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POWERLONG

宝龙

POWERLONG REAL ESTATE HOLDINGS LIMITED

寶龍地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1238)

**(1) CHANGE OF AUDITORS;
(2) DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2021;
AND
(3) PUBLICATION OF UNAUDITED ANNUAL RESULTS
ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

This announcement is made by Powerlong Real Estate 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 on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

(1) CHANGE OF AUDITORS

The Board announces that PricewaterhouseCoopers (“**PwC**”) has resigned as auditor of the Company with effect from 24 March 2022.

PwC stated in its resignation letter that: (i) during the course of audit on the Group’s financial statements for the year ended 31 December 2021, PwC obtained bank confirmations regarding two deposits of the subsidiaries of the Company which would require further clarification by the management of the Group and discussion with the audit committee of the Company; (ii) the supply of requested follow-up information, as well as the sending and receipt of confirmations on various bank and other account balances, had fallen behind schedule due to impact of the recent resurgence of coronavirus disease (COVID-19) cases in the PRC and PwC was considering alternative work to be performed; and (iii) in light of the foregoing, due to the tight timeline and as a result of the impact of the COVID-19 epidemic in the PRC, PwC was unable to reasonably estimate the time required to complete all audit work for the annual results of the Group in respect of the year ended 31 December 2021.

Due to the prevention and control policy in the PRC in light of the recent resurgence of COVID-19 cases in China, the Group's financial reporting and audit process have been adversely affected as (i) certain management and employees of the Group have been placed under quarantine in the latest wave of COVID-19 outbreak; and (ii) there has been a delay in obtaining certain external confirmations from third parties for the audit of the Group. As a result, the Group is unable to agree with PwC on a mutually acceptable timetable to complete the audit for the Group's annual results for the year ended 31 December 2021. The Board believes that it is in the best interest of the Company and its shareholders to move forward and complete the audit as soon as practicable, and hence the Board resolved to suggest PwC resign as the auditor so that the Company may engage another qualified external auditor to complete the audit as soon as practicable. After due and careful consideration, PwC agreed to resign as the auditor of the Company with effect from 24 March 2022.

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.

The Board further announces that the Board has resolved, having regard to the recommendation from the audit committee of the Company, to approve the appointment of Elite Partners CPA Limited ("**Elite Partners**") as the new auditor of the Company to fill the casual vacancy following the resignation of PwC with effect from 24 March 2022 and to hold office until the conclusion of the next annual general meeting of the Company.

The Board would like to express its sincere gratitude to PwC for its professional and quality services rendered to the Company for the past years. The Board would also like to extend its warm welcome to Elite Partners on its appointment as the auditor of the Company.

(2) DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

Pursuant to Rule 13.49(1) of the Listing Rules, the Company is required to publish an announcement in relation to the Group's preliminary results in respect of the financial year ended 31 December 2021 (the "**2021 Annual Results**") not later than three months after the end of the financial year of the Company, i.e. on or before 31 March 2022. Under Rule 13.49(2) of the Listing Rules, the preliminary announcement in relation to the 2021 Annual Results shall be based on the Company's consolidated financial statements for the financial year ended 31 December 2021 which have been agreed with the Company's auditor.

Due to the impact of the COVID-19 epidemic in the PRC which restricts the Group's ability to gather necessary documents on a timely basis, the Company does not anticipate being able to complete the necessary procedures in order for the Company to finalize its audited consolidated financial statements for the financial year ended 31 December 2021 by 31 March 2022.

As a result, the Company is unable to publish the 2021 Annual Results by 31 March 2022 based on the Company's consolidated financial statements for the year ended 31 December 2021 which shall have been agreed with Elite Partners.

(3) PUBLICATION OF UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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, so far as the information is available, results for the financial year based on the financial results which have yet to be agreed with the auditors.

In order to keep the shareholders of the Company and potential investors informed of the Group's business operation and financial position, the Board announces that the unaudited consolidated annual results of the Company for the year ended 31 December 2021 (the "**2021 Unaudited Annual Results**") will be issued on 29 March 2022 which will have been reviewed by the audit committee of the Company. The 2021 Unaudited Annual Results will be based on financial results which have yet to be agreed with Elite Partners. At the Board meeting scheduled to be held on 29 March 2022, the Board will review and approve the publication of the 2021 Unaudited Annual Results based on the consolidated management accounts of the Company for the year ended 31 December 2021.

Elite Partners has informed the Company that it expects to be in a position to complete its audit and deliver its audit opinion by 15 May 2022. The Company will cooperate with Elite Partners to complete its audit work as soon as practicable. A further meeting of the Board is expected to be held after completion of the audit by Elite Partners for the purpose of, among others, (i) considering and approving the audited 2021 Annual Results and its publication, and (ii) considering the recommendation for payment of a final dividend, if any. Following the completion of the audit by Elite Partners, the Company will publish an announcement containing the audited 2021 Annual Results and despatch the annual report for the year ended 31 December 2021 as soon as practicable.

The Company will make further announcement(s) to provide updates on the above matters as and when appropriate in accordance with the Listing Rules and the SFO.

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

By order of the Board
Powerlong Real Estate Holdings Limited
Hoi Kin Hong
Chairman

Hong Kong, 24 March 2022

As at the date of this announcement, the executive directors of the Company are Mr. Hoi Kin Hong, Mr. Hoi Wa Fong, Mr. Xiao Qing Ping, Ms. Shih Sze Ni Cecilia and Mr. Zhang Hong Feng; the non-executive director of the Company is Ms. Hoi Wa Fan; and the independent non-executive directors of the Company are Dr. Ngai Wai Fung, Dr. Mei Jian Ping and Dr. Ding Zu Yu.