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## **CHTC FONG'S INDUSTRIES COMPANY LIMITED**

**恒天立信工業有限公司**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 641)

### **CHANGE OF AUDITORS**

The Board announces that Baker Tilly resigned as auditors of the Company with effect from 27 October 2017 and PKF Hong Kong Limited has been appointed by the Board on 27 October 2017 as the new auditors of the Company to fill the causal vacancy following the resignation of Baker Tilly and to hold office until the conclusion of the next annual general meeting of the Company.

### **CHANGE OF AUDITORS**

The board of directors (the “**Board**”) of CHTC Fong’s Industries Company Limited (the “**Company**”) announces that Baker Tilly Hong Kong Limited (“**Baker Tilly**”) resigned as auditors of the Company with effect from 27 October 2017.

Pursuant to bye-law 163(B) of the bye-laws of the Company, PKF Hong Kong Limited has been appointed by the Board on 27 October 2017 as the new auditors of the Company to fill the causal vacancy following the resignation of Baker Tilly and to hold office until the conclusion of the next annual general meeting of the Company.

## **Reasons for the change of auditors**

The Board noted that Baker Tilly has been the auditors of the Company since 2012. China Hi-Tech Group Corporation (中國恒天集團有限公司) (“**CHTC**”), the controlling shareholder of the Company, is a state-owned enterprise under the control of the State-Owned Assets Supervision and Administration Commission (the “**SASAC**”) of the State Council of the People’s Republic of China (the “**PRC**”). According to the relevant regulations issued by the Ministry of Finance of the PRC and the SASAC, there are restrictions in respect of the number of years of audit services that an accounting firm can continuously provide to a state-owned enterprise and its subsidiaries. In light of the aforesaid requirements and in order to uniform the audit procedures of the Company with that of CHTC, the Company has reached a consensus with Baker Tilly on the change of auditors for the financial year ending 31 December 2017.

## **Confirmation**

Baker Tilly has confirmed in its letter of resignation that there are no matters connected with its resignation which it considered should be brought to the attention of the shareholders or creditors of the Company. Baker Tilly has also confirmed that it has not commenced any audit work of the Company for the financial year ending 31 December 2017.

The Board (including Independent Non-executive Directors of the Company) recognises the change of auditors is for good corporate governance to ensure the independence of the auditors and confirms there are no other matters in relation to the change of the auditors that need to be brought to the attention of the holders of the securities of the Company.

The Board would like to take this opportunity to express its sincere gratitude to Baker Tilly for its professional services provided to the Company in previous years.

On behalf of the Board  
**CHTC Fong’s Industries Company Limited**  
**Ye Maoxin**  
*Chairman*

Hong Kong, 27 October 2017

*As at the date of this announcement, the Company’s Executive Directors are Mr. Ye Maoxin (Chairman), Mr. Ji Xin (Chief Executive Officer) and Mr. Du Qianyi (Chief Financial Officer); the Non-executive Director is Mr. Fong Kwok Leung, Kevin; and the Independent Non-executive Directors are Mr. Ying Wei, Dr. Yuen Ming Fai and Mr. Li Jianxin.*