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VESTATE GROUP HOLDINGS LIMITED

國投集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1386)

PROPOSED CHANGE OF AUDITOR

This announcement is made by VESTATE GROUP HOLDINGS LIMITED (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that Elite Partners CPA Limited (“**Elite Partners**”) will be ceased to act as the auditor of the Group (the “**Proposed Removal**”) upon passing relevant resolutions at the extraordinary general meeting to be convened and held by the Company (the “**EGM**”). CCTH CPA Limited (“**CCTH**”) will be appointed as the new auditor of the Group (the “**Proposed Appointment**”) to fill the vacancy following the Proposed Removal and to hold office until the conclusion of the next annual general meeting of the Company.

PROPOSED REMOVAL OF AUDITOR

At the last annual general meeting of the Company held on 27 September 2019, Elite Partners was re-appointed as the auditor of the Group and to hold office until the conclusion of the next annual general meeting of the Company. However, Elite Partners has increased the audit fee in comparison to the financial year of 2018–2019, in which the scope and volume of work has decreased. The Company and Elite Partners have been unable to reach a consensus on the audit fee; hence the Company believes that Elite Partners was unable to meet the budget requirement of the Company. As such, the Board proposes to terminate the appointment of Elite Partners.

The audit committee of the Company (the “**Audit Committee**”) is authorised to monitor the performance of external auditors and make recommendation to the Board on their appointment and removal. After considering the relevant facts and circumstances, the Audit Committee proposes that the Board should seek approval from the shareholders of the Company (the “**Shareholders**”) for the removal of Elite Partners as the external auditor of the Group. The Proposed Removal is subject to the passing of special resolutions at the EGM in accordance with the articles of association of the Company (the “**Articles of Association**”).

The Company has requested Elite Partners to provide a confirmation that there are no other matters that need to be brought to the attention of the Shareholders or creditors of the Company in relation to the Proposed Removal. Up to the announcement date, the Company has not received any written representations from Elite Partners.

To the best of the Directors’ knowledge, information and belief, save as disclosed above, there are no other circumstances or matters that need to be brought to the attention of the Shareholders in relation to the Proposed Removal.

PROPOSED APPOINTMENT OF AUDITOR

The Audit Committee has assessed and considered that CCTH is qualified and suitable to carry out duties of the auditor of the Group. The Board, with the recommendation by the Audit Committee, proposes to appoint CCTH as the new auditor of the Group and to hold office until the conclusion of the next annual general meeting of the Company. The Proposed Appointment is subject to the Proposed Removal becoming effective and the passing of ordinary resolutions in respect of the Proposed Appointment at the EGM.

IMPLICATIONS UNDER THE LISTING RULES

According to the article 155(2) of the Articles of Association, the Shareholders may remove the auditor before the expiration of its term of office by special resolution at the general meeting of the Company, 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 shareholders with any written representations from the auditor, not less than 21 clear 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 shareholders at the general meeting.

In compliance with the Articles of Association and the Listing Rules, each of the Proposed Removal and the Proposed Appointment will be proposed as special resolution and ordinary resolution at the EGM, respectively.

Accordingly, the Company will despatch to the Shareholders a circular containing, among other things, the further information on the Proposed Removal and the Proposed Appointment together with the notice of EGM, and despatch a copy of which to Elite Partners to invite him to attend the EGM and make written or verbal representations (if any) to the Shareholders at the EGM.

EGM

The EGM will be convened and held to consider and, if thought fit, approve the Proposed Removal and the Proposed Appointment. A circular containing the further information on the Proposed Removal and the Proposed Appointment together with the notice of EGM is expected to be despatched to the Shareholders on 21 May 2020.

By Order of the Board
Vestate Group Holdings Limited
ZHU Xiaojun
Chairman

Hong Kong, 21 May 2020

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As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. ZHU Xiaojun
Mr. KANG Jianming
Ms. CAI Jiaying
Mr. YIN Wansun

Independent non-executive Directors:

Ms. ZHAO Hong
Mr. CHAU Wai Hing
Mr. YU Lei