TIAN YUAN GROUP HOLDINGS LIMITED
天源集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6119)

PROPOSED CHANGE OF AUDITOR

This announcement is made by the board (the "**Board**") of directors (the "**Director(s)**") of Tian Yuan Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rules 13.51(4) of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Reference is made to the Company's announcements (the "**Announcements**") dated 27 March 2026, 5 May 2026 and 8 May 2026 in relation to, among others, the delay in publication of the 2025 Annual Results; the suspension of trading in the Shares on the Stock Exchange from 9:05 a.m. on 26 March 2026; and the Resumption Guidance for the resumption of trading in the Shares set by the Stock Exchange. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

The Board hereby announces that, subject to the passing of the relevant resolutions at an extraordinary general meeting (the "**EGM**") to be convened by the Company, PricewaterhouseCoopers ("**PwC**"), the current auditor of the Company, shall be removed as the auditor of the Company (the "**Proposed Removal of PwC**"), and Beijing Xinghua Caplegend CPA Limited ("**Beijing Xinghua**") shall be appointed as the auditor of the Company (the "**Proposed Appointment of Beijing Xinghua**") to fill the vacancy arising from the Proposed Removal of PwC and hold office until the conclusion of the following annual general meeting of the Company.

PROPOSED REMOVAL OF PWC

PwC has been re-appointed as the auditor of the Company at the last annual general meeting of the Company held on 3 June 2025 to hold office until the conclusion of the next annual general meeting of the Company.

As disclosed in the Announcements, during the course of the audit of the 2025 Annual Results, the Board and the Audit Committee received the Auditor's Letter from PwC, setting out its Concerns on the commercial rationale, the counterparties and any possible related party transactions of the Group's asphalt trading transactions conducted in the year ended 31 December 2025 ("**FY 2025**") and suggested the Company to form the Independent Investigation Committee and appoint independent third-party investigative agency(ies) to assist in the Investigation on the Concerns. As additional time is required to complete the Investigation and address the Concerns, the Company was unable to publish the 2025 Annual Results by 31 March 2026, and trading of the Shares on the Stock Exchange has been suspended with effect from 9:05 a.m. on 26 March 2026.

Since the suspension of the trading of the Shares, the Company has worked closely with PwC with a view to resolve the Concerns and finalise the 2025 Annual Results for publication as soon as practicable.

Notwithstanding the Company's proactive approach in liaising and follow up with PwC since 25 March 2026, up to the date of this announcement, PwC has yet to provide a clear and specific response to the Company regarding (1) the expected timetable for completion of the audit of the 2025 Annual Results and (2) the estimated fee for the additional audit work arising from the independent Investigation (the "**Additional Audit Work**"). Having considered that a precise working timetable has to be formulated as soon as possible to enable all working parties to work according to the various timelines for the purpose of fulfilling the Resumption Guidance and that PwC has yet to provide any concrete work plan and the additional fees for the Additional Audit Work, as well as the timetable for finalizing the audit of the 2025 Annual Results, the Board and the Audit Committee are of the view that lack of timely and specific response has caused unnecessary delays in the Company's resumption plans. In order to expedite the audit process and fulfill the Resumption Guidance, the Company has consulted other qualified accounting firms and has obtained from such firms an estimate timetable for completing the audit of the 2025 Annual Results and the related fee quotations, taking into account the Concerns. Against this background, on 25 June 2026, the Company communicated its intention to remove PwC as auditor of the Company.

The chronology of key events leading to the Proposed Removal of PwC is as follows:

