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歡喜傳媒集團有限公司\*  
HUANXI MEDIA GROUP LIMITED

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 1003)

**PROPOSED CHANGE OF AUDITOR**

This announcement is made by Huanxi Media Group Limited (“**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).

**PROPOSED CHANGE OF AUDITOR**

The board (“**Board**”) of directors (“**Directors**”) of the Company announces that the Board, upon the recommendation of the audit committee of the Board (“**Audit Committee**”), proposes to (1) remove PricewaterhouseCoopers (“**PwC**”) as the auditor of the Company (“**Proposed Removal**”); and (2) appoint BDO Limited (“**BDO**”) as the new auditor of the Company (“**Proposed Appointment**”, collectively with the Proposed Removal, the “**Proposed Change of Auditor**”) to fill the vacancy created by the Proposed Removal. The Proposed Change of Auditor is subject to the passing of the relevant resolutions at a special general meeting to be convened by the Company (“**SGM**”) and the Proposed Appointment is also subject to the satisfactory completion of BDO’s client acceptance procedures.

The Board and the Audit Committee are not aware of any disagreements or unresolved audit issues, except for the proposed audit fee for the financial year ending 31 December 2026 (“**FY2026**”), between the Company and PwC or other matters in relation to the Proposed Removal that need to be brought to the attention of the shareholders of the Company (“**Shareholders**”). The Board further confirmed that, as at the date of this announcement, PwC has not commenced the work in relation to the audit (“**2026 Audit**”) of the consolidated financial statements of the Group for FY2026 (“**2026 Accounts**”). It is currently expected that the Proposed Removal would not have any significant impact on the 2026 Audit and the release of the annual results of the Group for FY2026.

\* For identification purposes only

The Board would like to take this opportunity to express its gratitude and appreciation to PwC for its services rendered to the Company during the past years.

## CHRONOLOGY OF EVENTS LEADING TO THE PROPOSED CHANGE OF AUDITOR

Set out below is a chronology of events leading to the Proposed Change of Auditor:

| Date 2026               | Events                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9 June                  | At the last annual general meeting of the Company held on 9 June 2026, PwC was re-appointed as the Auditor for FY2026 at the proposed audit fee of approximately HK\$3.585 million (“ <b>PwC Proposed Fee</b> ”) (which was provided to the Company on 31 March 2026 and disclosed in the Company’s circular dated 30 April 2026), and to hold office until the conclusion of the next annual general meeting of the Company; and the Directors were authorised to fix its remuneration.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| June                    | <p>In order to improve its operating cash flow and financial performance, optimise its internal operations and organisational structure and achieve a comprehensive reduction in its administrative expenses through the implementation of proactive measures, the Group was required to further enhance its cost control measures (“<b>Cost Control Measures</b>”). The management of the Company was of the view that the remuneration of the Auditor, being one of the principal components of the Group’s administrative expenses, should be subject to prudent monitoring, balancing and assessment.</p> <p>When the Company commenced planning for the 2026 Audit, the Company obtained audit proposals (including indicative fee proposals) from four qualified audit firms for the 2026 Audit for ascertaining the prevailing market rates. The fee proposals from such audit firms ranged from HK\$2.6 million to HK\$3.0 million, with the fee proposed by BDO being HK\$2.6 million (“<b>BDO Proposed Fee</b>”).</p> |
| September-early October | The Company held discussions with PwC about the Cost Control Measures and the possibility of the change of the Auditor. The Company confirmed with PwC that the PwC Proposed Fee would remain unchanged at HK\$3.585 million.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9 October                   | Taking into account of the factors set out in the paragraph headed “Assessment on proposed appointment of BDO as new auditor” below and the review of the audit proposals (including indicative fee proposals) received from the four qualified audit firms (other than PwC), the Audit Committee preliminarily recommended to the Board the Proposed Change of Auditor.                                       |
| 9 October                   | The Company informed PwC of the Company’s proposal to change the Auditor.                                                                                                                                                                                                                                                                                                                                      |
| 9 October                   | The Company informed BDO of its being preliminarily selected by the Company as the proposed incoming Auditor.                                                                                                                                                                                                                                                                                                  |
| 12 October to 20 October    | The Company (including the Audit Committee) and PwC held discussions on the Company’s proposal to change the Auditor and the PwC Proposed Fee (which was disclosed in the Company’s circular dated 30 April 2026 in relation to the annual general meeting of the Company held on 9 June 2026 as mentioned above).                                                                                             |
| 12 October to<br>26 October | The Company (including the Audit Committee) and BDO held discussions on the Proposed Appointment.                                                                                                                                                                                                                                                                                                              |
| 26 October                  | The Audit Committee resolved to recommend to the Board the Proposed Change of Auditor, subject to approval by the Shareholders at the SGM and the satisfactory completion of BDO’s client acceptance procedures. The Board, upon recommendation of the Audit Committee, resolved to propose resolutions for the Proposed Change of Auditor to be put forward for consideration by the Shareholders at the SGM. |

