

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



PUJIANG INTERNATIONAL GROUP LIMITED

浦江國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2060)

INSIDE INFORMATION RESIGNATION OF AUDITOR

This announcement is made by Pujiang International Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in accordance with Rules 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**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to (i) the announcement of the Company dated 1 April 2024 in relation to the delay in publication of the announcement in relation to the annual results of the Group for the year ended 31 December 2023 (the “**2023 Annual Results**”), the possible delay in despatch of the 2023 annual report (the “**2023 Annual Report**”), the postponement of the meeting of the board of directors of the Company (the “**Board**”) and the suspension of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 2 April 2024; (ii) the announcement of the Company dated 7 June 2024 in relation to, among others, the update on the delay in publication of the 2023 Annual Results and the 2023 Annual Report, the formation of the IBC and Independent Investigation; and (iii) the announcement of the Company dated 28 June 2024 in relation to the Resumption Guidance and quarterly update on status of resumption (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

RESIGNATION OF AUDITOR

BDO Limited (“**BDO**”), being the Company’s auditor (the “**Auditor**”), resigned as the Auditor with effect from 9 July 2024 because the Company did not accept the additional audit fee (the “**Additional Audit Fee**”) quoted by BDO to the Company for the audit of the consolidated financial statements of the Group for the year ended 31 December 2023 (the “**2023 Audit**”) as a result of the unresolved issues (the “**Unresolved Matters**”) as disclosed in the Company’s announcement dated 7 June 2024:

1. in 2023, to facilitate the cross-guarantee arrangements between the Group and an independent third party supplier of the Group (the “**Supplier**”), (i) Shanghai Pujiang Cable Company Limited* (上海浦江纜索股份有限公司) (“**Shanghai Pujiang Cable**”), Zhejiang Pujiang Cable Co., Ltd.* (浙江浦江纜索有限公司) and Ossen (Jiujiang) New Materials Company Limited* (奧盛(九江)新材料有限公司), being subsidiaries of the Company, provided joint and several guarantee(s) in favour of independent third party lender(s) in respect of loan(s) obtained by the Supplier; (ii) the Supplier provided joint and several guarantee(s) in favour of independent third party lender(s) in respect of loan(s) obtained by Shanghai Pujiang Cable; (iii) the Group has provided a series of loans to the Supplier in 2023 which remained outstanding as of 31 December 2023; and (iv) an executive director of the Company and/or other wholly-owned subsidiaries of the Group acted as borrower(s) and/or guarantor(s) in loan agreements entered into with independent third party lender(s) to facilitate the cross-guarantee arrangements;
2. the assessment by the Company’s management on the potential impact of the legal proceedings the Group has been involved in relating to the alleged non-payment of loans the Group obtained as borrower(s), and/or guarantee(s) provided by the Group in favour of the Supplier or an executive director of the Company to facilitate the cross-guarantee arrangements;
3. the assessment by the Company’s management on the potential impact of the other payables, loans and/or receivables the Group has been involved in which remained outstanding as of 31 December 2023; and
4. the assessment by the Company’s management on the reconciliation of inventories of the Group as of 31 December 2023 and certain unidentified other payables as of 31 December 2023.

Upon receipt of the requests from BDO on the Unresolved Matters, the Company has taken actions accordingly. On 31 May 2024, the Board formed the IBC, comprising Ms. Pan Yingli, Mr. Chen Dewei and Mr. Tang Zhibin, all of whom are independent non-executive Directors. On 4 June 2024, the Company appointed Alvarez & Marsal Consulting (Shanghai) Limited to carry out the Independent Investigation into the Unresolved Matters.

In the meantime, the Company understands the necessity and intends to publish the 2023 Annual Results to its shareholders (the “**Shareholders**”) and the market as soon as practicable. However, although the Company is taking immediate actions pursuant to BDO’s request, BDO and the Company could not reach a consensus on the timetable for the completion of the audit work on the 2023 Annual Results and the relevant additional audit fee. The Company therefore considered engaging another auditor to resume and complete the audit work on 2023 Annual Results as soon as practicable.

BDO confirmed in the resignation letter that, save as the disagreement on the Additional Audit Fee and the Unresolved Matters, there are no other matters need to be brought to the attentions of holders of the securities of the Company. BDO also stated in the resignation letter that, as they have not completed the 2023 Audit, there may be other matters that need to be brought to the attention of holders of the securities of the Company of which they are not currently aware.

The Board and the audit committee of the Board (the “**Audit Committee**”) confirm that, save as disclosed in this announcement, there are no other disagreements or unresolved matters between the Company and BDO, and there are no other matters or circumstances in connection with the resignation of BDO that need to be brought to the attention of the Shareholders.

The Company is in the course of identifying a suitable replacement to fill the vacancy and further announcement in relation to the appointment of new auditor will be made by the Company as and when appropriate in accordance with the Listing Rules.

CONTINUED SUSPENSION OF TRADING

Trading in the Company’s shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 April 2024, and will remain suspended until further notice pending the fulfilment of the Resumption Guidance. Further announcement(s) will be made by the Company as and when appropriate and in compliance with the requirements under the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Pujiang International Group Limited
Dr. Tang Liang
Chairman of the Board

Hong Kong, 9 July 2024

As at the date of this announcement, the executive directors of the Company are Dr. Tang Liang, Mr. Zhou Xufeng, Mr. Hua Wei and Mr. Ni Xiaofeng; and the independent non-executive directors of the Company are Ms. Pan Yingli, Mr. Chen Dewei and Mr. Tang Zhi Bin.

* *For identification purpose only*