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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)

DISCLOSEABLE TRANSACTION

ACQUISITION OF CREDITOR'S RIGHTS BY WAY OF PUBLIC AUCTION

PUBLIC AUCTION

On 1 December 2025, the Seller published an auction invitation in the Jingdong Asset Bidding Network Platform* (京東資產競價網絡平台) at https://zcpm.jd.com inviting public bids for the acquisition of the Creditor's Rights. The Group participated in the public auction and was the highest bidder. On 17 December 2025, the Group entered into the Debt Transfer Agreement with the Seller.

DEBT TRANSFER AGREEMENT

The principal terms of the Debt Transfer Agreement are summarised as follows:

Date : 17 December 2025

Parties : (a) the Seller (as seller)

(b) the Purchaser (as purchaser)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Seller and its ultimate beneficial owner(s) is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

Creditor's Rights to be acquired

The Creditor's Rights, which will be transferred from the Seller to the Purchaser under the Debt Transfer Agreement, consist of the following:

(a) The outstanding principal of RMB25,660,000 owed by the Debtor Company to the Seller, plus (i) all accrued interests and/or penalty; and (ii) the rights to a land parcel with a site area of approximately 96,995.70 square metres, and a factory and certain ancillary buildings with a total gross floor area of approximately 20,957.34 square metres, which have been pledged by the Debtor Company to secure the outstanding amount. Based on the information provided by the Seller, as at 20 October 2025, the total outstanding amount owed by the Debtor Company to the Seller was approximately RMB54,821,500.

(b) The outstanding principal of RMB10,000,000 owed by Junchi Trading to the Seller, plus all accrued interests and/or penalty. The debt is unsecured. Based on the information provided by the Seller, as at 20 October 2025, the total outstanding amount owed by Junchi Trading to the Seller was approximately RMB19,970,100.

Consideration

The bid from the Purchaser was the highest in the public auction, at RMB20,000,000. Accordingly, the consideration for the acquisition of the Creditor's Rights under the Debt Transfer Agreement was RMB20,000,000, which will be fully settled by the Purchaser within five business days after the date of the Debt Transfer Agreement.

The consideration, funded by internal resources of the Company, was determined by the Group with reference to (i) the amount receivable by the Group as a secured creditor pursuant to the repayment schedule under the bankruptcy restructuring of the Debtor Company, and (ii) the appraised value of the assets of the Debtor Company.

Completion

The transfer of the Creditor's Rights will be completed on the date on which the consideration under the Debt Transfer Agreement has been fully settled by the Purchaser.

INFORMATION ON THE SELLER

The Seller is a company established in the PRC with limited liability and a state-owned enterprise. It's scope of business includes acquisition and disposal of non-performing assets; asset management and administration; entrusted asset management; restructuring, mergers, investment, finance, enterprise management, financial information, legal consultation and services; corporate bankruptcy and liquidation management services.

The Seller was a creditor of each Debtors at the time of execution of the Debt Transfer Agreement.

Debtors

(a) Debtor Company

The Debtor Company is a company established in the PRC with limited liability, and was principally engaged in the manufacture of paper products, the wholesale and retail of machinery and equipment, and recycling of non-hazardous chemical recycled materials. The Debtor Company is currently undergoing a bankruptcy restructuring pursuant to the PRC bankruptcy laws. The Group, being one of the unsecured creditors of the Debtor Company, is the investor in the bankruptcy restructuring proceedings. For further information on the bankruptcy restructuring and the Group's participation in the proceedings which constitutes a major transaction of the Company, please refer to the Announcement.

Upon completion of the transfer of the Creditor's Rights under the Debt Transfer Agreement, the Purchaser becomes a secured creditor of the Debtor Company for a principal of RMB25,660,000 plus accrued interest and/or penalty and the right to the land, factory and ancillary structures pledged by the Debtor Company to secure the outstanding debt. To the best of the Directors' knowledge, information and belief, after the Longyang Court approves the Restructuring Plan (including the haircut on the outstanding debts), the Purchaser, being a creditor of the Debtor Company, will receive a repayment of approximately RMB17,991,000.

(b) Junchi Trading

Junchi Trading is a company established in the PRC with limited liability. It's scope of business includes the sale of building materials (excluding timber), decorative materials, construction machinery and equipment with accessories, electromechanical equipment and accessories, mineral products (excluding state-controlled products), labour protection supplies, and general merchandise.

Upon completion of the transfer of the Creditor's Rights under the Debt Transfer Agreement, the Purchaser becomes a creditor of Junchi Trading for a principal of RMB10,000,000 plus accrued interest and/or penalty.

REASONS AND BENEFITS OF ENTERING INTO THE DEBT TRANSFER AGREEMENT

The Group is principally engaged in the research and development, manufacture and sale of industrial products and environmental products, the provision of project contracting services and the provision of supporting services in the PRC. The Purchaser is a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company, and its scope of business includes investment holding in the PRC.

