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MOG DIGITECH HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1942)

KEY FINDINGS AND RESULTS OF AN INTERNAL CONTROL REVIEW

Reference is made to the announcement of MOG Digitech Holdings Limited (the "**Company**") dated 20 May 2026 (the "**Announcement**") in relation to, among other things, the discloseable transaction regarding deposits made to an independent third party. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

BACKGROUND OF THE INTERNAL CONTROL REVIEW

As disclosed in the Announcement, MOG (Hong Kong) Limited, the Company's wholly owned subsidiary, made deposits between 31 October 2024 and 6 November 2024, following its entering into an offer letter with an independent third party on 16 September 2024.

The Deposits were classified as an advance to an entity under Chapter 13 of the Listing Rules. As one or more applicable percentage ratios (as defined under the Listing Rules) in respect of the Deposits exceeded 5% but were all below 25% (in particular, the assets ratio exceeded 8%), the Deposits constituted a discloseable transaction under Chapter 14 of the Listing Rules and were subject to the notification and announcement requirements under those Chapters.

There was a delay in meeting those notification and announcement requirements due to an inadvertent and unintentional misinterpretation of the Listing Rules by the Company. In response to this non-compliance, the Company has initiated an internal control review to identify the root causes and strengthen governance to prevent recurrence.

The Company engaged the internal control adviser (the "**IC Adviser**") to conduct an independent internal control review (the "**IC Review**") and a subsequent follow-up review (the "**Follow-up Review**") of the remedial measures implemented, to assist the Company's management in strengthening the Group's internal control framework.

The scope of the IC Review includes:

(i) approval procedures and supporting documentary records for advances to an entity;

(ii) processes for identifying and assessing transactions requiring disclosure (including advances and financial assistance) under Chapters 13 and 14 of the Listing Rules;

(iii) monitoring procedures and records for recovery and repayment of advances;

(iv) approval workflows and the delegation of authority matrix;

(v) reporting, review and disclosure procedures and related records for transactions required to be disclosed under Chapters 13 and 14 of the Listing Rules; and

(vi) procedures for monitoring and identifying transactions that may require aggregation for the purposes of Chapter 14 of the Listing Rules.

KEY FINDINGS AND RESULTS OF THE IC REVIEW

Based on the agreed scope of review, the IC Adviser identified the following issues and assessed the overall risk as medium. The IC Adviser made recommendations to address the deficiencies, and the Company's management has responded and taken actions to remediate them. Below is a summary of the deficiencies identified by the IC Adviser, the corresponding recommendations, and the status of the Company's remediation efforts as extracted from the internal review report prepared by the IC Adviser (the "**IC Report**"):

a) Identified deficiencies

Based on the IC Adviser's review of the Group's current internal control framework, the Group has documented policies, including a notifiable transaction management procedure (covering advances to entities), requiring subsidiaries to obtain specified notifications, documentation or approvals and for the Company to notify the Stock Exchange and issue announcements promptly when transaction terms are agreed. However, key procedural gaps were identified. The following areas were highlighted by the IC Adviser as requiring enhancement and clarification:

1. Strengthen the notifiable transaction management policy

i) **Definition and classification.** Clearly define transaction categories (e.g., equity transactions, discloseable transactions, major transactions (disposals/acquisitions), very substantial disposals, very substantial acquisitions, and take-over-related actions);

ii) **Identification and assessment.** Provide guidance on identifying and assessing notifiable transactions under Chapters 13 and 14 of the Listing Rules, including percentage-ratio calculations and step-by-step operational instructions;

iii) **Approval authorities and workflows.** Specify authorisation levels by transaction size and type (management, board, shareholders), and document the corresponding approval flows to ensure accountability and consistent decision-making;

iv) **Transaction register.** Maintain a register of executed transactions to enable consolidation, tracking, and periodic review;

v) **Disclosure procedures.** Establish clear, staged disclosure procedures, defining trigger points, required information, and responsible departments; and

vi) **Aggregation monitoring.** Implement ongoing monitoring and aggregation controls for potential "series of transactions" under Chapter 14 of the Listing Rules, including periodic reviews of similar transactions within a 12-month window to prevent artificial transaction splitting.

