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**LX Technology Group Limited**

**凌雄科技集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2436)**

**(1) CHANGE OF AUDITOR;  
(2) DELAY IN PUBLICATION OF 2022 ANNUAL RESULTS AND  
DELAY IN DESPATCH OF THE 2022 ANNUAL REPORT;  
AND  
(3) CONTINUED SUSPENSION OF TRADING**

**(1) CHANGE OF AUDITOR**

This announcement is made by LX Technology Group Limited (the “**Company**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reference is made to the announcement of the Company dated 31 March 2023 in relation to the delay in publication of annual results for the year ended 31 December 2022 and further postponement of the meeting of the board of the directors of the Company (the “**Announcement**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise specified.

**Resignation of Auditor**

The Board announces that Deloitte Touche Tohmatsu (“**Deloitte**”) has tendered its resignation as the auditor of the Company with effect from 21 April 2023.

On 20 March 2023, Deloitte and the Audit Committee had a meeting and Deloitte expressed its concerns, which include the outstanding information and supporting documents, explanations and commercial substance and business rationale on the two Agreements the Company entered into regarding subscription of two redeemable principal and return guaranteed Money Market Funds with a total amount of approximately HK\$280 million (equivalents to approximately RMB256.2 million) (the “**Matter**”). On 26 March 2023, Deloitte issued a letter to the Audit Committee in relation to its concerns and observations in respect of the Matter and recommended the Audit Committee to (i) engage an independent and competent forensic accounting firm to investigate and to establish whether there was commercial substance, business rationale and legal implication of the Matter; and (ii) engage an independent legal counsel to perform an assessment of the Matter to determine whether there might have been any potential non-compliance under the Listing Rules (the “**March 26 Letter**”).

Upon receiving the March 26 Letter, the Audit Committee held meetings with the management and the Company’s professional advisers to discuss the Matter and directed the Company to provide all necessary information to support Deloitte for the completion of the audit for the 2022 Annual Results (the “**Audit**”). After having discussed with the management and professional advisers and obtaining further information from the Company in relation to the Money Market Funds including the background, major terms and business rationale thereof, in particular considering that the subscription money of the Money Market Funds will be fully redeemed and received by the Company together with the respective interests on or before 31 March 2023, the Audit Committee considered a forensic investigation unnecessary but a review of the internal control procedures and system with respect of the Matter should be followed up. On 29 March 2023, the Audit Committee requested Deloitte to complete the Audit by 31 March 2023, or otherwise to provide a concrete timetable as to when the Audit could be completed.

On 31 March 2023, Deloitte replied to the Audit Committee and stated that even redemption in full of the Money Market Funds was not enough to address its concerns raised regarding the commercial substance and business rationale of the investment arrangements, and without a forensic investigation, the Board would not have a proper basis to finalize the consolidated financial statement of the Group for the year ended 31 December 2022 and as such Deloitte could not provide an estimated time for completion of the Audit.

On the same date, based on the information then available and upon consideration that (i) the commercial substance and business rationale of entering into of the Agreements provided by the management were clear and reasonable; (ii) the Company has provided relevant information about the background of the Money Market Funds; and (iii) the Money Market Funds had been redeemed and received by the Company in full together with the respective interests on 31 March 2023 on the same terms as stipulated in the Agreements, there was no fund safety issue, the Audit Committee reiterated to Deloitte that a forensic investigation was not necessary.

Despite the Company had provided the information and documents in relation to the Matter through the Audit Committee, Deloitte expressed its observations and concerns on the information and documents in respect of the Matter to the Audit Committee on 11 April 2023 with an aim to address and resolve outstanding issues relating to the Matter. On 19 April 2023, Deloitte sent a letter to the Audit Committee to reiterate that it remained of the view that a forensic investigation was necessary taking into consideration the totality of its observations. Deloitte concluded that it was unable to continue as the auditor of the Group.

On 21 April 2023, Deloitte submitted its formal letter of resignation to the Audit Committee and the Board for the reasons stated above and reiterated that given the seriousness and nature of the Matter, Deloitte remained of the view that a forensic investigation was necessary in order for the Company to have a robust basis for concluding the Matter.

With reference to the Matter and given the fact that Deloitte has not completed the Audit, it has stated in its resignation letter that it is not in a position to confirm whether there are any other matters that need to be brought to the attention of the shareholders or creditors of the Company.

Save as disclosed above, the Board is not aware of any other disagreements between the Company and Deloitte, and any other matters in relation to Deloitte's resignation that need to be brought to the attention of the shareholders of the Company (the **"Shareholders"**).

### **Proposed Appointment of the New Auditor**

The Board further announces that, with the recommendation from the Audit Committee, the Board proposed to appoint Zhonghui Anda CPA Limited as the new auditor of the Company (the **"New Auditor"**) to fill the casual vacancy following the resignation of Deloitte and to hold office until the conclusion of the next annual general meeting of the Company. The Company will issue a separate announcement in relation to the appointment of the New Auditor upon receipt of the professional clearance letter from Deloitte.

Pursuant to the Company's initial discussion with the New Auditor, subject to the receipt of the professional clearance letter from Deloitte and the appointment of the New Auditor, it is estimated that the Audit is likely to be completed by end of June or early July 2023.

The Company wishes to emphasise that the operations of the Group remain stable and unaffected.

## **(2) DELAY IN PUBLICATION OF 2022 ANNUAL RESULTS AND DELAY IN DESPATCH OF THE 2022 ANNUAL REPORT**

As disclosed in the Announcement, in light of the Matter, the Company was unable to publish the 2022 Annual Results within three months of the financial year end (i.e. by 31 March 2023) as required under Rule 13.49(1) of the Listing Rules. Furthermore, with the change of auditor of the Company, the Company will also be unable to send its annual report for the year ended 31 December 2022 (the **"2022 Annual Report"**) to the Shareholders within four months of the financial year end (i.e. by 30 April 2023) as required under Rule 13.46(2)(a) of the Listing Rules.

The Company will, upon the appointment of the New Auditor, work closely with the New Auditor to complete its audit work and publish the 2022 Annual Results and the 2022 Annual Report as soon as practicable.

## **(3) CONTINUED SUSPENSION OF TRADING**

Trading in the shares of the Company on the Stock Exchange was halted with effect from 2:57 p.m. on 23 March 2023 and will continue to be suspended, pending the publication of the 2022 Annual Results and the 2022 Annual Report.

**Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

By order of the Board  
**LX Technology Group Limited**  
**Hu Zuoxiong**  
*Chairman*

Hong Kong, 28 April 2023

*As of the date of this announcement, the executive Directors are Mr. HU Zuoxiong, Mr. CHEN Xiuwei and Mr. CAO Weijun, the non-executive Director is Mr. LI Jing, and the independent non-executive Directors are Mr. KAM Chi Sing, Ms. XU Nailing and Mr. YAO Zhengwang.*