RONGTA

Rongta Technology (Xiamen) Group Co., Ltd.
容大合眾(廈門)科技集團股份公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 9881)

FURTHER INFORMATION IN RELATION TO THE PROPOSED CHANGE OF AUDITORS

References are made to (i) the announcement of Rongta Technology (Xiamen) Group Co., Ltd. (the "**Company**") dated 12 June 2026 in relation to the proposed removal of auditor; (ii) the announcement of the Company dated 4 August 2026 in relation to the proposed appointment of auditor; (iii) the announcements of the Company dated 31 March 2026, 9 April 2026, 16 April 2026, 27 April 2026, 30 April 2026 and 29 May 2026, regarding, among other things, the delay in publication of the Annual Results (collectively, the "**Announcements**") and (iv) the circular of the Company dated 7 August 2026 and the poll results announcement of the Company dated 24 August 2026. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

The Board would like to provide the following supplemental information relating to the Proposed Removal and the Proposed Appointment:

CHRONOLOGY OF EVENTS LEADING TO THE PROPOSED REMOVAL

The following table sets forth the chronology of events leading to the Proposed Removal:

Date	**Event**
21 November 2025	The Audit Committee held a meeting with PwC to discuss the audit plan for the year ended 31 December 2025. In the meeting, PwC had raised concerns over the First Transaction and the Second Transaction and had asked the Company to provide explanations and further information and recommended the Company to carry out an independent investigation into these transactions under the supervision of the Audit Committee.
10 December 2025	PwC issued a letter to the Audit Committee and recommended the engagement of an independent investigator to investigate the First Transaction and the Second Transaction.

5 January 2026	The Audit Committee engaged an independent consultancy firm ("**Investigator I**") to assist the Audit Committee to conduct an independent investigation into the First Transaction and the Second Transaction.
13 February 2026	PwC had a meeting with the Audit Committee and management, in which PwC communicated the concerns over the Third Transaction and the Fourth Transaction, and recommended to extend the independent investigation to include the Third Transaction and the Fourth Transaction.
26 February 2026	PwC issued a letter to the Audit Committee regarding the Third Transaction and the Fourth Transaction.
28 February 2026	A draft investigation report prepared by the Investigator I in relation to the First Transaction and the Second Transaction ("**First Report**") was provided by the Audit Committee to PwC.
3 to 10 March 2026	The Audit Committee and PwC communicated on the key findings of the First Report, where PwC raised comments and question on the First Report, the follow-up actions suggested, as well as the necessity to extend the investigation to the Third Transaction and the Fourth Transaction.
18 March 2026	An updated draft of the First Report in relation to the First Transaction and the Second Transaction was provided by the Audit Committee to PwC.
21 March 2026	The Audit Committee engaged the Independent Investigator, which is an independent law firm, to review the findings of the investigation on the First Transaction and the Second Transaction, and to conduct an independent investigation into the Third Transaction and the Fourth Transaction (the four transactions are collectively referred to as the "**Subject Transactions**").
28 March 2026	The Independent Investigator issued the first draft of the Report. PwC raised questions in relation to the investigation procedures and certain findings of the Report.
31 March 2026	To address PwC's concerns, the Independent Investigator issued the second draft of the Report and provided it to PwC. PwC expressed that the second draft Report was still not able to address its previous comments and questions. Subsequently, the Company held a board meeting in which the Board approved to accept the report as final. PwC communicated with the Audit Committee and was advised that the Audit Committee had approved the Report in its current form, however, the Audit Committee had not concluded on the investigation and the Independent Investigator would continue their follow up investigation work.

1 April 2026 to 19 May 2026	PwC, the Audit Committee and the Independent Investigator had various communications to discuss the scope of the follow up investigation work. The management of the Company cooperated on providing further information for the Independent Investigator to perform the follow up investigation work and update the Report.
19 May 2026	The Report was updated to address PwC's further questions and was provided to PwC.
Between 20 May 2026 and 26 May 2026	The Company maintained ongoing communication with PwC regarding their internal review progress on the Report, organized PwC to communicate with the Independent Investigator, and finalized the Report.
26 May 2026	A meeting was held among PwC, the Audit Committee and the Independent Investigator, in which the major findings on each of the Subject Transactions were discussed in details, the views from all participating parties were discussed, and the outstanding investigation work was communicated. In general, PwC commented that the additional procedures did not result in major updates to the findings from the investigation as described in the previous drafts of the Report, in particular the questions over the nature and commercial substance and/or business rationale of the Subject Transactions. PwC provided further comments and feedback to the Audit Committee. In view of the lengthy process and the status of the investigation up to date, PwC sought the Audit Committee's advice if they would continue with the investigation or not, or they would request the auditor to consider and provide their audit opinion based on the current status of the investigation and audit work.
27 May 2026	Based on the meeting held on 26 May 2026, the Audit Committee, after careful deliberation and consultation with the Independent Investigator, concluded that continuing the investigation would not be conducive to resolving the outstanding audit issues. Accordingly, on 27 May 2026, the Chairwoman informed PwC of this decision and requested PwC to proceed with its drafting of audit opinion based on the investigation work performed to date. The Audit Committee emphasizes that this decision was reached independently, with due regard to the auditors' professional assessment.
29 May 2026	The Audit Committee confirmed to adopt the draft of the Report provided to PwC on 19 May 2026 as the finalized draft of the Report.

