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MANY IDEA CLOUD

Many Idea Cloud Holdings Limited
多 想 雲 控 股 有 限 公 司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6696)

(1) PROPOSED CHANGE OF AUDITOR; (2) FURTHER DELAY IN PUBLICATION OF 2025 ANNUAL RESULTS ANNOUNCEMENT AND DELAY IN DESPATCH OF 2025 ANNUAL REPORT; (3) POSTPONEMENT OF BOARD MEETING; AND (4) CONTINUED SUSPENSION OF TRADING

Financial adviser to the Company

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RAINBOW CAPITAL (HK) LIMITED
滙 博 資 本 有 限 公 司

This announcement is made by Many Idea Cloud Holdings Limited (the "**Company**", together with its subsidiaries, collectively referred to as the "**Group**") pursuant to the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 and 13.51(4) of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

References are made to the announcements of the Company dated 23 April 2026 and 28 April 2026 (the "**Announcements**") in relation to, among other things, delay in publication of the 2025 Annual Results. Unless otherwise defined herein, capitalised terms used herein shall have the meaning ascribed to them in the Announcements.

PROPOSED REMOVAL OF BDO

BDO was re-appointed as auditors of the Group at the last annual general meeting of the Company held on 27 June 2025 to hold office until the conclusion of the next annual general meeting of the Company. The Board announces that the Company intends to, subject to the passing of the relevant resolutions at the extraordinary general meeting of the Company ("**EGM**") to be convened and held, remove BDO as the auditors of the Group ("**Proposed Removal**") and a new auditor shall be appointed as the new auditor of the Group ("**Proposed Appointment**") to fill the vacancy arising from the Proposed Removal and hold office until the conclusion of the next annual general meeting of the Company.

Background to the Proposal Removal

As disclosed in the Announcements, in view of the Allegations, the Company engaged HLB to perform the Independent AUP and the 2025 Annual Results is expected to be published following the issuance of such Independent AUP report to the satisfaction of BDO and any additional audit procedures to be performed by BDO.

BDO's Comments on the Independent AUP

On 25 April 2026, BDO issued an email to the Audit Committee that they considered that HLB's investigation work plan (the "**Draft Plan**") to be inadequate for a fraud investigation and identified eleven key concerns (the "**BDO's Comments**") on the investigation. Such key concerns include:

(i) **Nature of the plan** – The Draft Plan is not a proper fraud or appropriate investigation plan but only an agreed-upon procedures engagement focusing on tracing and verifying cash outflows, and lacks the depth, independence safeguards and forensic procedures.

(ii) **Independence and evidence sourcing** – BDO considers that the Draft Plan appears to rely heavily on management-provided information and interviews and there is insufficient independent work-done.

(iii) **Verification of management-provided information –** The Draft Plan does not include procedures to verify the accuracy and completeness of the information provided and produced by management.

(iv) **Possible deficiencies** -

(a) No clear investigation hypotheses tied to the Allegations.

(b) No explicit fraud risk assessment methodology, red-flag criteria, or escalation protocol for suspicious findings.

(c) Sampling is driven largely by monetary thresholds, whereas fraud investigations typically also require targeted selection.

(d) The Draft Plan does not mention preservation of evidence, chain of custody, or forensic imaging/collection of emails, messaging records, contracts, invoices, and approval records.

(e) The Draft Plan lacks procedures to verify beneficial ownership, related-party connections, supplier existence, or whether services were rendered.

(f) Testing of controls is mentioned, but control testing alone is insufficient where fraud is suspected.

(v) **Selection criteria for significant balances** – The criteria for selecting significant balances remain unclear.

(vi) **Verifying commercial substance and interviewee credentials –** The Draft Plan appears to lack the verification of the commercial substance of cash outflows for assessing genuine business merit and commercial substance.

(vii) **Tracing expenses to specific fundraisings –** The procedures target expense transactions (e.g., marketing, research and development ("**R&D**"), and other significant expenses) related to funds raised in several fundraising activities. However, because each unit of currency is interchangeable, it is difficult to establish how any expense transaction could be considered related to a particular tranche of funds under the Draft Plan.

(viii) **Use of agreed-upon procedures ("AUP") Format –** BDO is not comfortable with this engagement being conducted in an AUP format, even though it is not explicitly governed by HKSRS 4400.

(ix) **Messaging apps and email searches –** The Draft Plan does not include a review of instant messaging app content of relevant persons (e.g., the Chairman). In addition, string searches of emails would normally be designed to detect information that may indicate the presence of fraud.

