

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Sheen Tai Holdings Group Company Limited

順泰控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01335)

SUPPLEMENTAL ANNOUNCEMENT ON CHANGE OF AUDITOR

Reference is made to the announcement of Sheen Tai Holdings Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 December 2025 (the “**Announcement**”) in relation to the change of auditor of the Company. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board would like to provide the following information supplemental to the Announcement:

DETAILED CHRONOLOGY OF EVENTS LEADING TO THE CHANGE OF AUDITOR

- (a) On 28 April 2025, the Company announced that a wholly owned subsidiary of the Company had invested approximately HK\$15 million in hardware for cloud computing, data storage related services and Filecoin mining, with scheduled plans to launch this new segment in June 2025. The Company immediately discussed this expansion with RSM. Based on initial projections of the new segment’s scale relative to the Company’s existing financials, RSM initially anticipated no significant changes to the audit scope or fees, noting that a definitive quote could only be provided after the operations commenced. Consequently, the Board recommended RSM’s re-appointment to the shareholders in April 2025.
- (b) By late June 2025, the Company, through a series of transactions, invested an aggregate consideration of approximately HK\$16.5 million to acquire Filecoin, officially launching its cryptocurrency operations in July 2025. Since this new segment involved emerging technologies which requires specialized IT and industry expertise, audit requirements have evolved to address new risks.
- (c) On 1 August 2025, the Company received from RSM the indicative audit fee for FY2025 as HK\$0.8 million (FY2024 was HK\$0.88 million), the fee was formed on the basis of additional specialists required for the audit of the Company’s cryptocurrency business.
- (d) On 9 September 2025, the Company paid HK\$0.2 million to RSM for the year ending 31 December 2025 (“**FY2025**”) interim report. In addition, the Company paid HK\$80,000 to RSM for professional services related to the preliminary work on re-acceptance procedures.

- (e) On 30 October 2025, RSM made a preliminary inquiry to the Company regarding the Company's new cryptocurrency business.
- (f) On 19 November 2025, the Company's management held a telephone conference call with RSM to discuss matters related to the new cryptocurrency business.
- (g) During 16-18 December 2025, RSM discussed and negotiated with the management of the Company for its proposed increment in audit fee for FY2025 (from HK\$0.8 million to HK\$1.3 million). RSM explained that they would need an expert to confirm smart contracts for the new cryptocurrency business. RSM insisted that there was no room for any reduction in its newly proposed audit fee and also verbally proposed to resign if consensus could not be reached.
- (h) During 17-19 December 2025, the executive director of the Company, Mr. Dai Jizhou, proposed HLB as an alternative auditor based on a prior working relationship with the Company leading HLB to submit a fee quote of HK\$0.8 million, which the Board then compared against RSM's higher quote of HK\$1.1 million.
- (i) On 19 December 2025, the Audit Committee acknowledged RSM's intention to resign if consensus could not be reached with the Company in respect of the audit fee in the total amount of HK\$1.3 million (HK\$0.2 million + HK\$1.1 million) for FY2025. The Audit Committee also received HLB's firm profile with audit fee quotation at HK\$0.8 million.
- (j) On 22 December 2025, the Audit Committee held a teleconference with HLB (during which RSM and other members of the Company were not present) to assess HLB's capabilities, resources, industry knowledge, and technical expertise. The Audit Committee also determined whether HLB possessed sufficient familiarity with the Company's business and key audit matters, as well as clarified the reasons for the resignation of RSM.
- (k) On 23 December 2025, during a separate meeting solely between RSM and the Audit Committee, RSM formally informed the Audit Committee of its intention to resign should the fees negotiations remain unresolved. Following a subsequent meeting between the management and Audit Committee, and after reviewing all available fee proposals, the Audit Committee accepted RSM's intention to resign based on the disagreement on the increased audit fee. The Audit Committee thereafter recommended the Board that the Company would proceed with the change of auditor.
- (l) At a later time on 23 December 2025, the Company's management verbally informed RSM that they could not accept the revised audit fee quotation of HK\$1.3 million. RSM then confirmed they would resign due to consensus could not be reached with the Company and commenced its internal resignation procedures.
- (m) On 30 December 2025, RSM formally issued the outgoing auditor letter to the Board and Audit Committee of the Company and resigned as the Company's auditor with immediate effect. On the same day, the Board held a meeting and passed a resolution to formally approve the change of auditor from RSM to HLB.