From 1 to 11 June 2026	The Company kept inquiring with the PwC regarding the latest status of the drafting of the audit report. PwC advised that they were in the process of drafting the audit opinion, and given the significance of the transactions and the findings and limitations of the Investigation up to date, PwC did not expect to issue an unmodified opinion on the Company's consolidated financial statements for 2025. The Company orally indicated that the Company is prepared to accept PwC issuing a modified opinion or even a disclaimer of opinion. Despite the Company's ongoing inquiries, PwC did not provide the exact date of finalizing the audit report.
12 June 2026	The management recommended the Proposed Removal to be put forward to the shareholders' meeting of the Company and the Audit Committee and the Board approved (with the Chairwoman of the Audit Committee abstained from voting [Note]).
23 June 2026	PwC issued a written representation ("**Written Representation**") to the Board and the Audit Committee regarding the Proposed Removal pursuant to Rule 13.88 of the Listing Rules. The full context of the Written Representation is set out in the Appendix to this announcement.

Note:

The Chairwoman of the Audit Committee abstained from voting for the following reasons:

(i) she was only appointed by the Company on 1 January 2026. Consequently, she had not participated in the discussion of the Subject Transactions, nor was she involved in the early stages of the requests raised by PwC;

(ii) she was of the view that it might not be the best time to remove the auditors while the audit work is on-going and that it might attract negative publicity for the Company;

(iii) she was of the view that the removal of the auditors may not resolve the audit issues; and

(iv) despite the above, she was of the view that the ongoing delay in publication of the Annual Results will not be in the best interests of the Company and its shareholders.

All members of the Audit Committee attended the meeting of the Audit Committee on 12 June 2026 and a quorum was present throughout the meeting. The abstention of the Chairwoman in voting in the Audit Committee's meeting regarding the Proposed Removal does not affect the legality and validity of the Audit Committee's meeting. Pursuant to Article 17 of the Audit Committee's terms of reference, resolutions made at the meetings of the Audit Committee shall be passed by a simple majority of the members. Since the rest of the Audit Committee members voted in favour of the Proposed Removal, such resolution has been duly passed.

OUTSTANDING AUDIT ISSUES AND THE WRITTEN REPRESENTATION

Based on the ongoing communication between the Company and PwC since November 2025, the primary audit issues of PwC are related to the Subject Transactions which PwC has requested the Independent Investigation to be carried out. The Company has consistently and actively cooperated with the requests from PwC, including but not limited to engaging an Independent Investigator to conduct the Independent Investigation on the Transactions, and organizing communications among the Audit Committee, the Independent Investigator, and PwC to address and resolve PwC's concerns regarding the findings of the Independent Investigation.

Background and the details of audit issues raised by PwC on the Subject Transactions have been disclosed in the Company's announcement dated 17 April 2026.

PwC claimed in the Written Representation that, as at the date of the Written Representation, the Company has not provided PwC with satisfactory explanations or adequate documentary evidence to support the commercial rationale, nature and substance of the Subject Transactions and the purported subsequent use of the relevant funds. PwC also claimed that it was unable to obtain adequate evidence to ascertain the background, identify the ultimate beneficial parties and relationships of the participating counterparties, or obtain corroborative evidence from these counterparties. Sets out below the issues raised by PwC in the Written Representation, the findings of the Independent Investigation and the management's view.

The First Transaction

Issues raised by PwC

PwC raised issues on commercial rationale, nature and substance of the transaction and the purported subsequent use of the relevant funds, background, identity of the ultimate beneficial parties and relationships of the participating counterparties.

PwC also claimed in the Written Representation that, according to the findings of the Independent Investigation, the underlying investments held by the Hong Kong Fund mainly comprised convertible bonds issued by three private companies, but the Independent Investigation did not uncover these entities' business operations.

Findings of the Independent Investigation

The Report concludes that while the provision of the Loan by the Group to the Related Party was not approved by the Board in accordance with the articles of association of the Company, the core reason for this transaction was to assist the Controlling Shareholder in allocation of funds. The Independent Investigator is of the view that there was no commercial rationale for this transaction.

The Independent Investigator is of the view that, despite the internal control deficiency, the First Transaction does not constitute a material risk to the Company for the following reasons: (a) the Loan is fully secured by guarantee and pledge provided by the Controlling Shareholder; (b) as a back-to-back arrangement, the annual interest rate of the Loan charged by the Bank is 3.5%, which is identical to the annual interest rate of the Loan received by the Group from the Related Party, thereby covering the financing costs of the Group.

With regards to the issues claimed by PwC that the Independent Investigation did not uncover the investment targets' business operations, the Independent Investigator is of the view that the investigation conducted regarding how the Hong Kong Fund further utilized the deployed capital is sufficient, and there is no need to conduct further investigations into the background of the underlying investment targets of the Fund for the reasons below: (a) there is no basis to question that the Hong Kong Fund lacks actual operations. The Independent Investigator has conducted on-site inspection of the Hong Kong Funds' address and enquired with the personnel on-site as to whether the address is used for the Hong Kong Fund's operations, which was confirmed by the on-site personnel that the address possesses normal commercial activities; (b) the Related Party has fully returned the Loan together with interest to the Group. In any event of default, the Group may enforce against the collateral and guarantee provided by the Controlling Shareholder; (c) any deficiencies in internal control or approval procedures already occurred at the stage when the Group granted the Loan to the Related Party. How the Related Party subsequently utilizes the funds is unrelated to the Company; and (d) Investigator I had already conducted a background check on the independence of the Hong Kong Fund's investment targets, and the Independent Investigator has nothing to supplement.

The Second Transaction

Issues raised by PwC

PwC raised issues on commercial rationale, nature and substance of the transaction, background, identity of the ultimate beneficial parties and relationships of the participating counterparties.

PwC claimed in the Written Representation that the Independent Investigation shows that there is an overlapping director ("personal assistant to the subject director") between the advertising agency in the Second Transaction and the general partner of one of the subject funds in the Third Transaction.

PwC also claimed in the Written Representation that the information relating to the contents of advertisement placement services gathered by the Independent Investigation was inconsistent with the relevant provisions in the advertising service agreements.

Findings of the Independent Investigation

The Independent Investigator conducted additional site visit to the advertising agent's address and observed that a copy of the advertising agent's Business Registration Certificate was displayed on-site. The Independent investigator is of the view that there is no basis to conclude that the advertising agent has no actual business operations.