## **ASSESSMENT ON PROPOSED APPOINTMENT OF BDO AS NEW AUDITOR**

In reaching its decision to recommend BDO to the Board for appointment as the Auditor for FY2026, the Audit Committee has taken the following factors into consideration with reference to Part 2 of the Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors issued by the Accounting and Financial Reporting Council (“AFRC”), so as to satisfy itself that BDO would be independent, competent and capable to perform a high-quality audit:

### **(a) Governance and leadership**

BDO is part of the international BDO network which extends across 169 countries and territories, with more than 94,900 professionals working out in 870 offices. Being a public interest entity auditor registered with the AFRC, BDO has approximately 1,000 staff and over 60 directors. Further, BDO is led by a group of partners possessing extensive audit experience and technical expertise. The Audit Committee is satisfied that BDO’s leadership demonstrates a commitment to conducting quality audit work in the interests of the Shareholders and the wider public.

### **(b) Independence and compliance with relevant ethical requirements**

Based on the information provided by BDO, BDO has policies and procedures in place for monitoring and complying with the Code of Ethics for Professional Accountants (including the independence provisions) issued by the Hong Kong Institute of Certified Public Accountants and other applicable ethical requirements, and BDO has complied with the relevant requirements. Further, BDO has confirmed that, except for the Proposed Appointment, there were no existing or proposed non-audit services, financial or business relationships between the Company and BDO that might impair BDO’s independence, nor any other relationships (whether financial, employment, family or otherwise) between members of the proposed audit engagement team (“**Proposed Audit Team**”) (and their respective immediate family members) and the Company that could impair BDO’s independence when conducting audits for the Company.

**(c) Industry knowledge and technical competence**

In evaluating BDO's experience, the Audit Committee has reviewed the track record of BDO in auditing entities operating in the relevant industry sector. According to the client portfolio of BDO, BDO has a team of staff with professional qualifications and extensive audit experience, and possesses experience in providing audit services to companies listed on the Stock Exchange and clients across various industries (including listed issuers engaged in businesses in media and entertainment (i.e. the Group's principal businesses)). In addition, BDO is able to leverage its international service network and professional resources to provide cross-border audit support for enterprises with domestic and overseas operations. The Audit Committee has reviewed and discussed the audit plan and audit timetable with BDO, and BDO has confirmed that it has sufficient qualified staff and professional resources available to undertake the 2026 Audit. Based on the above, the Audit Committee is satisfied that BDO has the necessary industry-specific knowledge and experience, and sufficient competent staff to perform a quality audit for the Group.

**(d) Engagement performance**

The Audit Committee has reviewed the overall audit strategy provided by BDO, which covers the audit methodology, audit scope, audit timetable, audit direction and key work arrangements. The Audit Committee has also reviewed the amount of resources allocated to the 2026 Audit by BDO and the profiles of the members of the Proposed Audit Team. The Audit Committee is satisfied that BDO has sufficient professional expertise, human resources and time commitment allocated to effectively carry out the 2026 Audit.

**(e) Communication and interaction with the Audit Committee**

The Audit Committee considers that BDO has established communication arrangements with the management of the Company and the Audit Committee to ensure that audit progress, significant financial reporting and audit matters and any other key issues in association with the 2026 Audit can be timely and properly addressed by way of two-way communication between the parties. Further, BDO has confirmed that, if appointed, it will maintain timely communications with the Company and the Audit Committee, as appropriate, regarding significant audit matters, including identified or suspected fraud and non-compliance with laws and regulations coming to its attention during the audit, in accordance with applicable professional standards and legal and regulatory requirements.

**(f) Monitoring process**

The Audit Committee has considered information provided by BDO concerning its quality management policies and procedures, including its monitoring arrangements. The quality management system of BDO includes periodic monitoring and internal review processes designed to assess compliance with applicable quality management requirements. The Audit Committee is satisfied that these monitoring and internal review processes provide robust oversight and support the delivery of a high-quality audit for the Group.

To the best of its knowledge, the Audit Committee is not aware of any matters that may affect BDO's integrity, objectivity and independence, or that may adversely affect the quality of the 2026 Audit.

Having considered the above factors, the Audit Committee is satisfied that BDO has the appropriate professional qualifications, experience, resources and capabilities to act as the Auditor, and has therefore recommended to the Board for the Proposed Change of Auditor.

**DETERMINATION AND REASONABLENESS OF BDO PROPOSED FEE**

The BDO Proposed Fee of HK\$2.6 million, being the fee payable to BDO for the 2026 Audit, was determined after arm's length negotiations between the Company and BDO, having taken into consideration a number of factors, including the scale and complexity of the Group's business operations, the audit scope, the audit timetable, the level of audit resources required and the prevailing market rates for comparable services.