Date	Event
25 Mar 2026	The Audit Committee requested PwC for a clear timeline for completion of the 2025 Annual Results and a fee estimate for the Additional Audit Work.
13 May 2026	The Company notified PwC of the appointment of the independent Investigator and followed up its request for a clear timeline and fee estimate.
18 May 2026	PwC requested the Company for the credentials of the independent Investigator and details of the investigation scope and work plan.
19 May 2026	The Company provided PwC with the information regarding the credentials of the independent Investigator, the investigation scope and methodology, and again requested for a clear timeline and fee estimate.
21 May 2026	PwC requested the Company for further information about the independent Investigator, and the scope and detailed work plan of the Investigation.
28 May to 8 Jun 2026	The Company invited two qualified accounting firms, including Beijing Xinghua, to provide the work plan and fee quotations for completing the 2025 Annual Results. Upon receipt of the credentials, proposed work plans and fee quotations from the potential candidates, the Audit Committee has conducted interviews with the representatives of the potential candidates.
8 Jun 2026	The Audit Committee convened a meeting to discuss (i) its communications with PwC regarding a clear timeline and fee estimate for the Additional Audit Work; and (ii) the proposals from the candidate accounting firms. The Audit Committee resolved to require PwC to provide a clear timeline and fee estimate on or before 10 June 2026 and considered Beijing Xinghua as a suitable candidate for replacing PwC as the Company's auditor in the event PwC fail to provide a satisfactory reply by 10 June 2026.

Date	Event
10 Jun 2026	PwC did not provide a clear timeline and fee estimate and requested the Company to provide the previously requested information.
16 Jun 2026	Taking into account the recommendation from the Audit Committee, the Board resolved to discuss with PwC on the proposed removal of PwC as the Company's auditor, and subject to the response of PwC, to appoint Beijing Xinghua as the Company's new auditor.
22 Jun 2026	PwC issued a letter to the Audit Committee expressing its disagreement with the Company's allegation on its failure to provide the clear timeline and fee estimate ("**PwC's 22 June 2026 Letter**"), details of which is set out below.
25 Jun 2026	The Board resolved to proceed with the Proposed Removal of PwC and the Proposed Appointment of Beijing Xinhua.

A summary of PwC's disagreements as set out in the PwC's 22 June 2026 Letter is as follows:

(1) Regarding the audit completion timetable, the progress and completion of the audit for the year ended 31 December 2025 (the "**Audit**") largely depend on the Company providing the outstanding information, including: 1) routine audit materials (including but not limited to walk-through test materials related to the asphalt procurement and sales processes, management's assessment of the commercial substance of the asphalt transactions, etc.); and 2) key Investigation planning stage information in relation to Cheng & Cheng Risk Advisory Services Limited ("**Cheng Cheng**"), the independent forensic investigation advisor appointed by the Company's Independent Investigation Committee, including the project team structure, detailed forensic investigation experience, detailed investigation scope, work plan and timetable. PwC need to commence the relevant audit work after obtaining the pending materials, particularly to evaluate the competence and objectivity of the investigation team, and to deploy shadow follow up work during the investigation (including attending interviews as an observer, reviewing electronic forensic procedures and results, etc.), in order to assess the adequacy and appropriateness of the investigation procedures and the reasonableness of the investigation conclusions and the related extended audit procedures. PwC clearly communicated in its letter dated 18 May 2026 that, subject to satisfying its assessment requirements on the competence, objectivity, and scope of the forensic investigation team, and provided that the forensic investigation work progresses smoothly as planned, PwC estimated that it would be able to complete the relevant work (including following up on the investigation process and executing related extended audit procedures) within 6 to 10 weeks after the forensic investigation team completes the independent investigation and issues its report. However, despite repeated communications with the Company and the Audit Committee, and although the Cheng Cheng team plans to commence on-site work shortly, the Company and the Independent Investigation Committee have yet to provide the various audit materials PwC requested above. In the absence of these materials, PwC is unable to make a reasonable assessment of the timetable for completing the Audit.

(2) Regarding the quotation for additional audit fees, the increased scope of work arising from the independent investigation and the corresponding incremental fee quotation must be made based on PwC's assessment of the investigation scope, procedures, and the independent investigation team's competence. Given that the Company and the Independent Investigation Committee have yet to provide the aforementioned key details in relation to the planning stage of the investigation for PwC's pre-assessment, PwC is unable to provide an accurate quotation for additional fees. Upon obtaining the aforementioned pending audit materials, PwC is willing to provide a clear audit timetable and additional fee quotation as soon as possible. Furthermore, it should be clarified to the Company and the shareholders that providing an additional fee quotation is not directly related to conducting the Audit itself. PwC have been providing audit services to the Company in accordance with the existing audit engagement letter, which stipulates the base audit fee and contains relevant clauses governing additional fees arising from changes in the audit scope. PwC made this clarification clearly on 10 June 2026.