The Independent Investigator has conducted interview with the personal assistant to the Subject Personnel, who confirmed that the Subject Personnel previously served as a director of the advertising agency but has ceased to hold this position. During his tenure as a director of the advertising agency, the Subject Personnel was not involved in any actual business operations of the advertising agency, and therefore did not have any involvement in the advertising fee transactions between the Group and the advertising agency. The Subject Personnel does not personally know the management of the Group.

Regarding the inconsistency in contents of advertisement placement services and the advertising service agreements, the Independent Investigator is of the view that, in actual operation, regardless of the textual descriptions, advertising fees were charged based on actual advertising expenditure and consumption, and there was no scenario where fixed service fees were charged without regard to actual consumption.

The Third Transaction

Issues raised by PwC

PwC raised issues on commercial rationale, nature and substance of the transaction, background, identity of the ultimate beneficial parties and relationships of the participating counterparties.

With respect to the two funds in question, PwC also claimed that since the underlying investment of one fund was from the other fund, no explanation was provided about the commercial rationale of subsequently quitting from the first fund and switching to directly invest in the latter fund.

Findings of the Independent Investigation

The Independent Investigator concluded that there is no reasonable basis to determine that the two funds are fraudulent or non-substantive investments. When making the investment decisions, the Company considered the suitability of the funds to a limited extent, such as the fund characteristics (e.g., the liability segregation mechanism) and returns, and the relevant funds were all managed by fund managers holding Type 4 and Type 9 licenses from the Securities and Futures Commission. While the pre-investment research and due diligence had deficiencies in terms of dimension and depth, the Independent Investigator is of the view that the deficiencies fall within the realm of commercial judgment and do not necessarily have a direct correlation with whether the investment targets possess commercial substance.

Assuming that the funds for investing in the relevant funds in the Third Transaction originated from refunds from the First Transaction or the Second Transaction, given that there is no overlap between the shareholders or directors of the relevant funds, the shareholders or directors of the individuals related to the refunds in the First Transaction and the Second Transaction, and the management of the Company, there is no visible issue between the source of the investment funds in the Third Transaction and the refunds in the First Transaction and the Second Transaction. Furthermore, the Company had considered investing in private equity funds as early as the end of 2024, which predated the conception of the First Transaction and the Second Transaction. Therefore, it was of the view that the Third Transaction was independent of the First Transaction and the Second Transaction.

The Independent Investigation found that the fund manager has recommended the Company to transfer the investment from the first fund to the second fund solely to avoid double charging of fees, as the underlying investment targets of the first fund consisted solely of the second fund.

The Fourth Transaction

Issues raised by PwC

PwC raised issues on commercial rationale, nature and substance of the transaction, background, identity of the ultimate beneficial parties and relationships of the participating counterparties.

In particular, PwC raised question about the low registered capitals of the issuers of the two convertible bonds.

Findings of the Independent Investigation

The Independent Investigator concluded there is no reasonable basis to determine that the relevant convertible bonds are fraudulent or non-substantive investments. When making the investment decisions, the Company considered the suitability of the convertible bonds to a limited extent, such as the past financial positions and returns of the investees. While the pre-investment research and due diligence had deficiencies in terms of dimension and depth, the Independent Investigator is of the view that the deficiencies fall within the realm of commercial judgment and do not necessarily have a direct correlation with whether the investment targets possess commercial substance.

Assuming that the funds for investing in the relevant convertible bonds in the Fourth Transaction originate from refunds from the First Transaction or the Second Transaction, given that there is no overlap between the shareholders or directors of the relevant convertible bond issuers, the shareholders or directors of the individuals related to the refunds in the First Transaction and the Second Transaction, and the management of the Company, there is no visible issue between the source of the investment funds in the Fourth Transaction and the refunds in the First Transaction and the Second Transaction. Furthermore, the Company had considered investing in convertible bonds as early as the end of 2024, which predated the conception of the First Transaction and the Second Transaction. Therefore, it is of the view that the investment in convertible bonds was independent of the First Transaction and the Second Transaction.

The relevant convertible bonds have currently been fully transferred to two independent third-party institutions, both of which hold Type 4 and Type 9 licenses from the Securities and Futures Commission and that the Group has no further investments in the convertible bonds. According to the background checks and the written replies provided by these two institutions, there is no overlap between the shareholders and directors of such institutions and the management of the Company. The sources of funds for purchasing the convertible bonds are independent of the Company, and there are no issues concerning independence.

The Independent Investigator has concluded the face-to-face interviews and field inspections of the issuers of the two convertible bonds, confirming that their businesses have substance and active operations. One of the convertible bond issuers has a history of approximately 20 years in the property management business, with a total headcount of several hundred employees, operations concentrated in Southeast Asia, substantial turnover, and a net asset scale commensurate with its business operations. The other convertible bond issuer operates in the clean energy sector, primarily focusing on the research, development, and sales of new technologies. The Report concludes that there is no visible reasonable basis to determine that the relevant convertible bonds are fraudulent or non-substantive investments.

