Bairong Inc.
百融雲創

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)
(Stock Code: 6608)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO RETIREMENT OF AUDITOR AND APPOINTMENT OF NEW AUDITOR

Reference is made to the announcement of Bairong Inc. (the "**Company**") dated June 4, 2026 in relation to the retirement of auditor and proposed appointment of new auditor (the "**Announcement**"). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, KPMG would retire as the auditor of the Company upon the conclusion of the 2026 AGM, and DTT would be appointed as the new auditor of the Company for the year ending December 31, 2026, subject to the approval of the Shareholders at the 2026 AGM. On June 30, 2026, the Shareholders approved the appointment of DTT as the Company's new auditor at the 2026 AGM by ordinary resolution. The Company would like to provide the following supplementary information in relation to the change of auditor.

Reasons for the Change of Auditor

As disclosed in the Announcement, the Company will evaluate the need for auditor rotation on a periodic basis. Having considered that KPMG has served the Company since the preparation of the listing of its shares on the Stock Exchange and then thereafter, the relevant audit team from KPMG has been involved in the audit engagement with the Company's senior management for over five years. Although the Audit Committee and the Board were still satisfied with KPMG's independence and objectivity, the Company considered that an auditor rotation may bring valuable new perspectives and industry insights to the Company and reduce the risk of familiarity threat. The new auditor may also possess the most relevant expertise and capabilities aligned with the Company's evolving business needs and future strategic direction. Furthermore, DTT's proposed audit fee, in the range of RMB3.5 million to RMB4.0 million, was less than that proposed by KPMG. After considering and comparing the (i) audit proposal and audit fee; (ii) industry knowledge and technical competence; (iii) independence and objectivity; (iv) market reputation and track record; and (v) resources and capabilities of the two auditor firms, the Audit Committee and the Board are of the view that the change of auditor is a cost-effective option without prejudicing the Company's aim of highest standards of corporate governance and audit quality, and is in the interest of the Company and the Shareholders.

Internal Policy regarding Change of Auditor

Pursuant to the memorandum and articles of association of the Company, the Company shall at every annual general meeting by ordinary resolution appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. In addition, pursuant to the terms of reference of the Audit Committee, the Audit Committee is primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and for approving the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal.

Accordingly, the Audit Committee will review the performance, qualifications and independence of the Company's auditor at least annually. As part of such annual review, the management of the Company will first refer to the audit fees of other companies listed in Hong Kong engaging in the same industry as the Company to ascertain the prevailing market standard for the audit fees. The management of the Company will then discuss with the Audit Committee whether to recommend the re-appointment of the existing auditor or the appointment of a new auditor, after considering the audit approach, the audit scope, the audit fees and the business needs of the Company.

Following such evaluation, the Audit Committee and/or the management of the Company may consider initiating a change of auditor based on the following factors: (i) the independence or objectivity of the existing auditor; (ii) the potential for improvement in the audit services provided to the Company; (iii) whether the audit fees charged by the existing auditor exceed the prevailing market standard; (iv) the availability of a new auditor possessing appropriate industry expertise and resources commensurate with the Group's growing business needs and complexity; or (v) any other circumstance under which the change of auditor would be in the interests of the Company and the Shareholders as a whole.

If the Audit Committee and/or the management of the Company consider it desirable to obtain audit proposals from other audit firm(s) for comparison, the following internal procedures will be performed:

(a) **Identification of candidates and obtaining fee quotations.** The finance department, led by the Company's chief financial officer, shall be responsible for identifying and liaising with external auditor candidates. The finance department shall obtain fee quotations from at least one other audit firm that is comparable to the Company's existing auditor in terms of reputation, expertise and size. In identifying suitable candidate(s), the finance department shall have regard to the audit service needs of the Company. Given that the Group's business focuses on artificial intelligence (AI), and based on the Company's AI strategic plan and business development direction, the Company's auditor should possess extensive audit experience and professional knowledge in TMT-related industries, so as to ensure that the audit work adequately reflects an understanding of the Group's business model and industry characteristics and to safeguard audit quality;

