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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)

RESUMPTION GUIDANCE

This announcement is made by Huazhang Technology Holding Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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).

References are made to the announcements of the Company (i) dated 30 September 2022, 3 October 2022 and 4 November 2022 in relation to, among others, the delay in publication of the audited annual results of the Company for the year ended 30 June 2022; and (ii) dated 26 October 2022 in relation to key findings of the independent forensic accounting review (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

RESUMPTION GUIDANCE

On 25 November 2022, the Company received a letter from the Stock Exchange setting out the following guidance for the resumption of trading in the shares of the Company (the “**Resumption Guidance**”):

- (i) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (ii) conduct an independent forensic investigation into the Subject Transactions and Baoshan Paper transactions, assess the impact on the Company’s business operation and financial position, announce the findings and take appropriate remedial actions;
- (iii) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet the obligations under the Listing Rules;

- (iv) demonstrate that there is no reasonable regulatory concern about management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which will pose a risk to investors and damage market confidence;
- (v) demonstrate that the Directors meet a standard of competence commensurate with their position as directors of a listed issuer to fulfil duties of skill, care and diligence as required under Rules 3.08 and 3.09 of the Listing Rules;
- (vi) demonstrate compliance with Rule 13.24 of the Listing Rules; and
- (vii) announce all material information for the Company's shareholders and other investors to appraise the Company's position.

The Company must meet all Resumption Guidance, remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume. For this purpose, the Company has primary responsibility to devise its action plan for resumption. The Stock Exchange may modify or supplement the Resumption Guidance if the Company's situation changes.

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on 2 April 2024. If the Company fails to remedy the issues causing its trading suspension, fulfil the Resumption Guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by 2 April 2024, the Listing Division of the Stock Exchange will recommend the Listing Committee of the Stock Exchange to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.

The Company is taking appropriate steps to comply with the Resumption Guidance and the relevant Listing Rules. Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules to keep its shareholders and potential investors informed of the latest progress in complying with the Resumption Guidance. The Company shall announce further quarterly update every three (3) months from the date of suspension of trading until resumption or cancellation of listing (whichever is earlier).

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in its shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 3 October 2022 and will remain suspended until the Company fulfils the Resumption Guidance.

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

By order of the Board
Huazhang Technology Holding Limited
Fang Hui
Executive Director

Hong Kong, 28 November 2022

As at the date of this announcement, the executive Directors are Mr. Fang Hui, Mr. Wang Ai Yan and Mr. Chen Hongwei, the non-executive Director is Mr. Shi Chenghu and the independent non-executive Directors are Mr. Heng, Keith Kai Neng, Mr. Yao Yang Yang and Ms. Zhang Dong Fang.