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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) PLACING OF NEW SHARES
UNDER THE GENERAL MANDATE
AND
(2) SUBSCRIPTION OF NEW SHARES
UNDER THE GENERAL MANDATE

Joint Placing Agents



Guotai Junan Securities (Hong Kong) Limited



Great Roc Capital Securities Limited

THE PLACING

On 22 December 2017 (after trading hours), the Company and the Joint Placing Agents entered into the Placing Agreement pursuant to which the Company had appointed the Joint Placing Agents as agents of the Company, and each of the Joint Placing Agents had agreed to act as agent for the Company, to procure Placees on a best efforts basis to subscribe or purchase for a maximum of 14,000,000 Placing Shares at the Placing Price of HK\$3.6 per Placing Share. The Joint Placing Agents will place the Placing Shares to Placee(s) who and whose ultimate beneficial owners are Independent Third Parties. The Placing is subject to various conditions set out below under the heading “Conditions of the Placing”.

The Placing Price of HK\$3.6 represents (i) a discount of approximately 4.8% to the closing price of HK\$3.78 per Share as quoted on the Stock Exchange on 22 December 2017, being the date of the Placing Agreement; and (ii) a discount of approximately 5.0% to the average of the closing prices per Share as quoted on the Stock Exchange for the five consecutive trading days prior to the date of the Placing Agreement of approximately HK\$3.79.

The maximum of 14,000,000 Placing Shares represent (i) approximately 2.03% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 1.99% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares assuming that the Subscription is not completed (assuming the maximum number of the Placing Shares are successfully placed under the Placing and no other further new Shares will be issued from the date of this announcement to the Placing Completion Date); and (iii) approximately 1.94% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Placing Shares (assuming the maximum number of the Placing Shares are successfully placed under the Placing and no other further new Shares will be issued from the date of this announcement to the Placing Completion Date).

THE SUBSCRIPTION

On 22 December 2017 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement in relation to the issue of 18,056,000 Subscription Shares to the Subscriber at the Subscription Price of HK\$3.6 per Subscription Share.

The Subscription Price of HK\$3.6 represents (i) a discount of approximately 4.8% to the closing price of HK\$3.78 per Share as quoted on the Stock Exchange on 22 December 2017, being the date of the Subscription Agreement; and (ii) a discount of approximately 5.0% to the average of the closing prices per Share as quoted on the Stock Exchange for the five consecutive trading days prior to the date of the Subscription Agreement of approximately HK\$3.79.

The Subscription Shares to be allotted and issued under the Subscription Agreement represent: (i) approximately 2.61% of the existing issued share capital of the Company; (ii) approximately 2.55% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares assuming that the Placing is not completed (assuming no other further new Shares will be issued from the date of this announcement to the Subscription Completion Date); and (iii) approximately 2.50% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares and the Subscription Shares (assuming the maximum number of the Placing Shares are successfully placed under the Placing and no other further new Shares will be issued from the date of this announcement to the Placing Completion Date).

GENERAL

The Placing and the Subscription are not inter-conditional upon each other.

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Placing Shares and the Subscription Shares.

The Placing Shares and the Subscription Shares will be allotted and issued under the General Mandate. Accordingly, the issue of the Placing Shares and the Subscription Shares are not subject to the approval of the Shareholders.

The maximum gross proceeds and net proceeds from the Placing are a maximum of approximately HK\$50.0 million and approximately HK\$48.6 million respectively while the gross proceeds and net proceeds from the Subscription are expected to be approximately HK\$65.0 million and approximately HK\$65.0 million respectively. The maximum total net proceeds of approximately HK\$113.6 million from the Placing (assuming the maximum number of the Placing Shares are successfully placed under the Placing) and the Subscription are intended to be used for general working capital, the repayment of debts and potential acquisitions of the Group.

The Placing Agreement and the Subscription Agreement may be terminated pursuant to the termination provisions contained therein. Completion of the Placing and the Subscription are subject to the terms and conditions of the Placing Agreement and the Subscription Agreement (as the case maybe). As the Placing and/or the Subscription may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

THE PLACING

On 22 December 2017 (after trading hours), the Company and the Joint Placing Agents entered into the Placing Agreement pursuant to which the Company had appointed the Joint Placing Agents as agents of the Company, and each of the Joint Placing Agents had agreed to act as agent for the Company, to procure Placees on a best efforts basis to subscribe or purchase for a maximum of 14,000,000 Placing Shares at the Placing Price of HK\$3.6 per Placing Share. The Joint Placing Agents will place the Placing Shares to Placee(s) who and whose ultimate beneficial owners are Independent Third Parties.