The management's view

As mentioned in the Written Representation provided by PwC, the Company had not provided PwC with satisfactory explanations or adequate documentary evidence to support the commercial rationale, nature and substance of the Subject Transactions and the purported subsequent use of the relevant funds. PwC were also unable to obtain adequate evidence to ascertain the background, identify the ultimate beneficial parties and relationships of the participating counterparties, nor could PwC obtain corroborative evidence from these counterparties. During the process of the Independent Investigation, PwC raised certain comments and questions to the Independent Investigation which the Company was unable to address due to practical limitations. Details of the comments and questions raised by PwC which were not satisfactorily addressed by the Company are set out below:

PwC's comments and questions	Reasons for not satisfying PwC's comments and questions as reported in the Independent Investigation
The First Transaction	
To understand the commercial rationale and business substance of the First Transaction, including the purpose for which the Related Party obtained the funds from the Group and subsequently invested the funds in a fund entity (the "**Subject Fund**"), the relationship among the Subject Fund, the Group and the parties involved in the transaction, and the ultimate use of the relevant funds.	The Company has provided the explanatory documents and supporting documents to PwC detailing the commercial rationale and business substance of the First Transaction. The First Transaction was conducted solely for the intention of facilitating the transfer of funds of the Controlling Shareholder to its offshore accounts, whereby these funds were intended to act as future contingent working capital and financial support to the Group to ensure the stability and growth of the Group's overseas business operations. The Company emphasizes that the manager of the Subject Fund, the transferee of the Subject Fund, and the underlying investment targets of the Subject Fund are all independent third parties with no connection to the Group. As the Company held no control in either the Subject Fund or the underlying entities, the Company had no legal right or practical ability to monitor or dictate the ultimate use of funds by such independent third parties.
To verify the actual operational status and business substance of the convertible bonds issued by the three underlying unlisted companies held by the Subject Fund.	Interview invitations were sent to three underlying convertible bonds issuers, but none received a response. Since the external parties refused to cooperate, the Independent Investigator was unable to further investigate the operational status of these entities.

PwC's comments and questions	Reasons for not satisfying PwC's comments and questions as reported in the Independent Investigation
To understand the reasons why the provision of funds to the Related Party was not approved by the Board and to assess the circumstances surrounding the Company's disclosure and approval process in relation to the transaction.	The First Transaction was not approved at the Company's board level.
To verify the reasonableness and authenticity of the transfer of the Subject Fund from the Related Party to a third party at its original investment cost.	The independent third party did not cooperate with the interview request.
The Second Transaction	
To understand and verify the business rationale and commercial reasonableness of the Group making advance payments totalling USD4.1 million before the commencement of the advertising services, and the circumstances in which the relevant arrangements were subsequently cancelled and the advance payments were returned without the Group receiving the contemplated services or apparently incurring any contractual consequence.	The Company has provided the explanatory documents and supporting documents to PwC detailing the commercial rationale and business substance of the Second Transaction. Following the 2025 trade tariffs on Chinese exports, the Group sought to expand its cross-border e-commerce operations. Prepaying promotion expenses is a common industry practice. The advertising agency (the "**Advertising Agency**") was selected due to its listed related entity's financial standing, and the agreement strictly mandated a full refund of unused prepayments upon contract termination. As the Company's in-house e-commerce team subsequently rapidly expanded, the management consequently determined to terminate the cooperation with the Advertising Agency. Notwithstanding the provision of detailed explanation and underlying supporting documents, PwC considered that the Company was unable to address its comments and questions.
To consider and carry out further procedures to obtain evidences supporting the existence of business activities of the Advertising Agency.	The Independent Investigator conducted a site visit to the registered address of the Advertising Agency, and conducted substantive interview with the responsible personnel of the Advertising Agency. Further procedures are unlikely to yield additional evidences.

PwC's comments and questions	Reasons for not satisfying PwC's comments and questions as reported in the Independent Investigation
To conduct interview with the director of the third-party advertising agency (the "**Advertising Agency Personnel**") to obtain sufficient supporting evidence regarding the Advertising Agency's actual business operations and capability to provide the contracted services, its involvement in the Second Transaction, and its relationships with the Group.	The Advertising Agency Personnel was unable to attend in the interview due to health reasons. However, the personal assistant of the Advertising Agency Personnel has confirmed that the Advertising Agency Personnel was not involved in the Second Transaction.
To verify the flow and actual utilization of funds by the Advertising Agency following the receipt of the advance payment from the Group.	The independent third-party advertising agency refused to provide records of fund flows.
The Third Transaction	
To understand and verify the commercial rationale, nature and substance of the Third Transaction, including the basis on which the Group made the investments despite the limited pre-investment due diligence and the timing of the investment payments relative to management's documented investment decision-making process.	The Company has provided the explanatory documents and supporting documents to PwC detailing the commercial rationale and business substance of the Third Transaction. Notwithstanding the above, PwC considered that the Company was unable to address its comments and questions.
To observe and verify the actual business operations and business substance of the relevant fund managers/general partners, including their actual operating premises and personnel.	The Independent Investigator conducted site visit to the registered address of the fund manager and interview with the representative of the fund manager to verify the business substance of the fund managers. Further procedures are unlikely to yield additional evidences.
To obtain explanation of the commercial rationale for the adjustment of the guaranteed return of one of the subject funds invested by the Group.	The fund manager explained that this was to avoid double charging. An explanation has been obtained from the fund manager, but no written confirmation from an independent third party has been secured.
To conduct interview with the Advertising Agency Personnel, who was also the shareholder and director of the general partner of one of the subject funds invested by the Group.	The Advertising Agency Personnel was unable to attend in the interview due to health reasons.