AUDIT FEE PROPOSED BY RSM AND HLB

Pursuant to paragraph 2.3.8 of the Guidelines for Effective Audit Committees (the “**Guide**”) issued by the Accounting and Financial Reporting Council (“**AFRC**”), the Company and the Audit Committee hereby disclose the reviewed details of the audit fees’ breakdown by staff seniority, geography and business segment. This includes the fee calculation basis as proposed by RSM, agreed with HLB, and subsequently approved.

The audit fee proposed by RSM was HK\$1.1 million and the audit fee agreed with HLB was HK\$0.8 million. A breakdown is set out below:

	RSM	HLB
Total Proposed Fee	HK\$1.1 million	HK\$0.8 million
Total Budgeted Hours	920 Hours	1,224 Hours
Specialist/Expert Strategy	Heavy reliance on external experts (HK\$398,200 total), including a HK\$0.3 million smart contract specialist.	Utilizes internal tax/valuation experts. Lower-priced external IT expert (HK\$0.2 million).
PRC affiliate firm (Nanjing)	HK\$0.1 million	HK\$60,000

AUDIT FEE ANALYSIS

The Audit Committee noted a significant inverse relationship between the proposed labor hours and audit fees. Specifically, HLB is allocating a substantially more labor hours for the initial audit engagement phase. In its assessment, the Audit Committee compared HLB’s proposal against the 1,290 hours actual time spent recorded by RSM for FY2024. The Audit Committee deemed HLB’s proposed 1,224 hours to be sufficient for the engagement. This slight variance in hours and the significantly lower fee are justified by HLB’s efficient use of internal tax and valuation experts. In contrast, RSM’s heavy reliance on external specialists inflated both coordination time and total costs. The Audit Committee is of the view that HLB’s lower fee is driven by structural efficiency rather than a reduction in necessary audit resources, ensuring that audit quality will not be compromised.

The newly introduced cryptocurrency business led RSM to budget heavily for external smart contract specialists of HK\$0.3 million, crypto machine valuation of HK\$30,000, and specialized IT consulting hours, making the cryptocurrency segment alone accounted for half of RSM’s entire annual audit budget.

Both firms calculated that they needed a local affiliate firm in Nanjing to assist with the generation of photovoltaic power segment. RSM allocated HK\$0.1 million to RSM China – Nanjing, while HLB allocated HK\$60,000 to HLB Nanjing, realizing a HK\$40,000 cost saving in geographical delegation.

HLB's breakdown shows that while they also view the new cryptocurrency business as the most expensive part of the audit (taking up 50% of the budget), they are able to offer a lower total fee (HK\$0.8 million vs RSM's HK\$1.1 million) primarily by:

1. Sourcing a lower-priced external IT expert (saving HK\$0.1 million).
2. Utilizing internal staff for valuation and tax instead of hiring external experts (saving approximately HK\$98,000).
3. Charging less for the affiliate firm in Nanjing and the baseline business segments (saving HK\$40,000).

Both audit firms were offering an identical scope of services with RSM and HLB both identified cryptocurrency mining business as the primary audit risk, allocating 50% of their respective proposed annual fees (HK\$1.1 million for RSM versus HK\$0.8 million for HLB) to this specific segment.

HLB's more competitive fee proposal of HK\$0.8 million was achieved through various strategic cost-efficiencies including the utilizing of in-house tax and valuation experts (reducing the reliance on expensive external specialists), securing a lower-priced external IT expert, and involvement of HLB Nanjing who will assist HLB's audit work.