The Board and the Audit Committee consider that the difference between the PwC Proposed Fee and the BDO Proposed Fee is mainly attributable to differences among different audit firms in terms of pricing policies, personnel cost structures, resource allocation and overall engagement cost-effectiveness of BDO. While the lower BDO Proposed Fee is in line with the Cost Control Measures, the Company did not make its decision on the selection and appointment of the Auditor solely based on the level of proposed audit fee. Instead, the Company made the decision after having thoroughly considered BDO's independence, professional qualifications, relevant experience, capabilities, resource commitment, expected scope of work, audit strategy and approach and the reasonableness of the BDO Proposed Fee, and having satisfied itself that the BDO Proposed Fee is not at a level that would result in BDO compromising the quality of the 2026 Audit by having inadequate resources allocated to the audit or insufficient audit work being performed.

Based on the above, the Board and the Audit Committee consider that the BDO Proposed Fee commensurates with the workload required to complete the 2026 Audit. Accordingly, the Proposed Change of Auditor has been proposed given that it will allow the Company to enhance the cost-effectiveness of the 2026 Audit with the audit quality being maintained.

## PROPOSED AUDIT PLAN AND PROPOSED AUDIT TIMETABLE

The Audit Committee has reviewed the proposed audit plan for the 2026 Audit provided by BDO, which sets out the proposed audit approach, and the indicative composition of the Proposed Audit Team. BDO confirmed that the 2026 Audit will be conducted in accordance with the Hong Kong Standards on Auditing and in compliance with applicable ethical requirements. BDO proposes to adopt a risk-based audit approach, whereby audit efforts would be directed to areas with a higher risk of material misstatement in the 2026 Accounts. Group consolidation audit procedures will also be performed, with the nature and extent of audit work at component level determined based on BDO's assessment of the risks of material misstatement in the Group's consolidated financial statements.

The Audit Committee has also reviewed the proposed audit timetable for the 2026 Audit provided by BDO as follows:

| Phase of audit        | Estimated Time           | Details of work                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit Planning Phase  | December 2026            | <ol style="list-style-type: none"><li>1. Communicate with management and the Audit Committee;</li><li>2. Update the understanding of the Group's operations, key revenue streams and internal controls;</li><li>3. Identify and assess significant audit risks;</li><li>4. Understand relevant internal controls and perform control testing where appropriate, determine the nature and scope of substantive procedures.</li></ol> |
| Audit Execution Phase | January to February 2027 | <ol style="list-style-type: none"><li>1. Perform audit procedures in accordance with applicable auditing standards on opening balances and prior-year comparative figures;</li><li>2. Perform substantive procedures; focus on high-risk areas.</li></ol>                                                                                                                                                                           |

| Phase of audit           | Estimated Time | Details of work                                                                                                                                                                                                                                                                                                                                 |
|--------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Completion and Reporting | March 2027     | <ol style="list-style-type: none"> <li>1. Summarize audit evidence;</li> <li>2. Communicate audit findings with management and the Audit Committee;</li> <li>3. Conclude the consolidated financial results for the results announcement and the audited consolidated financial statements contained in the Company's annual report.</li> </ol> |

The Audit Committee is of the view that the proposed audit plan and the proposed audit timetable of BDO are reasonable and sufficient for BDO to carry out the necessary audit procedures without compromising the audit quality, and that the resources to be allocated by BDO to the 2026 Audit are adequate to perform the necessary audit procedures within the proposed audit timetable without compromising audit quality.

## **IMPLICATIONS UNDER THE LISTING RULES AND THE BYE-LAWS**

Pursuant to Bye-law 163 of the second amended and restated bye-laws of the Company (“**Bye-laws**”), the appointment of the Auditor, the Auditor’s remuneration, and the removal of the Auditor must be determined by a general meeting. Bye-law 165 of the Bye-laws further stipulates that a person other than the incumbent Auditors shall not be capable of being appointed Auditors at a general meeting unless notice of an intention to nominate that person to the office of the Auditors has been given to the Company not less than twenty-one days before the general meeting, and the Company shall send a copy of any such notice to the incumbent Auditors and shall give notice thereof to the Shareholders not less than seven days before the general meeting provided that the above requirements may be waived by notice in writing by the incumbent Auditors to the company secretary of the Company.

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 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 Shareholders at the general meeting.

In compliance with the Bye-laws and the Listing Rules, the Proposed Removal and the Proposed Appointment will be proposed as an extraordinary resolution and an ordinary resolution, respectively, at the SGM.

A circular containing, among other things, the details of the Proposed Change of Auditor, together with the notice of the SGM and the related proxy form, will be published by the Company in due course.

By Order of the Board  
**Huanxi Media Group Limited**  
**Xiang Shaokun, Steven**  
*Executive Director and Chief Executive Officer*

Hong Kong, 26 October 2026

*As at the date of this announcement, the Board comprises Mr. Xiang Shaokun, Steven (Chief Executive Officer), Ms. Hu Hui and Ms. Jiang Meng as executive Directors, Mr. Ning Hao and Mr. Xu Zheng as non-executive Directors, and Mr. Wong Tak Chuen, Mr. Li Xiaolong, Mr. Wang Hong and Mr. Song Pengliang as independent non-executive Directors.*