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**Yangzhou Guangling District Taihe Rural Micro-finance
Company Limited**

揚州市廣陵區泰和農村小額貸款股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 1915)

PROPOSED CHANGE OF AUDITORS

This announcement is made by Yangzhou Guangling District Taihe Rural Micro-finance Company 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 board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that the Company intends to dismiss Ernst & Young (“**EY**”) as the auditors of the Company (the “**Proposed Dismissal**”) subject to the passing of an ordinary resolution at an extraordinary general meeting to be convened and held by the Company (the “**EGM**”). With the recommendation of the audit committee of the Company (the “**Audit Committee**”), subject to the Proposed Dismissal becoming effective by way of passing an ordinary resolution at the EGM, the Board proposes to appoint Confucius International CPA Limited (“**CICPA**”) as the new auditors of the Company (the “**Proposed Appointment**”) to fill the vacancy arising from the Proposed Dismissal and hold office until the conclusion of the next annual general meeting of the Company.

PROPOSED DISMISSAL OF EY

EY was re-appointed as the auditors of the Company at the last annual general meeting of the Company held on 7 June 2024 to hold office until the conclusion of the next annual general meeting of the Company. However, the Company and EY have been unable to reach a consensus on the audit fee of EY for the financial year ending 31 December 2024.

After considering the facts and circumstances, the Audit Committee, 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 EY with another sizeable accounting firm, and therefore made a recommendation to the Board to seek the approval of the Shareholders regarding the Proposed Dismissal and the Proposed Appointment. The Proposed Dismissal is subject to the passing of an ordinary resolution at the EGM pursuant to the articles of association of the Company (the “**Articles of Association**”).

The Board believes that the Proposed Dismissal would allow the Company to implement effective cost control measures and reduce operating expenses, thereby enhancing the Group’s ability to adapt to future business development. The Board considers this decision to be in the best interest of the Company and its Shareholders as a whole.

The Company confirms that, save as the audit fee, there is no disagreement between the Company and EY. The Company has received a letter from EY confirming that, save for the outstanding audit fees due and payable by the Company, there are no matters in connection with the Proposed Dismissal that need to be brought to the attention of the holders of securities of the Company. 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 Dismissal.

The Board would like to express its sincere gratitude to EY for their professional services provided to the Company in the past years.

PROPOSED APPOINTMENT OF CICPA

The Audit Committee has considered a number of factors in assessing the appointment of CICPA as the auditors, including but not limited to (i) the audit proposal of CICPA; (ii) the proposed audit fees respectively provided by EY and CICPA; (iii) the experience and technical competence of CICPA in handling audit works for companies listed on The Stock Exchange of Hong Kong Limited; (iv) CICPA’s independence and objectivity; (v) the resources and capabilities of CICPA in providing audit services to listed companies; and (vi) the relevant guidelines issued by the Accounting and Financial Reporting Council. Based on the Audit Committee’s evaluation, the Audit Committee considered that CICPA is eligible, qualified and suitable to carry out duties of the auditors of the Company, the audit fees proposed by CICPA is commensurate with the extent of audit work required and

is more cost-effective, taking into account the current macroeconomic environment and the financial expenditures of the Group and the Proposed Appointment will not have any impact on the audit work of the Company for the financial year ending 31 December 2024.

The Board, with the recommendation of the Audit Committee, is of the view that CICPA is a sizeable accounting firm which should be able to devote appropriate and adequate resources to handle the Company's audit work for the financial year ending 31 December 2024, and therefore proposes to appoint CICPA as the new auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company. The Proposed Appointment is subject to the Proposed Dismissal becoming effective, the passing of an ordinary resolution in respect of the Proposed Appointment at the EGM pursuant to the Articles of Association and the completion of the relevant audit engagement acceptance procedures of CICPA.

IMPLICATIONS OF THE LISTING RULES

Pursuant to Article 170 of the Articles of Association, the appointment, dismissal or no re-appointment of an accounting firm by the Company shall be decided upon by the general meeting and reported to the securities regulatory and management authorities under the State Council for the filing and record.

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 of Association and the Listing Rules, each of the Proposed Dismissal and the Proposed Appointment will be proposed at the EGM as an ordinary resolution.

The Board confirms that, save as disclosed in this announcement, there are no other circumstances or matters in connection with the Proposed Dismissal and the Proposed Appointment that should be brought to the attention of the Shareholders.

Accordingly, the Company will despatch to the Shareholders a circular containing, among other things, further information on the Proposed Dismissal and the Proposed Appointment together with a notice convening the EGM (the “**Circular**”), and the Company will also despatch a copy of the Circular to EY to invite them to attend the EGM and make written and/or verbal representations (if any) to the Shareholders at the EGM.

THE EGM

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Proposed Dismissal and the Proposed Appointment. The Circular is expected be dispatched to the Shareholders on or before 24 December 2024.

By Order of the Board
**Yangzhou Guangling District Taihe Rural
Mirco-finance Company Limited**
Bo Wanlin
Chairman

Yangzhou, the People’s Republic of China, 24 December 2024

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Bo Wanlin, Ms. Bai Li and Mr. Zhang Yi; two non-executive Directors, namely Mr. Bo Nianbin and Mr. Zhang Zhuo; and two independent non-executive Directors, namely Ms. Zhang Lingling and Ms. Wang Chunhong.