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Koradior Holdings Limited
珂萊蒂爾控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3709)

PROPOSED CHANGE OF AUDITORS

The Board announces that, subject to the passing of the relevant resolutions at the EGM, KPMG shall be removed as the auditors of the Group and EY shall be appointed as the new auditors of the Group to fill the vacancy arising from the removal of KPMG and hold office until the conclusion of the next annual general meeting of the Company.

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Proposed Removal and the Proposed Appointment. A circular containing, among other matters, further information on the Proposed Removal and the Proposed Appointment, together with a notice convening the EGM, is expected to be dispatched to the Shareholders on or before 12 November 2018.

INTRODUCTION

This announcement is made by Koradior 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 an extraordinary general meeting of the Company (the “**EGM**”) to be convened and held, KPMG shall be removed as the auditors of the Group (the “**Proposed Removal**”) and Ernst & Young (“**EY**”) shall be appointed as the new auditors of the Group (the “**Proposed Appointment**”) to fill the vacancy arising from the Proposed Removal and hold office until the conclusion of the next annual general meeting of the Company.

PROPOSED REMOVAL OF AUDITORS

KPMG was re-appointed as auditors of the Group at the last annual general meeting of the Company held on 25 May 2018 to hold office until the conclusion of the next annual general meeting of the Company.

However, the Company and KPMG have been unable to reach a consensus on the audit fee of KPMG for the financial year ending 31 December 2018. 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, 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 KPMG with another big-four accounting firm, and made a recommendation to the Board to seek the approval of the Shareholders regarding the Proposed Removal of KPMG as the auditors of the Company and any of its subsidiaries.

The Board is of the view that the Proposed Removal 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 Removal is subject to the passing of a special resolution at the EGM pursuant to the articles of association of the Company (the “**Articles**”).

The Company has received a letter from KPMG confirming that there are no matters in connection with the Proposed Removal that need to be brought to the attention of the Shareholders.

PROPOSED APPOINTMENT OF AUDITORS

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

The Proposed Appointment of EY as auditors of the Group in place of KPMG is subject to the passing of an ordinary resolution at the EGM pursuant to the Articles.

IMPLICATIONS OF THE LISTING RULES

Pursuant to Article 152(2), the Shareholders may, at any general meeting convened and held in accordance with the Articles, 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 Articles and the Listing Rules, the Proposed Removal will be proposed at the EGM as a special resolution and the Proposed Appointment will be proposed at the EGM 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 Removal and the Proposed Appointment, together with a notice convening the EGM, to the Shareholders, also dispatch a copy to KPMG to invite them to attend the EGM to make written or verbal representations to the Shareholders at the EGM, 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 EGM

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Proposed Removal and the Proposed Appointment. A circular containing, among other matters, further information on the Proposed Removal and the Proposed Appointment, together with a notice convening the EGM, is expected be dispatched to the Shareholders on or before 12 November 2018.

By Order of the Board
Koradior Holdings Limited
JIN MING
*Chairman, Chief Executive Officer
and Executive Director*

Hong Kong, 5 November 2018

As at the date of this announcement, the Board comprises Mr. Jin Ming and Ms. He Hongmei as executive Directors; Mr. Yang Weiqiang and Mr. Deng Shigang as non-executive Directors; and Mr. Zhong Ming, Mr. Zhou Xiaoyu and Mr. Zhang Guodong as independent non-executive Directors.