The Board considers the acquisition of the Debtor Company's secured debts to be a strategic move, given its ongoing bankruptcy restructuring as outlined in the Announcement. This is because the Group, being the investor of the Debtor Company's bankruptcy restructuring, will in any event have to pay to the Seller a similar amount to the consideration under the Debt Transfer Agreement pursuant to the Restructuring Plan. The participation in the public auction and the payment upfront provides the Company an opportunity to take advance and better control over the Debtor Company's assets (namely, certain land and ancillary buildings) which have been pledged by the Debtor Company in favour of the Seller to secure the debt owed by the Debtor Company to the Seller. Furthermore, the Seller is one of the five secured creditors of the Debtor Company and holds crucial voting power in the upcoming creditors' meeting to approve the Restructuring Plan, as its recognised debt claim value amounting to approximately RMB38,320,000, representing approximately 26.1% of the total secured debts in the bankruptcy restructuring. By entering into the Debt Transfer Agreement, the Group will acquire from the Seller all its creditor's rights on the outstanding debt owed to by the Debtor Company to it, and thereby obtaining from the Seller the crucial voting power on the Restructuring Plan at the class meeting of the secured creditors of the Debtor Company.

Before participating the public auction, the Company had sought advice from its PRC legal advisers as to the PRC laws. As advised, (a) the Seller has absolute rights to dispose of and transfer its debt claims (including the collateral rights against the land of the Debtor Company) to any individual and/or entity without any court approval before the final approval is granted by the Longyang Court on the bankruptcy restructuring of the Debtor Company; and (b) the Debt Transfer Agreement and transactions contemplated thereunder will not affect the substance and the procedures of the bankruptcy restructuring of the Debtor Company.

As for the outstanding debt of Junchi Trading (i.e., outstanding principal of RMB10,000,000 plus interest and/or penalty), given that the Seller opt to bundle the acquisition of the secured debt of the Debtor Company together with the debt of Junchi Trading, the Company has to take possession of such debt, which from the perspective of the Board, the Company is acquiring at negligible consideration in view of the value of the assets being pledged by the Debtor Company and the repayment schedule set out in the Restructuring Plan.

Having considered the above reasons, the Directors (including the independent non-executive Directors) are of the view that the terms of the Debt Transfer Agreement and the transactions contemplated thereunder are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transaction contemplated under the Debt Transfer Agreement is more than 5% but is less than 25%, the Debt Transfer Agreement and transaction contemplated thereunder constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but exempt from Shareholders' approval requirement under the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

"Administrator"	Yunnan Hengjia Assets Liquidation Co., Ltd.* (雲南恆嘉資產清算有限公司), the company appointed by the Longyang Court in June 2023 to be the administrator of the bankruptcy restructuring of the Debtor Company
"Announcement"	the Company's announcement dated 28 July 2025 in relation to a restructuring investment agreement (重整投資協議) dated 28 July 2025 entered into between the Administrator, Zhejiang Huazhang and the Debtor Company
"Board"	the board of Directors
"Business Day(s)"	a day other than a Saturday, Sunday or public holiday in the PRC
"Company"	Huazhang Technology Holding Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
"Creditor's Rights"	the creditor's rights legally held by the Seller and to be transferred to the Purchaser pursuant to the Debt Transfer Agreement
"Debtor Company"	Baoshan Xingshengtai Paper Industry Co., Ltd.* (保山鑫盛泰紙業有限公司), a company established on 22 October 2010 in the PRC with limited liability
"Debt Transfer Agreement"	the debt transfer agreement* (債權轉讓合同) entered into between the Seller and the Purchaser on 17 December 2025
"Debtors"	the Debtor Company and Junchi Trading
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries

"HK$"	Hong Kong dollars, the lawful currency of the Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Junchi Trading"	Zhaotong Junchi Trading Company Limited* (昭通市峻馳商貿有限責任公司), a company established in the PRC with limited liability and one of the Debtors
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Longyang Court"	the People's Court of Longyang District, Baoshan City (保山市隆陽區人民法院), which is supervising the bankruptcy restructuring of the Debtor Company pursuant to the PRC bankruptcy laws
"PRC"	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan)
"Restructuring Plan"	the proposed restructuring plan (重整計劃草案) setting out the details on the application of the investment money to be injected by Zhejiang Huazhang for the restructuring of the debts of the Debtor Company and the operational turnaround strategies
"RMB"	Renminbi, the lawful currency of the PRC
"Purchaser"	Huazhang Holdings (Taizhou) Company Limited* (華章控股(台州)有限公司), a wholly owned subsidiary of the Company
"Seller"	Yunnan Asset Management Company Limited* (雲南省資產管理有限公司), a company established in the PRC with limited liability and a secured creditor of the Debtor Company
"Share(s)"	the ordinary share(s) with par value of HK$0.01 each in the issued share capital of the Company
"Shareholder(s)"	the holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Zhejiang Huazhang"	Zhejiang Huazhang Technology Limited* (浙江華章科技有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company

"%"	per cent.

* *For identification purposes only*

By order of the Board
Huazhang Technology Holding Limited
Fang Hui
Chairman

Hong Kong, 17 December 2025

As at the date of this announcement, the executive Directors are Mr. Fang Hui (Chairman), Mr. Chen Hongwei and Mr. Cai Haifeng and the independent non-executive Directors are Mr. Heng, Keith Kai Neng, Mr. Yao Yang Yang and Ms. Zhang Dong Fang.