandates will lapse at the conclusion of the AGM. It is therefore proposed that the general mandates to issue and allot Shares and to repurchase Shares be renewed at the AGM.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information regarding (i) the proposed renewal of the general mandates to issue and allot Shares and to repurchase Shares of the Company; (ii) the proposed re-election of Directors and (iii) the proposed re-appointment of auditor of the Company and to seek your approval of the resolutions relating to these matters at the AGM.

ISSUE MANDATE

Ordinary resolutions will be proposed at the AGM to grant to the Directors the Issue Mandate, and authorise the extension of the Issue Mandate to issue and allot the Shares repurchased by the Company under the Repurchase Mandate, details of which are set out in ordinary resolutions nos. 4 and 6 of the AGM Notice. The Shares of the Company which may be issued and allotted pursuant to the Issue Mandate is limited to a maximum of 20 per cent. of the issued share capital of the Company at the date of passing of the resolution approving the Issue Mandate. On the basis that 733,857,225 Shares are in issue as at the Latest Practicable Date and no further Shares are issued or repurchased prior to the AGM, exercise in full of the Issue Mandate (without being extended by the number of Shares (if any) repurchased by the Company under the Repurchase Mandate) could result in up to 146,771,445 Shares being issued and allotted by the Company.

REPURCHASE MANDATE

An ordinary resolution will be proposed at the AGM to grant to the Directors the Repurchase Mandate, details of which are set out in ordinary resolution numbered 5 of the AGM Notice. The Shares of the Company which may be repurchased pursuant to the Repurchase Mandate is limited to a maximum of 10 per cent. of the issued share capital of the Company at the date of passing of the resolution approving the Repurchase Mandate.

An explanatory statement as required under the Listing Rules, in particular Rule 10.06(1)(b), giving certain information regarding the Repurchase Mandate, is set out in the Appendix I hereto.

RE-ELECTION OF THE DIRECTORS

Pursuant to the Articles, Mr. Zhu Gen Rong, Mr Wang Ai Yan, Mr Liu Chuan Jiang, and Mr Heng, Keith Kai Neng will retire from office as Directors at the AGM and, being eligible, offer themselves for re-election. Particulars of the Directors proposed to be re-elected at the AGM are set out in Appendix II of this circular.

RE-APPOINTMENT OF THE AUDITOR

PricewaterhouseCoopers will retire as the auditor of the Company at the AGM and, being eligible, offer themselves for re-appointment.

The Board proposed to re-appoint PricewaterhouseCoopers as the auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

The notice convening the AGM at which ordinary resolutions will be proposed to approve the Issue Mandate and the Repurchase Mandate, to re-elect Directors and to re-appoint auditor of the Company are set out on page 13 to page 16 of this circular. According to Rule 13.39(4) of the Listing Rules, the voting at the AGM will be taken by poll.

A form of proxy for the AGM is enclosed with this circular. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the AGM. The completion of a form of proxy will not preclude you from attending and voting at the AGM in person if you so wish.

RECOMMENDATION

The Directors believe that the grant of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate, are in the best interests of the Company as well as its Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of all resolutions approving such matters.

The Board is pleased to recommend the retiring Directors, to be re-elected as the Directors at the AGM. In addition, the Board also recommends all Shareholders to vote in favour of re-appointing PricewaterhouseCoopers as the auditor of the Company.

Yours faithfully

On behalf of the Board

HUAZHANG TECHNOLOGY HOLDING LIMITED

Zhu Gen Rong

Chairman

This appendix serves as an explanatory statement, as required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules, to provide you with the requisite information for your consideration of the Repurchase Mandate.

1. EXERCISE OF THE REPURCHASE MANDATE

On the basis that 733,857,225 Shares are in issue as at the Latest Practicable Date and no further Shares are issued or repurchased prior to the AGM, exercise in full of the Repurchase Mandate could result in up to 73,385,722 Shares being repurchased by the Company during the period from the passing of resolution numbered 5 set out in the AGM Notice up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or (iii) the passing of an ordinary resolution by Shareholders in general meeting revoking, varying and renewing the Repurchase Mandate, whichever occurs first.

2. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Repurchases of Shares will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share.

3. FUNDING AND EFFECT OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles, the Companies Law and other applicable laws of the Cayman Islands. A listed company may not repurchase its own securities on Main Board for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Companies Law, repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital.

Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 30 June 2019, being the date of its latest published audited financial statements. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

4. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Articles and the applicable laws of the Cayman Islands.

5. INTENTION TO SELL SHARES

None of the Directors and, to the best of their knowledge, having made all reasonable enquiries, none of their respective close associates, have any present intention, in the event that the proposal on the Repurchase Mandate is approved by Shareholders, to sell Shares to the Company or its subsidiaries.