(x) **Supplier due diligence and interviews –** The Draft Plan does not include due diligence on suppliers related to R&D and marketing expenses, nor interviews with suppliers to understand their identities, capacities, and the genuine business merit and commercial substance of the transactions.

(xi) **Journal entry testing –** The Draft Plan includes journal entry testing on cash outflows from the Group's trial balance and general ledger for the relevant periods, which BDO considers not typical in this type of investigation procedure.

The Audit Committee acknowledged the BDO's Comments and in order to address the BDO's Comments, the Audit Committee has sought for other independent third-party professional institute for conducting forensic investigation with a focus on the above areas.

The CLA Investigation on the Allegations and the 2nd Allegation with a view to fully addressing the BDO's comments

To fully address the BDO's Comments and as part of the investigation conducted by the Audit Committee, on 6 May 2026, the Company proposed to engage CLA Advisory Limited ("**CLA**") to conduct an independent forensic investigation (the "**CLA Investigation**") on the Allegations. CLA is an independent third-party professional institute in Hong Kong. The responsible person of CLA is experienced in providing forensic investigations for companies listed on the Stock Exchange. The CLA team assigned to undertake the independent forensic investigation comprises of members who are members of FCPA (Practising), FCA, CPAA, CCSA, MPAcc, as well as Certified Information Auditor, with decades of experience. CLA has involved in three forensic investigation and one independent investigation for companies listed on the Stock Exchange since 2023. Based on the experience and track record of CLA, the Audit Committee considered that CLA is competent to perform the CLA Investigation. The CLA Investigation, which is a forensic investigation on the Allegations, is expected to identify any fraud or wrongdoing in the Company.

On 7 May 2026, BDO received an email from an individual claiming to have been responsible for signing off on the initial public offering (IPO) of Good Idea Interactive (Xiamen) Culture Communication Co., Ltd.* (好想互動(廈門)文化傳播股份有限公司), formerly known as Xiamen Many Idea Interactive Co., Ltd.* (廈門多想互動文化傳播股份有限公司)("**Xiamen Many Idea**"). The sender (the "**Sender**") alleged, without providing any supporting evidence, that Xiamen Many Idea had engaged in financial irregularities (the "**2nd Allegation**"). Xiamen Many Idea was listed on the National Equities Exchange and Quotations (全國中小企業股份轉讓系統) in 2015 and was subsequently delisted in 2020. As disclosed in the Company's prospectus dated 28 October 2022, Xiamen Many Idea was transferred out as part of a corporate reorganization and was no longer part of the Group. According to the Company, the Fengze Branch of the Quanzhou Public Security Bureau (泉州市公安局豐澤分局) confirmed in 2023 that the Sender was involved in the case of extorting an executive Director of the Company and was under investigation for any criminal liability.

In addressing the 2nd Allegation, the Audit Committee expanded the scope of the CLA Investigation to include an assessment of any direct or indirect relationship or dealings between Xiamen Many Idea and the Group, with a view to identifying and verifying any potential cross-entity fraud or fund channeling, where applicable.

The scope of work of the CLA Investigation

The proposed scope of the CLA Investigation which is intended to fully address the Allegations, the 2nd Allegation and the BDO's Comments includes, among others, (i) all the three Allegations: (a) where the funds from the capital issuance were directed; (b) the "left hand to right hand" payment to suppliers; and (c) the connection between the cross-border capital chain and the US stock shell company; and (ii) the 2nd Allegation that Xiamen Many Idea had engaged in financial irregularities.

The CLA Investigation will be conducted as an independent forensic investigation, with evidence obtained through independent fact-finding rather than reliance on management-provided documents. Supporting documentation will be gathered to establish a complete chain of evidence, rather than relying on simple sampling. Specifically, CLA will independently and directly obtain all large transaction records for the periods of (i) 1 January 2024 to 31 December 2024; (ii) 1 January 2025 to 31 December 2025; and (iii) 1 January 2026 to 28 February 2026, from the banks, and conduct independent background check, including a comprehensive 10-year review covering litigation, administrative penalties, tax records, politically exposed persons (PEP), employment history with other listed companies, and companies held by the relevant parties. Searches will be conducted across multiple jurisdictions and sources, including Hong Kong, the British Virgin Islands, the Cayman Islands, the U.S. SEC EDGAR database, the Financial Industry Regulatory Authority (FINRA), and over-the-counter (OTC) data.

With respect to fund tracing, a fund repatriation test will be performed to chase the transactions. Information technology (IT) forensic procedures will be conducted in accordance with ISO/IEC 27037, which provides guidelines for the handling of digital evidence, including keyword search and deleted file recovery. CLA will also perform background searches on the suppliers and directly invite them for interviews.

