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**Sunkwan Properties Group Limited**

**上坤地產集團有限公司**

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

**(Stock Code: 6900)**

## **(1) CHANGE OF AUDITORS**

**AND**

## **(2) RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHANGE IN COMPOSITION OF BOARD COMMITTEES**

### **(1) CHANGE OF AUDITORS**

This announcement is made by Sunkwan Properties Group 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 “**Stock Exchange**”).

### **RESIGNATION OF AUDITOR**

The board of directors of the Company (the “**Board**”) hereby announces that Ernst & Young (“**EY**”) resigned as the auditor of the Company as requested by the Board with effect from 30 June 2023, as the Board considered the factor of cost effectiveness of the Company and could not reach a consensus with EY on the level of audit fees for the year ending 31 December 2023 (“**FY2023**”).

EY had confirmed in its letter of resignation that, up to the date of its resignation, due to the lack of agreement with the Company on the proposed audit fee for FY2023, it has not commenced any work on the consolidated financial statements of the Group for FY2023. Except for the above, there are no matters in connection with the resignation of EY as the Company’s auditor that needs to be brought to the attention of the shareholders and creditors of the Company.

The Board and the audit committee of the Company (the “**Audit Committee**”) have confirmed that there are no disagreements or unresolved matters between the Company and EY and there are no matters that needs to be brought to the attention of the shareholders and creditors of the Company.

The Board would like to express its gratitude to EY for its professional services rendered to the Company over the years.

### **APPOINTMENT OF AUDITOR**

The Board further announces that, with the recommendation from the Audit Committee, it has resolved to appoint Prism Hong Kong and Shanghai Limited (“**Prism**”) as the new auditor of the Company for the audit of FY2023 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 official appointment of Prism is subject to the completion of the audit engagement acceptance procedures which are now being conducted.

The Board wishes to express its warm welcome to Prism on its appointment as the auditor of the Company.

## **(2) RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHANGE IN COMPOSITION OF BOARD COMMITTEES**

The Board hereby announces that Mr. Zhou Zheren (“**Mr. Zhou**”) resigned as an independent non-executive Director due to his other business commitments with effect from 1 July 2023, and ceased to be a member of each of the Audit Committee, the remuneration committee (the “**Remuneration Committee**”) and the nomination committee (the “**Nomination Committee**”) of the Company.

Mr. Zhou has confirmed that he has no disagreement with the Board and that there are no other matters in relation to his resignation that need to be brought to the attention of the shareholders of the Company or to the attention of the Stock Exchange.

The Board would like to express its sincere gratitude to Mr. Zhou for his contribution to the Company during his tenure of office.

## **NON-COMPLIANCE WITH RULES 3.10(1), 3.21, 3.25 AND 3.27A OF THE LISTING RULES**

Following the resignation of Mr. Zhou, the composition of the Board comprises two executive Directors, two non-executive Directors and two independent non-executive Directors and hence the number of the independent non-executive Directors and the members of each of the Audit Committee, Remuneration Committee and Nomination Committee has fallen below the minimum number required under Rules 3.10(1), 3.21, 3.25 and 3.27A of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The Board is in the process of identifying a suitable candidate to fill the vacancies of the independent non-executive Director and of the member of each of the Audit Committee, Remuneration Committee and Nomination Committee and will use its best endeavours to ensure that a suitable candidate is appointed as soon as practicable and, in any event, within three-months from the date of Mr. Zhou’s resignation pursuant to Rules 3.11, 3.23 and 3.27 of the Listing Rules. The Company will make further announcement(s) as and when appropriate.

By Order of the Board  
**Sunkwan Properties Group Limited**  
**Zhu Jing**  
*Chairwoman*

Hong Kong, 30 June 2023

*As at the date of this announcement, the Board comprises Ms. Zhu Jing and Ms. Sheng Jianjing as executive directors, Mr. Lin Jinfeng and Ms. Lin Zhaohong as non-executive directors and Mr. Guo Shaomu, Mr. Au Yeung Po Fung and Mr. Zhou Zheren as independent non-executive directors.*