Having carefully evaluated the nature and complexity of the Company's business and considering the anticipated time commitment and contribution, the Audit Committee and the Company are satisfied that the proposed audit fee by HLB is fair and reasonable to support a high-quality audit.

MAJOR FACTORS UNDERLYING THE DIFFERENT FEES BETWEEN RSM AND HLB

The major factors underlying the different fees are attributable to expert fee for smart contract audit. RSM informed the Company that an extra HK\$0.5 million expert fee will be added following the 16 December 2025 assessment of the Group's nascent cryptocurrency operations.

In contrast, HLB's proposed audit fee was HK\$0.8 million for the year ending 31 December 2025 ("**FY2025**") after the review of the published interim report and latest financial information and consideration of the Company's operational scale and risks as follow:

- **Revenue profile:** HLB noted that over 95% of revenue derives from a single segment, photovoltaic power generation, which is sold exclusively to State Grid Corporation of Jiangsu Province and confirmed its experience in auditing similar revenue scale and customer concentration.

- **Cryptocurrency Activities:** HLB observed most Filecoin were acquired through open-market purchases on trading platforms; while Filecoin mining operations, which commenced in the second half of 2025, was immaterial to the FY2025’s results. HLB highlighted its prior experience auditing larger-scale Filecoin and cryptocurrency mining entities, supported by external IT expert for system controls. This risk-based approach ensures adequate coverage for full HKSA-compliant audit procedures without compromise, aligned with the January–March 2026 timetable.

Both RSM and HLB adopted risk-based audit methodologies compliant with Hong Kong Standards on Auditing (“**HKSAs**”), encompassing equivalent substantive testing scopes, sample sizes, and focal areas (e.g., impairment assessments, revenue recognition fraud risks), with no material deviations. Resource commitments remain commensurate, with HLB optimizing PRC fieldwork through affiliates whereas RSM’s PRC fieldwork requires additional sourcing.

To ensure that the quality of the audit to be performed by HLB on the 2025 audit would not be compromised due to lower audit fee, the Audit Committee has also taken the following factors into consideration:

- Pursuant to section 2 of the Guide, the Audit Committee discharged its oversight responsibilities by prioritizing audit quality over fee minimization during its deliberations from 19 to 22 December 2025 and the dedicated teleconference with HLB on 22 December 2025.
- After reviewing the background, experience and audit plan of HLB and directly comparing the scopes between RSM and HLB, the Audit Committee confirmed HLB’s superiority to RSM across critical quality dimensions – namely, established experience in cryptocurrency and photovoltaic power audits, efficient resource allocation (including specialist IT/valuation teams and PRC affiliates), and a comprehensive risk-focused audit plan – without compromising audit scope or rigor compared to RSM.
- The Audit Committee conducted a conference with HLB to review its methodologies, resource commitments, and proposed end-March 2026 timetable. The Audit Committee concluded that timetable is feasible due to HLB’s strategy of conducting audit in phases and substantive testing, which distributes the workload efficiently. Conducting preliminary procedures early allows the team to resolve complex audit matters in advance, saving time later and ensuring ample time for rigorous substantive testing and final reviews before the March 2026 deadline, thereby maintaining the quality of the audit.

The Audit Committee considered that the audit quality would not be compromised due to reduced fees. The audit fee of HK\$0.8 million aligns with market norms for engagements of a similar scale handled by comparable mid-tier firms (i.e. auditors registered under AFRC regulation as Category B Public Interest Entities (PIEs)).

FACTORS CONSIDERED IN THE APPOINTMENT OF HLB

The Audit Committee has thoroughly evaluated HLB under section 2, specifically paragraph 2.2.4, of the Guide, confirming its independence, competence, and capability to conduct the FY2025 audit.

Governance and leadership – HLB has been established in Hong Kong for more than 70 years, currently ranks seventh in Hong Kong’s listed company audit market, with network firms covering 155 countries and employing over 50,000 staff globally. The Audit Committee has reviewed the corporate profile and the relevant policies in quality management regarding governance and leadership of HLB and is satisfied with its quality of service, evidenced by its extensive experience in auditing companies listed on the Stock Exchange of Hong Kong (“**Stock Exchange**”) and that HLB maintains a structured internal monitoring regime.