THE PLACING AGREEMENT

Date

22 December 2017 (after trading hours)

Parties

- (1) The Company; and
- (2) Joint Placing Agents, as the joint placing agents of the Placing Shares. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Joint Placing Agents and their ultimate beneficial owners are Independent Third Parties.

Placing Shares

As at the date of this announcement, the Company has 690,683,681 Shares in issue. The maximum of 14,000,000 Placing Shares represent (i) approximately 2.03% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 1.99% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares assuming that the Subscription is not completed (assuming the maximum number of the Placing Shares are successfully placed under the Placing and no other further new Shares will be issued from the date of this announcement to the Placing Completion Date); and (iii) approximately 1.94% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Placing Shares (assuming the maximum number of the Placing Shares are successfully placed under the Placing and no other further new Shares will be issued from the date of this announcement to the Placing Completion Date). The maximum aggregate nominal value of the Placing Shares under the Placing is HK\$14,000.

Placees

The Placing Shares will be placed to Placee(s), being institutional, professional and/or individual investors who and whose ultimate beneficial owners are Independent Third Parties.

As notified by the Joint Placing Agents, as at the date of this announcement, 5,550,000 Placing Shares will be placed to Placee A, and 8,332,000 Placing Shares will be placed to Placee B. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of Placee A and Placee B is Independent Third Party. It is expected that none of the Placees will become a substantial Shareholder (as defined under the Listing Rules) as a result of the Placing.

Placing Price

The Placing Price of HK\$3.6 per Placing Share (exclusive of stamp duty, brokerage (if any), Stock Exchange trading fees and SFC transaction levy) represents:

- (i) a discount of approximately 4.8% to the closing price of HK\$3.78 per Share as quoted on the Stock Exchange on 22 December 2017, being the date of the Placing Agreement; and
- (ii) a discount of approximately 5.0% to the average closing price of approximately HK\$3.79 per Share as quoted on the Stock Exchange for the five consecutive trading days prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Joint Placing Agents. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement are fair and reasonable and that the Placing is in the interests of the Company and the Shareholders as a whole.

Ranking of the Placing Shares

The Placing Shares will rank pari passu in all respects among themselves and with the Shares in issue on the Placing Completion Date.

Placing commission

The Joint Placing Agents will receive an aggregate fixed placing commission of HK\$1.15 million. The placing commission is arrived at after arm's length negotiation between the Joint Placing Agents and the Company with reference to, among other things, the prevailing commission rate charged by other placing agents. The Directors consider that the placing commission in respect of the Placing is fair and reasonable.

Conditions of the Placing

Completion of the Placing is conditional upon the fulfillment of the following:

- A. the Listing Committee of the Stock Exchange granting the listing of, and permission to dealing, the Placing Shares; and
- B. the Company obtaining all necessary written consents and approvals (if any) from the relevant authorities in respect of the transactions contemplated under the Placing Agreement, if applicable.

Placing Completion

Placing Completion will take place on or before the Placing Completion Date. If the above conditions are not satisfied prior to the Placing Long Stop Date, the Placing will be terminated and the Placing will not proceed and the obligations of the Joint Placing Agents and of the Company under the Placing Agreement shall cease and determine and none of the parties shall have any claim against the other in relation to the Placing Agreement save for any antecedent breach and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination and payment by the Company of all reasonable and properly incurred costs, charges, and expenses to the Joint Placing Agents pursuant to the Placing Agreement.

Termination

The Joint Placing Agents may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company if at any time before completion of the Placing:

- (i) there develops, occurs or comes into force
 - (a) any new law or regulation or any change in existing laws or regulations which in the reasonable opinion of the Joint Placing Agents has or is likely to have a material adverse effect on the financial position of the Group as a whole; or
 - (b) any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions, securities market conditions or currency exchange rates or exchange controls, including without limitation, any outbreak or escalation of hostilities, declaration by Hong Kong or elsewhere of a national emergency or other calamity or crisis, the effect of which in the reasonable opinion of the Joint Placing Agents is or would be materially adverse to the success of the Placing, or makes it impracticable or inadvisable or inexpedient to proceed therewith; or

- (c) the declaration of a banking moratorium by Hong Kong authorities, or any moratorium, suspension or material restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange.
- (ii) any material breach of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement comes to the knowledge of the Joint Placing Agents or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Placing Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations, warranties and undertakings untrue or incorrect in any material respect or there has been a breach of, or failure to perform, any other provision of this Agreement on the part of the Company; or
- (iii) any change or any development involving a prospective change in the general affairs, prospects, earnings, business, properties, stockholders' equity or in the financial or trading position of the Group as a whole (save as previously disclosed in previous announcements or financial reports of the Company) which in the reasonable opinion of the Joint Placing Agents is so material and adverse as to make it impractical or inadvisable to proceed with the Placing.

