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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)**

### **(1) RESULTS OF THE OPEN OFFER ON THE BASIS OF ONE OPEN OFFER SHARE FOR EVERY TWO EXISTING SHARES AT HK\$0.20 PER OPEN OFFER SHARE HELD ON THE RECORD DATE; AND**

### **(2) ADJUSTMENT TO THE SHARE OPTIONS**

References are made to the prospectus of Huazhang Technology Holding Limited (the “**Company**”) dated 15 March 2024 (the “**Prospectus**”) and the announcement of the Company dated 11 April 2024 (the “**Announcement**”) in relation to the Open Offer at the price of HK\$0.20 per Open Offer Share on the basis of one (1) Open Offer Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date. Unless the context otherwise requires, capitalised terms used herein shall have the same meaning as defined in the Prospectus.

### **RESULTS OF THE OPEN OFFER, THE UNSUBSCRIBED ARRANGEMENTS AND THE UNDERWRITING AGREEMENT**

The total number of new Shares allotted and issued under the Open Offer is 532,044,689 Shares. As disclosed in the Announcement, as at 4:00 p.m. on Tuesday, 2 April 2024, being the Latest Time for Application, a total of seven (7) valid applications had been received for a total of 133,298,891 Open Offer Shares (including 80,623,076 Open Offer Shares taken up by the Underwriter and Mr. Fang pursuant to the Irrevocable Undertakings), representing approximately 25.05% of the total number of Open Offer Shares available for subscription under the Open Offer. The remaining 398,745,798 Unsubscribed Shares, representing approximately 74.95% of the total number of Open Offer Shares available for subscription under the Open Offer, were subject to the Unsubscribed Arrangements.

As at 4:00 p.m. on Monday, 15 April 2024, being the Placing End Date, none of the Unsubscribed Shares were successfully placed. Accordingly, no Net Gain was realised and available to be distributed to the No Action Shareholders under the Unsubscribed Arrangements. As a result, a total of 398,745,798 Untaken Offer Shares have been taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

As all the conditions precedent to the Open Offer (including those as set out in the paragraph headed “Letter from the Board — Underwriting arrangement for the Open Offer — Conditions of the Underwriting Agreement” in the Prospectus) have been fulfilled, the Open Offer became unconditional at 4:00 p.m. on Tuesday, 16 April 2024.

The gross proceeds raised from the Open Offer are approximately HK\$106.0 million and the net proceeds from the Open Offer after deducting the relevant expenses are approximately HK\$104.5 million. The Company intends to apply the net proceeds in the manner disclosed in the section headed “Letter from the Board — Reasons for the Open Offer and the use of proceeds” in the Prospectus.

## **EFFECT OF THE OPEN OFFER ON THE SHAREHOLDING STRUCTURE OF THE COMPANY**

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, the following table sets out the shareholding structure of the Company (i) immediately before the Open Offer Completion; and (ii) immediately upon the Open Offer Completion on 18 April 2024:

	<b>Immediately before the Open Offer Completion</b>		<b>Immediately upon the Open Offer Completion</b>	
	<i>Number of issued Shares</i>	<i>%</i>	<i>Number of issued Shares</i>	<i>%</i>
Underwriter <sup>(1)</sup>	153,846,153	14.46	629,515,027	39.44
Mr. Fang	<u>7,400,000</u>	<u>0.70</u>	<u>11,100,000</u>	<u>0.70</u>
<b>Sub-total</b>	<b><u>161,246,153</u></b>	<b><u>15.16</u></b>	<b><u>640,615,027</u></b>	<b><u>40.14</u></b>
Mr. Chen Hongwei <sup>(2)</sup>	182,000	0.02	273,000	0.02
Mr. Shi Chenghu <sup>(3)</sup>	<u>89,452,000</u>	<u>8.41</u>	<u>89,452,000</u>	<u>5.60</u>
<b>Sub-total<sup>(4)</sup></b>	<b><u>250,880,153</u></b>	<b><u>23.59</u></b>	<b><u>730,340,027</u></b>	<b><u>45.76</u></b>
Independent places	—	—	—	—
Other Shareholders	<u>813,209,225</u>	<u>76.41</u>	<u>865,794,040</u>	<u>54.24</u>
<b>Total</b>	<b><u>1,064,089,378</u></b>	<b><u>100.00</u></b>	<b><u>1,596,134,067</u></b>	<b><u>100.00</u></b>