Compliance with relevant ethical requirements – The Audit Committee verified HLB’s independence pursuant to section 2.1 of the Guide and section 290 of the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) *Code of Ethics for Professional Accountants* (“**Code of Conduct**”). While HLB’s prior engagement was a 2024 non-audit service, the Audit Committee concluded that this fell outside prohibited services and did not create self-interest threats impairing objectivity. Following a review of the HLB’s statement of independence, the Audit Committee concluded that no financial interests, close business relationships, or other non-audit services exist that could compromise independence under the Guide and the Code of Conduct.

Industry knowledge and technical competence – HLB demonstrated strong governance and technical expertise, particularly in HKFRS Accounting Standards, complex valuations, and cryptocurrency auditing via dedicated IT specialists. After reviewing the profile of HLB, the composition of the proposed audit engagement team and the background of the audit engagement partner, the Audit Committee confirmed that the HLB team is experienced with similar listed issuers, including operations and complex valuation. Since 2018, HLB has served as the auditor for six other companies listed on the Stock Exchange that engaged in cryptocurrency mining or investment, including one specialized in mining Filecoin.

Pre-engagement conference – Prior to the engagement, the Audit Committee assessed HLB’s capabilities, resources, industry knowledge, and technical expertise during a teleconference held on 22 December 2025. Through this assessment, the Audit Committee determined that HLB possessed sufficient familiarity with the Company’s business and key audit matters. HLB demonstrated a clear understanding of the Group’s background, current operations, and business environment, satisfying the Audit Committee that HLB is fully capable of delivering a high-quality audit.

Capability & Resources – The approved HK\$0.8 million fee adequately supports a full-scope, high-quality audit. HLB provides robust resources, including a structured Hong Kong lead team, specialized experts, and strict oversight of HLB Nanjing. The HLB audit team is led by an Engagement Director with over 20 years of experience. Its core leadership comprises four senior-level professionals— the Engagement Director, Engagement Quality Reviewer, Director, and Engagement Manager— who collectively possess between 10 and over 20 years of professional experience. Notably, three of these core leaders possess the “Certified Cryptocurrency Auditor” qualification. Furthermore, this leadership is supported by a senior and a junior accountant, the HLB Nanjing team, and dedicated specialists in internal valuation and tax, and external IT audit.

HLB Nanjing – In relation with HLB’s Nanjing affiliate firm, they will deploy a team of two to three staff members including at least one senior level or above auditor to support the engagement. Their scope of work focused on the photovoltaic power business segment, specifically performing audit procedures related to the revenue, plant and equipment, tax related audits for the current year and opening balances. HLB Nanjing will provide approximately 6 – 8 working days of on-site support to HLB.

The audit fee of HLB Nanjing determined is based on the preliminary assessment of the scope of work, level of the skills and technical competence required, the headcount and seniority of the deployed team and the time planned to be spent. The Audit Committee evaluated and was satisfied with the qualifications and professional experience of HLB Nanjing.

The Company confirms that there has been continuous, structured communication and oversight on HLB and ensuring that HLB has communication with HLB Nanjing to monitor its works and ensure the photovoltaic power segment is being properly audited.

The Audit Committee has evaluated these protocols and is satisfied that the communication and monitoring between HLB and HLB Nanjing are robust, ensuring a high-quality audit that meets all regulatory requirements.

Engagement performance – The Audit Committee has discussed with HLB on its overall audit strategy which sets out a clear scope and direction of the audit. Having reviewed the detailed breakdown of hours, the seniority of the assigned personnel and the team members, the utilization of internal and external experts, and the firm’s independence declarations, the Audit Committee is satisfied that the audit engagement team has sufficient resources, including expertise and time to perform high quality audit.

