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中國恒有源發展集團有限公司
CHYY DEVELOPMENT GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8128)

PROPOSED CHANGE OF AUDITOR

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of CHYY Development Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 17.50(4) of the Rules Governing the Listing of Securities (the “**GEM Listing Rules**”) on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) hereby announces that Ernst & Young has resigned as the auditor of the Company with effect from 6 September 2022, as the Company could not reach a consensus with Ernst & Young on the audit fee for the financial year ending 31 December 2022.

RESIGNATION OF AUDITOR

Board announces that Ernst & Young has resigned as the auditor of the Company (the “**Auditor**”) with effect from 6 September 2022 as the Company could not reach a consensus with Ernst & Young in respect of the audit fees for the year ending 31 December 2022. Ernst & Young has confirmed in its resignation letter dated 6 September 2022 that there are no matters in respect of its resignation that need to be brought to the attention of the shareholders of the Company (the “**Shareholders**”). Both the Board and the audit committee of the Company (the “**Audit Committee**”) confirmed that, other than the fact that the Company and Ernst & Young could not reach a consensus in respect of the audit fees for the year ending 31 December 2022, there are no other disagreements or unresolved matters between the Company and Ernst & Young in respect of the change of the Auditor which should be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its sincere gratitude to Ernst & Young for its professional services provided to the Group in the past years.

The Board is in the process of appointing a new auditor to fill the casual vacancy following the resignation of Ernst & Young subject to the approval of the Shareholders, to fill the casual vacancy following the resignation of Ernst & Young and to hold office until the conclusion of the next annual general meeting of the Company. Pursuant to the Rules 156 of articles of association of the Company, the Directors shall as soon as practicable convene the extraordinary general meeting (the “**EGM**”) to allow the Shareholders to approve the proposed appointment by an ordinary resolution.

The Company will make an announcement when such proposed appointment of new auditor is made. A circular containing further details of the change of auditor of the Group together with a notice convening the EGM will be despatched to the Shareholders as soon as practicable.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
CHYY Development Group Limited
Xu Shengheng
Chairman

Hong Kong, 6 September 2022

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Xu Shengheng, Ms. Chan Wai Kay, Katherine and Mr. Dai Qi as executive Directors, Mr. Yang Wei, Mr. Zhang Yiying and Ms. Liu Ening as non-executive Directors, Mr. Wu Desheng, Mr. Wu Qiang, Mr. Jia Wenzeng and Mr. Guan Chenghua as independent non-executive Directors.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website with the domain name of www.hkexnews.hk on the "Latest Company Announcement" page for at least 7 days from the date of publication and on the website of the Company at www.chyy.com.hk.