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信基沙溪集团股份有限公司
XINJI SHAXI GROUP CO., LTD

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3603)

CHANGE OF AUDITOR

This announcement is made by Xinji Shaxi Group Co., Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

RESIGNATION OF AUDITOR

At the annual general meeting of the Company held on 30 May 2024, PricewaterhouseCoopers (“**PwC**”) was re-appointed as the auditor of the Company (“**Auditor**”) to hold office until the conclusion of the next annual general meeting of the Company and the board (the “**Board**”) of directors (the “**Directors**”) of the Company was authorised to fix its remuneration.

The Board hereby announces that the Board has resolved to recommend PwC to resign as the Auditor in consideration of the Company’s size of operation, the pressure to control cost and the previously agreed audit fee which was not considered to be aligned with the Company’s current size of operation, and PwC has accepted to resign as the Auditor with effect from 31 December 2024 (the “**Resignation**”).

As stated in PwC’s Resignation letter, PwC resigned as Auditor because PwC was informed by the Board that it has resolved to recommend PwC to resign as the Auditor and would propose the appointment of another auditor upon PwC’s Resignation in the Board meeting on 31 December 2024 and such decision was made based on considerations as set out above. PwC was also informed by the Company that the audit committee of the Company (the “**Audit Committee**”) has obtained proposals from other auditors and the audit fee offered by these other auditors were more in line with the Company’s needs. After due and careful consideration, PwC accepted the recommendation by the Board and resigned as the Auditor.

The Company is incorporated under the laws of the Cayman Islands and to the best knowledge of the Board, there is no requirement under the laws of the Cayman Islands for the outgoing auditor to confirm whether or not there is any circumstance in connection with its resignation which need to be brought to the attention of the shareholders (“**Shareholders**”) and creditors (“**Creditors**”) of the Company. Therefore, PwC has not issued such confirmation.

The Board and the Audit Committee confirm that, save as disclosed herein, there are no disagreements or unresolved matters between the Company and PwC, and there are no matters in connection with Resignation that need to be brought to the attention of the Shareholders and Creditors.

The Board and the Audit Committee believe that the change of Auditor will not have any impact on the audit of the consolidated financial statements of the Group for the year ended 31 December 2024.

The Board would like to take this opportunity to express its sincere gratitude to PwC for its professional and quality services rendered to the Company during its tenure as the Auditor.

APPOINTMENT OF AUDITOR

The Board, with the recommendation of the Audit Committee, has resolved to appoint CCTH CPA Limited (“**CCTH**”) as the new Auditor (the “**Appointment**”) to fill the casual vacancy following the Resignation with effect from 31 December 2024 and to hold office until the conclusion of the next annual general meeting of the Company.

The Audit Committee has considered a number of factors in assessing the appointment of CCTH as the new Auditor, including but not limited to (i) the audit proposal of CCTH including the audit fee; (ii) CCTH’s experience, industry knowledge and technical competence in providing audit work for companies listed on the Stock Exchange; (iii) CCTH’s independence from the Group and objectivity; (iv) CCTH’s resources and capabilities including manpower and time; and (v) the Guidance Notes on Change of Auditors issued by the Accounting and Financial Reporting Council.

Based on the above, the Audit Committee has assessed and considered CCTH to be independent, eligible and suitable to act as the Auditor and recommended to the Board for the Appointment. The Board and the Audit Committee are of the view that the Appointment would enhance the cost effectiveness of the Company’s annual audit while maintaining audit quality and thus it is in the interests of the Company and the Shareholders as a whole.

The Board would like to take this opportunity to express its warm welcome to CCTH on its appointment as the Auditor.

By order of the Board
Xinji Shaxi Group Co., Ltd
Cheung Hon Chuen
Chairman

Hong Kong, 31 December 2024

As at the date of this announcement, the Board comprises Mr. Cheung Hon Chuen as chairman and executive Director; Mr. Mei Zuoting and Mr. Zhang Weixin as executive Directors; Mr. Lin Lie, Ms. Wang Yixue and Mr. Zhao Hui as non-executive Directors; and Dr. Zeng Zhaowu, Mr. Tan Michael Zhen Shan and Dr. Zheng Decheng as independent non-executive Directors.