(b) **Preliminary evaluation by the chief financial officer.** The Company's chief financial officer shall study the audit proposals submitted by the external auditor candidate(s) and evaluate whether any of them may offer audit services of a quality at least comparable to that of the Company's existing auditor. The finance department will then invite the shortlisted external auditor candidate(s) to attend an interview with the Audit Committee;

(c) **Independent interviews and comprehensive comparison.** The Audit Committee will independently communicate with the responsible audit teams of the Company's existing auditor and the shortlisted external auditor candidate(s), in the absence of the management of the Company, in order to gain a further understanding of their respective audit methodologies, work plans and understanding of the Group's business. Meanwhile, the Audit Committee will conduct a comprehensive comparison of the fee quotations and audit plans submitted by the shortlisted external auditor candidate(s) against those of the Company's existing auditor. In conducting such comparison, the Audit Committee shall also assess the independence, reputation, resources committed, and regulatory and inspection records of each candidate's responsible audit team, as well as other matters relating to the change of auditors set out in the Guide; and

(d) **Recommendation and approval.** Following the conclusion of the interviews and the comparison exercise, the Audit Committee shall make a recommendation to the Board, which shall in turn make the final recommendation to the Shareholders for approval at a general meeting of the Company.

Chronology of Events leading to the Change of Auditor

Time	**Event**
March 25, 2026	KPMG provided its initial audit fee quote for the year ending December 31, 2026.
April 2, 2026	The Company obtained the initial audit proposal and audit fee quote from DTT for comparison.
April 28, 2026	The Company published its 2025 Annual Report and concluded the audit of financial statements for the year ended December 31, 2025.
May 2026	The Company continued to discuss with KPMG and DTT on the audit proposal and audit fee for the year ending December 31, 2026 and has informed KPMG that it may propose the appointment of a new auditor of the Company.
May 26, 2026	The Audit Committee met privately with the audit team from KPMG to understand whether there were any differences between KPMG and the Company other than the proposed audit fee.
June 2, 2026	The Audit Committee met privately with the audit team from DTT to understand DTT's qualifications, expertise and capabilities, and the potential audit plan and communication policy with the Company if DTT were selected as the new auditor of the Company for the year ending December 31, 2026.
June 4, 2026	The Board, based on the recommendation from the Audit Committee, resolved to propose the appointment of DTT as the new auditor of the Company for the year ending December 31, 2026, subject to the approval of the Shareholders at the 2026 AGM.
June 30, 2026	The Shareholders appointed DTT as the Company's new auditor and authorized the Board to fix its remuneration for the year ending December 31, 2026.

Audit Committee Assessment on DTT

The Audit Committee has considered section 2 of the Guide and is satisfied that DTT is independent, competent and capable of performing high-quality audits having regard to the considerations as set out in the Guide.

(a) Governance and leadership

DTT has been established in Hong Kong for over 50 years and is part of a global network of member firms spanning more than 150 countries. DTT is a registered PIE auditor (as defined in the Accounting and Financial Reporting Council Ordinance (Cap. 588)) and is authorized to undertake or carry out PIE engagements. DTT provides audit services to a wide range of Hong Kong listed companies in the TMT, AI services, financial services, information transmission, software and information technology services, real estate, manufacturing, and energy sectors.

The Audit Committee has reviewed DTT's organizational structure and relevant policies in quality management regarding governance and leadership. The proposed audit engagement team from DTT includes technical and quality review partners and managers to oversee the engagement quality control reviews carried out by DTT in relation to the engagement.

(b) Compliance and relevant ethical requirements

DTT is committed to provide quality service and comply with the relevant ethical requirements in accordance with the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants, including the independence provision. DTT has not provided any audit or non-audit services to the Company or its subsidiaries and has confirmed their independence of the Group.