The Board and the Audit Committee are satisfied that the CLA Investigation can address the Allegations and the 2nd Allegation given that (i) the CLA Investigation is expected to address all the comments previously provided by BDO; (ii) the CLA Investigation, which is an in-depth forensic investigation on the Allegations and the 2nd Allegation, is expected to identify any fraud or wrongdoing in the Company which may affect the audit of the 2025 Annual Results.

It is expected that the CLA Investigation report will be available by the end of July 2026. Subject to the findings of the CLA Investigation, additional audit procedures will be required to complete the audit of the 2025 Annual Results.

Based on the audit work that has been performed up to the date of this announcement, BDO has confirmed that, other than the Allegations and the 2nd Allegation, BDO is not aware of any other circumstances regarding the Proposed Removal which it considers should be brought to the attention of the shareholders (the "**Shareholders**") of the Company.

The Company will make further announcement(s) in respect of the results and recommendations (if any) of the CLA Investigation as and when appropriate.

Reasons for the Proposal Removal

Nonetheless, having considered (i) the Allegations alleged, among others, that the audit signing partner of BDO cooperated closely with the executive Director such that the audit could be completed as disclosed in the Announcements, and (ii) CLA's advice to engage another independent auditor, which is not mentioned in the Allegations, to perform the audit for the 2025 Annual Results from a fresh perspective, the Board has come to a unanimous view that it may not be in the interest of the Company to continue the engagement of BDO as the Group's auditors. After careful but reluctant consideration and taking into account of the interests of stakeholders and shareholders of the Company and the need to be able to publish the 2025 Annual Results, on 25 June 2026, the Audit Committee recommended, and the Board agreed, the Proposed Removal and the Proposed Appointment, subject to the passing of the relevant ordinary resolutions at the EGM pursuant to the articles of association of the Company (the "**Articles**").

The Company is incorporated under the laws of the Cayman Islands and to the knowledge of the Board, there is no requirement under the laws of the Cayman Islands requiring the outgoing auditors to confirm whether or not there is any circumstance connected with their cessation to act as the Group's auditors which they consider should be brought to the attention of the Shareholders. The Board and the Audit Committee also confirm that there are no other matters or circumstances in connection with the Proposed Removal that need to be brought to the attention of the Shareholders.

PROPOSED APPOINTMENT OF NEW AUDITORS

Factors considered by the Audit Committee in engaging CCTH as the new auditor

The Audit Committee has considered section 2, particularly paragraph 2.2.4, of the guide issued by the Accounting and Financial Reporting Council (AFRC) on 16 December 2021 and a number of factors in assessing the appointment of CCTH CPA Limited ("**CCTH**") as the Group's new auditor, including but not limited to (i) the audit proposal of CCTH; (ii) CCTH's experience, industry knowledge and technical competence in providing audit work for companies listed on the Stock Exchange; (iii) its familiarity with the requirements under the Listing Rules and HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants; (iv) CCTH's independence from the Group and objectivity; (v) CCTH's resources and capabilities including manpower and time; and (vi) the relevant guidelines issued by the Accounting and Financial Reporting Council. Set out below is the details of the review:

Governance and leadership

CCTH has been established in Hong Kong in 2010 and is under the network of Allinial Global, which has 611 offices in 83. The Audit Committee has reviewed the corporate profile and the relevant policies in quality management regarding governance and leadership of CCTH and is satisfied that CCTH's governance structure and leadership oversight are effective in ensuring the delivery of a high-quality, independent and rigorous audit.

Compliance with relevant ethical requirements

CCTH confirmed that it has not provided on-going non-audit services to the Group and its controlling shareholder and that its key engagement executives have confirmed that they are independent of the Group and its controlling shareholder. The Audit Committee concluded that CCTH complies with all applicable independence and ethical requirements, and that neither CCTH nor their relevant engagement personnel has any relationship or interest that would impair their independence.

Industry knowledge and technical competence

The Audit Committee noted that CCTH provides audit services to various Hong Kong listed companies and has demonstrable experience in industry comparable to that of the Company. Having reviewed the firm's credentials, the Audit Committee is satisfied that CCTH possesses the industry knowledge required to understand the Company's operations, identify key audit risks, and design appropriate audit procedures.