Without prejudice to any other provisions of the Placing Agreement, the Joint Placing Agents will have the right (but not obligation) exercisable at any time by notice in writing to the Company to terminate the Placing Agreement if any of the Placing Shares are not delivered by or on behalf of the Company in accordance with the Placing Agreement.

In the event that the Joint Placing Agents terminate the Placing Agreement pursuant to the above, all obligations of each of the parties under the Placing Agreement will cease and determine and no party will have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breaches thereof and payment by the Company of all reasonable and properly incurred costs, charges, and expenses to the Joint Placing Agents pursuant to the Placing Agreement.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

THE SUBSCRIPTION

On 22 December 2017 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement in relation to the issue of 18,056,000 Subscription Shares to the Subscriber at the Subscription Price of HK\$3.6 per Subscription Share.

THE SUBSCRIPTION AGREEMENT

Date

22 December 2017 (after trading hours)

Parties

- (1) The Company; and
- (2) The Subscriber. A company incorporated in British Virgin Islands with limited liability which is principally engaged in investment holding and is wholly-owned by Mr. Chiu Man Wai. As at the date of this announcement, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Subscriber does not have any interests in any Shares and the Subscriber and its ultimate beneficial owner are Independent Third Parties.

Subscription Shares

Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 18,056,000 Subscription Shares at the Subscription Price of HK\$3.6 per Subscription Share.

The Subscription Shares to be allotted and issued under the Subscription Agreement represent: (i) approximately 2.61% of the existing issued share capital of the Company; (ii) approximately 2.55% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares assuming that the Placing is not completed (assuming no other further new Shares will be issued from the date of this announcement to the Subscription Completion Date); and (iii) approximately 2.50% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares and the Subscription Shares. The aggregate nominal value of the Subscription Shares under the Subscription is HK\$18,056.

Subscription Price

The Subscription Price of HK\$3.6 per Subscription Share (exclusive of stamp duty, brokerage (if any), Stock Exchange trading fees and SFC transaction levy) represents:

- (i) a discount of approximately 4.8% to the closing price of HK\$3.78 per Share as quoted on the Stock Exchange on 22 December 2017, being the date of the Subscription Agreement; and
- (ii) a discount of approximately 5.0% to the average closing price of approximately HK\$3.79 per Share as quoted on the Stock Exchange for the five consecutive trading days prior to the date of the Subscription Agreement.

The Subscription Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Subscriber. The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreement are fair and reasonable and that the Subscription is in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

Completion of the Subscription shall be subject to the following conditions being fulfilled:

- (a) the Stock Exchange granting the approval for the listing of and permission to deal in the Subscription Shares; and
- (b) compliance with all the applicable requirements under the Listing Rules and other regulatory bodies (if necessary).

Subscription Completion

Subscription Completion shall take place on the Subscription Completion Date. If any of the above conditions are not fulfilled on or before the Subscription Long Stop Date, the Subscription Agreement will terminate and cease to have effect and none of the parties thereto shall have any claim against the others save for any antecedent breaches of the provisions thereof.

Termination

The Subscriber is entitled to terminate the Subscription Agreement by notice in writing to the Company upon the occurrence of any of the force majeure events set out in the Subscription Agreement at any time between the date of the Subscription Agreement and the Subscription Completion Date.

Ranking of the Subscription Shares

The Subscription Shares will rank pari passu in all respects among themselves and with the Shares in issue on the Subscription Completion Date.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the completion of the Placing assuming that the the Subscription is not completed; (iii) immediately after the completion of the Subscription assuming that the Placing is not completed and (iv) immediately after completion of the Subscription and the Placing (assuming the Placing Shares are placed in full and there is no other change in the issued share capital of the Company before the completion of the Subscription and the Placing) are set out below:

