CHINA TIANRUI GROUP CEMENT COMPANY LIMITED

中國天瑞集團水泥有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1252)

(1) SUPPLEMENTAL INFORMATION ON RESIGNATION OF AUDITOR
(2) PROPOSED APPOINTMENT OF AUDITOR
AND
(3) CONTINUED SUSPENSION OF TRADING

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

Reference is made to the announcements of the Company dated 30 March 2026, 23 June 2026, 10 August 2026, 18 August 2026 and 24 August 2026 in relation to, among others, the delay in publication of annual results of the Company for the year ended 31 December 2025 and resignation of auditor (the "**Announcements**"). Capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements unless otherwise stated.

(1) SUPPLEMENTAL INFORMATION ON RESIGNATION OF AUDITOR

As disclosed in the announcement of the Company dated 18 August 2026 (the "**18 August Announcement**"), Zhonghui Anda has tendered its resignation as the auditor of the Company with effect from 18 August 2026. In addition to the information disclosed in the 18 August Announcement, the Board would like to provide the following supplementary information in relation to the Resignation.

Background of the Resignation

As disclosed in the Announcements, the Company has been working closely with Zhonghui Anda to complete the audit work in relation to the 2025 Annual Results, including but not limited to collecting and collating the necessary information for certain audit procedures of Zhonghui Anda on the Prepayments and the appointment of ZXH Hong Kong to conduct the Independent Investigation.

On 29 June 2026, the Audit Committee enquired Zhonghui Anda the audit completion timeline, the on-site audit arrangements, the scope of additional procedures and the fee arrangements for additional work.

On 30 June 2026, Zhonghui Anda replied that, it would require no less than 6 to 8 weeks to complete all remaining audit procedures and internal quality reviews, assuming the Company provides all requested supporting documents and information in full on a timely basis. Zhonghui Anda also replied to the Company that pending completion and findings of the Independent Investigation, it was unable to proceed with its audit procedures.

On 31 July 2026, the Audit Committee and the Board considered that, notwithstanding that Zhonghui Anda indicated that it would dedicate the necessary resources to complete the audit of the 2025 Annual Results, it did not provide any concrete details to address the concerns of the Audit Committee including the on-site audit arrangements, the scope of additional procedures and the fee arrangements for additional work. The Audit Committee was unable to satisfy itself that it has sufficient basis to support Zhonghui Anda's expected timeline of 6 to 8 weeks and the 2025 Annual Results could be published within a reasonable timeframe. In light of such uncertainties, the Audit Committee and the Board were of the view that the appointment of another auditor with appropriate resources, experience who is able to provide concrete work schedule to carry out the audit work would be in the best interests of the Company and the Shareholders. As such, the Audit Committee communicated its assessment to Zhonghui Anda and recommended Zhonghui Anda to consider resigning as the auditor of the Company.

On 18 August 2026, the Company received a letter from Zhonghui Anda which concluded that it was in the mutual interests of both parties to accept the Audit Committee's recommendation and therefore has tendered its resignation as the auditor of the Company effective from 18 August 2026. Further details have been disclosed in the 18 August Announcement.

Disagreements or Outstanding Audit Issues

In respect of the outstanding audit issues raised by Zhonghui Anda, the Board would like to provide the following supplementary information:

1. Significant prepayments and related cash flows – As disclosed in the Announcements, the Board understands that the auditor had concerns on the balances, movements and recoverability of the Prepayments, including, in particular, (i) the reasons for the fund flows with one of coal suppliers during the Year with unaudited balance of approximately RMB8.26 billion as at 31 December 2025 (RMB8.81 billion as at 31 December 2024; and (ii) the recoverability of the outstanding Prepayment balances with coal suppliers, as no significant utilization was observed during the Year.

   Zhonghui Anda requested the Company to provide (i) detailed supplementary documents, including but not limited to ledgers of the Prepayments, relevant bank remittances and bank statements; (ii) additional documents such as purchase orders, relevant supplier contracts and other walkthrough documents; and (iii) report of the Independent Investigation. Zhonghui Anda also indicated that pending the findings of the Independent Investigation, it may request the Company to provide further information.

   As disclosed in the Announcements, the Company provided the detailed supplementary documents. In respect of those supplementary documents, the Company has been providing such documents on a continuing basis. However, significant amount of time is required to retrieve, check and organize such additional documents involving over 1,600 transactions amongst around 20 subsidiaries of the Group. In addition, as the Independent Investigation was still ongoing and not yet completed, the report of the Independent Investigation was not available.

