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Centron Telecom International Holding Limited
(In Provisional Liquidation)

星辰通信国际控股有限公司

(臨時清盤中)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1155)

CHANGE OF AUDITOR

This announcement is made 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 “**Stock Exchange**”).

INTRODUCTION

The Board (the “**Board**”) of directors (the “**Directors**”, each a “**Director**”) of Centron Telecom International Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that, subject to the passing of relevant resolution(s) at an extraordinary general meeting of the Company (the “**EGM**”) to be convened, the Board proposes to remove Ernst & Young (“**EY**”) as auditors of the Company and to appoint ZHONGHUI ANDA CPA Limited (“**Zhonghui Anda**”) as the new auditors of the Group in place of EY to hold office until the conclusion of the next annual general meeting.

PROPOSED CHANGE OF AUDITOR

Trading in the shares of the Company has been suspended since 3 April 2018 due to the delay in publication of the Company’s annual results announcement for year ended 31 December 2017. As disclosed in the Company’s announcement dated 8 June 2018, the Stock Exchange subsequently issued a decision letter placing the Company in the first delisting stage under Practice Note 17 to the Listing Rules and imposed a series of resumption conditions for the Company to

fulfill before 5 December 2018 (the “**Resumption Conditions**”). The Resumption Conditions includes, amongst others, a requirement for the Company to publish all outstanding financial results and address any audit qualifications to the market.

The Company has been working closely with its various professional parties to fulfill the Resumption Conditions, including the publication of its annual results announcement for the year ended 31 December 2017 (the “**FY2017 Annual Results**”) at the earliest practicable date. The Company has been in the process of preparing all the necessary information for the purpose of the audit for the FY2017 Annual Results. As disclosed in the Company’s announcement dated 29 June 2018, due to the departure and shortage of staff of the Group as a probable result of the service on the Company of a winding up petition and other demands for repayment of debts, additional time is required for the Company to prepare the required information in order to finalise the audit for the FY2017 Annual Results. Accordingly, the Company and EY could not reach a consensus on any practicable timetables or indicative time required, for completing the audit for the FY2017 Annual Results. In addition, the Company and EY could not reach consensus on the settlement of outstanding audit fees or the new fee arrangement proposed by the Company.

After considering the facts and circumstances, the audit committee of the Company, having been delegated the power to oversee the effectiveness of the external auditors and to make recommendations to the Board on appointment and removal of auditors, provided that the Board should seek the approval of the shareholders of the Company (the “**Shareholders**”) to remove EY as the Company’s external auditors.

The Board confirms that EY has provided a letter dated 2 August 2018 to the Board and the audit committee of the Company (“**EY Letter**”) upon receipt of the notification from the Company on the proposed removal of auditor. EY stated the following in the EY Letter:

“During the course of the audit of the consolidated financial statements of the Group for the year ended 31 December 2017, we have been communicating to the management on outstanding matters since February 2018. Apart from oral communications, we also wrote to the audit committee and the board of directors on 29 March 2018, 17 April 2018, 11 May 2018 and 15 May 2018 to highlight

certain outstanding matters, which as at the date of this letter have not been received. These outstanding matters, include but are not limited to the following:

- The working capital forecast duly approved by the board of directors and the audit committee, incorporating the latest results of the Group and the final plans of the Group
- Any pending litigations of the Group, together with supporting information
- Updated information on settlements of trade receivables and sales of inventories subsequent to the end of the reporting period
- The final version of consolidation schedules and results announcement
- The financial statements and the final version of basis of preparation of the financial statements by the board of directors
- Guarantee agreements of the Company and the Chairman in connection with bank loans pursuant to the announcement made by the Company on 4 May 2018

In addition, we have communicated to the board of directors that, subject to the provision of relevant outstanding information from the Company and other facts and circumstances, a modified audit opinion is expected for the year ended 31 December 2017, which may either be a disclaimer of opinion or an adverse opinion.

Furthermore, there are outstanding audit fees due by the Company to us pursuant to the engagement arrangement letter dated 16 October 2017 entered into between the Company and us and for additional work undertaken.”

Save as the outstanding matters stated in the EY Letter and the outstanding audit fees due by the Company to EY, EY has confirmed that there are no circumstances or matters connected with the proposed change of the auditor which EY considered should be brought to the attention of the Shareholders.

As stated above, the Company is actively working with various professional parties to satisfy the Resumption Conditions imposed by the Stock Exchange, including the publication of its outstanding financial information as early as practicable. Having considered the strict timeline, the Board has resolved to appoint Zhonghui Anda as auditors of the Company to handle the final audit work for the FY2017 Annual Results, subject to the passing of the resolution(s) in relation to the proposed change of auditor at the EGM.

The audit committee of the Company has assessed and considered that Zhonghui Anda is an experienced accounting firm and is eligible and suitable to act as auditors of the Group.

COMPLIANCE WITH THE ARTICLES AND THE LISTING RULES

Pursuant to Article 155.(2) of the Company's articles of association (the "**Articles**"), Shareholders may, at any general meeting convened and held in accordance with the Articles, by special resolution remove the auditor 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. In accordance with the Articles, the change of auditor will be proposed at the EGM as a special resolution and the appointment of Zhonghui Anda will be proposed at the EGM as an ordinary resolution.

Pursuant to Rule 13.88 of the Listing Rules, the Company (a) 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) must send a circular proposing the removal of the auditor to shareholders with any written representations from the auditor not less than 10 business days before the general meeting, and (c) must allow the auditor to attend the general meeting and make written and/or verbal representations to shareholders at the general meeting. In this respect, a circular containing details of (amongst other things) the change of auditor (the "**Circular**") and notice of the EGM will be despatched to the Shareholders on or before 19 September 2018, and EY will be invited to attend the EGM to make written or verbal representations to the shareholders.

The Board, including the independent non-executive Directors, considered that the change of auditors is in the interests of the Company and the Shareholders and recommend the Shareholders to vote in favour of the resolutions at the EGM.

SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 3 April 2018 and will continue to suspend until further notice.

By order of the Board
Centron Telecom International Holding Limited
(In Provisional Liquidation)
Dai Guoliang
Chairman

Hong Kong, 3 September 2018

As at the date of this announcement, the Board comprises Mr. Dai Guoliang and Mr. Dai Guohuang as executive Directors, Mr. Wong Tang Thomas as non-executive Director and Mr. Chung Wai Man, Mr. Lam Tin Faat and Mr. Xiao Zufa as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.