Shareholders	As at the date of this announcement		Immediately after the completion of the Placing assuming that the the Subscription is not completed (assuming the maximum number of the Placing Shares are successfully placed under the Placing and no other further new Shares will be issued from the date of this announcement to the Placing Completion Date)		Immediately after the completion of the Subscription assuming that the Placing is not completed (assuming no other further new Shares will be issued from the date of this announcement to the Subscription Completion Date)		Immediately after completion of the Subscription and the Placing (assuming the Placing Shares are placed in full and there is no other change in the issued share capital of the Company before the completion of the Subscription and the Placing)	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
Florescent (<i>Note 1</i>)	411,854,000	59.63	411,854,000	58.45	411,854,000	58.11	411,854,000	56.99
<i>Other Shareholders:</i>								
Placee A	-	-	5,550,000	0.79	-	-	5,550,000	0.77
Placee B	-	-	8,332,000	1.18	-	-	8,332,000	1.15
Other Placee(s)	-	-	118,000	0.02	-	-	118,000	0.02
The Subscriber	-	-	-	-	18,056,000	2.55	18,056,000	2.50
Other existing Shareholders	<u>278,829,681</u>	<u>40.37</u>	<u>278,829,681</u>	<u>39.56</u>	<u>278,829,681</u>	<u>39.34</u>	<u>278,829,681</u>	<u>38.57</u>
Total issued share capital	<u>690,683,681</u>	<u>100.00</u>	<u>704,683,681</u>	<u>100.00</u>	<u>708,739,681</u>	<u>100.00</u>	<u>722,739,681</u>	<u>100.00</u>

Notes:

- Florescent is owned as to 77.90% by Lian Shun Limited, which in turn is owned as to 61.31% by Mr. Zhu Gen Rong, the chairman and executive director of the Company.

REASONS FOR AND BENEFITS OF THE PLACING AND THE SUBSCRIPTION

The Group is principally engaged in the research and development, manufacture and sale of industrial automation systems, sludge treatment products and related services. Since year 2014, the Group has been developing the project contracting services business, a new intergraded solution service which includes the provision of “design”, “production” and “service”. The Group’s industrial automation systems and sludge treatment products are custom-built in accordance with the specifications and requirements provided by the Group’s customers, which include various papermaking enterprises in the PRC. In addition, the Group is also engaged in the provision of after-sales and other services to the Group’s existing customers.

The Directors consider that the proposed Placing and the Subscription would be a good opportunity to raise additional funds to strengthen its financial position and to broaden its shareholder base.

In view of the above, The Directors considered that the Placing Price, the Subscription Price, and the terms of the Placing Agreement and the Subscription Agreement are fair and reasonable. Accordingly, the Board considers that the Placing and the Subscription are in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The maximum gross proceeds and net proceeds from the Placing are a maximum of approximately HK\$50.0 million and approximately HK\$48.6 million respectively while the gross proceeds and net proceeds from the Subscription are expected to be approximately HK\$65.0 million and approximately HK\$65.0 million respectively. The maximum total net proceeds of approximately HK\$113.6 million from the Placing (assuming the maximum number of the Placing Shares are successfully placed under the Placing) and the Subscription are intended to be used for general working capital, the repayment of debts including that arising from the acquisition of the entire share capital in Fu An 777 Logistics Limited as disclosed in the announcement of the Company dated 15 November 2017, and potential acquisitions of the Group.

As disclosed in the announcements of the Company dated on 31 May 2017 and 2 October 2017, the Group entered into a letter of intent in relation to the possible acquisition of a company engaging in the business of maintenance and upgrade services in Wuxi City, Jiangsu Province, the PRC and the Company also intended to acquire a company principally engaged in manufacturing and sale of precision screening equipment in the PRC and a company principally engaged in manufacturing and sale of screening plates in the PRC. It is expected that part of the net proceeds from the Placing and the Subscription would be applied to such acquisitions should any of them materialise.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

On 29 March 2017, the Company issued convertible bonds in principal amount of HK\$100,000,000 (equivalent to approximately RMB88,780,000). The net proceeds from the convertible bonds amounted to approximately HK\$99,500,000. As at the date of this announcement, the net proceeds from the convertible bonds had been utilized as to approximately HK\$79.6 million for the Group's new intergraded solution projects and as to approximately HK\$10.4 million for the Group's general working capital. The remaining balance of the net proceeds from the convertible bonds of approximately HK\$9.5 million is not yet utilized, had been placed in licensed banks in the Hong Kong and is expected to be used as general working capital. Save for the issue of the convertible bonds, during the last 12 months immediately before the date of this announcement, the Company has not conducted any equity fund raising activity.