Communication and interaction with the Audit Committee – Based on the private meetings (which the management of Company was not present) with HLB throughout December 2025 and up to the communication plan discussion in early January 2026, the Audit Committee have reviewed and discussed the key issues within their sphere of interest and responsibility. The Audit Committee is satisfied that the communication and interaction between HLB and the Audit Committee will facilitate effective discussions on auditing matters and maintain ongoing communication with HLB.

Monitoring process: The Audit Committee reviewed the 2024-25 AFRC’s Annual Inspection Report, issued in July 2025 and the information available on the AFRC and HKICPA websites regarding disciplinary cases concerning the audit firm. Based on these reviews, the Audit Committee is not aware of any behavior or activities by HLB that would threaten the integrity, objectivity and independence, or otherwise adversely affect its quality of audit. In addition, HLB follows HKSQM 1 issued by the HKICPA, under which conducting annual inspection of selected audit engagements is a key monitoring component to evaluate the effectiveness of the system of quality management. No audit quality issues within the firm have been identified in the internal inspection.

Audit inspection results and regulatory outcomes: As reflected by the results of inspections against HLB by the AFRC, the results demonstrate HLB’s adherence to professional standards and reduce the risk of deficiencies that could otherwise compromise the quality of the audit work. Crucially, AFRC public registry and HKICPA data confirms that the Engagement Director, the Engagement quality reviewer and other key audit engagement team members maintain a pristine record with no sanctions, disciplinary orders, or practicing conditions in the last five years.

Accordingly, the Audit Committee has, with detailed basis, applied section 2 of the Guide and is satisfied that HLB possesses the necessary independence, competence, and capability to deliver a high-quality audit for the Group.

DETAILS OF THE PROPOSED AUDIT PLAN OF HLB

In early January 2026, the Audit Committee conducted telephone conference with HLB in relation to the audit plan for the financial year- ended 31 December 2025. Details of HLB’s proposed audit plan are stated as follows:

Proposed Timetable

The audit timetable was structured to commence in early January 2026. During the first quarter, HLB conducts preliminary risks assessments, evaluating internal controls, and performing IT system walkthroughs. This follows by substantive testing primarily throughout January and February. During this phase, HLB executes comprehensive substantive procedures—including inspection, observation, inquiry, confirmation, recalculation, reperformance, and analytical reviews. Finalization and completion are scheduled for the end of March 2026, aligning with the Company’s reporting schedule.

The Audit Committee considers the timetable reasonable given HLB’s prior experience in similar business, enabling quick familiarity with business and key risks on cryptocurrency operations. The 2.5-month post-year-end window is standard for listed issuers with similar scope and ensures that audit quality is not compromised by the transition.

Audit Plan & approach

HLB pointed out that HKSA's presumes that there are fraud risks in revenue recognition and management override of controls.

In response to these risks, HLB assessed the significant risks of material misstatements which may lead to impairment of trade receivables, impairment of loan and interest receivables and fair value of an investment in convertible loan. HLB will design and perform audit procedures. These include testing the appropriateness of journal entries; reviewing accounting estimates for biases; and evaluating significant unusual transactions that are outside the normal course of business for the Company.

The audit approach involved obtaining an understanding of key internal controls relevant to the audit, examining external valuer reports related to the impairments and convertible loan fair value, engaging an auditor's expert to review management's valuations, and utilizing IT specialists to assess controls over general and application systems in the cryptocurrency business.

The Audit Committee has reviewed and confirmed HLB's work allocation, resources and professional qualifications. It further confirms that HLB's audit scope remains consistent with the former auditor. The Audit Committee is satisfied that all arrangements are comprehensive, rigorous and compliant. The 2025 annual audit was completed before 31 March 2026 to high standards, thereby safeguarding the interest of the Company and its shareholders as a whole.

By Order of the Board
Sheen Tai Holdings Group Company Limited
Guo Yumin
Chairman

Hong Kong, 27 April 2026

As at the date of this announcement, the executive Directors are Mr. Guo Yumin, Ms. Xia Yu and Mr. Dai Jizhou; and the independent non-executive Directors are Ms. Fan Qing, Mr. Dai Tin Yau and Mr. Chan Yin Lam.