After considering the aforesaid circumstances and PwC's views, the Board and the Audit Committee resolved that it would be in the best interest of the Company and its Shareholders as a whole to remove PwC and replace it with another accounting firm subject to the Proposed Removal of PwC having been approved by the Shareholders at the EGM.

Saved as disclosed above, (i) the Board and the Audit Committee confirm that there is no other disagreement between the Company and PwC, and (ii) to the best of the directors' knowledge, information and belief, there are no matters or circumstances in respect of the Proposal Removal of PwC that need to be brought to the attention of the Shareholders.

PROPOSED APPOINTMENT OF BEIJING XINGHUA

The Board, at the recommendation of the Audit Committee, proposes to appoint Beijing Xinghua as the new auditor of the Company to fill the casual vacancy following the Proposed Removal of PwC (if approved by the Shareholders at the EGM) and to hold the office until the conclusion of the forthcoming annual general meeting of the Company (if the appointment is approved by the Shareholders at the EGM).

The Audit Committee has considered a number of factors in assessing the appointment of Beijing Xinghua in accordance with its duties under the terms of reference of the Audit Committee, the Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors issued by the Accounting and Financial Reporting Council (the "**AFRC**"); and the AFRC's Guidance Notes on Change of Auditors, including but not limited to:

(i) Proposed audit plan and timetable for 2025 Annual Results

The audit plan and timetable for 2025 Annual Results proposed by Beijing Xinghua is as follows:

Phase	Proposed time or period	Audit work to be done
Audit Planning	Late July – Early August 2026	– Perform audit planning – Conduct preliminary analytical procedures – Perform risk assessment – Hold planning meetings with Audit Committee, management and key finance staff

Phase	Proposed time or period	Audit work to be done
Audit Fieldwork	August – September 2026	– Understand major operating cycles and internal control environment – Test the operating effectiveness of key internal controls – Perform audit procedures on opening balances – Participate in inventories and fixed assets count at key locations with roll-back procedures – Execute substantive audit procedures across significant areas – Review draft investigation findings – Maintain ongoing discussion with management
Communication with management and Audit Committee on Key Audit Findings	Late September 2026	– Review draft financial statements – Discuss key audit findings with management and the Audit Committee
Publish Results Announcement and Annual Report	October 2026	– Coordinate with the Company for draft result announcement – Final review of annual report

Beijing Xinghua also proposed the Additional Audit Work in relation to the Group's asphalt trading transactions, include obtaining detailed information, conducting interviews, arranging confirmation, performing company search, reviewing findings from independent investigation, seeking legal opinion and assessing the accounting impact. After reviewing the overall audit strategy of Beijing Xinghua, which sets out the scope, timing, and direction of the audit, the Audit Committee is satisfied that the proposed plan and timeline are adequate and reasonable. In particular, the Audit Committee considered that i) sufficient time has been allocated for each audit phase notwithstanding the change of auditor; ii) the proposed timetable is reasonable and allows Beijing Xinghua to complete all necessary procedures without compromising audit quality; iii) the resources committed by Beijing Xinghua are adequate to achieve the proposed timetable.

(ii) Proposed audit fees for 2025 Annual Results and the Additional Audit Work

The audit fees for auditing 2025 Annual Results and the Additional Audit Work proposed by Beijing Xinghua is approximately RMB1.5 million, taking into account the complexity of the Group's business, the expected scope and timetable of audit, the qualifications, experience and audit resources of Beijing Xinghua.

(iii) Industry experiences, resources and reputation

Beijing Xinghua is a member firm of Beijing Xinghua Certified Public Accountants (Special General Partnership) ("**BJXH Headquarter**") in Hong Kong. BJXH Headquarter, was established in 1992, is currently one of the top 20 accounting firms in the PRC. It has nearly 30 branch offices in the PRC with 100 partners and over 2,000 employees, including nearly 500 registered CICPA. Beijing Xinghua serves a broad portfolio of listed companies across diverse industries with a team of experienced professionals. The Audit Committee has noted that the key partner possesses over twenty years of experience in auditing listed companies across multiple sectors. The firm has demonstrated sufficient resources and extensive experience in delivering audit services to listed companies. The Audit Committee is satisfied that Beijing Xinghua adopts a rigorous audit approach, supported by extensive experience and sufficient resources, enabling it to deliver timely audit services while maintaining a strong commitment to quality.