PwC's comments and questions	Reasons for not satisfying PwC's comments and questions as reported in the Independent Investigation
The Fourth Transaction	
To understand and verify the commercial rationale, nature and substance of the Fourth Transaction, including the basis on which the Group invested HKD35 million in convertible bonds issued by two private companies with limited publicly available information, notwithstanding the limited pre-investment due diligence performed.	The Company has provided the explanatory documents and supporting documents to PwC detailing the commercial rationale and business substance of the Fourth Transaction. Notwithstanding the above, PwC considered that the Company was unable to address its comments and questions. Regarding the limited financial disclosure and background details of the issuers, as independent unlisted entities, they declined to disclose proprietary financial records due to commercial confidentiality. The Company has no legal authority to compel non-cooperative third parties to provide internal financial documents.
To obtain evidences supporting the existence of business operations, and to obtain the financial information to support the financial strength, of the issuers of the two subject convertible bonds.	The issuers of the two subject convertible bonds refused to provide the information due to commercial confidentiality.
To obtain evidences supporting the flow of funds after the two convertible bond issuers received the proceeds.	The issuers of the two subject convertible bonds refused to provide bank transaction records.
Other information	
The Independent Investigator to provide PwC with relevant working papers and supporting documentation such as documentation related to electronic data review obtained during the course of the Investigation, to enable PwC to review and evaluate the adequacy and sufficiency of the procedures performed and the reasonableness of the investigation findings noted. During the Investigation, Investigator I and the Independent Investigator provided PwC with draft investigation reports and relevant appendices, interview notes and site visit records. However, despite PwC's request, PwC was not provided with the electronic files relating to the Subject Transactions that had been identified through Investigator I's electronic document review.	During the investigation, the Investigator I and the Independent investigator provided PwC with multiple drafts of the investigation report alongside relevant supporting documentation, including review checklists, site visit photos, interview notes, and digital forensics files. Regarding the electronic files not provided to PwC by the Investigator I, Investigator I claimed that the vast majority of the requested documents were duplicative or had already been provided to PwC in other forms. As it considered all principal documents relevant to the investigation were already included in the appendices provided to PwC, Investigator I determined that separately providing these redundant secondary files was unnecessary.

PwC's comments and questions	Reasons for not satisfying PwC's comments and questions as reported in the Independent Investigation
The Independent Investigator to complete the electronic document review in relation to the Subject Transactions, including review of the documents identified through keyword searches, and to provide PwC with the relevant findings and information identified from such investigative procedures. PwC inquired whether Investigator I or the Independent Investigator had reviewed all documents responsive to the keyword searches. PwC was not provided with confirmation as to whether such review had been completed, nor with the relevant documents or findings identified from such review, if performed.	These technical communications were conducted directly between PwC and the independent investigators, who exercised their own professional judgment on review methodology and over whom the Company had no direct control.

Save as disclosed above, the Company was not aware of any other audit information requested by PwC which the Company was unable to provide or cooperate with PwC.

In respect of the above comments and questions raised by PwC which were not satisfactorily addressed by the Company, PwC has neither proposed or identified any alternative audit procedures that could be performed to resolve the relevant issues.

As stated in the Written Representation provided by PwC, PwC was in the process of drafting the audit opinion, and given the significance of the Subject Transactions and the findings and limitations of the Independent Investigation up to date, PwC did not expect to issue an unmodified opinion on the Company's consolidated financial statements for 2025. The Company orally indicated that the Company is prepared to accept PwC issuing a modified opinion or even a disclaimer of opinion. For the avoidance of doubt, the Company emphasizes that the decision to remove PwC was by no means due to PwC's indication that it did not expect to issue an unmodified opinion. Rather, the decision was solely prompted by PwC's failure to provide a definitive date of finalization of audit report.

The Company's management considers that it has used its best endeavor to provide PwC with all necessary information for its assessment of the Subject Transactions, including but not limited to the complete decision-making background information and explanation on commercial rationale for the Subject Transactions, along with all available underlying supporting documents. Additionally, the Independent Investigator has conducted comprehensive investigative procedures, which include obtaining underlying documents, face-to-face and online interviews with relevant counterparties, site visits, and digital forensic searches, and has specifically expanded the scope of the investigation during the process of the Independent Investigation to specifically address the issues raised by PwC. There are no contrary findings from the Independent Investigation that would suggest the Subject Transactions to be fraudulent or without substance. Regarding the comments and questions of PwC as set out above that were not satisfactorily addressed, the primary reason is that the external parties refused to cooperate. The Company has no control over these external parties and has no right to force them to cooperate with the Independent Investigation.

Notwithstanding the above, the Written Representation insisted that the Company had not provided satisfactory explanation or evidence to support the commercial substance of the Subject Transactions and subsequent fund usage. PwC's Written Representation did not further specify which aspects were unsatisfactory or insufficient to them to resolve the issues.

The Written Representation also did not respond to or provide reasons for not providing a proposed or definite audit timetable notwithstanding the Company's ongoing enquiry.

The Company would like to reiterate that the Proposed Removal was primarily because no definitive or proposed audit timeline for completion of the audit work for the Annual Results requested by the Company despite the Company's ongoing inquiry. The Audit Committee has been taking an active role in resolving any outstanding audit issue with PwC, including but not limited to engaging in frequent communication with PwC, monitoring the progress of the audit and urging the issuance of the audited results by PwC on multiple occasions. Notwithstanding the above, PwC still cannot provide any solution for completing the audit work for the Annual Results. The Audit Committee and the Company believe that, in the best interest of the Company and the Shareholders, the audit work shall not be allowed to stagnate indefinitely. The Audit Committee and the Company believe that it is in the best interest of the Company and the Shareholders as a whole to terminate the audit relationship with PwC and to identify a suitable new auditor to fill the vacancy following the Proposed Removal, so as to avoid any further delay in the publication of the Annual Results.

RESOLVING THE OUTSTANDING AUDIT ISSUES

HLB, the proposed new auditor of the Company, will review the existing Independent Investigation and relevant evidence, and will design and execute its own additional audit procedures as it deems necessary regarding the Independent Investigation. HLB considered that, after they perform all necessary procedures to obtain sufficient and appropriate audit evidence through these supplemental procedures, it expects to complete all relevant principal audit work within three months.

Pending further review and assessment of the relevant documents (including but not limited to the Independent Investigation) and the audit matters previously raised by PwC, HLB is currently unable to finalize the specific audit procedures required to resolve these concerns or determine the form of audit opinion to be issued. The Company will keep its shareholders and potential investors informed and will issue further announcement(s) regarding any material updates in due course. Notwithstanding the above, taking into account that HLB is able to provide a clear audit timetable, the Audit Committee, on this basis, has recommended that the appointment of HLB as the new auditor of the Company.

