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**Hanhua Holding Co., Ltd.**

**瀚 華 控 股 股 份 有 限 公 司**

*(A joint stock limited liability company incorporated in the People's Republic of China)*

**(Stock Code: 3903)**

**(1) SUPPLEMENTAL INFORMATION IN RELATION TO  
RESIGNATION OF AUDITOR; (2) SUPPLEMENTAL  
INFORMATION IN RELATION TO CHANGE OF INTERNAL  
CONTROL CONSULTANT; AND (3) CONTINUED SUSPENSION  
OF TRADING**

Reference is made to (A) the announcement of Hanhua Holding Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) dated (1) 16 June 2026 in relation to the resignation of auditor (the “**16 June Announcement**”); (2) 31 July 2026 in relation to update on resumption progress (the “**31 July Announcement**”); (3) the interim results of the Group for the six months ended 30 June 2025 and 30 June 2026; (4) the annual results of the Group for the financial years ended 31 December 2024 and 2025 (collectively referred to as the “**Previous Announcements**”); (B) the Interim Reports for the six months ended 30 June 2025 and 30 June 2026 published on 23 September 2026; and (C) the 2024 and 2025 Annual Reports published on 23 September 2026. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the 16 June Announcement and the 31 July Announcement.

**SUPPLEMENTAL INFORMATION IN RELATION TO RESIGNATION OF  
AUDITORS**

As disclosed in the 16 June Announcement, KTC tendered its resignation as auditor of the Company with effect from 15 June 2026. In the Resignation Letter, KTC referred to

its Audit Issues Letter to the Audit Committee dated 12 June 2026 and stated that it has experienced delays in obtaining certain requested information from the management.

As disclosed in the 16 June Announcement, the outstanding audit matters set out in the Audit Issues Letter were:

1. the nature, commercial substance and use of funds in relation to substantial transactions and debt assignment arrangements between the Group and Liaoning Fuan Financial Asset Management Co., Ltd. (“**Liaoning Fuan**” or “**Fu’an Asset**”) concerning certain debt projects. KTC noted that Liaoning Fuan acquired three debt portfolios, of which two debt portfolios covering seven debt packages and the Xinjiang Beikong project (新疆北控項目) have fallen due but remained unrecovered at the Liaoning Fuan level, and demand letters had been issued to the Group.
2. impairment losses were recognised for the year ended 31 December 2024 in respect of loans and advances, trade and other receivables and factoring receivables, for which KTC had not yet been provided with a reasonable basis and sufficient supporting documentation to support their recognition and measurement.

Other than the above, there was no other outstanding audit matter raised in the Audit Issues Letter.

As further disclosed in the announcement of the Company dated 31 July 2026, the Board resolved on 18 June 2026 to propose the appointment of CLA Prism Hong Kong Limited (“**CLA Prism**”) as auditor of the Company, which was approved by the Shareholders at the Third Extraordinary General Meeting on 10 July 2026.

The Company provides the following supplemental information on the change of auditor.

#### **A. Chronology of events leading to the change of auditor**

The chronology of events leading to the change of auditor is set out as follows:

1. On 10 April 2026, the Company obtained a preliminary understanding of the proceedings concerning Mr. Zhang Guoxiang (張國祥先生) (“**Mr. Zhang**”) and

Mr. Ren Weidong (任為棟先生) (“**Mr. Ren**”) in relation to the Incident (as defined in the company’s announcement dated 25 March 2025).

