TJCD
天津建发

天津建设发展集团股份公司
Tianjin Construction Development Group Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2515)

SUPPLEMENTAL ANNOUNCEMENT
PROPOSED CHANGE OF AUDITOR

Reference is made to the announcement of Tianjin Construction Development Group Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") dated 31 July 2026 (the "**Announcement**") and the circular dated 31 July 2026 (the "**Circular**") in relation to the change of auditor. Unless defined otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement and the Circular.

Save for the information set out in the Announcement and the Circular, the Company hereby provides its Shareholders and potential investors with the following additional information regarding the proposed change of auditor.

CHRONOLOGY OF EVENTS LEADING TO THE PROPOSED CHANGE OF AUDITOR

Set forth below is the chronology of events leading to the proposed change of auditor:

In early May 2026, given that the audit scope of the Group remained unchanged, the Company approached KPMG to request a more competitive quotation for the 2026 Audit in support of the Company's cost control and efficiency improvement strategy. After several rounds of communication, on 25 June 2026, KPMG maintained its proposed audit fee at RMB1.5 million, which was the same as the 2025 audit service fees and no consensus was reached between both parties on the audit fee arrangement. Subsequently, KPMG notified the Company of its intention to resign as the auditor of the Company.

In mid-May 2026, in the process of continuing discussion with KPMG on the audit fee, the Company invited three other qualified audit firms including CROWE to provide their audit proposals and fee quotations for conducting the 2026 Audit for the purpose of understanding the market trend of the industry and assessing the market level of audit fees for 2026 and comparing audit service proposals. At that stage, neither the Company nor the Audit Committee had made any decision to change the auditor of the Company. On 29 June 2026, the Company received fee quotations from the three audit firms ranging from RMB0.95 million to RMB1.23 million. The Audit Committee reviewed the audit proposals and fee quotations submitted by each audit firm and, having considered the professional capability, service scope and audit plan of each audit firm and the Group's current and future business development, was of the view that the audit proposals provided by the three audit firms were broadly comparable and CROWE possessed the professional qualifications and experience necessary to provide high-quality audit services with a competitive audit fee.

On 10 July 2026, the Audit Committee conducted a detailed discussion with CROWE regarding its audit proposal and audit plan. Taking into account the factors as disclosed in the section headed "Factors Considered in the Proposed Appointment of CROWE", the Audit Committee came to the view that appointing CROWE would be in the best interests of the Company. Thereafter, the Company notified KPMG and KPMG issued its resignation letter and provided professional clearance to CROWE on 31 July 2026.

On 31 July 2026, the Company convened a meeting of the Board to consider and accept the resignation of KPMG and, upon the recommendation of the Audit Committee, resolved to submit the proposed appointment of CROWE as the auditor of the Company for the financial year ending 31 December 2026 to the Shareholders for consideration and approval at the EGM.

FACTORS CONSIDERED IN THE PROPOSED APPOINTMENT OF CROWE

In assessing CROWE's suitability, the Audit Committee considered a number of factors in accordance with its terms of reference, and the Guidelines for Effective Audit Committees — Selection, Appointment and Reappointment of Auditors issued by the AFRC. Set out below is a summary of the factors considered by the Audit Committee:

(i) Governance and Leadership

The Audit Committee has reviewed CROWE's governance structure and leadership and acknowledges its commitment to audit quality and public interest. CROWE's organisational structure and experienced staff, many of whom have prior experience with the Big Four audit firms, support effective supervision and resource allocation so as to ensure high-quality audit services. The head of CROWE's quality control system, who possesses extensive audit and professional experience and has the authority and expertise to discharge the relevant duties effectively, assumes ultimate responsibility and accountability for the firm's quality management system. The Audit Committee has conducted a rigorous assessment of the qualifications and internal resources of the incoming auditor and considers them sufficient to meet the Group's requirements. Overall, the Audit Committee is satisfied that CROWE's governance and leadership arrangements ensure accountability, transparency and the delivery of high-quality audit services.

(ii) Compliance with Relevant Ethical Requirements

CROWE is committed to providing quality services and adhering to its quality control policies and procedures. CROWE confirmed to the Audit Committee that there were no proposed non-audit services or financial or business relationships between the Company and CROWE, nor were there any other relationships (whether financial, employment-related, familial or otherwise) between the proposed audit engagement team members (including their respective immediate family members) and the Company that may impair the independence of CROWE in performing the 2026 Audit. CROWE further confirmed that it had completed a conflict check on the Company to ensure that no prior or current non-audit services would give rise to any potential conflicts of interest in relation to its appointment as the auditor of the Company. Upon review of the internal records, to the best of the Audit Committee's information and belief, CROWE is independent from the Directors of the Company. There are no existing business relationships between CROWE and the Company, nor has CROWE provided any non-audit services to the Company.