2. Improve the management policy for advances and financial assistance provided to external parties

i) **Application and assessment procedures.** Define the project initiation and application workflow for advances and financial assistance, including required application documents; Require due diligence on counterparties (including credit standing, repayment capacity, collateral, related-party status) and a formal risk assessment to support prudent pre-transaction decisions;

ii) **Approval authorities and document retention.** Specify approval thresholds and allocation of authority among management, the board, and shareholders for different transaction types and amounts; Prescribe mandatory supporting documentation to be retained (e.g., loan agreements, security documents, repayment schedules, board resolutions, external credit reports) for audit and accountability;

iii) **Information disclosure requirements.** Require timely disclosure when relevant thresholds are met (for example, where the asset ratio or other applicable percentage ratios reach disclosure thresholds such as at 8% or above), including responsibility for preparing and approving announcements;

iv) **Recovery and repayment monitoring.** Establish end-to-end monitoring for recoveries and repayments, including tracking schedules, escalation procedures for overdue amounts, periodic status reporting and evidence retention to ensure closed-loop management; and

v) **Division of departmental responsibilities.** Document clear roles and responsibilities for finance, management and the board in relation to application, approval, accounting, monitoring and escalation, ensuring segregation of incompatible duties and appropriate independent review.

b) Improvement recommendations

To ensure the Group's compliance with Chapters 13 and 14 of the Listing Rules, the IC Adviser recommended that the Group takes the following actions:

i) **Enhance the management policy for disclosable transactions.** This enhancement should include clearly defined procedures for identification, assessment, approval, and disclosure. The Group should also specify the types of disclosable transactions, methods for calculating percentage ratios, procedures for ongoing monitoring of transaction amounts, and mechanisms for aggregation;

ii) **Improve the management policy for advances and financial assistance provided to other entities.** This improvement should cover application, assessment, approval, and disclosure procedures. Additionally, the Group should implement mechanisms for recovery follow-up and repayment monitoring; and

iii) **The revised policies should be distributed to relevant personnel and reviewed periodically.** Targeted training should be provided to staff to develop a comprehensive understanding of Chapters 13 and 14 of the Listing Rules, focusing on identifying transaction types, disclosure thresholds and approval procedures. The training aims to strengthen staff members' ability to identify potentially notifiable transactions (including advances and financial assistance) and ensure compliance with applicable regulatory requirements.

c) The Follow-up Review

The Company has accepted and implemented the IC Adviser's recommendations and has adopted, revised and/or strengthened the relevant policies and procedures as appropriate. The IC Adviser conducted a Follow-up Review after the Group implemented the remedial measures.

Having considered the IC Report and the measures taken, the Board (including the independent non-executive Directors) is of the view that: (a) the internal control deficiencies identified in the IC Report have been adequately addressed through the recommended rectifications; (b) the remedial measures implemented are sufficient and appropriate; and (c) the Company has established adequate and reliable governance, internal control and financial reporting systems to meet its obligations under the Listing Rules.

The Board, including the independent non-executive Directors, will continue to monitor the effectiveness of the Company's internal control system and procedures, ensure such policies remain reasonable and adequate, and integrate them into the Group's ongoing operations.

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

By order of the Board
MOG Digitech Holdings Limited
Chen Yongzhong
Executive Director

Hong Kong, 21 July 2026

As at the date of this announcement, the Board has three executive Directors, namely Mr. Chen Yongzhong (Chief executive officer), Mr. Deng Zhihua and Mr. Zhou Yue, and three independent non-executive Directors, namely Mr. Yau Tung Shing, Ms. Chen Wen and Mr. Gao Hongxiang.