2. On 26 April 2026, the Company's management held an informal meeting with KTC, during which KTC raised certain audit matters that would affect their issuance of the audit report.
3. On 29 April 2026, The Independent Investigation Committee identified three transactions involving Liaoning Fuan that may be related to the Incident (as defined in the company’s announcement dated 25 March 2025), instructed the independent forensic investigator (the “**Independent Forensic Investigator**”) to investigate them, and informed KTC accordingly.
4. On 27 May 2026, the Company wrote to the People's Court of Huanggu District of Shenyang requesting the indictment of Mr. Zhang and Mr. Ren (the “**Indictment**”) for KTC’s reference. No reply has been received as of the date of this announcement.
5. On 5 June 2026, the Independent Investigation Committee and the Board reviewed the draft independent forensic investigation report (the “**Draft Forensic Investigation Report**”) prepared by the Independent Forensic Investigator and considered related matters.
6. On 12 June 2026, KTC issued the Audit Issues Letter, identifying outstanding audit matters affecting the audit opinion and requesting relevant information.
7. On 13 June 2026, the Audit Department forwarded the Audit Issues Letter to the Audit Committee and scheduled a meeting for 15 June 2026.
8. On 15 June 2026, the management of the Company reported to the Audit Committee on the outstanding audit matters raised by KTC in the morning. In the afternoon, KTC formally submitted the Resignation Letter.
9. On 17 June 2026, the Audit Committee held a conference call with KTC regarding the reasons for its resignation.
10. From April to June 2026, the Company and KTC had multiple discussions regarding the Incident (as defined in the company’s announcement dated 25 March 2025).

## **B. Matters relating to the disagreements on outstanding audit issues**

### **B1. Details of the debt assignment arrangements as referred to in the 16 June Announcement**

As disclosed in the announcement of the Company dated 25 March 2025, the Incident (as defined in the company's announcement dated 25 March 2025) relates to the detention of Mr. Zhang and Mr. Ren in connection with an investigation of Fu'an Asset for misappropriation of funds.

Fu'an Asset is a non-wholly owned subsidiary of the Company principally engaged in, among others, non-performing asset acquisition, management, investment and disposal, and debt and corporate restructuring.

Following the internal review conducted by the Independent Investigation Committee, the Independent Investigation Committee identified 3 transactions involving Fu'an Asset that may be related to the Incident (as defined in the company's announcement dated 25 March 2025) (the "**3 Transactions**"), namely:-

1. Acquisition of non-performing asset portfolio through seven intermediary companies;
2. Acquisition of debt receivable relating to Liaoning Baishahu; and
3. Acquisition of debt receivable involving Xinjiang Beikong.

The Independent Investigation Committee appointed the Independent Forensic Investigator to investigate the 3 Transactions. The "three debt portfolios" referred to in the 16 June Announcement in fact refers to the 3 Transactions.

For the meaning of "the three debt portfolios", please refer to the announcement of the Company in relation to, *inter alia*, the key findings of the independent forensic investigation (the "**Independent Forensic Investigation**") dated 17 September 2026.

### **B2. Audit information requested by KTC**

The audit information requested by KTC includes:-

1. The final version of the forensic investigation report;
2. The Indictment and the judgment of the proceedings in relation to the Incident (as defined in the company's announcement dated 25 March 2025); and
3. The assessment working papers relating to the impairment provisions of assets.

The aforesaid information has not been provided to KTC for the reasons set out below:-

1. The final forensic investigation report was unavailable because the Independent Forensic Investigation had not been completed.
2. In respect of the Indictment and the judgment of the proceedings in relation to the Incident (as defined in the company's announcement dated 25 March 2025), the proceedings in respect of Mr. Zhang and Mr. Ren are still ongoing, and thus no judgment is yet available. In such regard, the Company has been advised by its PRC legal advisor that, before an effective judgment is rendered, the court generally does not proactively disclose case information, and the Company, not being a party to the proceedings, generally has no right to access, use or disclose case materials without court permission. The Company therefore issued the Letter to the People's Court of Huanggu District of Shenyang seeking permission to obtain the Indictment.

As of the date of this announcement, the Company has not received any reply from the People's Court of Huanggu District of Shenyang.

3. The impairment assessment working papers were unavailable because the assessment remains ongoing due to the amount involved and also because of the complexity of the process.

Other than the above, there were no other audit disagreements between management and KTC.