(c) Industry knowledge and technical competence

The Company is a leading AI-powered technology platform serving diverse industries and scenarios in China. The Company has officially established its strategic direction of "becoming a leading enterprise-grade AI agent partner" and pioneered a new RaaS (Result as a Service) paradigm. Given the Company's strategic focus on AI, intelligent decision-making, and technology-driven services, the Audit Committee believes it is critical to engage an auditor with deep and proven expertise in the Technology, Media, and Telecommunications (TMT) sector.

DTT has demonstrated a strong track record and has a dedicated team with extensive experience auditing TMT companies, including listed companies in the AI, FinTech and software sectors. The Audit Committee is of the view that DTT's expertise in technology-driven business models, revenue recognition for AI service platforms and the valuation of Level 2/3 financial instruments will enhance the quality of the audit services provided to the Company and better support the Company's long-term development.

(d) Engagement performance

DTT expects to commit sufficient resources and manpower to the audit of the Company for the year ending December 31, 2026, with a detailed timetable and audit plan tailored to the Company's profile and regulatory requirements. DTT and its audit team leaders have undertaken that they have sufficient time and resources to provide high quality audit for the Company.

In addition, DTT's internal support team, which includes experts in multiple fields such as taxation, information system, internal control, risk management, financial instruments, and sustainability services, will provide support for the audit services throughout the process. DTT will devote sufficient audit resources and time to the audit work and closely monitor progress, quality and resources to meet the timing requirements for disclosure of the Company's annual report.

With reference to the above, the Audit Committee is satisfied that DTT and the audit engagement team (in particular, the audit team leaders) have the capability, sufficient time and other resources to deliver a high-quality audit, supported by its extensive expertise and comprehensive audit strategy.

(e) Communication and interaction with the Audit Committee

DTT is committed to maintaining open and frequent communication with management and those charged with governance throughout the audit process. In addition, private meetings will be held between DTT and the Audit Committee, in the absence of the Company's management, to review key issues and allow DTT to provide candid and confidential comments to the Audit Committee.

(f) Monitoring process

DTT will have a professional audit engagement team for the audit of the Company, which will be led by three audit partners and supported by two audit managers and one IT audit manager, all with many years' experience in auditing listed companies, with particular expertise in the TMT and fintech service industries. In addition to the key audit team members as mentioned above, the audit engagement team is also staffed with three technical and quality review partners and managers, as well as engagement support from DTT's regional audit delivery center and internal professional specialists responsible for, among others, IT, tax and valuation.

The Audit Committee has reviewed the background and work experience of the audit team leaders from DTT. The Audit Committee has also reviewed public searches conducted on the websites of the relevant authorities and noted that none of the key audit engagement team members is subject to any past or ongoing regulatory actions. Further, the audit engagement partner or the engagement quality reviewer has passed the recent internal and external inspections and no audit quality issues were identified.

(g) Audit fee

The proposed audit fee from DTT offers a cost saving option to the Company while remaining within a reasonable market range. The Audit Committee is satisfied that the proposed fee does not represent an attempt to win the engagement by underpricing and is sufficient to support a high-quality and rigorous audit. DTT's proposal set out an efficient audit methodology and the use of advanced technology, which together justify the proposed fee level.

The fee proposal was transparent, with a clear breakdown of costs. The Audit Committee held detailed discussions with DTT to ensure the scope of work was fully understood and appropriately priced. There are no unusual conditions or hidden costs associated with the proposal.

Based on the above, the Audit Committee is satisfied that DTT is independent, competent and capable (including manpower, expertise, time and other resources) to perform a high-quality audit.

Saved as disclosed above, all other information as set out in the Announcement remains unchanged and shall continue to be valid for all purposes. This announcement is supplemental to and should be read in conjunction with the Announcement.

By order of the Board
Bairong Inc.
Zhang Shaofeng
Chairman and Executive Director

Hong Kong, July 17, 2026

As at the date of this announcement, the Board comprises Mr. Zhang Shaofeng, Ms. Wang Qing and Mr. Chan Chun Kit as executive Directors, Professor Liao Jianwen and Mr. Hong Hao as non-executive Directors, and Professor Chen Zhiwu, Dr. Li Yao and Mr. Zhang James Jian as independent non-executive Directors.