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SHENWAN HONGYUAN (H.K.) LIMITED

申萬宏源（香港）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 218)

PROPOSED CHANGE OF AUDITOR

This announcement is made by Shenwan Hongyuan (H.K.) 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 (the “**Listing Rules**”).

RESIGNATION OF AUDITOR

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that the Company has reached a mutual understanding with KPMG (“**KPMG**”) and that KPMG has resigned as auditor of the Company with effect from 10 December 2024. For the purpose of maintaining good corporate governance, the Board is of the view that the Company’s auditor should be considered for rotation after an appropriate period of time. As KPMG has been the auditor of the Company for 8 consecutive financial periods, the Board discussed the rotation plan with KPMG who agreed to resign as the auditor of the Company.

KPMG has confirmed in its letter of resignation, that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders (the “**Shareholders**”) or the creditors of the Company. The Board is not aware of any disagreements between the Company and KPMG, or other matters save as disclosed above in relation to the resignation of KPMG that need to be brought to the attention of the Shareholders.

The Board and the audit committee of the Company (the “**Audit Committee**”) expect that the change of auditor of the Company will not have any material impact on the annual audit of the Group for the year ending 31 December 2024.

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

APPOINTMENT OF AUDITOR

The Board, with the recommendation of the Audit Committee, has resolved to propose to appoint Deloitte Touche Tohmatsu (“**Deloitte**”) as the new auditor of the Company to fill the vacancy following the resignation of KPMG and to hold office until the conclusion of the next annual general meeting of the Company. The Board proposed the appointment of Deloitte as the new auditor of the Company will be subject to the appointment acceptance assessment from Deloitte, and the approval by the Shareholders at the extraordinary general meeting (the “**EGM**”) of the Company to be held and convened.

The Audit Committee has considered a number of factors in assessing the appointment of Deloitte as the new auditor of the Company, including but not limited to (i) the audit plan of Deloitte; (ii) its experience and technical competence in handling audit works for companies listed on The Stock Exchange of Hong Kong Limited; (iii) its independence and objectivity; (iv) its proposed audit fee; (v) its resources and capabilities; and (vi) the guidelines issued by the Accounting and Financial Reporting Council.

Based on the above, the Board and the Audit Committee have assessed and considered that: (i) Deloitte is independent, qualified and suitable to act as the new auditor of the Company; (ii) by reference to the scale of the Group’s business operations and assets, the audit fee agreed with Deloitte is commensurate with the scope of audit works required by the Group; and (iii) the appointment of Deloitte will maintain the quality of the audits and is in the interest of the Company and the Shareholders as a whole.

A circular containing, among other things, details of the proposed appointment of new auditor of the Company together with a notice of the EGM will be despatched to the Shareholders in due course.

By order of the Board
Shenwan Hongyuan (H.K.) Limited
Liang Jun
Executive Director & Chief Executive Officer

Hong Kong, 10 December 2024

As at the date of this announcement, the Board comprises seven Directors, of which Ms. Wu Meng, Mr. Tan Weijun, Mr. Liang Jun and Mr. Hu Jing are the Executive Directors; Mr. Zhang Lei is the Non-Executive Director; Mr. Kwok Lam Kwong Larry and Mr. Liu Chijin are the Independent Non-Executive Directors.