(iii) Engagement Performance

CROWE has proposed a feasible timetable for completing the 2026 Audit. The Audit Committee considered that its detailed and executable audit plan demonstrated more effective engagement performance, which would also facilitate CROWE's effective performance of the audit work in accordance with applicable professional standards. CROWE's audit methodologies comply with the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") Auditing Practice Manual and the CROWE Global Audit Manual, fully reflecting the scope and characteristics of audit engagements. In addition, its audit strategy, including budget allocation, demonstrates that audit engagement partners have sufficient time for supervision and oversight, and key members of the audit engagement team have sufficient time to perform audit procedures. CROWE adopts a risk-based audit approach, which focuses on identified risks and tailors procedures according to the Group's unique business circumstances and operating environment.

(iv) Industry Knowledge and Technical Competence

CROWE has provided audit services to a number of listed construction companies based in Mainland China, and possesses a sound understanding of China's construction sector as well as the Group's business and operational model. In addition, subject to compliance with applicable independence requirements, CROWE could obtain professional support from its internal or external experts in taxation, valuation and legal matters to support its audit teams in addressing complex technical issues specific to listed entities.

(v) Communication and Interaction with the Audit Committee

CROWE will maintain regular communication with the Audit Committee, particularly at the planning and completion stages of the audit, and the communications between both parties are clear and efficient.

(vi) Monitoring Procedures

To the best of the Audit Committee's knowledge and belief, it is not aware of any acts or activities of CROWE that would threaten its integrity, objectivity and independence or adversely affect the quality of its audit, and is not aware of any outstanding regulatory sanctions imposed on CROWE or any members of the audit engagement team (including the engagement partner, engagement quality control reviewer and other key team members) over the past five years. CROWE has confirmed that no members of the audit team are subject to any past or ongoing regulatory proceedings. According to the Public Interest Entity Auditor Register maintained by the Hong Kong Institute of Certified Public Accountants, CROWE has no record of sanctions imposed by the AFRC or disciplinary orders issued by the HKICPA Disciplinary Committee in the past five years.

MAJOR FACTORS UNDERLYING THE DIFFERENCE IN AUDIT FEES

After comparing KPMG's proposed audit fee of RMB1.5 million with CROWE's proposed audit fee of HKD1.1 million (equivalent to approximately RMB0.95 million) for the 2026 Audit and having considered the quotations submitted by the other qualified audit firms, the Audit Committee was of the view that the reduced fee proposed by CROWE was reasonable in the circumstances. Taking into account CROWE's audit scope, audit methodology, manpower allocation, resource arrangement and audit timetable, the Audit Committee was of the view that the audit fee proposed by CROWE was proportionate to the audit work required and audit quality should not be affected by the reduction of the audit fee. The Audit Committee reviewed KPMG's audit work and arrangements for the year ended 31 December 2025, and concluded that CROWE's audit scope, audit methodology, manpower allocation, resource arrangement and audit timetable were comparable to those of KPMG.

The reduced fee offered by CROWE is primarily attributable to the operational efficiencies and strategic resources deployment rather than any reduction in audit scope or audit quality. This will be achieved through:

(i) CROWE has ensured an experienced audit team composition and appropriate resource allocation for the engagement. The proposed audit team of CROWE consists of seven professionals, including four senior members who are qualified certified public accountants (two partners, one manager, and one project manager), each with over 10 years of audit experience, supported by three junior auditors. Three members are based in Hong Kong, while the remaining four are based in Mainland China.

(ii) CROWE has confirmed that senior engagement personnel will directly oversee audit planning, supervision, and review to optimise resource allocation and ensure cost efficiency without compromising audit quality. This targeted deployment of experienced professionals to critical areas strengthens oversight and effectively handles complex accounting issues while avoiding redundant work.

(iii) CROWE has undertaken to provide timely updates on audit issues to ensure transparency and enable prompt resolution by management and the Audit Committee, reflecting best governance practices and reinforcing audit quality assurance.

The Audit Committee noted that CROWE's quotation is anchored in a risk-based audit strategy consistent with HKICPA standards, with defined direction, supervision and review and Engagement Quality Management ("**EQ**") where applicable. Since the Group's operations are principally in the PRC while the functions performed in Hong Kong principally comprise management and consolidation, CROWE places transaction-level procedures in the PRC and group-level consolidation, governance and disclosures in Hong Kong. Where a component firm in the PRC will work collaboratively with CROWE, CROWE will be the lead and provide direction, supervision and review of the collaboratively component works.