### **B3. CLA Prism's audit procedures and assessment of audit evidence**

CLA Prism requested information of the same nature as that requested by KTC.

CLA Prism treated the matters raised by KTC as significant risks and designates them as areas of audit focus, with the following planned additional procedures to be emphasised:

#### **B.3.1. The final version of the forensic investigation report**

For the asset transactions with Liaoning Fuan, CLA Prism had reviewed the Draft Forensic Investigation Report, liaised with the Independent Forensic Investigator, requested an extension of the subsequent-events review to June 2026, conducted background checks, interviewed and confirmed relevant parties, and reviewed post-31 December 2025 bank transactions.

#### **B.3.2. The Indictment and the judgment of the proceedings in relation to the Incident (as defined in the company's announcement dated 25 March 2025)**

### ***Audit Procedures Performed***

CLA Prism has performed the following procedures in relation to the criminal proceedings concerning the Incident (as defined in the company's announcement dated 25 March 2025) (the "**Criminal Proceedings**"):

1. **Public litigation searches:** CLA Prism conducted PRC public legal searches and noted that the Criminal Proceedings are against four former officers in their personal capacities, and that neither the Company nor its subsidiaries are defendants;
2. **Review of Draft Forensic Investigation Report:** CLA Prism reviewed the Draft Forensic Investigation Report and found its understanding of the matters consistent with the public legal search results;
3. **Assessment of financial impact:** Based on the procedures performed, CLA Prism has not identified any financial impact on the Company or its subsidiaries arising from the Criminal Proceedings that would require adjustment to, or disclosure in, the financial statements beyond what has already been considered.

### ***Additional Audit Procedures Performed***

CLA Prism has carried out the following further procedures to corroborate its position and obtain sufficient appropriate audit evidence: -

1. Interview the Independent Investigation Committee to understand the scope and findings of the internal review;
2. Arrange legal confirmations from the Company's PRC legal counsel to seek their advice that the Company and its subsidiaries are not the defendants in the Criminal Proceedings;
3. Obtain a specific management representation confirming that the Company has not received any legal notices or court documents in connection with the Criminal Proceedings; and
4. Obtain access to the working papers of the Independent Forensic Investigator and maintain ongoing communication with the Independent Forensic Investigator to further corroborate the findings and conclusions of the Draft Forensic Investigation Report.

### ***Audit Evidence Assessment relating the Indictment***

CLA Prism has not obtained the Indictment. However, CLA Prism does not consider this to be a gap in its audit evidence for the following reasons:

1. **Different timing and available evidence:** KTC resigned when only an initial version of the Draft Forensic Investigation Report was available. CLA Prism has since been able to consider a more complete and updated draft covering subsequent events to 30 June 2026;
2. **Sufficient appropriate audit evidence:** HKSA 500 does not require any specific document. CLA Prism considers that the Draft Forensic Investigation Report, public searches and additional procedures together provide sufficient appropriate audit evidence;

3. **Alternative evidence available:** The Indictment is relevant but not the sole evidence of the nature, scope and financial impact of the Criminal Proceedings, and CLA Prism's alternative procedures are consistent with HKSA 500.

#### B.3.3 The assessment working papers relating to the impairment provisions of assets

For impairment provisions, CLA Prism has reviewed management's working papers, evaluated relevant controls, assessed the expected credit loss model and key assumptions with valuation support, assessed relevant valuation experts, and evaluated whether sample-test valuations of credit-impaired financial assets are appropriate.

For the financial results of the Company, please refer to: (1) the interim results of the Group for the six months ended 30 June 2025 and 30 June 2026; (2) the annual results of the Group for the financial years ended 31 December 2024 and 2025; (3) the Interim Reports for the six months ended 30 June 2025 and 30 June 2026 published on 23 September 2026; and (4) the 2024 and 2025 Annual Reports published on 23 September 2026

#### **B4. The role and actions of the Audit Committee in resolving the disagreement and audit issues**

The Audit Committee comprises Mr. Xi Yao, Ms. Zhan Ziqiong, Mr. Wang Zhifeng and Mr. Zhang Weihua. Given the overlap between the Audit Committee and the Independent Investigation Committee, the Audit Committee was aware of KTC's audit concerns.

