
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Centron Telecom International Holding Limited (In Provisional Liquidation), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CENTRON TELECOM INTERNATIONAL HOLDING LIMITED

(In Provisional Liquidation)

星辰通信国际控股有限公司

(臨時清盤中)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1155)

**(1) PROPOSED CHANGE OF AUDITORS;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

The notice convening the EGM of Centron Telecom International Holding Limited (In Provisional Liquidation) to be held at Admiralty Conference Centre, 1804A, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Tuesday, 16 October 2018 at 3:00 p.m. is set out on pages EGM-1 to EGM-2 of this circular.

Whether or not you are attending the meeting, please complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event no later than 48 hours before the time appointed for holding the EGM (or any adjourned meeting). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish and, in such event, the relevant form of proxy shall be deemed to be revoked.

19 September 2018

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DEFINITIONS

In this circular and the appendices the following expressions have the following meanings unless the context otherwise requires:

“Appointment”	the proposed appointment of Zhonghui Anda as the new auditors of the Company, subject to the approval of the Shareholders at the EGM
“Articles”	the articles of association of the Company as may be amended from time to time
“Board”	the board of Directors
“Company”	Centron Telecom International Holding Limited (In Provisional Liquidation), a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the main board of the Stock Exchange with stock code 1155
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held on Tuesday, 16 October 2018 at 3:00 p.m.
“EY”	Ernst & Young, the existing auditors of the Company
“FY 2017 Annual Results”	annual results announcement of the Company for the year ended 31 December 2017
“Group”	collectively, the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	12 September 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Change of Auditors”	collectively, the Removal and the Appointment
“Removal”	the proposed removal of EY as the auditors of the Company, subject to the approval of the Shareholders at the EGM
“Resumption Conditions”	Resumption Conditions imposed by the Stock Exchange to the Company, as published in an announcement of the Company dated 8 June 2018
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s) in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhonghui Anda”	ZHONGHUI ANDA CPA Limited

LETTER FROM THE BOARD



CENTRON TELECOM INTERNATIONAL HOLDING LIMITED

(In Provisional Liquidation)
星辰通信国际控股有限公司
(臨時清盤中)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1155)

Executive Directors:

Mr. Dai Guoliang (Chairman)
Mr. Dai Guohuang

Non-executive Director:

Mr. Wong Tang Thomas

Independent non-executive Directors:

Mr. Chung Wai Man
Mr. Lam Tin Faat
Mr. Xiao Zufa

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Unit D, 12th Floor
Seabright Plaza
9-23 Shell Street
North Point
Hong Kong

19 September 2018

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED CHANGE OF AUDITORS;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 3 September 2018 in relation to the Proposed Change of Auditors.

The purpose of this circular is to provide the Shareholders with further details of the Proposed Change of Auditors to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the EGM.

LETTER FROM THE BOARD

2. PROPOSED CHANGE OF AUDITORS

Trading in the Shares has been suspended since 3 April 2018 due to the delay in publication of the FY 2017 Annual Results. As disclosed in the Company's announcement dated 8 June 2018, the Stock Exchange subsequently issued a decision letter placing the Company in the first delisting stage under Practice Note 17 to the Listing Rules and imposed a series of Resumption Conditions for the Company to fulfill. The first delisting stage will expire on 5 December 2018. The Resumption Conditions include, amongst others, a requirement for the Company to publish all outstanding financial results and address any audit qualifications to the market.

The Company has been working closely with its various professional parties to fulfill the Resumption Conditions, including the publication of its FY2017 Annual Results at the earliest practicable date. The Company has been in the process of preparing all the necessary information for the purpose of the audit for the FY2017 Annual Results. As disclosed in the Company's announcement dated 29 June 2018, due to the departure and shortage of staff of the Group as a probable result of the service on the Company of a winding-up petition and other demands for repayment of debts, additional time is required for the Company to prepare the required information in order to finalise the audit for the FY2017 Annual Results. Accordingly, the Company and EY could not reach a consensus on any practicable timetables or indicative time required, for completing the audit for the FY2017 Annual Results. In addition, the Company and EY could not reach consensus on the settlement of outstanding audit fees or the new fee arrangement proposed by the Company.

After considering the facts and circumstances, the audit committee of the Company, having been delegated the power to oversee the effectiveness of the external auditors and to make recommendations to the Board on appointment and removal of auditors, provided that the Board should seek the approval of the Shareholders to remove EY as the Company's external auditors.

The Board confirms that EY has provided a letter dated 2 August 2018 to the Board and the audit committee of the Company ("**EY Letter**") upon receipt of the notification from the Company on the proposed removal of auditor. EY stated the following in the EY Letter:

"During the course of the audit of the consolidated financial statements of the Group for the year ended 31 December 2017, we have been communicating to the management on outstanding matters since February 2018. Apart from oral communications, we also wrote to the audit committee and the board of directors on 29 March 2018, 17 April 2018, 11 May 2018 and 15 May 2018 to highlight certain outstanding matters, which as at the date of this letter have not been received. These outstanding matters, include but are not limited to the following:

- The working capital forecast duly approved by the board of directors and the audit committee, incorporating the latest results of the Group and the final plans of the Group
- Any pending litigations of the Group, together with supporting information

LETTER FROM THE BOARD

- Updated information on settlements of trade receivables and sales of inventories subsequent to the end of the reporting period
- The final version of consolidation schedules and results announcement
- The financial statements and the final version of basis of preparation of the financial statements by the board of directors
- Guarantee agreements of the Company and the Chairman in connection with bank loans pursuant to the announcement made by the Company on 4 May 2018

In addition, we have communicated to the board of directors that, subject to the provision of relevant outstanding information from the Company and other facts and circumstances, a modified audit opinion is expected for the year ended 31 December 2017, which may either be a disclaimer of opinion or an adverse opinion.

