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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) POLL RESULTS OF THE EXTRAORDINARY GENERAL MEETING HELD ON 2 FEBRUARY 2024;

AND

(2) GRANT OF THE WHITEWASH WAIVER

Reference is made to the (i) the circular of Huazhang Technology Holding Limited (the “**Company**”) dated 12 January 2024 (the “**Circular**”) in relation to, among other things, the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver; and (ii) the notice of an extraordinary general meeting of the Company dated 12 January 2024 in relation to, among other things, the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver (the “**EGM Notice**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

Tricor Investor Services Limited, the share registrar of the Company, acted as the scrutineer at the extraordinary general meeting to approve the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder, the Whitewash Waiver (the “**EGM**”) for the purpose of vote-taking.

POLL RESULTS OF THE EGM

At the EGM held at 11:00 a.m. on 2 February 2024, a poll was demanded by the chairman of the EGM, Mr. Heng, Keith Kai Neng, an independent non-executive Director, for voting on all the proposed resolutions as set out in the EGM Notice.

The Underwriter and Mr. Fang and the parties acting in concert with any one of them including those by virtue of the class (6) presumption under the definition of “acting in concert” under the Takeovers Code (namely, Mr. Chen Hongwei and Mr. Shi Chenghu, who were directors of the Company) and those who are involved in and/or interested in the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver had abstained from voting on the resolutions proposed at the EGM. Other than the Underwriter, Mr. Fang, Mr. Chen Hongwei and Mr. Shi Chenghu, no other Shareholders were involved in or interested in the resolutions proposed at the EGM and were required to abstain from voting at the EGM under the Listing Rules and the Takeovers Code. There were no Shares entitling the Shareholders to attend and vote only against the resolutions proposed at the EGM and none of the Shareholders have stated their intention in the Circular to vote against the resolutions proposed at the EGM.

As at the date of the EGM, the Company had an aggregate of 1,064,089,378 Shares in issue, of which a total of 250,920,153 Shares were held by the Underwriter, Mr. Fang, Mr. Chen Hongwei and Mr. Shi Chenghu representing 23.59% of the Shares in issue. Accordingly, the total number of Shares entitling the Shareholders to attend and vote for or against the resolutions proposed at the EGM was 813,169,225 Shares (representing approximately 76.41% of the total number of issued Shares as at the date of the EGM).

Mr. Fang Hui and Mr. Chen Hongwei, being the executive Directors, Mr. Shi Chenghu, being the non-executive, and Mr. Heng, Keith Kai Neng and Ms. Zhang Dong Fang, being the independent non-executive Directors, attended the EGM. Mr. Yao Yang Yang, the independent non-executive Director, did not attend the EGM.

Set out below are the poll results in respect of the respective resolutions put to the vote at the EGM:

SPECIAL RESOLUTION	Number of Shares voted (approximate %)		Total number of votes
	For	Against	
1. To approve the Whitewash Waiver	341,928,713 (98.08%)	6,703,850 (1.92%)	348,632,563
ORDINARY RESOLUTIONS	Number of Shares voted (approximate %)		Total number of votes
	For	Against	
2. To approve the Open Offer	341,928,713 (98.08%)	6,703,850 (1.92%)	348,632,563
3. To approve, confirm and ratify the Underwriting Agreement and the transactions contemplated thereunder	341,928,713 (98.08%)	6,703,850 (1.92%)	348,632,563

Note: Full text of the resolutions is set out in the EGM Notice.

As more than 50% of the votes were cast in favour of each of the above ordinary resolutions and more than 75% of the votes were cast in favour of the above special resolution, all the above resolutions were passed by the Independent Shareholders by way of poll.

GRANT OF THE WHITEWASH WAIVER

On 1 February 2024, the Executive has conditionally granted the Whitewash Waiver, subject to: (A) (i) the Whitewash Waiver and (ii) the Open Offer and the Underwriting Agreement separately approved by (a) at least 75% and (b) more than 50%, respectively, of the independent vote (as defined in Note 1 on dispensations from Rule 26 of the Takeovers Code) that are cast either in person or by proxy at the EGM, to be taken on a poll; and (B) unless the Executive gives prior consent, no acquisition or disposal of voting rights of the Company being made by the Underwriter, Mr Fang or any party acting in concert with any of them between the date of the Announcement and the completion of the issue of the Open Offer Shares.