Notes:

1. The Underwriter is an investment holding company beneficially and wholly owned by Mr. Fang. Under the Takeovers Code, Mr. Fang is a party acting in concert with the Underwriter by virtue of his shareholding in the Underwriter. Under the SFO, Mr. Fang was deemed to be interested in all the Shares registered in the name of the Underwriter.

2. Mr. Chen Hongwei is an executive Director. Under the Takeovers Code, as Mr. Chen Hongwei is a director of the Company which is subject to an offer that involves a whitewash application, he is presumed to be acting in concert with Mr. Fang under class (6) of the definition of “acting in concert”.
3. Mr. Shi Chenghu is a non-executive Director. Under the Takeovers Code, as Mr. Shi Chenghu is a director of the Company which is subject to an offer that involves a whitewash application, he is presumed to be acting in concert with Mr. Fang under class (6) of the definition of “acting in concert”.
4. This is a sub-total of issued Shares held/to be held by the Underwriter and the party acting in concert with it (namely, Mr. Fang) and the other Directors who held Shares as disclosed in this table, no other Director held any Share as at the date of this announcement.

## **DESPATCH OF SHARE CERTIFICATES FOR THE OPEN OFFER SHARES**

As disclosed in the Prospectus, share certificates for the fully-paid Open Offer Shares are expected to be posted on Thursday, 18 April 2024 to those entitled thereto by ordinary post to their registered address(es) at their own risks.

## **COMMENCEMENT OF DEALINGS IN FULLY-PAID OPEN OFFER SHARES**

Dealings in the fully-paid Open Offer Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Friday, 19 April 2024.

## **ADJUSTMENT TO THE SHARE OPTIONS**

Immediately before the Open Offer Completion, there were 33,080,000 outstanding Share Options granted under the Share Option Scheme.

Pursuant to the terms and conditions of the Share Option Scheme and the Listing Rules, the exercise price and the number of Shares to be issued upon exercise of the outstanding Share Options will be adjusted immediately after the Open Offer Completion.

As a result of the Open Offer, the Company has calculated the necessary adjustments (the “**Adjustments**”) to the exercise price and the number of Shares to be issued upon exercise of the outstanding Share Options in accordance with (i) the terms and conditions of the Share Option Scheme; (ii) Rule 17.03(13) of the Listing Rules; and (iii) the Supplementary Guidance on Main Board Listing Rule 17.03(13) and the Note Immediately After the Rule attached to the Frequently Asked Question No. 072-2020 updated by the Stock Exchange in January 2023 (the “**Stock Exchange Supplementary Guidance**”).

Details of the Adjustments are set out below:

Date of grant	Exercise period of Share Options	Immediately before the Open Offer Completion		Immediately after the Open Offer Completion	
		Exercise price per Share of Share Options HK\$	Number of Shares to be issued upon exercise of the outstanding Share Options	Adjusted exercise price per Share of Share Options HK\$	Adjusted number of Shares to be issued upon exercise of the outstanding Share Options
31 May 2022	31 May 2022 to 30 May 2032	0.51	33,080,000	0.461	36,610,276

Save for the Adjustments, all other terms and conditions of the outstanding Share Options granted under the Share Option Scheme remain unchanged.

KTC Partners CPA Limited, the auditors of the Company, has certified in writing that the Adjustments made to the exercise price and the number of Shares to be issued upon the exercise of the outstanding Share Options are in compliance with (i) the terms and conditions of the Share Option Scheme; (ii) Rule 17.03(13) of the Listing Rules; and (iii) the Stock Exchange Supplementary Guidance.

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

Hong Kong, 17 April 2024

*As at the date of this announcement, the executive Directors are Mr. Fang Hui 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.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*