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Transmit Entertainment Limited
傳遞娛樂有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1326)

PROPOSED CHANGE OF AUDITOR

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

References are made to the announcements of the Company dated 2 October 2025, 15 December 2025 and 27 February 2026 (collectively, the "**Announcements**") in relation to, among others, the delay in publication of the financial results. Unless otherwise defined, capitalised terms used in this announcement have the same meanings as those defined in the Announcements.

PROPOSED CHANGE OF AUDITOR

The board (the "**Board**") of directors (the "**Directors**") of the Company proposes to remove Deloitte Touche Tohmatsu ("**Deloitte**") as the auditor of the Company (the "**Proposed Removal**") and appoint CCTH CPA Limited ("**CCTH CPA**") as the new auditor of the Company (the "**Proposed Appointment**") to fill the vacancy following the Proposed Removal, subject to the passing of ordinary resolutions by the shareholders of the Company (the "**Shareholders**") at the extraordinary general meeting to be convened by the Company (the "**EGM**").

REASONS FOR THE PROPOSED CHANGE OF AUDITOR

Proposed Removal

At the last annual general meeting of the Company held on 22 November 2024, Deloitte was re-appointed as the auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company.

As disclosed in the Announcements, there was a delay in the publication of the annual results of the Group for the year ended 30 June 2025 (the "**2024/2025 Annual Results**"), the interim results of the Group for the six months ended 31 December 2025 (the "**2025/2026 Interim Results**") and the annual results of the Group for the year ended 30 June 2026 (the "**2025/2026 Annual Results**") as the Company has not been able to obtain certain financial information and supporting documents relating to 聞瀾(上海)文化傳媒有限公司 (Wenlan (Shanghai) Culture Communication Co., Ltd.) ("**Wenlan**"), a non-wholly owned subsidiary of the Company ("**Wenlan Information**").

From 15 June 2026 to 15 July 2026, the Company had been in discussions with Deloitte regarding the audit status of the annual audit of the financial results of the Company for the year ended 30 June 2025 (the "**2024/2025 Audit**"). In the course of such discussions, Deloitte indicated that in the absence of certain Wenlan Information, the audit procedures necessary to complete the 2024/2025 Audit could not be performed. Pending the completion of the 2024/2025 Audit, it was not in a position to provide a definitive timetable for the annual audit of the financial results of the Company for the year ended 30 June 2026 (the "**2025/2026 Audit**").

Following the discussion with Deloitte, having regard to the importance of completing the outstanding audit work and the resumption deadline, the Audit Committee commenced discussions with multiple audit firms, including CCTH CPA, to explore their respective capabilities and availability to undertake the 2024/2025 Audit and the 2025/2026 Audit. Such discussions included, among other things, their experience in auditing listed companies in Hong Kong, in particular previous experience in assisting listed companies with the resumption of trading, proposed audit timetables, available manpower and resources and analysis of their proposed audit fees.

On 21 September 2026, the Audit Committee held a meeting with Deloitte without the presence of the management, during which Deloitte indicated that in the absence of certain Wenlan Information the audit procedures necessary to complete the 2024/2025 Audit could not be performed. Pending the completion of the 2024/2025 Audit, it was unable to provide a definitive timetable for the 2025/2026 Audit.

On 10 November 2026, Deloitte provided a letter dated 10 November 2026 to the Audit Committee (the "**Letter to the Audit Committee**") and had a meeting with the Audit Committee to explain the outstanding unresolved matters in relation to the 2024/2025 Audit.

In the Letter to the Audit Committee, Deloitte informed the Audit Committee that the Company is unable to facilitate the execution of audit procedures for the 2024/2025 Audit in the absence of sufficient Wenlan Information. Deloitte noted that, based on the first hearing judgment and a legal opinion issued by Zhong Yin Law Firm, it understood that from a legal perspective, the Company, holding 60% equity interest in Wenlan, had continued to retain control over Wenlan. However, given the insufficient Wenlan Information, Deloitte was unable to formulate further audit work to address the limitations in obtaining Wenlan Information. In this regard, Deloitte proposed the following procedures to facilitate the completion of the 2024/2025 Audit, including (1) negotiating to secure all relevant materials from Wenlan and ensuring their cooperation in facilitating the full execution of our audit procedures; and (2) having the Company's management engage an independent third party to conduct financial due diligence on the information provided by Wenlan, in order to verify the authenticity and reliability of such data. Deloitte was informed by the Company that the case concerning the registration of changes in industrial and commercial information proceeded to the second hearing. As of the date of the Letter to the Audit Committee, the aforementioned proposed procedures have yet to be effectively implemented and therefore Deloitte was unable to estimate the timetable in relation to the completion of the audit work. Deloitte also stated in the Letter to the Audit Committee that in addition to the major outstanding matter relating to the Wenlan Information, it also noted that the final completion of the audit would remain subject to the satisfactory completion of the following other outstanding audit matters for the time being:

