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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2019 AND THE INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

Reference is made to the annual report of Huazhang Technology Holding Limited (the "**Company**") for the year ended 30 June 2019 (the "**Annual Report**") and interim report for the six months ended 31 December 2019 (the "**Interim Report**"). Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Annual Report and Interim Report.

Further to the information disclosed in the Annual Report and Interim Report, the Company wishes to provide to the Shareholders and the potential investors with the following additional information in relation to the Share Option Scheme.

SHARE OPTION SCHEME

The following table discloses movements in the Company's share options outstanding during the year ended 30 June 2019 and the six months ended 31 December 2019:

For the year ended 30 June 2019

	Number of share options					
Name or category of participant	**At 1 January 2019**	**Granted during the year**	**Exercised during the year**	**Expired during the year**	**Forfeited during the year**	**At 30 June 2019**
Executive directors:						
Jin Hao	-	450,000	-	-	-	450,000
Other Employees	-	18,550,000	-	-	-	18,550,000
In aggregate	-	19,000,000	-	-	-	19,000,000

For the six months ended 31 December 2019			**Number of share options**			
Name or category of participant	**At 1 July 2019**	**Granted during the period**	**Exercised during the period**	**Expired during the period**	**Forfeited during the period**	**At 31 December 2019**
Executive directors:						
Jin Hao	450,000	-	-	-	-	450,000
Other Employees	18,550,000	-	-	-	-	18,550,000
In aggregate	19,000,000	-	-	-	-	19,000,000

The share options were granted under the Share Option Scheme on 15 January 2019. The exercise price of the options granted under the Share Option Scheme was HK$4.04.

The directors have estimated the values of the share options granted during the year ended 30 June 2019, calculated using the binomial lattice model as at the date of grant of the options:

Grantee	**Number of options granted during the year**	**Theoretical value of share options**
		RMB'000
Jin Hao	450,000	872
Other Employees	18,550,000	31,248
	19,000,000	32,120

The binomial lattice model is a generally accepted method of valuing options. The significant assumptions used in the calculation of the values of the share options were risk-free rate of interest, dividend yield, volatility, exercise multiple and forfeiture rate. The measurement dates used in the valuation calculations were the dates on which the options were granted as follow:

Share price (HK$)	4.04
Exercise price (HK$)	4.04
Expected volatility (%)	39.81
Expected dividend yield (%)	0.74
Risk-free interest rate (%)	2.04

The expected volatility is based on the historical volatility (calculated based on the expected life of the share options), adjusted for any expected changes to future volatility due to public available information. The expected dividends are based on historical dividends. The risk-free interest rate is based on the yield of Hong Kong Exchange Fund Notes with a maturity life equal to the life of the share option.

The above additional information does not affect other information contained in the Annual Report and Interim Report, save as disclosed in this announcement, the remaining contents of the Annual Report and Interim Report remain unchanged.

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

Hong Kong, 24 August 2020

As at the date of this announcement, the executive directors 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.