6. TAKEOVER CODE CONSEQUENCE

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code.

As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, according to the register of members kept by the Company pursuant to section 336 of the SFO and so far as was known to, or could be ascertained after reasonable enquiry by, the Directors, Florescent Holdings Limited, Mr. Zhu Gen Rong, Wang Ai Yan and Liu Chuan Jiang and the person acting in concert with them together were interested in approximately 56.79% of the issued share capital of the Company. Florescent Holdings Limited is a controlled corporation of Mr Zhu Gen Rong, the Chairman of the Company.

Assuming Florescent Holdings Limited, Mr. Zhu Gen Rong, Wang Ai Yan and Liu Chuan Jiang and the person acting in concert with them together will not dispose of its interests in the Shares nor will it acquire additional Shares, if the Repurchase Mandate was exercised in full, the percentage shareholding of Florescent Holdings Limited, Mr. Zhu Gen Rong, Wang Ai Yan and Liu Chuan Jiang and the person acting in concert with them together would be increased to approximately 63.10% of the issued share capital of the Company.

On the basis of the shareholding interests of Florescent Holdings Limited, Mr. Zhu Gen Rong, Wang Ai Yan and Liu Chuan Jiang and the person acting in concert with them together in the Company, an exercise of the Repurchase Mandate in full would not result in it becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code. Save as disclosed above, the Directors are not aware of any Shareholder or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchases made pursuant to the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that would result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

7. SHARE PURCHASED BY THE COMPANY

The Company has not purchased any of its Shares (whether on Main Board or otherwise) in the previous six months.

8. CONNECTED PERSON

No core connected person has notified the Company that he/it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

9. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on Main Board during each of the previous twelve months were as follows:

	Highest	Shares Lowest
2018		
November	3.34	2.82
December	3.49	3.05
2019		
January	4.20	3.27
February	4.84	4.10
March	4.75	4.40
April	4.62	3.80
May	4.15	2.10
June	4.00	2.24
July	3.99	3.15
August	4.07	3.00
September	3.79	3.10
October (up to the Latest Practicable Date)	3.58	2.99

Stated below are the details of the Directors who will retire and be eligible for re-election at the AGM in accordance with the Articles.

Mr ZHU Gen Rong (朱根榮), aged 56, is the chairman of our board and an executive Director. He is also a member of the Nomination Committee and one of our Controlling Shareholders and the director of certain subsidiaries in the Group. Mr Zhu oversees the overall operation and is responsible for the overall strategic planning, development, and management of our Group. Mr Zhu has over 25 years of experience in the mechanical and engineering industry. Prior to founding our Group, Mr Zhu worked at Hangzhou Project and Research Institute of Electro mechanic in Light Industry (輕工業杭州機電設計研究院) from 1984 to 1993, a state-owned entity principally engaged in the business of, among others, researches in the technology for pulp, paper-making and the automation of electric instruments and he took up several positions including the deputy head of the product development department. He then worked as general manager at Hangzhou Microelectronics Company Limited (杭州華章微電子公司) from 1993 to 1996, a company principally engaged in the business of manufacturing of mixed integrated circuit and electrical ballast, projects of industrial automation system, and the purchasing of materials and equipment for industrial automation systems. He also founded Hangzhou Yiyi Consultation (then known a Hangzhou Huazhang Electric Engineering Company Limited) in December 1996, Hangzhou Rongtai Electric in December 1998 and Shanghai Yunjie Consultation (then known as Shanghai Huazhang Electric Control Engineering Company Limited) in May 1999, of which the businesses of all three companies were then transferred to Huazhang Automation (Zhejiang) in November 2006. Hangzhou Rongtai Electric has been deregistered. Mr Zhu founded Zhejiang Huazhang Technology Limited (浙江華章科技有限公司) (“Zhejiang Huazhang”), the PRC operating subsidiary of our Company, in July 2001. Mr Zhu obtained a diploma in industrial electrical automation (工業電氣自動化) from Nanjing Electrical School (南京機電學校) in July 1984. He has been the vice president of the China Association of the Federation of Industry and Commerce (中華全國工商業聯合會紙業商會) since October 2009.

Mr Zhu has entered into a service contract with the Company for an initial term of three years commencing from the listing date and will continue thereafter until terminated in accordance with the terms of the contract and the initial annual salary for him is HK\$1,200,000. He is entitled to the basic salary, plus a discretionary bonus determined by the Board every year. The remuneration is determined by the Company with reference to duties and level of responsibilities of each director and the remuneration policy of the Company and the prevailing market conditions.

