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BAOFENG MODERN INTERNATIONAL HOLDINGS COMPANY LIMITED
寶峰時尚國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1121)

PROPOSED CHANGE OF AUDITORS

The board (the “**Board**”) of directors of Baofeng Modern International Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to make an announcement regarding a proposed change of the Company’s auditors.

On 10 January 2018, the Board unanimously resolved with the recommendation of the audit committee of the Company to (i) terminate the appointment of Pan-China (H.K.) CPA Limited (天健(香港)會計師事務所有限公司) (“**Pan-China HK**”) as the auditor of the Company; and (ii) engage Confucius International CPA Limited (天健國際會計師事務所有限公司) (“**Confucius**”) as the new auditor of the Company (together, the “**Change of Auditors**”), subject to the approval by the shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting (the “**EGM**”) to be convened and held by the Company.

In 2017, Pan-China Certified Public Accountants LLP (天健會計師事務所) (“**PCCPA**”), being one of the largest and reputable domestic accounting firms in China, appointed Confucius as its exclusive member firm in Hong Kong to replace Pan-China HK. PCCPA was established in December 1983 and currently has more than 5,000 employees, including more than 1,500 certified public accountants. PCCPA has more than ten offices in China and ranked the seventh among the top 100 local firms in 2016 published by The Chinese Institute of Certified Public Accountants (中國註冊會計師協會).

The reasons for the Board’s decision with respect to the proposed Change of Auditors are the Board is of the view that (i) the proposed Change of Auditors will enhance the annual financial reporting efficiency of the Company by continuing to engage PCCPA’s Hong Kong member firm who are supported by PCCPA’s professional expertise in Hong Kong and overseas; and (ii) the proposed Change of Auditors will reduce the overall operating expenses of the Group since the proposed audit fee of Confucius for the year ended 31 December 2017 is lower than that of Pan-China HK.

As at the date of this announcement, the Company has not yet received a letter of termination from Pan-China HK in relation to the proposed termination of its appointment as the auditor of the Company. In this regard, the Company will make an announcement for any update on the letter of termination. The Board and the audit committee of the Company confirm that, save for the reasons disclosed above, there are no other matter in connection with the proposed Change of Auditors that needs to be brought to the attention of holders of securities of the Company.

Pursuant to article 152(2), the Shareholders may, at any general meeting convened and held in accordance with the articles of association of the Company, by special resolution, remove the auditor of the Company at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another auditor in his stead for the remainder of his term. None of the Shareholders are required to abstain from voting at the EGM.

A circular containing, among others, further information on the proposed Change of Auditors together with a notice convening the EGM will be despatched to the Shareholders as soon as practicable.

On behalf of the Board
Baofeng Modern International Holdings Company Limited
Zheng Jingdong
Chairman

Hong Kong, 10 January 2018

As at the date of this announcement, the executive Directors are Mr. Zheng Jingdong and Mr. Leung Tsz Chung; the non-executive Director is Ms. Lin Weihuan; and the independent non-executive Directors are Ms. An Na, Mr. Chen Shaohua and Professor Zhao Jinbao.