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申萬宏源集團股份有限公司
SHENWAN HONGYUAN GROUP CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6806)

PROPOSED CHANGE OF AUDITORS

This announcement is made by Shenwan Hongyuan Group Co., Ltd. (the “**Company**”) in accordance with Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of the Company hereby announces that, pursuant to the requirements of the Administrative Measures for State-owned Financial Enterprises to Select and Engage Accounting Firms (Cai Jin [2020] No. 6) (《國有金融企業選聘會計師事務所管理辦法》(財金[2020]6號)) issued by the Ministry of Finance of the People's Republic of China, the consecutive terms of office of KPMG Huazhen LLP, previously engaged by the Company as its auditor, will reach the longest consecutive terms of office upon completion of the audit for 2020. According to relevant requirements, the Company organised and completed the selection and engagement of auditors for 2021, and proposed to engage PricewaterhouseCoopers Zhong Tian LLP (“**PwC Zhong Tian**”) and PricewaterhouseCoopers (“**PwC Hong Kong Branch**”, together with PwC Zhong Tian, the “**PwC**”) as the auditors of the Company for 2021 to provide relevant domestic and overseas audit, review and other services in accordance with the Accounting Standards for Enterprises of China and the International Financial Reporting Standards, respectively. As a transitional arrangement for change of auditors, the Company continued to engage KPMG Huazhen LLP to implement the agreed procedures for the Company's financial statements for the three months from 1 January to 31 March 2021.

The Board proposes to engage PwC Zhong Tian and PwC Hong Kong Branch as the Company's auditors for 2021, to be responsible for the provision of the relevant domestic and overseas audit and review services in accordance with the Accounting Standards for Enterprises of China and the International Financial Reporting Standards, respectively; and to approve the engagement of PwC Zhong Tian as the Company's internal audit control institution for 2021 with an audit fee, including the fee for internal control, for 2021 amounting to RMB5.68 million.

The proposed engagement shall be subject to the approval of the shareholders of the Company at the annual general meeting of the Company for 2020. It will be also proposed to authorize the Board at the annual general meeting of the Company for 2020 to determine increases or decreases of the audit fee due to the change of the audit scope and content. The engagement of PwC shall take effect from the date of approval by the annual general meeting of the Company for 2020.

The Company's auditors for 2020 (KPMG Huazhen LLP and KPMG) have confirmed that there are no matters that are required to be brought to the attention of shareholders in relation to their termination of services. The Board and the Audit Committee also confirm that there are no disagreements or unresolved matters between them, KPMG Huazhen LLP and KPMG and they are not aware of any matters that are required to be brought to the attention of shareholders.

The notice of the annual general meeting of the Company for 2020 and the circular containing the details of the above proposal will be dispatched to the shareholders of the Company in due course.

By order of the Board
Shenwan Hongyuan Group Co., Ltd.
Chu Xiaoming
Chairman

Beijing, PRC
19 April 2021

As at the date of this announcement, the Board comprises Mr. Chu Xiaoming and Mr. Yang Wenqing as executive directors; Mr. Chen Jianmin, Mr. Wang Honggang, Ms. Ge Rongrong, Mr. Ren Xiaotao and Mr. Zhang Yigang as non-executive directors; Ms. Ye Mei, Mr. Xie Rong, Ms. Huang Danhan and Ms. Yeung Siuman Shirley as independent non-executive directors.