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盛源控股有限公司

SHENG YUAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 851)

CHANGE OF AUDITOR

This announcement is made by the Board of Directors (the “**Board**”) of Sheng Yuan Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

RESIGNATION OF AUDITOR

The Board announces that, BDO Limited (“**BDO**”) tendered its resignation as the auditor of the Company with effect from 31 October 2024 as BDO and the Company could not reach a consensus on the proposed audit fee for the financial year ending 31 December 2024. BDO confirmed that, except for the above, there are no other matters in relation to its resignation as the auditor of the Company which need to be brought to the attention of the shareholders of the Company (the “**Shareholders**”).

Save for the reason as disclosed above, the Board and the audit committee of the Company (“**Audit Committee**”) confirmed that there is no disagreement between BDO and the Company and there are no other matters in respect of the resignation of BDO that need to be brought to the attention of the Shareholders.

As at the date of this announcement, BDO has not commenced any audit work on the consolidated financial statements of the Group for the financial year ending 31 December 2024. Therefore, the Board and the Audit Committee expect that the change of auditor 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 express its appreciation to BDO for its professional services rendered to the Group in the past years.

APPOINTMENT OF AUDITOR

The Board has resolved, with the recommendation of the Audit Committee, to appoint Beijing Xinghua Caplegend CPA Limited (“**Beijing Xinghua**”) as the new auditor of the Company to fill the casual vacancy following the resignation of BDO with effect from 31 October 2024 and to hold office until the conclusion of the next annual general meeting of the Company.

The Audit Committee has considered a number of factors in assessing the appointment of Beijing Xinghua as the Company’s auditor, including but not limited to (i) its service proposal (including scope of work, audit fee and audit timeline); (ii) its team members’ experiences and capabilities, including their industry knowledge and technical competence in providing audit work for companies listed on the Stock Exchange; (iii) its familiarity with the requirements under the Listing Rules, Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the Hong Kong Financial Reporting Standards; (iv) its independence from the Group, ensuring objectivity; (v) its resources and capabilities; and (vi) the guidelines issued by the Accounting and Financial Reporting Council.

On the basis of the foregoing and after careful consideration, the Board and the Audit Committee are of the view that (i) Beijing Xinghua is eligible and suitable to act as the new auditor of the Company; (ii) the audit fee agreed with Beijing Xinghua is commensurate with the extent of audit work required by the Group with reference to the size of the Group’s business operations; and (iii) the appointment of Beijing Xinghua is in the interest of the Company and the Shareholders as a whole.

The Board would like to take this opportunity to express its warm welcome to Beijing Xinghua on its appointment as the auditor of the Company.

By order of the Board
Sheng Yuan Holdings Limited
Zhou Quan
Executive Director

Hong Kong, 31 October 2024

As at the date of this announcement, the Board consists of Mr. Zhou Quan and Mr. Zhao Yun (all being executive Directors), Mr. Huang Shuanggang (being a non-executive Director), Mr. Zhang Jinfan, Ms. Huang Qin and Mr. Guo Yaoli (all being independent non-executive Directors).