As mentioned above:

1. From April to June 2026, the Company and KTC had multiple discussions regarding the Incident (as defined in the company's announcement dated 25 March 2025). The Company mainly updated Audit Committee members by telephone until formal consideration of the Audit Issues Letter on 15 June 2026.
2. On 5 June 2026, the Independent Investigation Committee and the Board (which also included the Audit Committee members) respectively reviewed and discussed the Draft Forensic Investigation Report.

3. On 12 June 2026, KTC issued a letter to the Audit Department and the Finance Department of the Company, i.e. the Audit Issues Letter, informing them of the outstanding audit matters affecting the audit opinion and requesting the provision of relevant information.
4. On 13 June 2026, the Audit Department of the Company forwarded the Audit Issues Letter to the members of the Audit Committee and scheduled a meeting for the morning of 15 June 2026 to discuss the contents thereof.
5. On 15 June 2026, the management briefed the Audit Committee on KTC's outstanding audit issues and the status of the requested information.
6. On the afternoon of 15 June 2026, KTC formally submitted the Resignation Letter.
7. On 17 June 2026, KTC briefed the Audit Committee on its difficulties and the cooperation provided by the management.

The Company's Audit Committee has strengthened communication with CLA Prism and will continue to do so.

## **SUPPLEMENTAL INFORMATION IN RELATION TO CHANGE OF INTERNAL CONTROL CONSULTANT**

As disclosed in the 31 July Announcement, on 15 June 2026, Now Consulting Limited (“**Now**”) has tendered its termination of engagement and resignation as the internal control consultant of the Company with effect from 15 June 2026. RSM has been appointed as the Company's internal control consultant following Now's resignation.

The Company provides the following supplemental information on the change of internal control consultant.

### **A. The detailed circumstances leading to Now's resignation/termination of engagement**

The Company convened a joint meeting of the Independent Investigation Committee and the Audit Committee on 29 June 2026, at which Now presented its internal control review findings, and the members of the Independent Investigation Committee and the Audit Committee (the “**Committee Members**”) provided feedback and engaged in

discussions. During the said meeting, queries were raised by the Committee Members regarding the scope and work content of the internal control review conducted by Now. Based on Now's responses, the Committee Members requested that the scope of Now's internal control review be clarified and that risk contingency plans be put in place.

The scope of Now's internal control review was limited to the requirements under Rules 14 and 14A of the Listing Rules. In the circumstances, the Independent Investigation Committee expressed a desire to expand the scope to include, *inter alia*, cash, fund and bank seal management, financial reporting and disclosure, project management, impairment assessment and asset valuation. Following the said meeting with the Committee Members, the Company engaged in discussions with Now regarding the scope and timeline of the internal control review but failed to reach an agreement. After amicable negotiations, both parties mutually agreed to terminate the original service agreement.

A brief summary on the matters that the Company and Now failed to reach consensus on is set out below:-

1. In respect of the scope of the internal control review, consideration should be given as to whether a review limited to the requirements under Rules 14 and 14A of the Listing Rules is sufficient, and whether the scope should be expanded accordingly;
2. In respect of the timeline, given the relatively limited time remaining before the resumption deadline, whether Now can ensure timely completion of the internal control review if the scope thereof is expanded.

Save and except the above, there are no other disagreements or unresolved issues between Now and the Company.

## **B. The Audit Committee's assessment on RSM**

The Company convened a joint meeting of the Audit Committee and the Independent Investigation Committee on 2 July 2026 to discuss whether to continue with Now's engagement, as well as preliminary preparation plans, shortlisted candidates, handover and follow-up work arrangements in the event of a change of internal control consultant.

