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**China Dongxiang (Group) Co., Ltd.**

**中國動向（集團）有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3818)**

## **CHANGE OF AUDITOR**

This announcement is made by China Dongxiang (Group) Co., Ltd. (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 “**Director(s)**”) of the Company has reviewed the need for a change of auditor to enhance the Company’s corporate governance, having considered that PricewaterhouseCoopers (“**PwC**”) has served as the auditor of the Company since 2007.

The Board hereby announces that, the audit committee of the Company (the “**Audit Committee**”) has obtained and reviewed audit proposals provided by other professional accounting firms possessing the necessary capabilities and competence (including technical know-how, industry knowledge and track record, manpower and other resources) to perform their duties as independent auditors, and considered their respective industry experience, resource allocation and their proposed audit fee for the financial year ending 31 March 2025 (“**FY2024/2025**”). After reviewing the proposals as provided by other professional accounting firms and the audit fee as quoted by PwC, the Board, with the recommendation of the Audit Committee, is satisfied that a change of the Company’s auditor would enhance the cost-effectiveness of the Company’s annual audit and maintain good corporate governance given the long tenure of PwC as auditor of the Company. It is in the interest of the Company and the shareholders of the Company (the “**Shareholders**”) as a whole.

Accordingly, the Board had informed PwC of the proposed change of the Company’s auditor and PwC agreed to resign as the auditor of the Company. The Board has received a letter from PwC giving notice of its resignation with effect from 30 September 2024.

The Company is incorporated under the laws of the Cayman Islands and to the knowledge of the Board, there is no requirement under the laws of the Cayman Islands for the resigning auditors to confirm whether or not there is any matter connected with their resignation which they consider should be brought to the attention of the Company's Shareholders. PwC has therefore not issued such confirmation.

The Board and the Audit Committee confirmed that there are no other disagreements or unresolved matters between the Company and PwC and there are no other matters or circumstances in connection with the change of auditors of the Company that need to be brought to the attention of the Shareholders.

As at the date of this announcement, PwC has not commenced any audit work of the Group for FY2024/2025. The Board believes that the change of auditors will not have any material impact on the annual audit of the Group for FY2024/2025.

The Board would like to take this opportunity to express its sincere gratitude to PwC for their professional and high quality services rendered to the Company in prior years.

The Board, with the recommendation of Audit Committee, has resolved to appoint Deloitte Touche Tohmatsu ("**Deloitte**") as the new auditor of the Company with effect from 30 September 2024 to fill the casual vacancy following the resignation of PwC. Deloitte should hold office until the conclusion of the next annual general meeting of the Company.

The Audit Committee has considered a number of factors in assessing the appointment of Deloitte as the new auditor of the Group, including but not limited to (i) the audit proposal of Deloitte; (ii) Deloitte's experience, industry knowledge and technical competence in providing audit work for companies listed on the Stock Exchange; (iii) its independence from the Group and objectivity; (iv) its resources and capabilities including manpower and time; and (v) the Guidance Notes on Change of Auditors issued by the Accounting and Financial Reporting Council.

Based on the above, the Audit Committee considered that Deloitte is eligible and suitable to act as the auditor of the Company. The Board and the Audit Committee are of the view that the change of auditors would enhance the cost effectiveness of the Company's annual audit, maintain good corporate governance measure and is in the interests of the Company and the Shareholders as a whole.

The Board would like to take this opportunity to extend its warm welcome to Deloitte on its appointment as the new auditor of the Company.

By order of the Board  
**China Dongxiang (Group) Co., Ltd.**  
**Chen Yihong**  
*Chairman*

Hong Kong, 30 September 2024

*As at the date of this announcement, the executive directors of the Company are Mr. Chen Yihong, Ms. Chen Chen and Mr. Lyu Guanghong; and the independent non-executive directors of the Company are Dr. Chen Guogang, Mr. Gao Yu and Mr. Liu Xiaosong.*