The Audit Committee further observed that the proposed engagement team comprises senior professionals with extensive experience in auditing Hong Kong-listed entities. Both the engagement partner and the engagement review partner each have over 15 years of audit experience, and all key team members are qualified CPAs with strong technical competence in HKFRS Accounting Standards, the Listing Rules, and the Companies Ordinance. Based on the above, the Audit Committee is satisfied that CCTH possesses the industry knowledge, technical competence, and sufficiently experienced staff required to perform the audit effectively.

Communication and interaction with the Audit Committee

Subject to its formal appointment, CCTH plans to maintain communication with the Audit Committee and the Company's management on the audit progress from time to time to ensure key audit matters will be properly addressed in a timely manner.

Audit inspection results and regulatory outcomes

CCTH has no sanctions or disciplinary actions in the last five years as evidenced by the AFRC's inspections of CCTH. The findings demonstrate CCTH's consistent adherence to professional standards, thereby mitigating the risk of deficiencies that could compromise audit quality. Hong Kong Institute of Certified Public Accountants records also indicated that the engagement partners and other key audit engagement team members maintain a pristine compliance history. Accordingly, the Audit Committee was satisfied that CCTH is independent, competent and capable in providing high-quality audits to the Group.

The estimated audit fee of CCTH for the financial year ended 31 December 2025 is approximately RMB1,400,000, which is determined with reference to the proposed audit scope, the Group's current size, complexity and risk profile, the expected level of effort and timeline of the audit, the size and composition of the audit team, the rank distribution of the personnel to be deployed, the firm's operating model and resource availability, and on the assumption that there will be no material change to the Group's operations, accounting policies or regulatory environment during the financial year, and that the Company will provide timely and adequate assistance and information as reasonably required for the audit. The Audit Committee has reviewed CCTH's audit proposal and proposed remuneration, and has considered the key principles governing audit fees to ensure that audit quality would not be compromised.

Based on the aforementioned factors and after careful consideration, the Audit Committee has concluded that (i) CCTH is independent, eligible, capable and suitable to act as the new auditor of the Group; and (ii) the change of auditor would maintain audit quality and enable the Company to provide an objective audit opinion on the 2025 Annual Results.

Accordingly, the Board, with the recommendation of the Audit Committee, has resolved to propose that the Shareholders approve the appointment of CCTH as the new auditor to fill the casual vacancy following the removal of BDO 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 passing of the ordinary resolution in respect of the Proposed Appointment at the EGM. At present, the audit works in relation to the 2025 Annual Results are put on hold. Once CCTH is appointed by the Shareholders, the Company will continue to do its best to complete the audit procedures as soon as possible. The appointment of CCTH as the Group's auditor is subject to the passing of an ordinary resolution at the EGM and the satisfactory completion of CCTH's client and engagement acceptance procedures.

CCTH's audit plan and timetable

Subject to the above, CCTH will perform the audit in accordance with HKSA 600 (Revised) Special Considerations –Audits of Group Financial Statements (including the Work of Component Auditors) ("**HKSA 600R**"). HKSA 600R requires the group auditor to adopt a risk-based approach by developing an appropriate audit plan for each significant account, in contrast to the previous approach, which identified individually significant entities. When identifying components, CCTH shall consider factors such as whether the components operate in similar activities or business lines, whether they are located in the same or different jurisdictions, whether they operate under central management (including the level of centralization of activities relevant to financial reporting), and whether any common controls exist.

The BDO's Comments and concerns raised by BDO has been provided to CCTH. In response to BDO's comments, CCTH will request the same information previously sought by BDO, including the engagement of CLA to conduct a forensic investigation into the Allegations and the 2nd Allegation. In addition, CCTH will perform the following additional audit procedures: (i) review the reports of HLB and CLA; (ii) assess the competence of HLB and CLA; (iii) perform independent audit procedure to check accuracy of financial reporting and compare the results in respective areas to the work which performed by CLA and HLB; and (iv) engage the IT audit team to evaluate the relevant procedures carried out by HLB and CLA. CCTH also proposed the audit procedures relating to the Allegations, including obtaining detailed information, conducting interviews, arranging confirmation, performing sampling tests on expenditure, reviewing findings from CLA Investigation, seeking legal opinion and assessing the accounting impact.