As at the Latest Practicable Date, he is interested in 416,772,000 Shares held through himself, Lian Shun Limited and Florescent Holdings Limited and the person acting in concert with him (representing 56.79% of the issued share capital of the Company). Mr Zhu is a director and shareholder of Lian Shun Limited and Florescent Holdings Limited.

He has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Save as disclosed above, he does not have relationships with any Directors, senior management or other substantial shareholder or controlling shareholder of the Company for the purpose of the Listing Rules nor any interests in shares of the Company within the meaning of Part XV of the SFO.

Mr. WANG Ai Yan (王愛燕), aged 53, was appointed and became an executive Director on 1 October 2014. Mr. Wang has also been the chief executive officer of the Group since 1 October 2014, who is responsible to oversee the Group's daily operation and accounting and financial matters with the assistance of the chief financial officer of the Group. Mr. Wang obtained a bachelor's degree in Electrical automation and an EMBA degree from Zhejiang University (浙江大學) in 1992 and 2014, respectively. Mr. Wang has over 20 years of experience in the mechanical and engineering industry. He worked as an assistant engineer at the Hangzhou Project and Research Institute of Electro-mechanic in Light Industry (輕工業部杭州機電設計研究所) from 1987 to 1993. From 1993 to 1996, Mr. Wang worked as the vice general manager at Hangzhou Huazhang Microelectronics Company Limited (杭州華章微電子公司). He worked as the vice general manager at Hangzhou Yiyi Corporate Management Consultation Limited (杭州意義諮詢有限公司) (then known as Hangzhou Huazhang Electric Engineering Company Limited (杭州華章電氣工程有限公司) from December 1996 to August 2006. Mr. Wang worked as a director and general manager at Zhejiang Huazhang Automation Equipment Company Limited from September 2006 to September 2014.

Mr Wang has entered into a service contract with the Company for an initial term of three years commencing from 1 October 2014 and will continue thereafter until terminated in accordance with the terms of the contract and the initial annual salary for him is HK\$1,000,000. He is entitled to the basic salary, plus a discretionary bonus determined by the Board every year. The remuneration is determined by the Company with reference to duties and level of responsibilities of each director and the remuneration policy of the Company and the prevailing market conditions

As at the Latest Practicable Date, he is interested in 416,772,000 Shares held through himself, Lian Shun Limited and Florescent Holdings Limited and the person acting in concert with him (representing 56.79% of the issued share capital of the Company). Mr Wang is a shareholder of Lian Shun Limited.

He has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Save as disclosed above, he does not have relationships with any Directors, senior management or other substantial shareholder or controlling shareholder of the Company for the purpose of the Listing Rules nor any interests in shares of the Company within the meaning of Part XV of the SFO.

Mr. Liu Chuan Jiang (劉川江), aged 55, was appointed and become an executive Director on 2 January 2019. Mr. Liu is the deputy general manager and quality assurance director of Zhejiang Huazhang, the operating subsidiary of the Company. Mr. Liu has over 25 years of experience in the mechanical and engineering industry. He joined our Group in 2001 and is currently the deputy general manager and quality assurance director of Zhejiang Huazhang and was also previously the technical director of Zhejiang Huazhang. Mr. Liu obtained a bachelor's degree in electrical engineering and computer science from the Southwest Jiaotong University (西南交通大學電氣工程及計算機科學學士) in August 1984 and a master's degree in electrical engineering from the Shanghai Railway Institute (上海鐵道學院電氣工程系碩士學位) in October 1989. Mr. Liu obtained his professional qualification as an engineer from the Department of Light Industry (中華人民共和國輕工業部) of the People's Republic of China in July 1991.

Mr Liu has entered into a service contract with the Company for an initial term of three years and will continue thereafter until terminated in accordance with the terms of the contract and the initial annual salary for him is RMB600,000 (equivalent to approximately HK\$690,000). He is entitled to the basic salary, plus a discretionary bonus determined by the Board every year. The remuneration is determined by the Company with reference to duties and level of responsibilities of each director and the remuneration policy of the Company and the prevailing market conditions.

As at the Latest Practicable Date, he is interested in 416,772,000 Shares held through the person acting in concert with him (representing 56.79% of the issued share capital of the Company). Mr Liu is a shareholder of Lian Shun Limited.

He has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Save as disclosed above, he does not have relationships with any Directors, senior management or other substantial shareholder or controlling shareholder of the Company for the purpose of the Listing Rules nor any interests in shares of the Company within the meaning of Part XV of the SFO.