Condition (A) of the Whitewash Waiver above has been fulfilled as at the date of this announcement. Further announcement in relation to the Open Offer will be made by the Company as when appropriate in accordance with the Listing Rules and the Takeover Code.

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

	As at the date of this announcement		Immediately upon the Open Offer Completion, and assuming full acceptance by all Qualifying Shareholders		Immediately upon the Open Offer Completion, and assuming (a) no acceptance by any Qualifying Shareholder (other than the Underwriter and Mr. Fang); and (b) all the Unsubscribed Shares are placed under the Unsubscribed Arrangements		Immediately upon the Open Offer Completion, and assuming (a) no acceptance by any Qualifying Shareholder (other than the Underwriter and Mr. Fang); and (b) no Unsubscribed Shares are placed and all Unsubscribed Shares are taken up by the Underwriter	
	Number of issued Shares	%	Number of issued Shares	%	Number of issued Shares	%	Number of issued Shares	%
Underwriter ⁽¹⁾	153,846,153	14.46	230,769,229	14.46	230,769,229	14.46	682,170,842	42.74
Mr. Fang	<u>7,440,000</u>	<u>0.70</u>	<u>11,160,000</u>	<u>0.70</u>	<u>11,160,000</u>	<u>0.70</u>	<u>11,160,000</u>	<u>0.70</u>
Sub-total	<u>161,286,153</u>	<u>15.16</u>	<u>241,929,229</u>	<u>15.16</u>	<u>241,929,229</u>	<u>15.16</u>	<u>693,330,842</u>	<u>43.44</u>
Mr. Chen Hongwei ⁽²⁾	182,000	0.02	273,000	0.02	182,000	0.01	182,000	0.01
Mr. Shi Chenghu ⁽³⁾	<u>89,452,000</u>	<u>8.41</u>	<u>134,178,000</u>	<u>8.41</u>	<u>89,452,000</u>	<u>5.60</u>	<u>89,452,000</u>	<u>5.60</u>
Sub-total⁽⁴⁾	<u>250,920,153</u>	<u>23.59</u>	<u>376,380,229</u>	<u>23.59</u>	<u>331,563,229</u>	<u>20.77</u>	<u>782,964,842</u>	<u>49.05</u>
Independent placees	—	—	—	—	451,401,613	28.28	—	—
Other Shareholders	<u>813,169,225</u>	<u>76.41</u>	<u>1,219,753,838</u>	<u>76.41</u>	<u>813,169,225</u>	<u>50.95</u>	<u>813,169,225</u>	<u>50.95</u>
Total	<u>1,064,089,378</u>	<u>100.00</u>	<u>1,596,134,067</u>	<u>100.00</u>	<u>1,596,134,067</u>	<u>100.00</u>	<u>1,596,134,067</u>	<u>100.00</u>

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. As at the date of this announcement, the Underwriter held 153,846,153 Shares and Mr. Fang held 7,440,000 Shares. 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 hold/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 at the date of this announcement. Save as disclosed in this table, no other Director held any Share as at the date of this announcement.

As illustrated above, if no Qualifying Shareholder takes up any Open Offer Share and no Unsubscribed Share can be placed to independent placees, upon the Open Offer Completion, (i) the shareholding of the existing Shareholders would be reduced from approximately 76.41% as at the date of this announcement to approximately 50.95% of the enlarged issued share capital of the Company, and (ii) the aggregate shareholding of the Underwriter and Mr. Fang would be increased from approximately 15.16% as at the date of this announcement to approximately 43.44%.

Shareholders and potential investors of the Company should note that the Open Offer is conditional upon, among others, conditions precedent as set out in section headed “Conditions of the Open Offer” in the “Letter from the Board” in the Circular.

Any Shareholder or other person dealing in Shares up to the date on which all the conditions to which the Open Offer is subject are fulfilled will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. If in any doubt, Shareholders, and other persons contemplating dealing in securities of the Company and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

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

Hong Kong, 2 February 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.