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## **TONGDA GROUP HOLDINGS LIMITED**

**通達集團控股有限公司**

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

**(Stock Code: 698)**

### **CHANGE OF AUDITOR**

This announcement is made by Tongda Group Holdings Limited (the “**Company**”, and 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 (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that as the Company and the Company’s auditor, Ernst & Young (“**EY**”), have not been able to reach an agreement on the audit fee for the financial year ending 31 December 2023, EY has resigned as the auditor of the Company with effect from 1 December 2023.

The audit committee of the Company (the “**Audit Committee**”) has reviewed the audit fee proposal provided by EY and considered that the estimated fee level may not commensurate with the current operation scale of the Group. The Audit Committee has also obtained and reviewed audit fee proposals provided by other professional accounting firms which were lower in comparison with EY’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 and track record, manpower and other resources) to perform its duties as the independent auditor, the Board, with the recommendation of the Audit Committee, informed EY of its decision to change auditor, and is satisfied that the ensuring resignation of EY is in the interest of the Company and the shareholders of the Company (the “**Shareholders**”) as a whole.

EY has confirmed in its letter of resignation dated 1 December 2023 that there are no matters in connection with its resignation that need to be brought to the attention of Shareholders. The Board and the Audit Committee have also confirmed that there are no other disagreements or unresolved matters between the Company and EY or other circumstances in respect of the above resignation that need to be brought to the attention of the Shareholders.

The Board further confirmed that EY has not yet commenced any audit work on the financial statements of the Group for the year ending 31 December 2023. It is therefore expected that the change of auditor will not have any significant impact on the annual audit of the Group for the year ending 31 December 2023 (“**2023 Audit**”).

The Board would like to express its sincere gratitude to EY for its professional and quality services rendered to the Group during the past years.

## **APPOINTMENT OF AUDITOR**

The Board further announces that, with the recommendation from the Audit Committee, D & Partners CPA Limited (“**D&P**”) has been appointed as the auditor of the Company with effect from 8 December 2023 to fill the casual vacancy following the resignation of EY 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 including but not limited to (i) the audit proposal of D&P; (ii) its experience, knowledge and technical competence in handling audit work for companies listed on the Stock Exchange; (iii) its independence from the Group and objectivity; (iv) its market reputation and track record; (v) the Group’s prior experience working with D&P; (vi) its resources and capabilities; and (vii) the guidelines issued by the Accounting and Financial Reporting Council. Based on the above, the Audit Committee has assessed and considered that D&P is eligible and suitable to act as the auditor for the 2023 Audit. The Board and the Audit Committee are of the view that the change of auditor would enhance the cost-effectiveness of the Company’s audit and is in the interest of the Company and its Shareholders as a whole.

The Board would like to take this opportunity to extend its welcome to D&P as the new auditor.

By order of the Board  
**Tongda Group Holdings Limited**  
**Wang Ya Nan**  
*Chairman*

Hong Kong, 8 December 2023

*As at the date of this announcement, the Board comprises Mr. Wang Ya Nan, Mr. Wang Hung Man, Mr. Wong Ming Sik, Mr. Wong Ming Yuet and Mr. Hui Wai Man as executive Directors; Ms. Chan Sze Man as non-executive Director; and Dr. Yu Sun Say, GBM, GBS, SBS, JP, Mr. Cheung Wah Fung, Christopher, GBS, SBS, JP, Mr. Ting Leung Huel Stephen and Mr. Sze Irons, BBS, JP as independent non-executive Directors.*