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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) 2 January 2023 and 31 March 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; (vii) dated 27 February 2023 in relation to interim results of the Company for the six months ended 31 December 2022; and (viii) dated 12 May 2023 in relation to key findings of internal control review (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 of 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 thereby published all outstanding financial results required under the Listing Rules. Thereafter, the Company announced its interim results for the six months ended 31 December 2022 on 27 February 2023 and published the 2023 interim report on 15 March 2023, both within the time required under the Listing Rules.

## **Internal control review**

The Independent Forensic Accountant had identified certain deficiencies in the Group's risk management and internal control systems during its forensic accounting review on the Subject Transactions and Baoshan Paper Transactions. The Company then engaged the IC Advisor to review the said systems and to assist the Group 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 Subject Transactions and Baoshan Paper Transactions.

The IC Advisor has completed the internal control review and issued its report on 21 April 2023, the key findings of which had been announced by the Company on 12 May 2023. In addition, as at the date of this announcement, the Company had implemented the remedial measures to improve the Group's internal control systems recommended by the IC Advisor. The Company will continue to oversee the effectiveness of the Group's risk management and internal systems so as to meet the requirements of the Listing Rules.

## **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 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.

The Company has been continuously making effort in taking steps to fulfil the Resumption Guidance. The Company will continue to keep its shareholders and potential investors informed of any relevant material development by making further announcement(s) as and when appropriate in accordance with the requirements under the Listing Rules and will seek to resume trading of its shares as soon as possible.

**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, 30 June 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.*