After taking into account the stable business scale, size, complexity and risk profile of the Group, the Audit Committee is satisfied that the fee proposed by CROWE was commensurate with the audit work required and the audit quality would not be compromised due to reduced fees. The lower fee reflects a risk-aligned allocation of effort (transaction-level procedures in the PRC and group-level consolidation, governance and disclosures in Hong Kong), combined with the efficient use and oversight of PRC component work, calibrated sampling and targeted specialist involvement, rather than a reduction in required audit. The Audit Committee is satisfied that the proposed appointment of CROWE is in the best interests of the Company and its shareholders.

AUDIT APPROACH AND AUDIT PLAN

The overall audit approach is based on a risk-based audit strategy consistent with HKICPA auditing standards. The approach emphasises clear direction, supervision and review at defined milestones, with EQ applied where applicable. Procedures are designed around the Group's risk profile, focusing on areas such as revenue, contract assets and trade receivables (including impairment assessments) and property, plant and equipment impairment, together with consolidation mechanics and disclosures at the group level.

The proposed audit hours by CROWE are 1,261 hours and the audit timetable of CROWE is as follows:

Phase I — Audit Planning Phase and Control Testing Phase

From early December 2026 until late January 2027, CROWE will: (i) communicate with management and the Audit Committee; conduct preliminary risk assessment; confirm audit terms; formulate overall audit strategy and specific plans; and (ii) understand internal control design and operation; test key control points; evaluate control effectiveness; determine the scope and nature of substantive procedures. An aggregate of 360 hours is estimated for this phase.

Phase II — Substantive Audit Phase

From late January 2027 until March 2027, CROWE will perform substantive procedures (confirmation, recalculation and analytical procedures), and focus on high-risk areas and opening balance verification; check compliance with disclosure requirements. An aggregate of 680 hours is estimated for this phase.

Phase III — Audit Report Phase

Commencing from March 2027, CROWE will summarize audit evidence; communicate audit findings with management and the Audit Committee; prepare and review the audit report; issue the final report. An aggregate of 221 hours is estimated for this phase.

The Audit Committee reviewed CROWE's proposed audit timetable, which provides sufficient time for each audit phase, including planning, fieldwork, review and completion, without undue compression. In assessing the reasonableness of the timetable, the Audit Committee took into account (i) the Group's year-end closing process and operational complexity; and (ii) the Listing Rules requirement for timely publication of the annual results.

The Audit Committee has evaluated all factors mentioned above, and having taken into account the resources committed by CROWE to prepare the Group's audit work, the Audit Committee is of the view that the proposed audit timetable is reasonable and sufficient for the incoming auditor to complete all necessary audit procedures without compromising the audit quality, and that the auditor's committed resources are adequate to achieve the proposed audit timetable.

After considering (i) the audit proposal of CROWE; (ii) CROWE's experience, industry knowledge and technical competence in providing audit work for companies listed on the Stock Exchange; (iii) CROWE's independence from the Group and objectivity; (iv) CROWE's resources and capabilities including manpower and time; (v) the Guidance Notes on Change of Auditors issued by the AFRC; (vi) the lack of material differences in audit scope and team structure between CROWE and other audit firms, which implies that audit quality can be maintained; and (vii) the fee quote from CROWE being lower than the quotations submitted by the other two candidate audit firms, the Audit Committee has assessed and considered CROWE to be independent, eligible, capable and suitable to act as the auditor of the Company.

Save as disclosed above, all other information in the Announcement remains unchanged and shall continue to be valid for all purposes. This announcement is supplemental to and should be read in conjunction with the Announcement and the Circular. This announcement does not affect the timing, venue, or resolutions to be proposed at the upcoming EGM.

For illustration purposes only, the HKD-to-RMB exchange rate used in this announcement is calculated at HKD1.00 = RMB0.86.

By order of the Board
Tianjin Construction Development Group Co., Ltd.
Wang Wenbin
Chairman and non-executive Director

Tianjin, the PRC, 18 August 2026

As of the date of this announcement, the Board of Directors of the Company comprises: (i) Mr. Zhao Kuanghua, Ms. Guan Fengdan, Mr. Yang Youhua, Mr. Ni Baqun and Mr. Ma Guoqun as executive Directors; (ii) Mr. Wang Wenbin as Chairman and non-executive Director; and (iii) Dr. Yan Bing, Dr. Liu Jinlu and Mr. Shiu Shu Ming as independent non-executive Directors.