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HUAJIN INTERNATIONAL HOLDINGS LIMITED

華津國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2738)

SUPPLEMENTAL ANNOUNCEMENT

IN RELATION TO CHANGE OF AUDITOR

Reference is made to the announcements of Huajin International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 29 December 2025 and 10 February 2026 (the “**Prior Announcements**”) in connection with the change of auditor. Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Prior Announcements.

The change of auditor is a prudent and compliant decision made after full consultation and rigorous evaluation by the Audit Committee (the “**Committee**”), the board of directors (the “**Board**”), Deloitte Touche Tohmatsu (“**Deloitte**”) and KTC Partners CPA Limited (“**KTC**”). The entire process has been conducted in strict compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Company’s articles of association. In respect of the audit of the Company for the year ended 31 December 2025, the Board hereby provides the following information supplementing the Prior Announcements.

BACKGROUND TO THE CHANGE OF AUDITOR

Deloitte has served as the Group's auditor since the Company's listing, with a long-term and stable cooperation between both parties. However, in respect of the audit fee for the 2025 financial year, the Committee and the management of the Company conducted several rounds of formal communication and negotiation with Deloitte, and the parties ultimately failed to reach a consensus on the fee level. Following a comprehensive and independent evaluation and formal recommendation by the Committee, the Board resolved to appoint KTC as the Group's auditor for the 2025 financial year to replace Deloitte in providing annual audit services.

The Stock Exchange subsequently raised enquiries on various matters in relation to the change of auditor, including the significant change in audit fees, the reasonableness of the new auditor's fee, audit quality assurance measures, the qualifications and competence of the PRC component auditor, and the due diligence procedures of the Committee. The Company now makes supplementary disclosures in response to all such concerns. Concurrently, the Company has completed the audit of its financial statements for the year ended 2025 and announced its audited annual results on 31 March 2026.

REASONABLENESS OF AUDIT FEE, FEE DIFFERENCE AND AUDIT QUALITY STATEMENT

KTC, the Group's new auditor, proposed an audit fee of RMB 1.6 million for the 2025 financial year. Such quotation has fully referenced and comprehensively covered all audit scopes and risk concerns underlying Deloitte's proposed fee increase. Prior to the appointment, the Group fully disclosed to KTC all background information including the existing steel products business, the new terminal and port-related services business, historical and prospective financial information, operating scale, as well as challenges relating to business transformation, operating performance, liquidity and going concern.

KTC determined the fee level based on independent professional judgment and confirmed that the proposed fee can fully cover the complete audit scope of the Group's two core businesses, including the specialised terminal and port audit procedures mentioned by Deloitte, expanded asset impairment assessment testing, and enhanced audit procedures on the Group's liquidity and going concern.

In formulating its fee, KTC has fully considered incremental risks and operational complexities such as the Group's business transformation, operating volatility and liquidity pressure, and reflected such risk responses in project team composition, estimated working hours and internal review levels. The fee difference between KTC and Deloitte mainly arises from differences in institutional operating cost structures and pricing models, rather than a reduction in audit procedures or lowering of audit standards. KTC has confirmed that the fee is sufficient to deploy a professional team with relevant industry and going concern audit experience, input adequate working hours and technical resources, and coordinate the PRC component auditor to participate in the relevant audit work.

The Committee has reviewed KTC's audit plan, resource allocation arrangements and fee determination basis, and considers that the proposed audit procedures fully cover all relevant matters that led to Deloitte's fee increase. The audit fee level will not impair audit independence and audit quality, and is sufficient to address all identified audit risks of the Group.

QUALIFICATION, COMPETENCE AND COORDINATION ARRANGEMENTS OF THE PRC COMPONENT AUDITOR

The PRC component auditor responsible for the Group's 2025 financial year comprehensive audit services holds valid PRC practising qualifications and has completed registration with relevant regulatory authorities. After careful evaluation, the Committee confirmed that the PRC component auditor, as a leading accounting firm with a good reputation in the Mainland, has extensive practical experience in auditing PRC subsidiaries of Hong Kong listed companies, possesses professional service capabilities in terminal, port, logistics and infrastructure-related businesses and has no record of public reprimands or material audit incidents, with sound and reliable professional competence.

During the evaluation of appointing KTC as the Group's auditor, KTC informed the Committee of its intended appointment of such a leading Mainland accounting firm as the PRC component auditor. Given that the formal engagement process for the PRC component auditor was still ongoing at that time, the audit execution plan of the PRC component auditor was not available for the Committee's direct review. However, based on detailed introductions by KTC, the Committee has fully understood the proposed staffing structure of the PRC component auditor (a team of senior certified public accountants led by a Mainland audit partner), the main audit scope for the 2025 financial year, as well as KTC's group audit guidelines, supervision and review mechanisms implemented in accordance with Hong Kong Standard on Auditing 600 (Revised). The Committee confirmed that the PRC component auditor has sufficient professional competence and appropriate qualifications to

act as the Group’s PRC component auditor, and its proposed audit scope can fully cover the financial information of all the Group’s PRC subsidiaries to meet the reporting requirements for KTC to conduct group audit.

Meanwhile, the Committee has conducted a comprehensive evaluation of the coordination arrangements between KTC and the PRC component auditor, confirming that KTC has established a clear and complete coordination framework. Through issuing detailed group audit guidelines to the PRC component auditor, maintaining regular communication throughout the audit process, and reviewing its key working papers and reporting packages, KTC ensures that the work of the PRC component auditor is properly directed, effectively supervised and objectively evaluated in accordance with applicable group auditing standards.

