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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)

**FURTHER UPDATE ANNOUNCEMENT REGARDING
PROPOSED CHANGE OF AUDITORS**

Reference is made to the announcements of the Company dated 10 January 2018 and 12 January 2018 in relation to the change of auditors of the Company (the “**Announcements**”). Unless otherwise stated herein, capitalised terms used in this announcement shall bear the same meanings as those defined in the Announcements.

On 15 January 2018, the Company received a letter of termination (the “**Termination Letter**”) from Pan-China HK in relation to the proposed Change of Auditors.

In the Termination Letter, Pan-China HK stated that:

“As required to be disclosed by section 441 of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants, we refer to the auditor’s report dated 28 July 2017 with respect to the consolidated financial statements of the Group for the year ended 31 December 2016, which stated that there were limitations of scope on i) recognition of certain of the Group’s intangible assets in accordance with International Accounting Standard 38 “Intangible Assets” issued by International Accounting Standards Board (“**IASB**”); and ii) the impairment assessment of the Group’s intangible assets in accordance with International Accounting Standard 36 “Impairment of assets” issued by IASB. We did not express an opinion on the consolidated financial statements as to whether they gave a true and fair view of the financial position of the Group as at 31 December 2016 and of the Group’s financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards.

Other than the above, we confirm that there are no matters regarding the proposed change of auditors that need to be brought to the attention of the Board and the Company’s shareholders.”

As advised by Confucius, Pan-China HK has verbally confirmed to Confucius that Pan-China HK will not issue a separate professional clearance letter to Confucius and all the relevant contents of a professional clearance letter have been put in the Termination Letter provided to the Company.

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

Hong Kong, 16 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.