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XXF GROUP HOLDINGS LIMITED
喜相逢集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2473)

PROPOSED CHANGE OF AUDITOR

PROPOSED REMOVAL OF AUDITOR

The Board proposes to remove PwC as the auditor of the Company with effect upon the passing of the relevant ordinary resolution by the Shareholders at the EGM. The Proposed Removal is subject to the approval of the Shareholders at the EGM.

PROPOSED APPOINTMENT OF NEW AUDITOR

The Board, with the recommendation of the Audit Committee, proposes to appoint HLB as the new auditor of the Company to fill the casual vacancy following the Proposed Removal and to hold office until the conclusion of the next annual general meeting of the Company, subject to the Proposed Removal becoming effective and the approval of the Shareholders at the EGM.

GENERAL

The Company will convene the EGM for the Shareholders to consider and, if thought fit, approve the Proposed Change of Auditor. A circular containing, among other things, further information on the Proposed Change of Auditor and the notice of the EGM will be despatched to the Shareholders in due course.

This announcement is made by the Company pursuant to Rule 13.51(4) of the Listing Rules.

PROPOSED REMOVAL OF AUDITOR

At the last annual general meeting of the Company held on 18 June 2026, PwC was re-appointed as the auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company. The Board now proposes to remove PwC as the auditor of the Company, subject to the passing of an ordinary resolution by the Shareholders at the EGM.

In considering the Proposed Removal, the Board and the Audit Committee took into account, among other things, (a) the audit fee proposal submitted by PwC for the FY2026 Audit, which has been revised to reflect the expected increase in audit scope arising from the Proposed Acquisition and additional requirement to cover the statutory audit of certain subsidiaries, and (b) the Company's cost-control objectives.

The Audit Committee considered that the estimated fee level may not be commensurate with the current operational scale and audit scope of the Group and reviewed the alternative proposals and assessed HLB's suitability as described below. After considering the circumstances, the Audit Committee recommended that the Board seek the approval of the Shareholders for the Proposed Removal. The Board is of the view that the Proposed Change of Auditor would enable the Company to (a) exercise effective cost control and reduce its operating expenses to better support the future business development of the Group and (b) bring a fresh perspective to the external audit process and the Company's management considers it conducive to maintaining good corporate governance, and is in the interests of the Company and the Shareholders as a whole.

The Board emphasises that the Proposed Removal does not reflect any concern regarding PwC's integrity, professional competence or the quality of the audit services previously provided by PwC. The Board and the Audit Committee have confirmed that, save as disclosed in this announcement, there is no disagreement between the Company and PwC and there are no unusual or unresolved matters in connection with the Proposed Removal that need to be brought to the attention of the Shareholders or the Stock Exchange.

Confirmation in relation to PwC

The Company is incorporated under the laws of the Cayman Islands and, to the best of the Board's knowledge, there is no requirement under the laws of the Cayman Islands for an outgoing auditor to confirm whether there are any circumstances connected with the Proposed Removal that need to be brought to the attention of the Shareholders or creditors of the Company. PwC has accordingly not issued such a confirmation. The Board has received a letter from PwC dated 30 October 2026 setting out the circumstances in respect of the removal of PwC as the auditor of the Company. The Board confirms that, save as disclosed in this announcement, there are no other matters in connection with the Proposed Removal that need to be brought to the attention of the Shareholders.

As at the date of this announcement, PwC has not commenced any audit work for the year ending 31 December 2026. The Board further confirms that, the incoming auditor will communicate with PwC and perform such procedures as it considers necessary in accordance with applicable professional standards. It is expected that the Proposed Change of Auditor will not have any significant impact on the annual audit of the Group for the financial year ending 31 December 2026.

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

PROPOSED APPOINTMENT OF NEW AUDITOR

The Board further announces that, with the recommendation of the Audit Committee, it has resolved to propose the appointment of HLB, a registered public interest entity auditor, as the new auditor of the Company to fill the casual vacancy following the Proposed Removal and to hold office until the conclusion of the next annual general meeting of the Company. The Proposed Appointment is subject to the Proposed Removal becoming effective and the approval of the Shareholders at the EGM.