FURTHER INFORMATION OF AUDIT COMMITTEE'S ASSESSMENT ON HLB

The Company further supplements that when assessing the selection of HLB for recommendation to the Board as the new auditor of the Company, the Audit Committee has considered the capabilities and resources of HLB. In particular, the engagement director and the quality control partner of the core audit team have more than 20 years of audit experience, each being an Accounting and Financial Reporting Council (AFRC) Certified Public Accountant and a member of the Hong Kong Institute of Certified Public Accountants.

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 1 April 2026 and will remain suspended until the Company publishes the Annual Results.

Shareholders of the Company and potential investors should exercise caution when dealing in the Company's shares.

By order of the Board
Rongta Technology (Xiamen) Group Co., Ltd.
Xu Kaiming
Chairman and Executive Director

Hong Kong, 8 September 2026

As of the date of this announcement, the executive directors of the Company are Mr. Xu Kaiming, Ms. Lin Yanqin and Mr. Fu Jianfang; the employee representative director of the Company is Ms. Chai Ling; and the independent non-executive directors of the Company are Dr. Lim Kim Huat, Dr. Huang Liqin and Dr. Lai Shaojuan.

APPENDIX – WRITTEN REPRESENTATION FROM PWC

The Board of Directors
The Audit Committee
Rongta Technology (Xiamen) Group Co., Ltd.
No. 88, Tonghui South Road
Tong'an district of Xiamen city
Fujian province
China

23 June 2026

Dear Sirs,

Termination of audit appointment – Rongta Technology (Xiamen) Group Co., Ltd.

We were notified by the Company on 12 June 2026 that the Company's Board of Directors ("**Board**") has resolved to remove PricewaterhouseCoopers ("**PwC**") as the auditors of the Company. The Company also published an announcement on 12 June 2026 (the "**Announcement**") on its proposal to change auditors and to remove PwC as the auditors of the Company. The Company sent the draft announcement to us by email shortly before it was published and we were not given the opportunity to provide our comments on the Announcement.

In accordance with the Code of Ethics for Professional Accountants Section 300 "Change of Auditors of a Listed Issuer of The Stock Exchange of Hong Kong", we are required to write to the Audit Committee and to the Board of the Company to set out the matters leading to our termination as the auditors of the Company. These matters are set out below and they also represent what we consider should be brought to the attention of the Company's members and creditors. It also serves as our written representations pursuant to the Listing Rule 13.88, and we take this opportunity to correct certain inaccurate and misleading statements in the Announcement. The Company therefore needs to issue a further announcement to reflect the full contents of this letter.

1. Matters Subject to the Independent Investigation

During the planning for the audit of the Company's financial statements for the year ended 31 December 2025, we noticed and reported to the Audit Committee in November 2025 the following transactions conducted by the Company's subsidiaries:

(a) Use of bank loan proceeds by a related party company; and

(b) Prepayments of media promotion and information service fees;

Subsequently in early February 2026 when we commenced our post year-end field work, we further identified and we reported to the Audit Committee the following transactions:

(c) Investments in private equity funds; and

(d) Investments in convertible bonds issued by private companies.

Under the supervision of the Audit Committee, the Company initiated an independent investigation into transactions (a) and (b) in early January 2026, and the scope was subsequently extended to cover transactions (c) and (d) (the "**Investigation**"). The details of the transactions together with certain findings from the Investigation are set out below:

Transaction (a): Use of bank loan proceeds by a related party company

On 3 June 2025, Rongta Technology (M) SDN. BHD, the Company's wholly owned subsidiary in Malaysia ("**Rongta Malaysia**"), obtained a 12-month loan of RMB32,680,000 from a bank in China (the "**Bank Loan**"). The Bank Loan was guaranteed by an entity incorporated in the PRC ("**Xiamen Entity**") and controlled by the Company's controlling shareholder and Chairman (the "**Chairman**"). To provide such guarantee, the Xiamen Entity pledged its term deposit of RMB33,350,000 to the bank. The loan agreement indicated that the purpose of the Bank Loan was for Rongta Malaysia's working capital needs, including but not limited to its purchases of raw materials, payments for transportation costs and tariffs relating to sales deliveries, etc. Immediately after the drawdown of the Bank Loan, Rongta Malaysia transferred the proceeds of RMB32,680,000 to a bank account of an entity incorporated Hong Kong ("**HK Related Entity**"), which is controlled by the Chairman. On 3 June and 4 June 2025, the HK Related Entity further transferred the funds, in the sum of HKD35,000,000, to the bank account of a Hong Kong limited partnership fund (the "**Fund**"). According to the representations made by management and the Chairman, such fund transfer was for the HK Related Entity's investments in the Fund.

Subsequently in December 2025, the HK Related Entity disposed of its investments in the Fund at a consideration of HKD35,000,000 to an individual. Between 8 to 29 December 2025, the HK Related Entity returned HKD36,701,764 to Rongta Malaysia, including interest calculated at a rate of 3.5% per annum.

According to the findings of the Investigation, the underlying investments held by the Fund mainly comprised convertible bonds issued by three private companies, but the Investigation did not uncover these entities' business operations. There was no prior approval by the Board of the Company for the use of the loan proceeds by the HK Related Entity.

Transaction (b): Prepayments of media promotion and information service fees

Rongta Technology Pte. LTD., the Company's wholly owned subsidiary incorporated in Singapore ("**Rongta Singapore**"), entered into a Framework Agreement for Information Services (the "**Service Agreement**") dated 29 May 2025 with an entity purported to be engaged in provision of advertising agency services (the "**Advertising Agency**"). The Service Agreement indicated that the Advertising Agency was engaged to provide media promotion and information services to Rongta Singapore, with the term of a one-year period between 28 May 2025 and 27 May 2026. According to the Service Agreement, Rongta Singapore agreed to make a prepayment of USD1.54 million (equivalent to approximately RMB10.8 million) to the Advertising Agency, which was paid on 29 May 2025.

