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## CHINA SCE GROUP HOLDINGS LIMITED

中駿集團控股有限公司

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

**(Stock Code: 1966)**

### CHANGE OF AUDITOR

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of China SCE Group Holdings Limited (the “**Company**”, and 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 hereby announces that Ernst & Young (“**EY**”) has resigned as the auditor of the Company with effect from 29 December 2023 as the Company and EY could not reach an agreement on the audit fee in respect of the audit of the consolidated financial statements of the Group for the financial year ending 31 December 2023 (the “**2023 Audit**”).

The audit committee of the Board (the “**Audit Committee**”) has reviewed the audit fee proposal provided by EY and considered that the estimated fee level may not be commensurate with the current operating 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 audit fee proposals provided by other professional accounting firms possessing the necessary capabilities and competence to perform duties as the independent auditor, the Board, with the recommendation from the Audit Committee, had indicated to EY the intention to reject its audit fee proposal, 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 29 December 2023 that except for the disagreement in audit fee as a result of increase in audit work in relation to going concern matter, there are no matters in connection with its resignation as the auditor of the Company that need to be brought to the attention of the Shareholders. The Board and the Audit Committee also confirm that, save as disclosed above, there are no disagreement or unresolved matters between the Company and EY, and there are no other matters in connection with the resignation of EY that need to be brought to the attention of the Shareholders.

The Board further confirmed that EY is finalising the audit planning for the 2023 Audit. It is therefore expected that the change of auditor will not have any significant impact on the 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, in accordance with the articles of association of the Company and with the recommendation from the Audit Committee, it has resolved to appoint Prism Hong Kong and Shanghai Limited (“**Prism**”) as the auditor of the Company with effect from 29 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.

In connection with the appointment of Prism as the auditor of the Company, the Audit Committee has considered a number of factors, including but not limited to (i) the proposed audit plan and fee of Prism; (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) its resources and capabilities; and (vi) the guidelines issued by the Accounting and Financial Reporting Council. Based on the above, the Audit Committee has assessed and considered that Prism is eligible and suitable to act as the auditor of the Company 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 2023 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 Prism on its appointment as the auditor of the Company.

By order of the Board  
**China SCE Group Holdings Limited**  
**Wong Chiu Yeung**  
*Chairman*

Hong Kong, 29 December 2023

*As at the date of this announcement, the executive Directors are Mr. Wong Chiu Yeung, Mr. Chen Yuanlai, Mr. Cheng Hiu Lok, Mr. Huang Youquan and Mr. Wong Lun, and the independent non-executive Directors are Mr. Ting Leung Huel Stephen, Mr. Dai Yiyi and Mr. Mao Zhenhua.*