CHRONOLOGY OF KEY EVENTS LEADING TO THE PROPOSED CHANGE OF AUDITOR

Date	Event
18 June 2026	At the last annual general meeting of the Company held on 18 June 2026, PwC was re-appointed as the auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company. As disclosed in the Company's circular dated 28 April 2026, the preliminary estimated audit fee of PwC for the audit services relating to the FY2026 Audit was expected to be in the range of approximately RMB1.5 million to RMB2.0 million.
24 August 2026	Due to the Proposed Acquisition and additional requirement to cover the statutory audit of certain subsidiaries, the scope of audit work for the FY2026 Audit is expected to be expanded. Accordingly, the Company commenced discussions with PwC regarding the proposed audit scope, timetable and fee for the FY2026 Audit. Such additional work had not been included in the preliminary fee estimate disclosed in the Company's circular dated 28 April 2026.
9 September 2026	PwC provided an audit fee quotation of RMB2,780,000 for the FY2026 Audit (excluding fees for the review of the interim financial information of the Company for the six months ended 30 June 2026).
10 September 2026	As part of its half-yearly governance and cost-control review, the management of the Company reviewed the level of professional fees of the Group, including audit fees, having regard to the Group's current operational scale, risk profile, cost-control strategy and prevailing market practices, and the independence of auditors. Accordingly, the management of the Company discussed the possibility of changing auditor of the Company with the chairman of the Audit Committee.
18 September 2026	Mr. Fung Che Wai, Anthony, the chairman of the Audit Committee, met with representatives of PwC by video conference to further discuss the FY2026 Audit, including PwC's proposed audit scope, timetable, fee and the relevant pricing basis, as well as the procedures of removing PwC as the auditor of the Company, if necessary.
From 10 September to 29 September 2026	Following the reassessment, the Company invited 9 other accounting firms to submit proposals, including two of the Big Four Accounting Firms, as well as other international and local accounting firms. Among them, HLB submitted its proposal for the FY2026 Audit, setting out, among other things, its proposed audit scope, approach, timetable, engagement-team composition, estimated working hours and fee.
From early October to late October 2026	Upon completion of the reassessment, having regard to the Group's current operational scale and anticipated audit scope, the management of the Company was of the view that the level of PwC's proposed audit fee exceeded the Company's budget, and therefore recommended to the Auditor Committee that the Company shall consider changing the auditor of the Company.

Date	Event
29 October 2026	The Audit Committee considered and reviewed the respective proposals of PwC and the other 9 accounting firms to understand their respective proposed audit approaches, timetables, resources, engagement-team compositions and other relevant information. Having reviewed the proposals submitted by HLB and the other accounting firms, and having taken into comprehensive consideration the audit scope and methodology proposed by HLB, the experience and resources of the engagement team, the estimated working hours, the quality management arrangements, the audit timetable and the fees, the Audit Committee recommended the Proposed Appointment to the Board and submitted the proposal to the Board for its approval.
30 October 2026	Following due consideration and having regard to the Audit Committee's recommendation, the Board resolved to propose (i) the removal of PwC as the auditor of the Company, subject to the approval of the Shareholders at the EGM; and (ii) the appointment of HLB as the new auditor of the Company to fill the casual vacancy arising from the Proposed Removal, subject to the Proposed Removal taking effect and the separate approval of the Shareholders at the EGM. The Company has notified PwC of the Proposed Removal. As aforesaid, the Company received a letter from PwC dated 30 October 2026 setting out the circumstances in respect of the removal of PwC as the auditor of the Company.

AUDIT FEES

The audit fee proposed by PwC for the FY2026 Audit was RMB2,780,000, whereas the corresponding audit fee proposed by HLB for the FY2026 Audit is RMB1,600,000, representing a difference of RMB1,180,000, or approximately 42.4%.

In September 2026, the Company received fee quotations from 8 other accounting firms (excluding PwC and HLB), with quoted amounts ranging from RMB1,610,000 to RMB3,130,000, all of which were higher than the fee quotation of HLB.

The estimated audit fee has been determined on the basis that there will be no material changes in the Group's operations (apart from the additional audit work in relation to the Proposed Acquisition), accounting policies or regulatory environment during the financial year, no material changes in the time and resources to be deployed by HLB, and that the Company will provide timely and adequate assistance and information as reasonably required for the audit.

Having considered the scope and complexity of the FY2026 Audit, the personnel, time and other resources proposed to be allocated by HLB, and the fee quotations from other reputable accounting firms, the Audit Committee considered that the audit fee proposed by HLB is commensurate with the current scale of operations of the Group and is fair and reasonable.

AUDIT COMMITTEE'S ASSESSMENT OF HLB

In making its recommendation, the Audit Committee reviewed HLB's proposal, including its proposed audit scope, approach, timetable, engagement-team composition and fee. With reference to section 2 of the Guidelines for Effective Audit Committees — Selection, Appointment and Reappointment of Auditors and the "Guidance Notes on Change of Auditors" published by the Accounting and Financial Reporting Council, the Audit Committee considered, in particular, the following factors:

1. **Governance and leadership:** The Audit Committee considered the qualifications, experience and proposed level of involvement of the engagement leaders of HLB. The proposed audit team will be led by experienced professionals with experience in accounting, auditing, financial reporting and serving Hong Kong-listed companies. The engagement director will be actively involved throughout the audit process, including overseeing the audit engagement, reviewing significant audit matters and maintaining communication with the management and the Audit Committee. The Audit Committee considered that such leadership arrangements would facilitate appropriate oversight of the audit and the timely identification, escalation and resolution of significant audit matters.

