

CHINA YUANBANG PROPERTY HOLDINGS LIMITED

Registration Number 39247
(Incorporated in Bermuda)

PROPOSED CHANGE OF AUDITORS

INTRODUCTION

The Board of Directors (the “**Board**”) of China Yuanbang Property Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that the Company proposes to change the current joint external auditors of the Company, BDO Limited, Certified Public Accountants, Hong Kong (“**BDO HK**”) and BDO LLP, Public Accountants and Chartered Accountants, Singapore (“**BDO LLP**”) to Moore Stephens LLP (“**Moore Stephens**”) (the “**Proposed Change of Auditors**”).

PROPOSED CHANGE OF AUDITORS

At the last annual general meeting of the Company (“**AGM**”) held on 26 October 2018, the shareholders of the Company (“**Shareholders**”) had approved the re-appointment of BDO HK and BDO LLP as joint external auditors of the Company until the conclusion of the next AGM.

BDO HK and BDO LLP have been appointed as joint external auditors of the Company since the financial year ended 30 June 2011, and have served as the joint external auditors of the Company for 8 consecutive audits.

As part of the ongoing efforts of the Company to enhance its corporate governance as well as to manage its overall business costs and expenses, the Board is of the view that it would be appropriate and timely to effect a change of the auditors of the Company. In addition, the Board believes that the Proposed Change of Auditors may enable the Company to benefit from fresh perspectives and views of another professional audit firm and thereby enhance the value of the audit. Accordingly, the Board proposes to convene a special general meeting of the Company (“**SGM**”) to approve the Proposed Change of Auditors. In order to effect the Proposed Change of Auditors, the Company is required to comply with the provisions of the Companies Act 1981 of Bermuda (the “**Bermuda Companies Act**”), as described below.

REQUIREMENTS UNDER BERMUDA COMPANIES ACT AND LISTING MANUAL

Under Section 89(3) of the Bermuda Companies Act, a person, other than an incumbent auditor, shall not be capable of being appointed auditor at a general meeting unless notice in writing of an intention to nominate that person to the office of auditor has been given not less than 21 days before the general meeting, and the company shall send a copy of any such notice to the incumbent auditor, and shall give notice thereof to the members, either by advertisement in an appointed newspaper or in any other mode provided by the bye-laws of the company, not less than seven (7) days before the general meeting, provided that the incumbent auditor may by notice in writing to the secretary of the company waive the requirements of Section 89(3) of the Bermuda Companies Act which shall then not have effect.

The Company has, on 27 March 2019 received from Mr. Chen Jianfeng a notice in writing of an intention to nominate Moore Stephens LLP to the office of auditor of the Company and will comply with the requirements of Section 89(3) of the Bermuda Companies Act referred to above.

In connection with the Proposed Change of Auditors, Moore Stephens has requested and received from BDO HK and BDO LLP a written statement of the circumstances and the reasons why, in their

opinion, they are to be replaced as auditors of the Company, in accordance with Section 89(3A) of the Bermuda Companies Act. Moore Stephens has, via a letter dated 10 April 2019, given its written consent to act as external auditors of the Company, subject to the approval of Shareholders at the SGM to be convened for the Proposed Change of Auditors.

BDO HK and BDO LLP have provided the Company with their resignation letter dated 9 April 2019 stating, among others, the reasons for their resignation as joint external auditors of the Company. In addition, BDO HK and BDO LLP have confirmed to Moore Stephens, via a professional clearance letter dated 9 April 2019, that they are not aware of any professional reasons why Moore Stephens should not accept the appointment as external auditors of the Company, and have issued to Moore Stephens a written statement on 9 April 2019 of the circumstances and the reasons why, in their opinion, they are to be replaced in accordance with Section 89(3A) of the Bermuda Companies Act.

Pursuant to Rule 712(3) of the Listing Manual of the SGX-ST (the “**Listing Manual**”), the appointment of Moore Stephens as external auditors of the Company in place of BDO HK and BDO LLP must be specifically approved by Shareholders in a general meeting. The appointment of Moore Stephens as external auditors of the Company will therefore take effect upon approval of the same by Shareholders at the SGM to be convened for the Proposed Change of Auditors and, if appointed, Moore Stephens will hold office until the conclusion of the next AGM.

In accordance with the requirements of Rule 1203(5) of the Listing Manual:

- (a) BDO HK and BDO LLP, have confirmed that they are not aware of any professional reasons why Moore Stephens should not accept appointment as the new external auditors of the Company;
- (b) the Company confirms that there were no disagreements with BDO HK and BDO LLP on accounting treatments within the last 12 months from the date of this announcement;
- (c) the Company confirms that it is not aware of any circumstances connected with the proposed change of auditors that should be brought to the attention of the Shareholders;
- (d) the specific reasons for the proposed change of auditors are disclosed in paragraph 4 of this announcement; and
- (e) the Company confirms that it is in compliance with Rule 712 and Rule 715 of the Listing Manual in relation to the appointment of Moore Stephens as the new external auditors of the Company.

The Board would like to take this opportunity to express its appreciation to BDO HK and BDO LLP for past services rendered.

CIRCULAR

A circular to Shareholders containing further details on the Proposed Change of Auditors, together with the notice of SGM, will be despatched to Shareholders in due course.

BY ORDER OF THE BOARD

Huang Tak Wai
Chief Financial Officer / Company Secretary

Date: 10 April 2019