



8 April 2015

**High Concentration of Shareholding
in
Huazhang Technology Holding Limited (Stock Code: 1673)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Huazhang Technology Holding Limited (“the Company”) in the hands of a limited number of shareholders as at 24 March 2015.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that as at 24 March 2015, a group of 20 shareholders held an aggregate of 51,472,000 Shares, representing 18.92% of the issued Shares. Such shareholding, together with 204,000,000 Shares (representing 75% of the issued Shares) held by a substantial shareholder of the Company, represented 93.92% of the issued Shares as at 24 March 2015. As such, only 16,528,000 Shares (representing 6.08% of the issued Shares) were held by other shareholders.

As at 24 March 2015, the shareholding structure of the Company was as follows:

| | Number of Shares held (shares) | % of total number of issued Shares (%) |
|---|--|--|
| Florescent Holdings Limited (<i>Note 1</i>) | 204,000,000 | 75.00 |
| A group of 20 shareholders | 51,472,000 | 18.92 |
| Other shareholders | 16,528,000 | 6.08 |
| | <hr/> 272,000,000 | <hr/> 100.00 |

Note 1: Florescent Holdings Limited is owned as to 77.9% by Lian Shun Limited and 22.1% by Qunyun Limited. Lian Shun Limited is owned as to 53.79% by Mr Zhu Gen Rong, 20.74% by Mr Wang Ai Yan, 17.95% by Mr Liu Chuan Jiang and 7.52% by Ms Zhu Ling Yun. Mr Zhu Gen Rong and Mr Wang Ai Yan are the Chairman and Chief Executive Officer of the Company respectively.

The Shares were listed on the GEM on 16 May 2013 (stock code : 8276) and its listing was transferred to the Main Board on 5 January 2015. On the first day of dealings on the Main Board, price of the Shares closed at \$4.45 with trading volume of 1,388,000 shares. Since then, the Shares traded in the range between \$3.27 and \$4.45 during 6 January 2015 to 9 January 2015, and closed at \$3.38 on 9 January 2015.



During the period from 12 January 2015 to 24 March 2015, the closing price and trading volume of the Shares were relatively stable. The share price increased moderately by 8.28% to close from \$3.38 to \$3.66 with an average daily trading volume of 887,440 Shares. During this period, the Company made, inter alia, the following announcements :

- 1) On 9 February 2015, the Company announced its interim results for the six months ended 31 December 2014. The unaudited net profit attributable to shareholders increased 99.7% to \$22.2 million.
- 2) On 27 February 2015, the Company announced its indirect wholly-owned subsidiary's redemption of the financial product issued by the Bank of Beijing on 30 December 2014 in the principle amount of RMB50 million, resulted in a gain of approximately RMB41,000.

As of 2 April 2015, the share price closed at \$3.79 with trading volume of 908,000 Shares.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

End