Furthermore, there are outstanding audit fees due by the Company to us pursuant to the engagement arrangement letter dated 16 October 2017 entered into between the Company and us and for additional work undertaken.”

Save as the outstanding matters stated in the EY Letter and the outstanding audit fees due by the Company to EY, EY has confirmed that there are no circumstances or matters connected with the proposed change of the auditor which EY considered should be brought to the attention of the Shareholders.

As stated above, the Company is actively working with various professional parties to satisfy the Resumption Conditions imposed by the Stock Exchange, including the publication of its outstanding financial information as early as practicable. Having considered the strict timeline, the Board resolved to appoint Zhonghui Anda as auditors of the Company to handle the final audit work for the FY 2017 Annual Results, subject to the passing of the resolution(s) in relation to the Proposed Change of Auditors at the EGM.

The audit committee of the Company has assessed and considered that Zhonghui Anda is an experienced accounting firm and is eligible and suitable to act as auditors of the Group.

3. COMPLIANCE WITH THE ARTICLES AND THE LISTING RULES

Pursuant to Article 155.(2) of the Articles, Shareholders may, at any general meeting convened and held in accordance with the Articles, by special resolution remove the auditors at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another auditor in his stead for the remainder of his term. In accordance with the Articles, the change of auditors will be proposed at the EGM as a special resolution and the appointment of Zhonghui Anda will be proposed at the EGM as an ordinary resolution.

LETTER FROM THE BOARD

Pursuant to Rule 13.88 of the Listing Rules, the Company (a) must not remove its auditors before the end of the auditors' term of office without first obtaining the Shareholders' approval at a general meeting, (b) must send a circular proposing the removal of the auditors to the Shareholders with any written representations from the auditors not less than 10 business days before the general meeting, and (c) must allow the auditors to attend the general meeting and make written and/or verbal representations to the Shareholders at the general meeting. In this respect, the EGM will be held and EY will be invited to attend the EGM to make written or verbal representations to the Shareholders.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be conducted by way of poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the EGM will therefore demand a poll for the resolutions relating to the Removal and the Appointment at the EGM in accordance with the procedures set out in the Articles. The results of the poll shall be deemed to be the resolution of the general meeting in which the poll was demanded or required and the poll results will be published on the websites of the Stock Exchange and the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

4. EXTRAORDINARY GENERAL MEETING

The notice convening the EGM to be held at Admiralty Conference Centre, 1804A, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Tuesday, 16 October 2018 at 3:00 p.m. is set out on pages EGM-1 to EGM-2 of this circular.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder was required to abstain from voting on the resolutions to be proposed at the EGM.

A form of proxy for the EGM is enclosed. Whether or not you are attending the meeting, please complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event no later than 48 hours before the time appointed for holding the EGM (or any adjourned meeting). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish, in such event, the relevant form of proxy shall be deemed to be resolved.

5. RECOMMENDATION

The Board, including the independent non-executive Directors, considered that each of the Removal and the Appointment is in the interests of the Company and the Shareholders and recommends the Shareholders to vote in favour of the resolutions at the EGM.

LETTER FROM THE BOARD

6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

7. GENERAL

Your attention is also drawn to the notice convening the EGM.

The English texts of this circular and the accompanying proxy form shall prevail over the Chinese texts in case of inconsistency.

Yours faithfully,
By Order of the Board
Centron Telecom International Holding Limited
(In Provisional Liquidation)
Dai Guoliang
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING



CENTRON TELECOM INTERNATIONAL HOLDING LIMITED

(In Provisional Liquidation)

星辰通信国际控股有限公司

(臨時清盤中)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1155)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Centron Telecom International Holding Limited (In Provisional Liquidation) (the “**Company**”) will be held at Admiralty Conference Centre, 1804A, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Tuesday, 16 October 2018 at 3:00 p.m. for the following purposes:

SPECIAL RESOLUTION

1. “**THAT** Ernst and Young be and is hereby removed as the auditors of the Company pursuant to article 155.(2) of the articles of association of the Company with immediate effect after the conclusion of this extraordinary general meeting.”

ORDINARY RESOLUTION

2. “**THAT** conditional upon the passing of the special resolution 1 above, ZHONGHUI ANDA CPA Limited be and is hereby appointed as the auditors of the Company pursuant to article 155.(2) of the articles of association of the Company with immediate effect after the conclusion of this extraordinary general meeting and to hold office until the conclusion of the forthcoming annual general meeting of the Company, and the board of directors (“**Board**”) of the Company be and is hereby authorised to fix their remuneration.”

Yours faithfully,

By Order of the Board

Centron Telecom International Holding Limited
(In Provisional Liquidation)

Dai Guoliang

Chairman

Hong Kong, 19 September 2018

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (a) Any shareholder of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder of the Company who is the holder of two or more shares of the Company may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy need not be a shareholder of the Company.
- (b) In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.
- (c) To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting (or any adjourned meeting).
- (d) Completion and return of the form of proxy will not preclude members from attending and voting at the extraordinary general meeting and in such event, the relevant form of proxy shall be deemed to be revoked.
- (e) In compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the articles of association of the Company, all resolutions set out in this notice of the extraordinary general meeting will be voted on by way of poll.
- (f) As at the date of this notice, the Board comprises Mr. Dai Guoliang and Mr. Dai Guohuang as the executive Directors, Mr. Wong Tang Thomas as the non-executive Director and Mr. Chung Wai Man, Mr. Lam Tin Faat and Mr. Xiao Zufa as the independent non-executive Directors.