Mr. Heng, Keith Kai Neng (邢凱能), aged 40, was appointed and become an independent non-executive Director and the chairman of Remuneration Committee, and a member of the Audit Committee and the Nomination Committee, respectively on 2 January 2019. Mr. Heng obtained his bachelor of arts degree in accounting and finance degree from The University of Manchester in 2001, and a master of corporate governance from The Hong Kong Polytechnic University in 2018. Mr. Heng is a fellow and a member of the Association of Chartered Certified Accountants, member of the Hong Kong Institute of Certified Public Accountants, associate of The Hong Kong Institute of Chartered Secretaries and associate of The Institute of Chartered Secretaries and Administrators. Mr. Heng is currently a director of a secretarial firm. He has extensive experience in corporate governance, auditing and accounting in Hong Kong.

Mr. Heng has not held any position with any member of the Group. Mr. Heng has entered into a service contract with the Company for an initial term of three years. He is entitled to an annual director's fee of HK\$120,000, which commensurates with his duties and responsibilities as an independent non-executive director and the prevailing market situation.

Save as disclosed above, Mr. Heng has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Mr. Heng does not have relationships with any directors, senior management or other substantial or controlling shareholder of the Company for the purpose of the Listing Rules.

As at the Latest Practicable Date, Mr. Heng does not have any interests in shares of the Company within the meaning of Part XV of the SFO. The Board would consider to enhance its diversity with different expertise when appointing or re-electing an independent non-executive Director. Mr. Heng has met the independence guidelines set out in rule 3.13 of the Listing Rules and he has also given an annual confirmation of his independence to the Company this year. Given his extensive experience in accounting and secretarial services, the Nomination Committee and the Board are of the opinion that he continues to bring independent and objective perspectives to the Company's affairs. The Board considers Mr. Heng is independent and can bring further contributions to the Board and its diversity.

The Board and the nomination committee also believe that Mr. Heng should be elected because he continues to bring relevant experience and knowledge to the Board.

Saved as disclosed herein, in relation to the re-election of the above-mentioned directors, the Board is not aware of any information that ought to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters that ought to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



華章科技控股有限公司

Huazhang Technology Holding Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1673)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Huazhang Technology Holding Limited (the “Company”) will be held at Room 805A, 8/F, Tower 1, South Seas Centre, 75 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong on 2 December 2019, at 1:30 p.m. for the following purposes:

1. To receive and approve the audited financial statements of the Company and the reports of the directors and auditor of the Company for the year ended 30 June 2019;
2. To re-elect retiring directors and to authorise the board of directors of the Company to fix the remuneration of the directors;
3. To re-appoint PricewaterhouseCoopers as the auditor of the Company and to authorise the board of directors of the Company to fix their remuneration;

As special business, to consider and, if thought fit, to pass the following resolutions with or without amendments as ordinary resolutions:

ORDINARY RESOLUTIONS

4. **“THAT:**
 - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of the Hong Kong Limited (the “Listing Rules”), the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue or otherwise deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options, including bonds and warrants to subscribe for shares of the Company, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Right Issue (as defined in paragraph (d) below; or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of shares of the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company shall not exceed the aggregate of:

(aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution; and

(bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable law of the Cayman Islands to be held; and

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolutions;

“Right Issue” means an offer of shares of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares of the Company open for a period fixed by the directors of the Company to holder of shares of the Company on the Company’s register of members on a fixed record date in proportion

NOTICE OF ANNUAL GENERAL MEETING

to their then holdings of shares of the Company (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to purchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” shall have the same meaning as the resolution numbered 4(d) above.”

6. **“THAT** conditional on the passing of resolutions numbered 4 and 5 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 4 above be and it is hereby extended by the addition to the aggregate nominal amount of the shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 5 above.”

By order of the Board
HUAZHANG TECHNOLOGY HOLDING LIMITED
Chan So Kuen
Company Secretary

Hong Kong, 31 October 2019

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies (if such member is the holder of two or more shares) to attend and to vote instead of them. A proxy need not be a member of the Company.
- (2) Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- (3) A form of proxy for use at the meeting is enclosed.
- (4) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or adjourned meeting.
- (5) For the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 27 November 2019 (Wednesday) to 2 December 2019 (Monday), both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 26 November 2019 (Tuesday).
- (6) According to Rule 13.39(4) of the Listing Rules, the voting at the AGM will be taken by poll.

As at the date of this notice, the executive Directors of the Company are Mr Zhu Gen Rong, Mr Wang Ai Yan, Mr Liu Chuan Jiang and Mr Jin Hao, and the independent non-executive Directors are Mr Dai Tian Zhu, Mr Kong Chi Mo and Mr Heng, Keith Kai Neng.