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**Datang Group Holdings Limited**  
**大唐集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 2117)**

**CHANGE OF AUDITOR,  
DELAY IN PUBLICATION OF THE 2022 ANNUAL RESULTS,  
POSTPONEMENT OF BOARD MEETING  
AND  
CONTINUED SUSPENSION OF TRADING**

This announcement is made by Datang Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 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**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**CHANGE OF AUDITOR**

The board of directors of the Company (the “**Board**”) hereby announces that, at its recommendation, PricewaterhouseCoopers (“**PwC**”) has resigned as the auditor of the Company with effect from 31 March 2023.

During the course of its audit for the annual results of the Group for the year ended 31 December 2022 (the “**2022 Annual Results**”), PwC identified certain issues and required information relating to certain significant matters of the audit, which would require further explanations and clarifications from the Company. As PwC has not obtained sufficient explanations and evidence for those matters in a timely manner, PwC informed the Company that it will not be able to complete the necessary audit work on or before 31 March 2023. As the Company and PwC have not been able to agree on the timetable for completion of the audit work after further discussion, the Board is of the view that it is in the best interests of the Company and its shareholders to appoint another auditor to complete the audit work as soon as practicable, and has recommended PwC to consider resignation as the auditor of the Company.

The Board would like to take this opportunity to express its heartfelt gratitude to PwC for its professional services provided to the Company over the past years.

The Board further announces that it has resolved, having regard to the recommendation from the audit committee of the Company (the “**Audit Committee**”), to approve the appointment of Prism Hong Kong and Shanghai Limited (“**Prism**”) as the new auditor of the Company to fill the casual vacancy following the resignation of PwC with effect from 31 March 2023 and to hold office until the conclusion of the next annual general meeting of the Company.

The Board would like to take this opportunity to welcome Prism as the auditor of the Company.

## **ISSUES IDENTIFIED BY PWC**

In its resignation letter, PwC identified certain issues in the course of its audit for the 2022 Annual Results in relation to the following matters, which would require further information, explanations, business rationales and/or supporting documents from the Company:

- (i) the transaction involving the surrender of land to the local government for urban redevelopment purpose and the fund movements in respect of the compensation payment received from such transaction;
- (ii) the transactions involving the disposal of a 20% equity interest of a subsidiary of the Company (the “**20% Disposal**”) and the disposal of a 100% equity interest of a subsidiary of the Company, the basis of determining the relevant considerations and payment arrangements, and the basis of assessment to support the Company’s view that the relevant subsidiary shall continue to be regarded as a subsidiary of the Company after completion of the 20% Disposal;
- (iii) the fund movements between the Group and a joint venture of the Group during the year ended 31 December 2022 and the assessment by the Company’s management on the recoverability of such outstanding account receivables from the relevant joint venture; and
- (iv) the going concern assessment of the Group, the assessment on impairment losses for certain assets, projects and receivables, and the assessment by the Company’s management on the expected credit loss for the guarantee provided to certain loans of joint ventures.

## **PRELIMINARY VIEW OF THE COMPANY AND THE AUDIT COMMITTEE**

The Company has provided certain explanations and supporting documents to PwC to address the issues identified by PwC in the course of their audit for the 2022 Annual Results but understands that further clarification and internal verifications would still be required to sufficiently resolve the foregoing issues.

On 22 March 2023, the Audit Committee held a meeting with PwC to discuss the foregoing issues. The Company's management also provided information to the Audit Committee to facilitate their understanding on the relevant issues. The Audit Committee has taken the view that further information is required to clarify the issues identified by PwC and has requested the Company's management to perform all necessary internal verifications and to provide all necessary information and cooperation to the Company's auditor to complete the audit work.

The Company will endeavour to collate the necessary supporting documents and perform the requisite verifications with a view to providing sufficient clarifications to Prism and the Audit Committee to resolve all outstanding issues and complete the audit of the 2022 Annual Results as soon as practicable. The expected date of the publication of the 2022 Annual Results will need to be further agreed with the Company's auditor and further announcement will be made by the Company as and when appropriate.

Save as disclosed above, the Board is not aware of any matter in connection with PwC's resignation that needs to be brought to the attention of the shareholders or creditors of the Company.

#### **DELAY IN PUBLICATION OF THE 2022 ANNUAL RESULTS**

Pursuant to Rule 13.49(1) of the Listing Rules, the Company is required to publish an announcement for the 2022 Annual Results on a date not later than three months after the end of the financial year of the Company, namely, on or before 31 March 2023. Under Rule 13.49(2) of the Listing Rules, the preliminary announcement in relation to the 2022 Annual Results shall be based on the Group's consolidated financial statements for the financial year ended 31 December 2022 which shall have been agreed with the Company's auditor.

Given the change of auditor of the Company and the necessary audit work has not been completed on or before 31 March 2023, the Company will not be able to publish the 2022 Annual Results in accordance with Rules 13.49(1) and (2) of the Listing Rules.

Rule 13.49(3) of the Listing Rules provides that where an issuer is unable to issue its preliminary results in accordance with Rules 13.49(1) and (2) of the Listing Rules, it must announce its results based on the financial results that have yet to be agreed with the auditor (so far as the information is available). The Board, after due and careful consideration, is of the view that it would not be appropriate for the Company to publish the unaudited management accounts of the Group for the financial year ended 31 December 2022 which are subject to audit at this stage, as such information may confuse or mislead the shareholders of the Company and potential investors.

#### **POSTPONEMENT OF MEETING OF THE BOARD**

As the 2022 Annual Results will not be available for publication by 31 March 2023, the meeting of the Board for the purpose of, among other matters, considering and approving the 2022 Annual Results and its publication, will also be postponed.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, the trading in the shares of the Company on the Stock has been suspended with effect from 9:00 a.m. on Tuesday, 21 March 2023.

Pursuant to Rule 13.50 of the Listing Rules, the Stock Exchange will normally require suspension of trading in an issuer's securities if an issuer fails to publish periodic financial information in accordance with the Listing Rules, and the suspension will normally remain in force until the issuer publishes an announcement containing the requisite financial information. As the Company is unable to publish the 2022 Annual Results on or before 31 March 2023, the trading in the shares of the Company on the Stock Exchange will remain suspended until the publication of the announcement in relation to the 2022 Annual Results by the Company.

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

On behalf of the Board  
**Datang Group Holdings Limited**  
**WU Di**  
*Chairman*

Hong Kong, 31 March 2023

*As at the date of this announcement, the executive Directors are Mr. WU Di, Mr. HAO Shengchun and Mr. TANG Guozhong; the non-executive Director is Ms. CHEN Xiaoyun; and the independent non-executive Directors are Mr. CHANG Eric Jackson, Ms. XIN Zhu and Mr. LOK Chiu Chan.*