On 9 July 2026, the Company convened a joint meeting of the Audit Committee and the Independent Investigation Committee, at which RSM, as one of the shortlisted candidates, made a presentation. The Committee Members took turns to ask questions,

focusing on key issues such as RSM's practical case experience in resumption projects, its track record of collaboration with other intermediaries, and its practical experience in liaising with the Stock Exchange. RSM provided detailed and targeted responses to each question on site.

On the same day, a joint meeting of the Audit Committee and the Independent Investigation Committee was held to select the internal control consultant. The Committee Members conducted a comprehensive review and evaluation of the five shortlisted candidates across seven dimensions, namely: (i) qualifications and industry experience; (ii) comprehensiveness of risk coverage; (iii) project team composition and delivery performance assurance; (iv) quality control and compliance systems; (v) service fees and payment terms; (vi) service period; and (vii) track record of past similar projects. The Company first eliminated one of the five candidates due to its relatively weaker credentials and industry experience. The Company then proceeded to evaluate the aspect of risk coverage and noted that RSM offered more comprehensive risk coverage compared to the other three candidates, covering three core entities and seven work streams.

The Company then proceeded to consider the following areas:-

### **B1. Independence**

RSM and its project team members have confirmed that they have no conflicts of interest with the Company, its subsidiaries, directors, senior management, substantial shareholders or members of the Independent Investigation Committee that could reasonably be regarded as affecting its independence, objectivity or professional judgment.

RSM and its project team members hold no equity interests, securities or other economic interests in the Company or any of its subsidiaries directly or indirectly, nor are there any contingent fee arrangements incidental to, or dependent upon, the outcome of this project.

During the term of this engagement, neither RSM nor its network firms have provided any other professional including assurance or other advisory services to the Company or its subsidiaries. Accordingly, the Company is of the view that RSM does not have any self-review, self-interest or other circumstances that could affect its independence and objectivity;

Additionally, the Company has reviewed the proposed scope of work, methodology, project team structure and reporting arrangements as set out by RSM. RSM will report directly to the Independent Investigation Committee on work progress, key findings, internal control deficiencies, remediation recommendations and follow-up status of remedial actions (if applicable), and will provide periodic updates as requested by the Independent Investigation Committee. The Company is of the view that such reporting and oversight arrangements are capable of safeguarding RSM's independence from the Company's management.

### **B2. Composition of the Project Team**

RSM's internal control team comprises ten professionals, including two partners.

For this engagement, RSM has allocated a project team of four members from this team, consisting of one engagement partner, one engagement manager and two engagement members, to perform the IC Review work. The project team is composed of professionals with relevant experience in internal audit, risk management, corporate governance and internal control assessments of Hong Kong listed companies.

### **B3. Credentials, qualifications and experience**

RSM is the 6<sup>th</sup> largest accounting firm globally by fee income in 2024 according to the International Accounting Bulletin Survey issued in March 2025.

The engagement partner Mr. Lee Wai Kong Albert (“**Mr. Lee**”) and manager leading the project team are both members of the Hong Kong Institute of Certified Public Accountants with professional qualifications and industry experience in handling matters including but not limited to internal controls over financial reporting processes, treasury management, authorisation and approval, connected transactions, corporate governance, information disclosure and Listing Rules compliance of listed companies.