2. Going concern assessment – As disclosed in the Announcements, based on the management accounts of the Group, the Group's overdue loans (including bank and other borrowings) have increased to approximately RMB3.4 billion as at 31 December 2025, while bank balances stand at only approximately RMB0.7 billion and the unused banking facilities was approximately RMB1.75 billion. No clear short-term financing arrangements nor asset realisation plans have been provided to address the liquidity concerns. The going concern assumption therefore remains subject to significant uncertainty.

   Zhonghui Anda requested the Company to provide an assessment (such as clear short-term financing arrangements or asset realisation plans) to address the liquidity concerns which shall be updated to (or close to) the date of issuing its audit report.

   The Company shall provide an updated assessment to support the going concern assumption as and when the expected date of issuing audit report is determined.

3. Impairment, guarantees, litigation and related party transactions – As disclosed in the Announcements, Zhonghui Anda was in the process of obtaining sufficient appropriate audit evidence regarding the management's impairment assessment models (covering property, plant and equipment, right-of-use assets, mining rights, interests in and amounts due from associates, goodwill, trade and other receivables), provisions for guarantee obligations, litigation developments, and the completeness of the related party transaction listing. These matters remain outstanding and are subject to further verification.

   Zhonghui Anda requested the Company to provide the above assessments be updated to (or close to) the date of issuing its audit report.

   The Company shall provide an updated assessment as and when the expected date of issuing report is determined.

As explained above, after considering the responses given by Zhonghui Anda, the Audit Committee was of the view that the appointment of another auditor with appropriate resources, experience who is able to provide concrete work schedule to carry out the audit work would be in the best interests of the Company and the Shareholders.

(2) PROPOSED APPOINTMENT OF AUDITOR

The Board hereby announces that, having considered the recommendation of the Audit Committee, it has resolved to propose to appoint CLA Prism Hong Kong Limited (formerly known as Prism Hong Kong Limited) ("**CLA Prism Hong Kong**") as the new auditor of the Company (the "**Proposed Appointment**").

In forming its recommendation, the Audit Committee has considered section 2, particularly paragraph 2.2.4, of the "Guidelines for Effective Audit Committee — Selection, Appointment and Reappointment of Auditors" (the "**Guide**") published by the Accounting and Financial Reporting Council (the "**AFRC**"), and is of the view that, subject to (i) the approval of the Shareholders at the EGM; and (ii) satisfactory completion of CLA Prism Hong Kong's acceptance procedures, including applicable independence and conflict checks, and CLA Prism Hong Kong being satisfied that it is able to accept the engagement in compliance with the applicable professional and ethical requirements, CLA Prism Hong Kong is considered by the Audit Committee to (a) be independent, competent and capable to perform the audit of the 2025 Annual Results; and (b) have sufficient and appropriate manpower, expertise, time and resources to carry out the necessary audit procedures to achieve the proposed audit timetable without compromising the audit quality.

Set out below are the specific factors considered by the Audit Committee regarding the Proposed Appointment:

(a) *Governance and leadership* — CLA Prism Hong Kong has been established in Hong Kong for more than 10 years and is a registered Public Interest Entity auditor under the Accounting and Financial Reporting Council Ordinance (Cap. 588 of the Laws of Hong Kong). CLA Prism Hong Kong has 2 offices across Hong Kong and Mainland China with more than 150 audit professionals. CLA Prism Hong Kong has implemented and maintains a quality management system which is in full compliance with the Hong Kong Standard on Quality Management 1 Quality Management for Firms that Perform Audits or Reviews on Financial Statements, or Other Assurance or Related Services Engagements. This framework enables CLA Prism Hong Kong to identify, assess and respond to quality risks in a systematic and proactive manner.

(b) *Compliance with relevant ethical requirements* — Based on the information provided by CLA Prism Hong Kong, it maintains strict independence and objectivity in accordance with the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants. CLA Prism Hong Kong is in the process of conducting a thorough set of acceptance procedures, including applicable independence and conflict checks to confirm that there are no financial, business, employment or personal relationships between CLA Prism Hong Kong (including its partners and audit team members) and the Company, the Directors or the Company's substantial shareholders that may impair CLA Prism Hong Kong's independence. The Audit Committee also noted that CLA Prism Hong Kong has put in place rigorous internal quality control procedures, including mandatory audit partner rotation every seven years and an independent engagement quality control review process to ensure that all audit work remains objective, impartial and free from any conflicts of interest.

(c) *Industry knowledge and technical competence* — CLA Prism Hong Kong has a solid track record of providing audit and assurance services to over 70 companies listed on the Stock Exchange. Both the engagement partner and the engagement quality control reviewer partner have more than 20 years of experiences in providing auditing services to companies listed on the Stock Exchange. In particular, the engagement partner has performed audits for more than 10 companies in their resumption process. The Audit Committee also understands from CLA Prism Hong Kong that in addition to the engagement partner and the engagement quality control reviewer partner, the audit engagement team will also comprise one audit partner, one senior audit manager, two audit managers, three senior associates and five audit associates. Each of the engagement partner, the audit partner and the engagement quality control reviewer partner is a Hong Kong Certified Public Accountant who has extensive audit experiences to complete audit engagements for companies listed on the Stock Exchange.

