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## **ANXIAN YUAN CHINA HOLDINGS LIMITED**

**安賢園中國控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 0922)**

### **PROPOSED CHANGE OF AUDITORS**

The Board announces that, subject to the passing of the relevant resolutions at the SGM, EY shall be terminated the appointment of the auditor of the Group and BDO shall be appointed as the new auditor of the Group to fill the vacancy arising from the termination of the appointment of EY and hold office until the conclusion of the next annual general meeting of the Company.

The SGM will be convened and held for the purposes of considering and, if thought fit, approving the Proposed Termination and the Proposed Appointment. A circular containing, among other matters, further information on the Proposed Termination and the Proposed Appointment, together with a notice convening the SGM, is expected to be dispatched to the Shareholders by the end of January 2019.

### **INTRODUCTION**

This announcement is made by Anxian Yuan China Holdings Limited (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 Board (the “**Board**”) of directors (“**Directors**”) of the Company announces that, subject to the passing of the relevant resolutions at a special general meeting of the Company (the “**SGM**”) to be convened and held, Ernst & Young (“**EY**”) shall be terminated the appointment of the auditor of the Group (the “**Proposed Termination**”) and BDO Limited (“**BDO**”) shall be appointed as the new auditor of the Group (the “**Proposed Appointment**”) to fill the vacancy arising from the Proposed Termination and hold office until the conclusion of the next annual general meeting of the Company.

\* *For identification purposes only*

## **PROPOSED TERMINATION OF THE APPOINTMENT OF AUDITOR**

EY was re-appointed as auditor of the Group at the last annual general meeting of the Company held on 28 August 2018 to hold office until the conclusion of the next annual general meeting of the Company.

However, the Company and EY have been unable to reach a consensus on the audit fee of EY for the year ending 31 March 2019. After considering the facts and circumstances, the audit committee of the Company, having been delegated the power to oversee the effectiveness of the external auditor, was of the view that it would be in the best interest of the Company and its shareholders (the “**Shareholders**”) as a whole to replace EY with another accounting firm, and made a recommendation to the Board to seek the approval of the Shareholders regarding the Proposed Termination of EY as the auditor of the Group.

The Board is of the view that the Proposed Termination would enable the Company to carry out effective cost control and reduce overall operating expenses of the Company to better cope with the future business development of the Group and is in the best interest of the Company and its Shareholders as a whole. The Proposed Termination is subject to the passing of a special resolution at the SGM pursuant to the bye-laws of the Company (the “**Bye-laws**”).

The Company has received a letter from EY confirming that there are no circumstances connected with their ceasing to hold office which they consider should be brought to the attention of the Shareholders.

## **PROPOSED APPOINTMENT OF AUDITOR**

The Board, with the recommendation of the audit committee of the Company, further proposes to appoint BDO as auditor of the Group to fill the vacancy arising from the Proposed Termination and hold office until the conclusion of the next annual general meeting of the Company.

The Proposed Appointment of BDO as auditor of the Group in place of EY is subject to the passing of an ordinary resolution at the SGM pursuant to the Bye-laws.

## **IMPLICATIONS OF THE LISTING RULES**

Pursuant to No. 152(3) of the Bye-laws, the Shareholders may, at any general meeting convened and held in accordance with the Bye-laws, by special resolution remove the auditor of the Company at any time before the expiration of its term of office and shall by ordinary resolution at that meeting appoint another auditor in its stead for the remainder of its term.

Pursuant to Rule 13.88 of the Listing Rules, (a) the Company must not remove its auditor before the end of the auditor's term of office without first obtaining Shareholders' approval at a general meeting; (b) the Company must send a circular proposing the removal of the auditor to the Shareholders with any written representations from the auditor not less than 10 business days before the general meeting; and (c) the Company must allow the auditor to attend the general meeting and make written and/or verbal representations to the Shareholders at the general meeting.

In compliance with the Bye-laws and the Listing Rules, the Proposed Termination will be proposed at the SGM as a special resolution and the Proposed Appointment will be proposed at the SGM as an ordinary resolution.

Accordingly, the Company will, at the time of dispatch of the circular containing, among other matters, further information on the Proposed Termination and the Proposed Appointment, together with a notice convening the SGM, to the Shareholders, also dispatch a copy to EY to invite them to attend the SGM to make written or verbal representations to the Shareholders at the SGM, if any.

The Board confirms that save as disclosed herein, there are no other matters in respect of the proposed change of auditors that need to be brought to the attention of the Shareholders.

## **THE SGM**

The SGM will be convened and held for the purposes of considering and, if thought fit, approving the Proposed Termination and the Proposed Appointment. A circular containing, among other matters, further information on the Proposed Termination and the Proposed Appointment, together with a notice convening the SGM, is expected to be dispatched to the Shareholders by the end of January 2019.

By order of the Board  
**Anxian Yuan China Holdings Limited**  
**Mr. Shi Hua**  
*Chairman*

Hong Kong, 15 January 2019

*As at the date of this announcement, the Board comprises three executive directors, namely Mr. Shi Hua, Mr. Shi Jun and Mr. Law Fei Shing; one non-executive director, namely Mr. Wang Hongjie; and three independent non-executive directors, namely Mr. Chan Koon Yung, Mr. Lum Pak Sum and Mr. Yao Hong.*