In respect of the fee allocated to the PRC component auditor, the Committee notes that such fee was reasonably determined by reference to the agreed audit scope, estimated working hours and prevailing PRC audit fee standards, and can fully cover all necessary audit procedures for the Group’s PRC subsidiaries. Having reviewed KTC’s explanation on the proposed staffing and working hours of the PRC component auditor, the Committee is satisfied that such a fee level will not lead to a reduction in audit resources, lowering of professional qualification standards or curtailment of core audit procedures by the PRC component auditor. The Committee maintains ongoing communication with KTC to closely monitor the audit quality and implementation of the PRC component auditor, ensuring that Mainland audit work fully complies with all applicable auditing standards and regulatory requirements.

COMMITTEE’S EVALUATION OF KTC AND AUDIT QUALITY ASSURANCE

The Committee has conducted a comprehensive and rigorous evaluation of KTC, the new auditor, with audit quality as the primary consideration in accordance with the Guide to Effective Audit Committees issued by the Accounting and Financial Reporting Council (“AFRC”) and relevant regulations, ensuring that KTC possesses the qualifications and capabilities to undertake the Group’s audit work.

In accordance with the Guide to Effective Audit Committees issued by the AFRC, with reference to the relevant requirements of the Guide to Effective Audit Committees – Selection, Appointment and Reappointment of Auditors, and combined with Hong Kong Standards on Auditing, the Committee conducted a comprehensive and systematic evaluation of KTC as follows:

KTC's governance and quality management systems fully comply with Hong Kong Standards on Auditing and relevant regulatory requirements. It has a sound governance and quality management system with clear audit quality accountability mechanisms, where senior management and engagement partners bear ultimate responsibility for audit quality, with a complete team structure and clear responsibilities.

In terms of ethical compliance, KTC strictly adheres to relevant professional standards with no record of public reprimands or disciplinary sanctions. The proposed audit procedures fully cover all key focus areas of the predecessor auditor, consistent with the audit scope and core procedures of the predecessor auditor, without any curtailment of audit processes or lowering of audit standards.

In terms of industry professional competence, KTC's core audit team possesses practising qualifications required by Hong Kong Standards on Auditing, and has extensive experience in auditing Hong Kong listed companies, including manufacturing and infrastructure-related businesses. Through its cooperation with the PRC component auditor, which has substantial experience in terminal, port and logistics engagements, the Group's audit team as a whole can address the key audit risks, including asset impairment and going concern assessment, and to provide appropriate technical support.

In terms of audit performance, KTC has established a sound group audit framework defining audit scope, core procedures and implementation standards, and has established standardised cooperation mechanisms with relevant Mainland partners to ensure the standardisation and completeness of audit work.

Meanwhile, the Committee has conducted a series of detailed due diligence procedures to ensure the appropriateness of appointing KTC as auditor:

1. Verified KTC's practising qualifications, team composition and professional competence to confirm its ability to undertake the Group's audit work;
2. Carefully reviewed KTC's audit plan to confirm that its audit procedures fully cover all business areas and risk points of the Group, consistent with the audit requirements of the predecessor auditor;
3. Evaluated KTC's fee standard to confirm that the fee is reasonably determined based on actual audit workload and market conditions, and the fee difference from the predecessor auditor arises

from differences in operating models and cost structures rather than a reduction in audit resources or lowering of audit standards;

4. Reviewed the cooperation mechanism between KTC and relevant Mainland partners to ensure effective guidance and supervision of Mainland audit work;
5. Established a sound post-appointment monitoring mechanism to continuously monitor KTC's audit implementation through regular progress follow-up, review of key audit procedures and audit quality tracking, ensuring strict compliance with relevant auditing standards and regulatory requirements.

In addition, in accordance with the relevant guidelines of the AFRC and combined with Hong Kong Standards on Auditing, the Committee conducted a comprehensive evaluation of KTC from six core dimensions: governance and leadership, ethical compliance, industry knowledge and technical competence, audit performance, communication mechanism and quality monitoring:

- In terms of governance and leadership: KTC has a sound quality management system and clear audit quality accountability mechanisms to effectively ensure the standardisation of audit work;
- In terms of ethical compliance: KTC strictly adheres to relevant professional standards with no adverse practising records, and its independence is not interfered by other factors;
- In terms of industry knowledge and technical competence: KTC's team, together with the PRC component auditor, has audit experience in terminal, port, logistics and other related fields, and is familiar with the audit issues commonly arising in these sectors.
- In terms of audit performance: Its risk-based audit plan is consistent with the requirements of the predecessor auditor and can fully address the audit challenges brought by the Group's business transformation;
- In terms of communication mechanism: KTC has established a sound two-way communication channel to promptly respond to the Committee's enquiries and supervision requirements;
- In terms of quality monitoring: KTC has a multi-level review mechanism and is subject to inspections by relevant regulatory authorities, with controllable audit quality.

Based on the above comprehensive evaluation, the Committee confirms that KTC meets all requirements to undertake the Group's audit work, and its audit plan and resource allocation can fully satisfy the Group's audit needs. The appointment of KTC as the Group's auditor is in the best interests of the Company and all shareholders, and complies with the Listing Rules and relevant regulatory requirements of the Stock Exchange.

Save as disclosed above, all other information in the Announcement remains unchanged.

By order of the Board
Huajin International Holdings Limited
Xu Songqing
Chairman

Hong Kong, 5 May 2026

As at the date of this announcement, the Board is comprised of Mr. Xu Songqing (Chairman) and Mr. Chen Chunniu (Chief Executive Officer) as executive Directors, Mr. Xu Jianhong as non-executive Director and Mr. Chan Oi Fat, Mr. Ou Qiyuan and Ms. Yip Nga Ting Cerin as independent non-executive Directors.