(i) reviewing the final signed valuation report in respect of the impairment assessment of goodwill;

(ii) following up on and verifying proposed audit adjustments, testing of adjustment entries relating to impairment of inventories and expected credit losses;

(iii) following up on outstanding audit procedures but not limited to confirmations from certain banks and receipts relating to revenue;

(iv) obtaining an updated assessment by the management of the Company of the Group's ability to continue as a going concern;

(v) reviewing subsequent events;

(vi) confirming that the consolidated financial statements have been prepared by the management of the Company and reviewed and approved by the Directors;

(vii) obtaining written representations from the management of the Company;

(viii) completing review of the other information contained in the annual report in accordance with Hong Kong Standard on Auditing 720 (Revised), The Auditor's Responsibilities Relating to Other Information; and

(ix) completing the internal quality assurance review.

Proposed Appointment

On 17 July 2026, the Audit Committee held a meeting to discuss the respective proposed audit arrangements and proposed audit fees from multiple audit firms. The Audit Committee considered that as it was unable to reach a consensus with Deloitte on a definitive timetable for conducting the 2024/2025 Audit and the 2025/2026 Audit, it would be in the best interests of the Company and the Shareholders to consider appointing an audit firm capable of providing a more concrete and feasible timeline and possesses sufficient experience regarding resumption of trading.

On 24 September 2026, the Company discussed with CCTH CPA in relation to its qualifications and experience in auditing listed companies, its experience in assisting listed companies with resumption of trading, its proposed audit timetable and its available manpower and resources. The Audit Committee has discussed with CCTH CPA regarding the legal proceedings in relation to Wenlan. It is noted that CCTH CPA is fully aware of the root causes of the delay in publication of the financial results. On the same day, CCTH CPA has started conducting its internal acceptance process, which included independence and conflict checks.

On 3 November 2026, the Company discussed with CCTH CPA in relation to the procedures and arrangements regarding change of auditor.

On 10 November 2026, the Company and the Audit Committee discussed with CCTH CPA in relation to the proposed audit plan and timetable in relation to the 2024/2025 Audit and the 2025/2026 Audit. CCTH CPA represented that, in performing the audit, it will exercise professional judgement and maintain professional scepticism throughout the audit process. The proposed audit plan of CCTH CPA includes, among others, an assessment of the risks of material misstatement of the consolidated financial statements, an understanding and evaluation of relevant internal controls, and design and execution of audit procedures responsive to the identified risks. The proposed audit timetable is set out as follows:

Early December	Audit planning meeting with the Audit Committee and the Board
December 2026 to January 2027	Performing audit field work
January 2027	Communicate audit findings with the Audit Committee and the Board. Resolution of any identified audit matters. Finalise the 2024/2025 Annual Results, the 2025/2026 Interim Results and the 2025/2026 Annual Results

CCTH CPA confirmed that sufficient and appropriate audit resources will be allocated to facilitate the 2024/2025 Audit and the 2025/2026 Audit. In particular, CCTH CPA has established an audit engagement team comprising six to eight members, to carry out the audit work and publish the 2024/2025 Annual Results, the 2025/2026 Interim Results and the 2025/2026 Annual Results, as well as the interim results of the Group for the six months ended 31 December 2026. The Company will maintain close communication with CCTH CPA.

Audit fee and basis of the fee quote by CCTH CPA

Save for Deloitte which was unable to provide a fee quotation, the other audit firms approached by the Company proposed audit fees in the range of approximately HK$950,000 to HK$1,100,000. However, both firms indicated that they lacked sufficient manpower to undertake the engagement within the required timeframe.

The estimated audit fees payable to CCTH CPA for auditing the consolidated financial statements of the Group are expected to be HK$1,050,000 for the 2024/2025 Audit and HK$950,000 for the 2025/2026 Audit (exclusive of out-of-pocket expenses).

The estimated audit fees have been determined after due consideration and arm's length negotiations between the Company and CCTH CPA, taking into account, among other things, the size, nature and complexity of the Group's business operations, the expected scope of the audit (covering the consolidated financial statements prepared in accordance with HKFRS Accounting Standards), the audit timetable, and the level and mix of professional staff to be deployed. The estimated audit fees also assume that there will be no material change in the Group's operations, accounting policies or regulatory environment during the financial year, and that the Company will provide timely and adequate assistance and information as reasonably required for the purposes of the audit.

Unless there is a material change in the basis or assumptions set out above, the final audit fees should not deviate materially from the estimated amount initially disclosed. In the event of any material change, the Company will make further disclosure as appropriate.