(iv) Engagement arrangement and team composition

The team members from Beijing Xinghua responsible for the Company's 2025 audit comprise both a Hong Kong team and a PRC team. The Hong Kong team mainly includes the engagement partner, the engagement quality reviewer, and an audit senior manager, with additional support from Beijing Xinghua's technical department. The PRC team consists of a partner, a manager, and several supporting audit staff. The Audit Committee has discussed with Beijing Xinghua its overall audit strategy, including the scope focus and direction of the audit, to ensure that the audit can be conducted effectively and appropriately. Having reviewed the audit strategy and the profiles of the engagement partner and team members, the Audit Committee is satisfied that the audit engagement team has sufficient resources, including the necessary expertise and time, to perform high-quality audits.

(v) Compliance with relevant ethical requirements

The Audit Committee has assessed and considered Beijing Xinghua is independent from the Company. The Audit Committee, having understood from meeting with Beijing Xinghua audit team that, Beijing Xinghua maintains specific policies and an independence management system to monitor and in compliance with the Code of Ethics for Professional Accountant requirements. The Audit Committee was satisfied that Beijing Xinghua would act with integrity, and exercise objectivity and professional skepticism.

Based on the foregoing, the Audit Committee considered Beijing Xinghua to be independent, eligible and suitable to act as the new auditor of the Company, and that as a sizeable established accounting firm, it should be able to devote appropriate and adequate resources to handle the audit of the 2025 Annual Results.

The Board and the Audit Committee are of the view that the Proposed Removal of PwC and the Proposed Appointment of Beijing Xinghua at a reasonable fee would facilitate the audit process in finalising the 2025 Annual Results in an effective manner and enable the Company to re-comply with the relevant requirements of the Listing Rules as soon as practicable to avoid any further delay in the publication of the 2025 Annual Results and are therefore in the best interest of the Company and its Shareholders as a whole, and save as disclosed herein, there are no other matters or circumstances in connection with the Proposed Removal of PwC and the Proposed Appointment of Beijing Xinghua that need to be brought to the attention of the Shareholders.

IMPLICATIONS OF THE ARTICLES AND LISTING RULES

Pursuant to Article 176(b) of the articles of association of the Company (the "**Articles**"), the Shareholders may, at any general meeting convened and held in accordance with the Articles, by ordinary resolution remove the auditor of the Company at any time before the expiration of its term of office and shall by ordinary resolution at that meeting appoint another auditor in its stead for the remainder of its term.

Pursuant to Rule 13.88 of the Listing Rules, (a) the Company must not remove its auditor before the end of the auditor's term of office without first obtaining Shareholders' approval at a general meeting; (b) the Company must send a circular proposing the removal of the auditor to the Shareholders with any written representations from the auditor not less than 10 business days before the general meeting; and (c) the Company must allow the auditor to attend the general meeting and make written and/or verbal representations to the Shareholders at the general meeting.

In compliance with the Articles and the Listing Rules, the Proposed Removal of PwC and the Proposed Appointment of Beijing Xinghua will each be proposed at the EGM as an ordinary resolution. The Company will despatch a circular to its Shareholders containing, among others, further information on the Proposed Removal of PwC and the Proposed Appointment of Beijing Xinghua together with the notice of EGM, and will also despatch a copy of the same to PwC to invite them to attend the EGM and make written or verbal representations (if any) to the Shareholders at the EGM.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:05 a.m. on 26 March 2026 and will remain suspended until further notice. Further announcement(s) will be made by the Company to keep its Shareholders and potential investors informed of any material development in this regard as and when appropriate.

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

By order of the Board
Tian Yuan Group Holdings Limited
Yang Jinming
Chairman and Chief Executive Officer

Hong Kong, 25 June 2026

As at the date of this announcement, the executive Directors are Mr. Yang Jinming, Ms. Tong Wai Man and Mr. Zhang Shiman, the non-executive Director is Mr. Yang Fan, and the independent non-executive Directors are Mr. Pang Hon Chung, Professor Wu Jinwen and Mr. Huang Yaohui.