(d) *Engagement performance* — The Audit Committee held an audit planning meeting with CLA Prism Hong Kong on its preliminary audit plan (the "**Audit Plan**") which sets out the proposed audit methodology, indicative composition of the audit engagement team, proposed audit timetable, etc. for the purpose of assessing whether CLA Prism Hong Kong would have the resources and capability to undertake the audits if appointed. Having reviewed the Audit Plan and the profiles of the audit engagement team, the Audit Committee is satisfied that the audit engagement team would have sufficient resources, including expertise and time, to perform high quality audits.

(e) *Communication and interaction with the Audit Committee* — Subject to its formal appointment and completion of its acceptance procedures, CLA Prism Hong Kong intends to maintain communication with the Audit Committee and the Company's management (the "**Management**") on the audit progress from time to time to ensure key audit matters will be properly addressed in a timely manner.

(f) *Monitoring process* — To the best knowledge of the Audit Committee, it is not aware of any behavior or activities from CLA Prism Hong Kong that will impair its integrity, objectivity and independence or adversely affect its audit quality.

(g) *Proposed audit fees* — The Company obtained audit fee proposals from three audit firms (including CLA Prism Hong Kong) and the Audit Committee considered their respective manpower, reputation and experiences in performing audits for companies during the resumption process, etc. as well as their proposed fees. Having considered the nature and complexity of the audit of the 2025 Annual Results, the Audit Committee is of the view that CLA Prism Hong Kong's proposed audit fee is fair and reasonable.

(h) *Proposed audit plan and timetable* — CLA Prism Hong Kong will adopt a risk-based audit approach whereby CLA Prism Hong Kong will obtain an understanding on the Company's internal controls and focus its auditing efforts on areas with the highest risk of material misstatement. Set out below is CLA Prism Hong Kong's proposed audit timetable:

Early September 2026	• Engagement acceptance • Communicate Audit Plan with the Audit Committee
Starting late September 2026	• Performing on-site audit field work
Mid to late November 2026	• Communicate audit findings with the Audit Committee and the Management • Resolution of any identified audit matters • Finalize the annual results announcements for the Year

The Audit Committee has discussed with CLA Prism Hong Kong regarding the issues raised in the resignation letter of Zhonghui Anda. Pursuant to the discussions between the Audit Committee and CLA Prism Hong Kong, it was noted that CLA Prism Hong Kong is fully aware of such issues including the Prepayments and the Forensic Investigation. CLA Prism Hong Kong is satisfied with the intended scope of work of the Forensic Investigation. Having reviewed and considered the Audit Plan, including the audit methodology, composition of the audit engagement team, proposed audit timetable, and taking into account the deadline for the Company to fulfil the Resumption Guidance, the Audit Committee is of the view that the Audit Plan and the proposed audit timetable is reasonable and sufficient for CLA Prism Hong Kong to carry out necessary audit procedures without compromising the audit quality, and that CLA Prism Hong Kong's resources are adequate to achieve the proposed audit timetable which would enable the Company to complete audit of the 2025 Annual Results as soon as possible to meet the resumption deadline.

In light of the above, the Audit Committee is of the view that CLA Prism Hong Kong is eligible and suitable to be recommended to the Shareholders for appointment as the new auditor of the Company.

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 Appointment that should be brought to the attention of the Shareholders.

THE EXTRAORDINARY GENERAL MEETING

According to Rule 13.88 of the Listing Rules, relevant guidance and requirement of the Stock Exchange and Articles of Association of the Company, each of the Resignation and the Proposed Appointment shall be subject to approval by an ordinary resolution of the Shareholders at a general meeting. Accordingly, the Company will convene the EGM for the purposes of considering and, if thought fit, approving the Resignation and the Proposed Appointment. A circular containing, among others, further information on the Resignation and Proposed Appointment together with the notice of EGM will be despatched to the Shareholders in due course.

(3) CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:07 a.m. on 23 March 2026 and will remain suspended until further notice.

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

By Order of the Board
China Tianrui Group Cement Company Limited
Li Liufa
Chairman

Hong Kong, 7 September 2026

As at the date of this announcement, the Board consists of executive Directors, Ms. Li Fengluan, Mr. Ding Jifeng, Mr. Li Jiangming and Mr. Li Tao; Chairman and non-executive Director, Mr. Li Liufa; and Independent non-executive Directors, Mr. Kong Xiangzhong, Mr. Mak Tin Sang and Mr. Zhang Yu.