Assessment of the appointment of CCTH CPA as the incoming auditor

The Audit Committee, in reaching its recommendation to the Board, has considered (i) the audit proposal of CCTH CPA covering its audit plan and timetable; (ii) its competence, industry experience and technical expertise in handling audit work for companies listed on the Stock Exchange, in particular, the qualifications and experience of the proposed engagement partner and key team members and previous experience in assisting listed companies with resumption of trading; (iii) its available manpower, time commitment and resources; (iv) the appropriateness of the proposed audit fees proposed by CCTH CPA having regard to CCTH CPA's staffing structure, manpower commitment, proposed audit timetable and availability of resources; (v) its independence from the Group and objectivity; (vi) the Guidelines for Effective Audit Committees (the "**Guide**") – Selection, Appointment and Reappointment of Auditors issued by the Accounting and Financial Reporting Council (the "**AFRC**"); and (vii) the Guidance Notes on Change of Auditors issued by the AFRC.

In order to re-comply with Rules 13.49(3) and 13.49(6) of the Listing Rules in relation to the publication of the 2024/2025 Annual Results, the 2025/2026 Interim Results and the 2025/2026 Annual Results and having considered the above factors, both the Board and the Audit Committee assessed and considered that CCTH CPA would be independent, competent and capable and suitable to act as the auditor of the Company.

The Board and the Audit Committee are of the view that the Proposed Removal and the Proposed Appointment would facilitate the audit process in finalising the 2024/2025 Audit and the 2025/2026 Audit as well as the review of the 2025/2026 Interim Results in an efficient manner and enable the Company to re-comply with the relevant requirements of the Listing Rules as soon as practicable to avoid any further delay in the publication of the financial results and to resume trading of the shares of the Company on or before 1 April 2027. The Proposed Removal and the Proposed Appointment are therefore in the best interest of the Company and its Shareholders as a whole and recommend the Shareholders to vote in favour of the ordinary resolutions regarding the Proposed Removal and the Proposed Appointment at the EGM. Save as disclosed above, there are no matters or circumstances in connection with the Proposed Removal and the Proposed Appointment that need to be brought to the attention of the Shareholders.

IMPLICATIONS UNDER THE ARTICLES AND THE LISTING RULES

Pursuant to the article 152(2) of the articles of association of the Company (the "**Articles**"), the Shareholders may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution remove the Auditor at any time before the expiration of its term of office and shall by ordinary resolution at that meeting appoint another auditor in its stead for the remainder of its term.

Pursuant to Rule 13.88 of the Listing Rules, the Company (a) must not remove its auditor before the end of the auditor 's term of office without first obtaining shareholders' approval at a general meeting, (b) must send a circular proposing the removal of the auditor to shareholders with any written representations from the auditor not less than 10 business days before the general meeting, and (c) must allow the auditor to attend the general meeting and make written and/or verbal representations to shareholders at the general meeting.

In compliance with the Articles and the Listing Rules, the Proposed Removal and the Proposed Appointment will each be proposed at the EGM as an ordinary resolution. Accordingly, the Company will despatch a circular to the Shareholders who request printed copies, containing, among other things, further information on the Proposed Removal and the Proposed Appointment together with the notice of EGM.

A circular containing, among other things, details of the Proposed Removal and the Proposed Appointment together with a notice convening the EGM will be despatched to the Shareholders on or before 25 November 2026, and Deloitte will be invited to attend the EGM to make written or verbal representations to the shareholders.

EGM

The EGM will be convened on Tuesday, 15 December 2026 and held for the purposes of considering and, if thought fit, approving the Proposed Removal and the Proposed Appointment. For the purpose of ascertaining shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 10 December 2026 to Tuesday, 15 December 2026 (both days inclusive), during which period no transfers of Shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates, have to be lodged with the branch share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, 9 December 2026. The record date for determining the Shareholders' eligibility to attend and vote at the EGM is Tuesday, 15 December 2026.

A circular containing, among other things, further information on the Proposed Removal and the Proposed Appointment, together with a notice convening the EGM, will be despatched to the Shareholders as soon as practicable.

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 9:00 a.m. on 2 October 2025 and will remain suspended until further notice.

Shareholders of the Company and other investors are reminded to consider the related risks and exercise caution when dealing in the securities of the Company.

By Order of the Board
Transmit Entertainment Limited
Zhang Liang, Johnson
Chairman and Executive Director

Hong Kong, 13 November 2026

As at the date of this announcement, the Board comprises (i) three executive directors, namely Mr. ZHANG Liang, Johnson (Chairman), Mr. LEE Hin Kwong, Patrick and Ms. CHIN Shan Shan; (ii) one non-executive director, namely Ms. CHEN Hong, Vicki; and (iii) three independent non-executive directors, namely Mr. XIANG Feng, Mr. CHANG Eric Jackson and Ms. YE Dandan.