Rongta Malaysia had a similar framework agreement with the Advertising Agency, which was only stamped with the two contract parties' chops, but was undated and without signatures of the two contract parties' representatives. This framework agreement indicated that Rongta Malaysia agreed to make a prepayment of USD2.56 million (equivalent to approximately RMB18.0 million) to the Advertising Agency, and it was paid on 17 June 2025.

Subsequently between 25 June 2025 and 8 December 2025, Rongta Singapore and Rongta Malaysia received returns of funds from the Advertising Agency and two other companies which claimed to be related to the Advertising Agency, corresponding to the prepayments of USD1.54 million and USD2.56 million made by Rongta Singapore and Rongta Malaysia, respectively, totaling USD4.1 million (equivalent to approximately RMB28.8 million).

Rongta Singapore and Rongta Malaysia had not received any services from the Advertising Agency. The Investigation revealed that the Advertising Agency lacked an independent physical office presence, and that the information relating to the contents of advertisement placement services gathered by the Investigation was inconsistent with the relevant provisions in the Service Agreement and the framework agreement.

Transaction (c): Investments in private equity funds

Between June and December 2025, which was the period when Rongta Malaysia and Rongta Singapore received return of funds from the HK Related Entity as related to transaction (a) and return of prepayments from the Advertising Agency as related to transaction (b) above, Rongta Malaysia subscribed for fund units of a fixed income fund ("**Fund A**") during June to August 2025, and made investment, as a limited partner, in a limited partnership fund ("**Fund B**") in November 2025. The investments in Fund A and Fund B amounted to HKD24,545,000 and USD1,906,000, respectively, equivalent to approximately RMB36,810,000 in total. According to the agreements related to Rongta Malaysia's investment in Fund B, the return to Rongta Malaysia was limited to 5%, which was guaranteed by the general partner of Fund B, while any excess of investment return would belong to the general partner.

Concurrently with the investment in Fund B, in November 2025, Rongta Malaysia switched its entire investments in Fund A for investments in Fund B. The capital account statement provided by the fund manager indicated that, at the time of such switch, the fair value of Rongta Malaysia's investments in Fund A had appreciated by approximately RMB3,347,000, representing a return rate of around 13%. However, upon switching to Fund B, the gain in Fund A was adjusted down to RMB535,000, representing a return rate of around 5%.

Based on the documents provided by management at a later stage, it was noted that the underlying investment assets of Fund A was investments in Fund B. However, on the basis that the underlying investment has always been Fund B since the initial investment in June 2025, no explanation was provided about the commercial rationale of switching to direct investment in Fund B in November 2025 and the change of return calculation mechanism as a result of the switch.

The Investigation further revealed that a director of the general partner of Fund B also served as a director of the Advertising Agency. Additionally, the office contact email address provided by the general partner of Fund B belongs to the email domain of one of the two parties that claimed to be related parties to the Advertising Agency that had returned part of the prepayments to the Group as mentioned in transaction (b) above.

Transaction (d): Investments in convertible bonds issued by private companies

Between November and December 2025, which was the period when Rongta Malaysia and Rongta Singapore received return of funds from the HK Related Entity as related to transaction (a) and return of prepayments from the Advertising Agency as related to transaction (b) above, Rongta Malaysia made investments in convertible bonds issued by two Hong Kong private companies (collectively referred to as "**Convertible Bond Issuers**"), with amounts of HKD12,700,000 and HKD22,300,000, respectively, totaling HKD35,000,000 (equivalent to approximately RMB32,258,000). Public registry information indicates that the registered capitals of the Convertible Bond Issuers are only HKD20,000 and HKD800,000, respectively. The Investigation also revealed that no business operations could be observed at the registered addresses of the Convertible Bond Issuers, and the premises observed by the Investigation exhibited indicators of temporary arrangements. Management did not have, and the Investigation could not obtain, financial information of the Convertible Bond Issuers or other information for the understanding and evaluation of their business operations and financial performance, and the commercial reasonableness of the conversion price of the bonds or recoverability of the investments.

Further information provided by management indicated that in March 2026, Rongta Malaysia disposed of the convertible bonds to two companies established in Hong Kong, at considerations equal to the Rongta Malaysia's original investment cost of HKD35,000,000.

2. Communications with Management, Audit Committee and Investigators

Upon identification of transactions (a) and (b), we had various communications with management, yet we were not able to obtain reasonable explanation or sufficient information from management to support the commercial rationale, nature and substance of the transactions. We reported these transactions to the Audit Committee at meetings on 21 November 2025 and 26 November 2025. On 10 December 2025, we issued a letter to the Audit Committee ("**PwC December 2025 Letter**"), setting out the details of our observations and concerns about the transactions, and we recommended an independent investigation into these transactions. Around 5 January 2026, a consulting firm ("**Investigator I**") was engaged by the Company to assist the Audit Committee in carrying out the investigation into transactions (a) and (b). A draft investigation report prepared by Investigator I was provided to us on 28 February 2026. Following our review of the draft investigation report, on 3 March 2026, we provided to the Audit Committee and Investigator I our questions on the findings in the draft investigation report and our initial comments and suggestions on possible further procedures to follow up the findings in question.

In early February 2026, we commenced our post year-end audit field work. Based on the unaudited financial statements and other books and records provided by management, we noted that the funds returned from transactions (a) and (b) had been used by Rongta Malaysia to make investments in two private funds (transaction (c)) and convertible bonds issued by two private companies (transaction (d)) during the period from June to December 2025. We reported the matters to the Audit Committee in a letter dated 26 February 2026 ("**PwC February 2026 Letter**"), setting out the details of our observations and concerns and we recommended that the Audit Committee extend the scope of the then ongoing investigation to include transactions (c) and (d).