Based on the assessment of CCTH and subject to the receipt of the above information, CCTH is expected to complete the audit of the 2025 Annual Results within three months from the date of engagement. CCTH is expected to assign an engagement director responsible for the Company's overall audit and other engagements, supported by an engagement in in charge, an engagement manager, an audit in-charge, and four audit staff for this engagement. The details of the proposed audit plan and timetable is set out as follows:

Phase	Estimated Period	Audit Plan
Audit planning	First month from the date of engagement	– Perform audit planning activities – Conduct preliminary analytical procedures – Perform risk assessment – Hold planning meetings with Audit Committee – Understand major operating cycles and internal control environment
Audit fieldwork	First to second month from the date of engagement	– Test the operating effectiveness of key internal controls – Perform audit procedures on opening balances – Locations with roll-back procedures – Execute substantive audit procedures across significant areas – Review draft report from CLA Investigation – Maintain ongoing discussion with management

Phase	Estimated Period	Audit Plan
Communication with management and the Audit Committee on key audit findings	Third month from the date of engagement	– Conduct closing meeting with the Audit Committee to review the consolidated financial statements – Finalisation of the consolidated financial statements and the auditor's report – Discuss key audit findings with management and the Audit Committee
Publish announcement and annual report of the 2025 Annual Results	Third month from the date of engagement	– Coordinate with the Company for draft result announcement – Final review of annual report

After reviewing the overall audit strategy of CCTH, the Audit Committee is satisfied that the proposed plan and timeline are adequate and reasonable. In particular, the Audit Committee considers that (i) sufficient time has been allocated for each audit phase; (ii) the audit procedure has taken into account the CLA Investigation, the scope of which is expected to address the BDO's Comments and has been agreed with CCTH as part of its risk assessment process; (iii) the proposed timetable is reasonable and allows CCTH to complete all necessary procedures without compromising audit quality; and (iv) the resources committed by CCTH are adequate to achieve the proposed timetable.

RELEVANT RULE IMPLICATIONS

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

Pursuant to Rule 13.88 of the Listing Rules, (i) an issuer must not remove its auditor before the end of the auditor's term of office without first obtaining shareholders's approval at a general meeting; (ii) the issuer must send a circular proposing the removal of the auditor to the shareholders with any written representations from the auditor, not less than 10 business days before the general meeting; and (iii) the Company must allow the auditor to attend the general meeting and make written and/or verbal representations to the Shareholders at the general meeting. The Company has in its notice to BDO dated 24 June 2026 informed BDO of the rights of making representations.

In compliance with the Articles and the Listing Rules, the Proposed Removal and the Proposed Appointment will be put forward to the Shareholders for approval at the EGM by way of ordinary resolutions.

Accordingly, the Company will despatch of the Shareholders a circular containing, among other things, further information on the Proposed Removal and the Proposed Appointment, along with a notice convening the EGM. At the same time, the Company will send a copy of the circular to BDO, inviting them to attend the EGM to make written or verbal representations to the Shareholders.

THE EGM

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Proposed Removal and the Proposed Appointment. A circular containing further information of the Proposed Removal and the Proposed Appointment, together with the notice of the EGM, is expected to be despatched to the Shareholders as soon as practicable.

POSTPONEMENT OF THE BOARD MEETING

Subject to (i) the passing of the relevant ordinary resolutions at the EGM to approve the Proposed Removal and the Proposed Appointment; (ii) the audit procedures to be performed by CCTH on the 2025 Annual Results, the Allegations and the 2nd Allegation; (iii) the satisfaction of the Audit Committee and CCTH to the results and recommendations of the CLA Investigation (collectively, the "**Findings**") in addressing the Allegations and the 2nd Allegation; and (iv) any additional audit procedures to be performed by CCTH based on the Findings, it is expected that the audit of the 2025 Annual Results will complete, and the 2025 Annual Results will be published within three months from the date of engagement. The Company will fully cooperate with CLA and CCTH to complete the CLA Investigation and the audit of the 2025 Annual Results, respectively.

Owing to the delay in publication of the 2025 Annual Results as a result of the foregoing, the Board meeting for the purpose of, considering and approving, among others, the 2025 Annual Results will be accordingly postponed.

Further announcement(s) in relation to the timetable of (i) the publication of the 2025 Annual Results; (ii) the despatch of the 2025 Annual Report; and (iii) the date of the Board meeting will be made by the Company as and when appropriate in accordance with the Listing Rules.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 31 March 2026 and will remain suspended until the Company publishes the 2025 Annual Results.

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

By Order of the Board
Many Idea Cloud Holdings Limited
Liu Jianhui
Chairman of the Board

Hong Kong, 26 June 2026

As at the date of this announcement, the Board comprises Mr. Liu Jianhui, Ms. Qu Shuo, Mr. Chen Shancheng, Mr. Chen Zeming and Mr. Zeng Xiangyun as executive Directors, Mr. Hoi Kim Chon as non-executive Director, and Ms. Wang Yingbin, Ms. Zhou Yan, Mr. Tian Tao and Ms. Shi Zhan as independent non-executive Directors.