GENERAL MANDATE

The Placing and the Subscription are not inter-conditional upon each other. The maximum of 14,000,000 Placing Shares and the 18,056,000 Subscription Shares will be issued under the General Mandate. Accordingly, the issue of the Placing Shares and the Subscription Shares are not subject to the approval of the Shareholders. Under the General Mandate, the Company is authorised to issue up to 122,047,324 Shares. As at the date of this announcement, no Shares have been issued under the General Mandate.

APPLICATION FOR LISTING

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares and the Subscription Shares.

The Placing Agreement and the Subscription Agreement may be terminated pursuant to the termination provisions contained therein. Completion of each of the Placing and the Subscription are subject to the terms of the Placing Agreement and the Subscription Agreement (as the case maybe). As the Placing and/or the Subscription may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Business Day”	any day (not being a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business
“Company”	Huazhang Technology Holding Limited, a company incorporated under the laws of the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 1673)
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Florescent”	Florescent Holdings Limited (博榮控股有限公司), a company incorporated in the BVI on 8 June 2012, and one of the Controlling Shareholders of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the Shareholders’ meeting of the Company held on 25 October 2017, pursuant to which the Company is authorised to issue up to 122,047,324 Shares
“Great Roc”	means Great Roc Capital Securities Limited
“Group”	the Company and its subsidiaries from time to time
“GTJAS”	means Guotai Junan Securities (Hong Kong) Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Independent Third Parties”	third parties who are not Connected Persons of the Company and are independent of and not connected with the Company and its Connected Persons
“Joint Placing Agents”	Guotai Junan Securities (Hong Kong) Limited and Great Roc Capital Securities Limited, both of which are licensed corporations under the Securities and Futures Ordinance permitted to engage in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities and each severally agrees to act as an agent for the Company on act best effort basis in the Placing
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Placing Completion”	the completion of the Placing
“Placing Completion Date”	The date falling within seven Business Day immediately after the fulfillment of the conditions as set out in the Placing Agreement (or such other date as the Company and the Joint Placing Agents may agree in writing)
“Placing Long Stop Date”	16 January 2018 (or such other date as the Company and the Joint Placing Agents may agree)
“Placee A”	Mr. Li Hongxin (李洪信), being an individual investor
“Placee B”	Ms. Li Gueihua (黎桂華), being an individual investor
“Placees”	any institutional, professional and/or individual investors whom the Joint Placing Agents has procured under the Placing Agreement
“Placing”	the placing of a maximum of 14,000,000 Placing Shares by the Joint Placing Agents, on a best effort basis, pursuant to the terms and conditions of the Placing Agreement
“Placing Agreement”	the placing agreement dated 22 December 2017 made amongst the Company and the Joint Placing Agents in respect of the Placing
“Placing Price”	HK\$3.6 per Share (excluding any SFC transaction levy, Stock Exchange trading fee and other fees or levies as may be payable by the Placees)
“Placing Share(s)”	a maximum of 14,000,000 Shares to be placed pursuant to the Placing Agreement
“SFC”	The Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Subscriber”	Fortune Ever Holdings Limited, a company incorporated in British Virgin Islands with limited liability
“Subscription Completion”	the completion of the Subscription
“Subscription Completion Date”	the date falling within five business days from the date on which all the conditions as set out in the Subscription Agreement (or such other date as the Company and the Subscriber may agree in writing) have been fulfilled, which is expected to be no later than 21 days after the date of the Subscription Agreement
“Subscription Long Stop Date”	21 January 2018 (or such other date as the Company and the Subscriber may agree)
“Subscription Price”	the subscription price of HK\$3.6 per Subscription Share

“Subscription Shares”	18,056,000 new Shares to be allotted and issued upon Subscription Completion
“Subscription”	the subscription of 18,056,000 Subscription Shares at the Subscription Price pursuant to the terms and conditions of the Subscription Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percentage

For and on behalf of the Board
HUAZHANG TECHNOLOGY HOLDING LIMITED

Zhu Gen Rong
Chairman

Hong Kong, 22 December 2017

As at the date of this announcement, the executive Directors are Mr. Zhu Gen Rong, Mr. Wang Ai Yan, Mr. Jin Hao and Mr. Zhong Xin Gang, and the independent non-executive Directors are Ms. Chen Jin Mei, Mr. Dai Tian Zhu and Mr. Kong Chi Mo.

In the event of any inconsistency between the English and Chinese versions of this announcement, the English version of this announcement shall prevail over the Chinese version.