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## **Wan Kei Group Holdings Limited**

**宏基集團控股有限公司**

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

**(Stock Code: 1718)**

## **PROPOSED CHANGE OF AUDITOR**

This announcement is made by the board (the “**Board**”) of directors (the “**Director(s)**”) of Wan Kei Group Holdings 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 hereby announces that HLB Hodgson Impey Cheng Limited (“**HLB**”) will resign as the auditors of the Company with effect from the date of conclusion of the EGM (as defined below) as the Company could not reach consensus with HLB on the audit fee in respect of the audit of the consolidated financial statements of the Group for the year ending 31 March 2024 (the “**Resignation**”).

The Board, with the recommendation of the audit committee of the Company (the “**Audit Committee**”), confirmed that the Resignation is in the interests of the Company and the shareholders of the Company (the “**Shareholders**”) as a whole. The Board would like to inform the Shareholders and potential investors of the Company that HLB has tendered its resignation as the auditors of the Company with effect from the date of conclusion of the EGM (as defined below).

The Company is incorporated under the laws of the Cayman Islands and to the knowledge of the Board there is no requirement under the laws of the Cayman Islands for the resigning auditors to confirm whether or not there is any circumstance connected with their resignation which they consider should be brought to the attention of the Shareholders. HLB has therefore not issued such confirmation.

HLB confirmed in its resignation letter dated on 26 February 2024 that HLB and the Company were not able to reach a consensus on the audit fee for the financial year ending 31 March 2024. The Board and the Audit Committee have confirmed that save as the audit fee, there are no disagreements or unresolved matters between the Company and HLB, and that they are not aware of any matter in connection with the Resignation that need to be brought to the attention of the Shareholders. As at the date of this announcement, the Board confirmed that HLB has not yet commenced any audit work on the consolidated financial statements of the Group for the year ending 31 March 2024 (the “**2023/24 Audit**”). The Board therefore believes that the change of auditor will not have any significant impact on the annual audit, i.e. the 2023/24 Audit.

The Board would like to take this opportunity to express its sincere gratitude to HLB for its professional services and support rendered to the Group in the past years.

## **PROPOSED APPOINTMENT OF AUDITOR**

With the recommendation of the Audit Committee, the Board had resolved to propose the appointment of Ascenda Cachet CPA Limited (“**Ascenda Cachet**”) as the auditors of the Company to fill the vacancy following the Resignation and to hold office until the conclusion of the next annual general meeting of the Company, subject to the approval by the Shareholders.

In recommending Ascenda Cachet as the auditors of the Company for the year ending 31 March 2024, the Audit Committee has considered a number of factors in assessing the proposed appointment of Ascenda Cachet as the new auditors of the Company, including but not limited to (i) the service proposal of Ascenda Cachet; (ii) its experience, knowledge and technical competence in providing audit work for many 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 capability including but not limited to manpower and time; (vi) the Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors (the “**Guide**”), including but not limited to section 2 of the Guide for evaluating audit quality, issued by the Accounting and Financial Reporting Council (the “**AFRC**”); and (vii) the AFRC’s Guidance Notes on Change of Auditors issued in September 2023.

Based on the above, the Audit Committee (i) has assessed and considered that Ascenda Cachet is eligible and suitable to act as the new auditors of the Company for the 2023/24 Audit; (ii) has been satisfied that Ascenda Cachet is independent, competent and capable (including manpower, expertise, time and other resources) to perform a high quality audit; (iii) has been satisfied with the audit plan proposed by Ascenda Cachet for the 2023/24 Audit; and (iv) has been satisfied that the agreed audit fee is commensurate with the extent of audit work required by the Group. The Board and the Audit Committee are of the view that the appointment of Ascenda Cachet is in the interest of the Company and Shareholders as a whole.

## **EGM**

An ordinary resolution will be proposed at an extraordinary general meeting of the Company (the “**EGM**”) to be convened for the Shareholders to consider and approve the proposed appointment of Ascenda Cachet as the new auditors of the Company. A circular containing, among others, details of the proposed said appointment of auditor together with the notice of the EGM, will be despatched to the Shareholders in due course.

By Order of the Board  
**Wan Kei Group Holdings Limited**  
**Yan Shuai**  
*Chairman*

Hong Kong, 26 February 2024

*As at the date of this announcement, the executive Directors are Mr. Yan Shuai, Mr. Bai Huawei and Mr. Wang Yu; the non-executive Directors are Mr. Zhang Zhenyi, Mr. Chui Kwong Kau and Mr. Lui Kwok Wai; and the independent non-executive Directors are Mr. Eric Todd, Mr. Jiang Senlin and Mr. Zhang Yi.*