2. **Independence and ethical requirements:** HLB has confirmed that it has complied with the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants, including the applicable independence requirements. HLB has also stated that it maintains internal client-acceptance procedures to safeguard its independence and objectivity and that it has not provided any non-audit services to the Group. Having considered the foregoing, the Audit Committee was satisfied that there were no matters of which it was aware that might impair HLB's independence in undertaking the FY2026 Audit.

3. **Industry knowledge and technical competence:** The Audit Committee considered the experience of the proposed audit team in providing audit and other professional services to Hong Kong-listed companies across various industries. The proposed team comprises personnel with experience in accounting, auditing, financial reporting and regulatory matters relating to listed companies. In addition, certain members of the proposed team have relevant experience in the automotive industry, including the provision of audit or financial advisory services to automotive companies. The proposed audit team has also identified the principal areas of audit focus relevant to the Group's operations, including revenue recognition under finance lease contracts and the measurement of expected credit losses on finance lease receivables. Based on the foregoing, the Audit Committee considered that the proposed audit team possesses the technical competence and relevant experience required to undertake the FY2026 Audit.

4. **Resources and engagement performance:** The proposed engagement team will comprise engagement director, managers and other team members in performing and completing the audit work of the FY2026 Audit. The Audit Committee considered the proposed allocation of personnel, estimated working hours, involvement of senior team members and proposed audit timetable, and was satisfied that HLB had proposed sufficient and appropriate professional resources to implement its audit plan and complete the FY2026 Audit within the proposed timetable without compromising audit quality.

5. **Communication with the Audit Committee:** HLB's proposed audit plan provides for communication with the Audit Committee regarding, among other matters, the planned scope and timing of the audit, the annual audit plan and significant audit matters and findings identified during the audit. HLB also proposed to maintain communication with the management and relevant finance personnel throughout the audit process so that potential audit issues could be identified and addressed at an early stage. The Audit Committee considered that these proposed communication arrangements would facilitate effective oversight of the audit process and the timely resolution of significant audit matters.

6. **Monitoring procedures:** The Audit Committee considered HLB's proposed audit risk and quality-control arrangements. According to its proposal, HLB maintains audit quality management arrangements which incorporate applicable ethical, auditing and quality management standards and an HLB quality assurance review programme. HLB's proposal also provides for internal quality control review of the audit work. Having considered the information provided, the Audit Committee considered that these proposed procedures would provide an appropriate framework for monitoring the progress and quality of the FY2026 Audit and was satisfied that no matter had been identified that would materially affect HLB's suitability to undertake the FY2026 Audit.

Details of HLB's Proposed Audit Plan and Timetable

HLB will employ a risk-based audit methodology tailored to the Group's business components. Its proposed timetable for the FY2026 Audit is set out below:

Phase	Timeline	Key Procedures and Steps
Planning and preliminary procedures	Late October 2026 to November 2026	• Complete and execute the transition procedures. • Determine the scope of the FY2026 Audit, identify significant account balances, transactions and disclosures in the financial statements, and assess the related risks. • Arrange interviews and meetings with relevant departments of the Company to further understand the business of the Company. • Present the FY2026 Audit plan to the management team and the Audit Committee. • Conduct meetings with the Audit Committee to discuss the audit plan and its implementation timetable.

Phase	Timeline	Key Procedures and Steps
Audit Execution Phase	November 2026 to February 2027	• Carry out the audit work (including on-site work). • Understand the key business cycles and operational processes, and identify and evaluate the relevant internal controls. • Conduct tests of controls and substantive analytical procedures. • Discuss significant audit matters with management, particularly in areas involving significant assumptions, judgments or estimates.
Audit completion and Reporting	March 2027	• Complete the audit of the financial statements and perform internal quality control review. • Hold a closing meeting with the Audit Committee to report the key audit findings and issue the audit report. • Report the key findings relating to the annual results and issue the agreed-upon procedures report. • Provide management recommendations for management (if any). • Publish the Group's annual results announcement and annual report for the year ending 31 December 2026.

