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**HC GROUP INC.**

**慧聪集團有限公司**

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

**(Stock Code: 02280)**

## **CHANGE OF AUDITOR**

On 20 March 2026, PwC resigned as the Auditor. Rongcheng (Hong Kong) CPA Limited has been appointed as the new Auditor with effect from 23 March 2026 to fill the vacancy and to hold office until the conclusion of the next annual general meeting of the Company.

This announcement is made by HC Group Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09, 13.49(3) and 13.51(4) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **Resignation of Auditors**

The Board hereby announces that, on 20 March 2026, the Company received a resignation letter from PricewaterhouseCoopers (“**PwC**”) (the “**Resignation Letter**”) confirming its resignation as the auditor of the Company (the “**Auditor**”) with effect from the date of the Resignation Letter. The resignation was made at the request of the Board, given that PwC was unable to assess the nature, timing and scope of additional audit procedures necessary or commit to a timetable about the completion of the additional procedures with respect to the matters as detailed below, and that the Company did not accept PwC’s additional audit fee to be incurred.

The circumstances stated in the Resignation Letter are set out below.

- (i) PwC has requested the Company to provide information regarding Group's significant prepayments to and refunds from certain suppliers related to the B2B business of the Group during the year ended 31 December 2025, which these prepayment and refunds took place within a short period of time in the same months. PwC states that these transactions do not have sufficient details of purchase orders, supplier contracts or any other supporting information in the vouchers; some of these suppliers and the Group's subsidiaries share the same contact information based on company searches, including telephone numbers and email addresses. Specifically, PwC requested background on these suppliers, any relationships or arrangements involving the Group, shareholders or management; detailed supporting documents and explanations of the prepayment and refund transactions, including their commercial rationale; and management's assessment of the recoverability of the prepayments as of 31 December 2025. Given the nature and significance of the matter, PwC advised the Audit Committee and the Board to form an independent investigation committee to commission an independent investigation on the prepayments and refunds with these suppliers.
- (ii) PwC has requested the Company to provide information regarding the prepaid transportation fees related to the Group's cotton trading business, including a detailed analysis of the basis and rationale for the accounting treatment of the transportation costs and the related receipts of government subsidies.
- (iii) PwC has requested the Company to provide information for the assessment of going concern, including a detailed monthly cash flow forecasts covering a period of not less than 12 months from the approval date of the consolidated financial statements, key underlying assumptions with support documents, and sensitivity and/or stress testing analyses on those assumptions, including timing and amount of payments for significant financial liabilities as of 31 December 2025.

As of the date of the Resignation Letter, PwC indicated that it had not received sufficient explanation, documents or information nor received any update on the independent investigation it requested in respect of the matters mentioned above. PwC therefore indicated that it could not commit a definite timetable about the completion of the additional procedures with respect to the matters mentioned above. PwC also informed the Company that it will incur additional fees to address the impact of the aforementioned matters to be agreed with the Company.

As referenced in the Resignation Letter, the Company has decided to change Auditor and recommended PwC to resign as the auditor of the Company because PwC was not in a position to commit to a definite timetable about the completion of the additional procedures with respect to the matters noted in the Resignation Letter and that additional audit fee to be incurred. PwC indicates that the decision made it clear to PwC that it would not be able to obtain the information necessary to audit the Group's consolidated financial statements for the year ended 31 December 2025, pursuant to its appointment as the Auditor. After due and careful consideration, given the circumstances described, PwC agreed to resign as the Auditor with effect from the date of the Resignation Letter.

### **Actions Taken by the Company**

The Company has, among other things, taken the following actions in respect of the matters raised in the Resignation Letter:

The Company has maintained ongoing dialogue and provided explanations and supporting documents to PwC to assist PwC to complete its audit work. However, the Company and PwC have not been able to reach a consensus on the additional fee and timetable for the additional audit procedures to address the aforementioned matters and for completing the audit work for the 2025 Results. In light of PwC not being able to commit to the scope and timing of additional audit procedures and given that the Company do not consider the other substantial additional fee requests of PwC to be acceptable, the Company is of the view that it would be in the interests of the Company and the shareholders of the Company (the "**Shareholders**") to appoint another auditor to complete the audit work and have access to the 2025 Results as soon as practicable, and at reasonable fee. After further discussions, the Company (with the recommendation of the Audit Committee) has requested PwC to consider resigning as the Auditor.

Regarding the matter set out in (i) above, the Company has formed a committee under the leadership and supervision of the Audit Committee, and professional adviser has been engaged to assist the Audit Committee in reviewing the details of the transactions. As of the date of this announcement, the investigation is in progress.

Regarding the matters set out in (ii) and (iii) above, the management is currently assessing the appropriate accounting treatment and is also in negotiations with the relevant lenders to reflect the latest situation in the cash flow forecast analysis and going concern assessment.

The Board and the Audit Committee confirm that save for the above-mentioned, there are not aware of other disagreement or matters in respect of the resignation that need to be brought to the attention of the Shareholders.

The Company would like to take this opportunity to sincerely thank PwC for the professional services over the past years.

Further announcement(s) will be made by the Company if and when appropriate.

### **Appointment of new Auditor**

The Board, with the recommendation from the Audit Committee, has resolved to appoint Rongcheng (Hong Kong) CPA Limited (“**Rongcheng**”) as the new Auditor with effect from 23 March 2026 to fill the vacancy 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, including but not limited to (i) the audit proposal of Rongcheng; (ii) its experience, industry knowledge and technical competence in providing audit work for companies listed on the Stock Exchange; (iii) its independence and objectivity; (iv) its reputable standing in the market; (v) its resources and capabilities, including the size and structure of the proposed audit team; (vi) the Guidelines for Effective Audit Committee — Selection, Appointment and Reappoint of Auditors issued by the Accounting and Financial Reporting Council of Hong Kong; and (vii) the Guidance Notes on Change of Auditors issued by the Accounting and Financial Reporting Council of Hong Kong.

The Audit Committee has assessed and considered that Rongcheng is eligible and suitable to act as the Auditor for the audit of the Company’s consolidated financial information for the year ended 31 December 2025. The Board and the Audit Committee are of the view that the appointment of Rongcheng as the new Auditor is in the interest of the Company and the Shareholders as a whole.

The Board welcomes Rongcheng on its appointment as the Auditor.

### **Continued suspension of trading**

It is anticipated that the necessary procedures for finalising the Company’s audited consolidated financial statements for the financial year ended 31 December 2025 will not be completed by 31 March 2026.

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 18 March 2026 pending the publication of the 2025 Results.

Further announcement(s) will be made by the Company in due course.

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

By order of the Board  
**HC GROUP INC.**  
**Liu Jun**  
*Chairman and Chief Executive Officer*

Hong Kong, 23 March 2026

*As at the date of this announcement, the Directors are:*

*Mr. Liu Jun (Chairman, Executive Director and Chief Executive Officer)*

*Mr. Zhang Yonghong (Executive Director)*

*Mr. Guo Fansheng (Non-executive Director)*

*Mr. Lin Dewei (Non-executive Director)*

*Mr. Xing Jingfeng (Non-executive Director)*

*Mr. Zhang Ke (Independent non-executive Director)*

*Mr. Zhang Tim Tianwei (Independent non-executive Director)*

*Ms. Qi Yan (Independent non-executive Director)*