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China Ludao Technology Company Limited

中國綠島科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2023)

CHANGE OF AUDITOR

This announcement is made by the board of directors (the “**Board**”) of China Ludao Technology Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

RESIGNATION OF AUDITOR

The Board announces that BDO Limited (“**BDO**”) resigned as the auditor of the Company at the request of the Company with effect from 29 November 2023 as the Company and BDO were unable to reach a consensus on the proposed audit fee for the audit of the Company’s consolidated financial statements for the financial year ending 31 December 2023 (the “**Financial Year 2023**”).

The audit committee of the Company (the “**Audit Committee**”) has obtained and reviewed audit fee proposals provided by other professional accounting firms which were more competitive in comparison with BDO’s audit fee proposal. In view of the more competitive fee proposals provided by other professional accounting firms possessing the necessary capabilities and competence (including technical know-how, industry knowledge, manpower and other resources) to perform its duties as the independent auditor, the Board, with the recommendation of the Audit Committee, is satisfied that the resignation of BDO is in the interest of the Company and the Shareholders of the Company (the “**Shareholders**”) as a whole.

BDO has confirmed that save as disclosed above, there is no other matter which need to bring to the attention of the Shareholders in relation to its resignation as the auditor of the Company. Save for the reason as disclosed above, the Board and the Audit Committee have confirmed that, except for the audit fee for the Financial Year 2023 as aforesaid, there is no disagreement between BDO and the Company and there is no matter in respect of the resignation of BDO that needs to be brought to the attention of the Shareholders.

The Board confirms that BDO has not yet commenced any review or audit work on the accounts of the Group for the Financial Year 2023. The Board believes that the change of auditors will not have any impact on the annual audit of the Group for the Financial Year 2023.

APPOINTMENT OF AUDITOR

The Board further announces that it has resolved, with the recommendation from the Audit Committee, to appoint WM CPA Limited (“WM”), as the new auditor to fill the casual vacancy immediately following the resignation of BDO with effect from 29 November 2023 and to 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 WM as the auditor, including but not limited to (i) the competence and calibre of WM including its audit experience; (ii) the audit proposal of WM; (iii) its independence from the Group and objectivity; (iv) its resources and capability including but not limited to manpower and time; and (v) the guidelines issued by the Accounting and Financial Reporting Council.

Based on the above, the Audit Committee has assessed and considered WM is eligible and suitable to act as the auditor for the annual audit of the Company for the Financial Year 2023. The Board and the Audit Committee are of the view that the change of auditor would enhance the cost-effectiveness of the Company’s annual audit and is in the interest of the Company and the Shareholders as a whole.

The Board would like to express its appreciation to BDO for their services rendered to the Company in the past years. The Board would also wish to welcome WM on its appointment as the auditor of the Company.

By Order of the Board
China Luda Technology Company Limited
Yu Yuerong
Chairman and Executive Director

Hong Kong, 29 November 2023

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Yu Yuerong, Mr. Wang Xiaobing and Ms. Pan Yili; and three independent non-executive directors, namely Mr. Chan Yin Tsung, Mr. Ruan Lianfa and Ms. Yau Kit Kuen Jean.