The Audit Committee reviewed HLB's proposed audit timetable and considered that it provides sufficient time for each audit phase, including planning, fieldwork, review and completion, without undue compression. In assessing the reasonableness of the timetable, the Audit Committee took into account:

1. the Group's year-end closing process and operational complexity;

2. the sequencing of audit procedures across business segments; and

3. the Listing Rules requirement for the timely publication of the annual results.

HLB has presented its overall audit strategy, audit plan and proposed timetable to the Audit Committee. The Audit Committee has reviewed and discussed the proposed audit plan and is satisfied that it is appropriate and sufficient for conducting a quality audit. HLB confirmed that the audit will be conducted in accordance with the applicable auditing standards and in compliance with applicable ethical requirements.

Having considered the matters set out above, the Audit Committee is satisfied that HLB possesses the independence, professional competence and capability, together with sufficient human resources, expertise, quality management procedures and technical resources, to undertake the FY2026 Audit and complete it within the proposed timetable without compromising audit quality.

The Board and the Audit Committee are of the view that the Proposed Appointment is in the interests of the Company and the Shareholders as a whole. The Board and the Audit Committee confirm that, save as disclosed in this announcement, there are no other circumstances or matters in connection with the Proposed Change of Auditor that need to be brought to the attention of the Shareholders or the Stock Exchange.

EXTRAORDINARY GENERAL MEETING AND DESPATCH OF CIRCULAR

Pursuant to Article 152(2) of the Articles of Association, the Shareholders may, by ordinary resolution at any general meeting convened and held in accordance with the Articles of Association, remove an auditor before the expiration of its term of office and, at that meeting, appoint another auditor by ordinary resolution in its place for the remainder of its term. Pursuant to Rule 13.88 of the Listing Rules, the Proposed Removal is subject to the approval of the Shareholders by way of an ordinary resolution at a general meeting.

The Proposed Appointment is subject to the Proposed Removal becoming effective and the approval of the Shareholders by way of a separate ordinary resolution at the EGM. Accordingly, the Company will convene the EGM for the purpose of considering and, if thought fit, passing ordinary resolutions to (i) remove PwC as the auditor of the Company with effect from the passing of the relevant resolution; and (ii) appoint HLB as the auditor of the Company to fill the casual vacancy arising from the Proposed Removal, to hold office until the conclusion of the next annual general meeting of the Company, and authorise the Board to fix its remuneration.

In accordance with Rule 13.88 of the Listing Rules, the circular proposing the removal of PwC will be despatched to the Shareholders not less than 10 business days before the EGM, together with any written representations received from PwC. A copy of the circular will also be sent to PwC, and PwC will be allowed to attend the EGM and make written and/or verbal representations to the Shareholders at the EGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Proposed Change of Auditor and, accordingly, no Shareholder is required to abstain from voting on the relevant resolutions at the EGM.

A circular containing, among other things, further information on the Proposed Removal and the Proposed Appointment, any written representations received from PwC, and the notice convening the EGM will be despatched to the Shareholders in due course in accordance with the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings as set out below unless the context otherwise requires:

"Articles of Association"	the amended and restated memorandum and articles of association of the Company
"Audit Committee"	the audit committee of the Company
"Big Four Accounting Firms"	PwC, Deloitte Touche Tohmatsu, Ernst & Young and KPMG
"Board"	the board of Directors
"Company"	XXF Group Holdings Limited (喜相逢集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2473)
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, approve the Proposed Change of Auditor
"FY2026 Audit"	the audit of the consolidated financial statements of the Group for the year ending 31 December 2026 and related audit work
"Group"	the Company and its subsidiaries
"HLB"	HLB Hodgson Impey Cheng Limited
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
"PRC"	the People's Republic of China excluding, for the purposes of this announcement and geographical reference only and except where the context requires otherwise, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Proposed Acquisition"	the proposed acquisition of the entire issued share capital of PAGAC NTS Limited, as disclosed in the Company's announcement dated 4 August 2026

"Proposed Appointment"	the proposed appointment of HLB as the auditor of the Company
"Proposed Removal"	the proposed removal of PwC as the auditor of the Company, subject to the approval of the Shareholders at the EGM
"Proposed Change of Auditor"	collectively, the Proposed Removal and the Proposed Appointment
"PwC"	PricewaterhouseCoopers
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of HK$0.003333333333 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the issued Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

By Order of the Board
XXF Group Holdings Limited
Mr. HUANG Wei
Chairman of the Board, chief executive officer and executive Director

Hong Kong, 30 October 2026

As at the date of this announcement, the executive Directors are Mr. Huang Wei and Mr. Ye Fuwei, and the independent non-executive Directors are Mr. Fung Che Wai, Anthony, Mr. Wu Fei, Mr. Chen Shuo and Prof. Wang Lihong.