Mr. Lee graduated from the Department of Professional Accountancy at The Chinese University of Hong Kong in 1995 and has over 30 years of experience in professional advisory services. Prior to joining RSM, Mr. Lee was a partner at EY Hong Kong, with extensive experience in sustainability, internal audit, enterprise risk management, corporate governance and internal control advisory. He has provided professional services to Hong Kong Stock Exchange-listed companies and pre-IPO companies in Hong Kong and Mainland China. Over the past 20 years, Mr. Lee has conducted internal

control reviews for no less than 40 Hong Kong Stock Exchange-listed companies and pre-IPO companies, as well as US-listed companies subject to US SEC internal control requirements. In addition, Mr. Lee currently serves as an independent non-executive director and chairman of the audit committee of TenNor Therapeutics (Stock Code: 6872), a Main Board-listed company on the Stock Exchange, and has been nominated as an independent non-executive director and chairman of the audit committee of Qdama International, a proposed Main Board-listed company on the Stock Exchange. Mr. Lee has experience in corporate governance, financial reporting oversight, risk management and internal control supervision at the board level of listed companies. Mr. Lee is a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of Chartered Accountants Australia and New Zealand, and a Certified Internal Auditor accredited by The Institute of Internal Auditors. Mr. Lee has extensive experience in relation to Practice Note 21 to the Rules Governing the Listing of Securities.

The engagement manager is an internal audit manager of RSM. He has approximately seven years of experience in auditing, internal audit and risk advisory services. He has previously worked in audit at a Big Four accounting firm and has experience in internal audit of public bodies / public sector organisations. The engagement manager has relevant experience in risk advisory, corporate governance, internal control assessments and Hong Kong listed companies, and is a member of the Hong Kong Institute of Certified Public Accountants.

The remaining two engagement members participate in the execution of the engagement under the guidance and supervision of Mr. Lee and engagement manager, including document review, interviews, internal control assessment and testing, findings compilation and report preparation. One of the engagement members has previously worked in audit and internal control review at a Big Four accounting firm and is a Certified Public Accountant of the State of Washington, USA, with five years of experience in professional advisory services and financial service industry. The other engagement member has approximately one year of experience in professional advisory services.

RSM continuously provides appropriate guidance, supervision and quality review of the engagement by the engagement partner and engagement manager, based on the scope, complexity, actual progress of the work and the Company's needs, to ensure that the engagement work is properly executed.

The Company has reviewed the curriculum vitae, professional qualifications and past project experience of its core project members, and noted that they possess experience commensurate with the nature, scope and complexity of this project. The Company is of the view that RSM possesses sufficient professional capabilities, industry knowledge and human resources to properly carry out the IC Review.

RSM proposes to adopt a risk-based approach in conducting this engagement, which includes: (i) understanding the Company's business model, organisational structure, governance arrangements and key risks; (ii) identifying key business processes, significant risks and key control points; (iii) evaluating the design and operating effectiveness of relevant controls; (iv) identifying internal control deficiencies and their potential impact; (v) proposing targeted remediation recommendations; and (vi) following up on and/or reviewing the implementation of remedial measures (if applicable). The Company is of the view that such approach can effectively assist the Company in identifying, assessing and improving its risk management and internal control systems.

### **C. The Audit Committee's conclusion**

Accordingly, after assessing RSM's independence and qualifications and verifying RSM's actual business address and the key professional qualifications of its core team members, the Company is of the view that RSM possesses the independence, appropriate qualifications, sufficient resources and professional competence to act as the Company's internal control consultant for the IC Review.

Following deliberation and voting at the meeting, it was unanimously agreed to appoint RSM as the Company's internal control consultant.

For the key findings of the IC Review, please refer to the announcement of the Company dated 17 September 2026 in relation to, *inter alia*, key findings of the IC Review.

### **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 1:29 p.m. on 27 March 2025 and will remain suspended until further notice.

By order of the Board  
**Hanhua Holding Co., Ltd.**  
*Chairman of the Board*  
**Cheng Juan**

Chongqing, the PRC, 25 September 2026

*As at the date of this announcement, the executive Director is Ms. Cheng Juan; the non-executive Directors are Mr. Zhu Guangbo, Mr. Xi Yao and Mr. Xie Cheng; the independent non-executive Directors are Ms. Zhan Ziqiong, Mr. Wang Zhifeng, Mr. Zhang Weihua and Mr. Liu Haowen; and the employee Director is Ms. Yang Guixiang.*