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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)**

## **QUARTERLY UPDATE ON RESUMPTION PROGRESS**

This announcement is made by Huazhang Technology Holding Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 and 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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; (ii) dated 26 October 2022 in relation to key findings of the independent forensic accounting review; (iii) dated 28 November 2022 in relation to the resumption guidance; (iv) dated 30 December 2022 in relation to annual results of the Company for the year ended 30 June 2022; (v) dated 2 January 2023 in relation to the quarterly update on resumption progress; (vi) dated 24 February 2023 in relation to key findings of the extended scope of the independent forensic accounting review; and (vii) dated 27 February 2023 in relation to interim results of the Company for the six months ended 31 December 2022 (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

### **UPDATE ON RESUMPTION PROGRESS**

The trading of the shares of the Company has been suspended since 3 October 2022. The Company would like to provide the following update to its shareholders and potential investors on the progress of the actions taken by the Company to fulfill the Resumption Guidance issued by the Stock Exchange on 25 November 2022.

## **Publication of all outstanding financial results**

The Company announced the 2022 Annual Results on 30 December 2022 and published the 2022 annual report on 3 February 2023. As at the date of this announcement, the Company published all outstanding financial results. In addition, the Company published its interim results for the six months ended 31 December 2022 on 27 February 2023, within the time required under the Listing Rules.

## **Independent forensic accounting review**

The Independent Forensic Accountant completed the independent forensic accounting review on the Subject Transactions and the Baoshan Paper Transactions (the “**Review Transactions**”), with its review reports issued on 26 October 2022 and 30 December 2022 respectively. The Company announced the key findings of the forensic accounting review on the Subject Transactions on 26 October 2022 and the key findings of the forensic accounting review on the Baoshan Paper Transactions on 24 February 2023. On the recommendation of the Independent Forensic Accountant, the Company has engaged PRC legal advisers to advise on the possible legal remedies available to the Company.

## **Internal control review**

The Company has engaged the IC Advisor to review (the “**Internal Control Review**”) the risk management and internal control systems of the Group and to assist the Company in improving the internal control systems by devising and implementing remedial measures to remedy the deficiencies identified and to effectively prevent occurrence of the events similar to the Review Transactions. The IC Advisor has identified certain internal control deficiencies and recommended various remedial measures. The IC Advisor has also been working closely with the Company for the implementation of the recommended remedial measures. It is expected that the Internal Control Review and implementation of the remedial measures to improve the internal control systems of the Group will be completed in mid of April 2023. The Company will publish the results of the Internal Control Review in due course.

## **Business operations**

The Group is principally engaged in the research and development, manufacture and sale of industrial products, project contracting services, environmental products and the provision of supporting services in the People’s Republic of China. The Group has been carrying on its business as usual despite the suspension of trading in the Company’s shares on 3 October 2022.

## **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, 31 March 2023

*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.*