As the Audit Committee was unable to confirm if the scope of Investigator I's investigation would be extended to include transactions (c) and (d), we arranged a meeting with the Audit Committee on 10 March 2026, whereby we expressed the following. First, based on the draft investigation report prepared by Investigator I, the investigation procedures up to date had not been able to explain the nature, commercial rationale and substance of transactions (a) and (b), or to address questions relating to compliance with relevant laws and Listing Rules. Second, despite our request, we had not obtained any supporting information from Investigator I to enable us to assess the reliability of the investigation work and findings. Given that the Company was unable to confirm if it would extend the investigation procedures to include transactions (c) and (d), and additional time would be required to carry out the extended investigation procedures, we expressed the concern that the Company would not be able to announce its audited result by the end of March 2026 as required by the Listing Rules. Further, we recommended that the Audit Committee consult the Company's Hong Kong legal counsel and compliance officer regarding the impact of delay in result announcement and necessary disclosure of the ongoing Investigation in due course.

On 12 March 2026, we received a letter signed by the Chairman of the Company. The letter stated that the investigation into transactions (a) and (b) had been completed, and no issues regarding the compliance with relevant laws and Listing Rules, internal controls and other matters were identified. The letter also questioned the need to extend the investigation to transactions (c) and (d). In response to that letter, we replied with a letter to the Board of the Company, setting out our observations that the Investigation had not been completed given that certain investigation procedures were still on going, and we emphasised again our recommendation of extending the investigation procedures to include transactions (c) and (d).

On 18 March 2026, Investigator I provided the latest updated version of the second draft investigation report. On 24 March 2026, we were informed by the Chairwoman of the Audit Committee that a law firm ("**Investigator II**") had been engaged to carry out additional investigation procedures on transactions (a) and (b), and investigation procedures on transactions (c) and (d). On 28 March 2026, Investigator II provided the first draft investigation report. At a meeting with the Audit Committee on the same date, we provided our comments on Investigator II's draft investigation report, including our observations about certain uncompleted investigation procedures, missing details about Investigator II's observations of its site visits to the participating parties of transactions (c) and (d), and inconsistencies between certain investigation findings and the conclusions made in the draft investigation report. We also reported to the Audit Committee that we had not obtained all information from Investigator II for us to review and evaluate the reliability of the investigation work.

In the morning of 31 March 2026, a second draft investigation report prepared by Investigator II was provided to us by the Chairwoman of the Audit Committee. Shortly thereafter, the Audit Committee and Investigator II arranged a call with us to go through the findings in the second draft investigation report. Although we had not been given sufficient time to review the draft investigation report in detail, at the call, we pointed out that the second draft report did not have major updates from the first draft and in particular, had not addressed substantially the questions that had been raised. Later in the morning, we were informed by the company secretary by email that Investigator II's investigation report had been finalized and the Company's Audit Committee and the Board had approved to accept the report. We then contacted the Chairwoman of the Audit Committee, and were advised that the Audit Committee had approved Investigator II's investigation report at its current form. However, the Audit Committee had not concluded the Investigation and would urge Investigator II to continue finalizing the outstanding investigation procedures in addressing the concerns raised by the auditor.

On 19 May 2026, we were provided with a draft investigation report on the additional investigation work. This draft indicated that a number of follow up procedures had been carried out by Investigator II, including but not limited to visiting other sites of the participating parties, interviews with certain individuals, and electronic document review. However, such procedures did not result in major updates on the findings described in the previous investigation report.

We provided our comments and feedback on the draft investigation report on the additional investigation work to the Audit Committee on 26 May 2026. On the next day, we were advised by the Chairwoman of the Audit Committee that no further investigation work would be performed, and we were requested to conclude our audit of the Company's consolidated financial statements for 2025 and prepare our audit opinion based on the investigation work to date.

Since then, we have been evaluating the significance of the transactions, the findings and the limitations of the Investigation to the Company's consolidated financial statements and such impact on our audit opinion. We have been contacted by the Company's CFO who inquired the status of our audit opinion drafting and explored proper actions that the Company should take to enable us to issue a clean audit opinion. We responded that we were in the process of drafting the audit opinion, and given the significance of the transactions and the findings and limitations of the Investigation up to date, we did not expect to issue an unmodified opinion on the Company's consolidated financial statements for 2025.

Subsequently on 12 June 2026 afternoon, without prior communication, we received an email from the Company's secretary informing us that the Board had resolved to remove PricewaterhouseCoopers as the auditors of the Company. On the same date, the Company published an announcement about its proposal to change auditors and to remove PricewaterhouseCoopers as the auditors of the Company.

As of the date of this letter, the Company has not provided us with satisfactory explanations or adequate documentary evidence to support the commercial rationale, nature and substance of the aforementioned transactions and the purported subsequent use of the relevant funds. We were also unable to obtain adequate evidence to ascertain the background, identify the ultimate beneficial parties and relationships of the participating counterparties, nor could we obtain corroborative evidence from these counterparties. Given the resolution made by the Board of the Company to remove PricewaterhouseCoopers as auditors of the Company, we are no longer able to continue our audit and fulfill our duty as the Company's auditors.

Please note that this letter (i) has been prepared for the purpose of complying with the requirements under the Code of Ethics for Professional Accountants Section 300 "Change of Auditors of a Listed Issuer of The Stock Exchange of Hong Kong" and the relevant provisions of the Listing Rules and may be circulated to the Stock Exchange of Hong Kong; and (ii) serves as our written representation pursuant to Rule 13.88 of the Listing Rules which needs to be brought to the attention of the Company's shareholders. Please ensure that the full contents of this letter be included with the relevant circular prior to its dispatch. Other than as set out in (i) and (ii) above, this letter is not to be used for any other purpose or to be distributed to any other parties.

Yours faithfully,

PricewaterhouseCoopers