THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Litian Pictures Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Litian Pictures Holdings Limited
力天影業控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 9958)

CHANGE OF AUDITOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting of Litian Pictures Holdings Limited to be held at Room 1803, Zhongzhou Building, No. 3088 Jintian Road, Gangxia Community, Futian Street, Futian District, Shenzhen, the People's Republic of China on Thursday, 10 September 2026 at 2:30 p.m. is set out on pages 12 to 13 of this circular. A form of proxy for use at the extraordinary general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting or any adjournment thereof if they so wish and in such event, the proxy shall be deemed to be revoked.

21 August 2026

CONTENTS

Page

Definitions 1

Letter from the Board 2

Notice of Extraordinary General Meeting 12

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"Articles of Association"	the articles of association of the Company as may be amended from time to time
"Board"	the board of Directors
"Company"	Litian Pictures Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange (Stock Code: 9958)
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held at 2:30 p.m. on 10 September 2026 for the purpose of considering and, if thought fit, approving the Change of Auditor
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"RMB"	the lawful currency of the PRC
"Shareholder(s)"	the holder(s) of the issued Shares
"Shares"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	Per cent

Litian Pictures Holdings Limited
力天影業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9958)

Executive Directors:
Mr. Xie Taoquan (Chairman)
Ms. Yu Ping
Ms. Huang Meiyuan

Independent non-executive Directors:
Mr. Liang Jie
Mr. Chen Tong
Mr. Jing Quanliang

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:
Level 27, Wing On Centre
111 Connaught Road Central
Sheung Wan
Hong Kong

21 August 2026

To the Shareholders

Dear Sir or Madam,

CHANGE OF AUDITOR AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcements of the Company dated 30 July 2026 and 20 August 2026 respectively. The purpose of this circular is to provide you with information regarding (i) the resignation of KPMG and the appointment of McMillan Woods as the Company's auditor ("**Change of Auditor**"); and (ii) a notice of the EGM, at which ordinary resolution(s) will be proposed to the Shareholders to consider and, if thought fit, approve the Change of Auditor.

CHANGE OF AUDITOR

As disclosed in the Announcements, on 30 July 2026, the Board and the audit committee of the Company ("**Audit Committee**") have received a resignation letter ("**Resignation Letter**") dated 30 July 2026 from KPMG ("**KPMG**"), tendering their resignation as the auditor of the Company with immediate effect (the "**Resignation**"). KPMG stated in the Resignation Letter that they have taken into account a number of factors for the Resignation including, among others, the time, manpower, professional resources required to complete the audit, and the level of audit fees for the financial year ended 30 June 2026 (the "**2026 Audit**") under their current work schedule. The Company is incorporated under the laws of the Cayman Islands and to the knowledge of the Board, there is no requirement under the laws of the Cayman Islands or the amended and restated memorandum and articles of association of the Company for the retiring auditor to confirm whether or not there is any matter connected with its retirement which needs to be brought to the attention of the shareholders of the Company. KPMG has not issued such confirmation. The Board has confirmed that, save for disclosed above, there are no disagreements between KPMG and the Group and is no other matter in respect of proposed change of auditor that needs to be brought to the attention of the Shareholders or the Stock Exchange.

With the recommendation from the Audit Committee, the Board proposes to appoint McMillan Woods (Hong Kong) CPA Limited ("**McMillan Woods**") as the new auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company.

THE CHRONOLOGY OF EVENTS IN RELATION TO THE CHANGE OF AUDITOR

The chronology of events in relation to the Change of Auditor is set out below:

Date	**Event**
30 June 2026 to 20 July 2026	The Company requested KPMG to provide audit fee quotation for the 2026 Audit and assess the audit plan.
20 July 2026	KPMG provided a quotation of RMB2 million, representing an 66.67% increase as compared with the audit fee for the 18 months period ended 30 June 2025, taking into account the factors including the addition of audit work for the Company's newly established Hong Kong online video platform, the assessment of changes in executive directors and management capability, as well as the time and its internal resources for carrying out audit for the year ended 30 June 2026.

Date	Event
21 July 2026	The Company attempted to negotiate with KPMG for an audit fee of RMB1.5 million, KPMG reverted that, having considered the internal resource allocation and the Company's feedback on audit fees, it was unable to accept the proposed reduction.
24 July 2026	The Audit Committee instructed the Company to seek quotations from other audit firms.
27 July 2026	The Audit Committee discussed with KPMG, where KPMG stated that they would not be able to conduct the 2026 audit after due consideration of a number of factors including, among others: • the significantly increased time and effort required to complete the audit due to the expanded scope of work resulting from the Company's recent business expansion, particularly the launch of a new online video platform in Hong Kong; • the substantial increase in manpower and professional resources needed to address the heightened complexity of the audit, including the need for additional technical expertise in areas such as digital content operations, data governance, and compliance with relevant regulatory frameworks; • the alignment of the proposed audit fee with the current market rates and KPMG's internal resource allocation policy, which, in light of the expanded audit scope, was no longer considered sustainable under its existing work schedule and fee structure.
28 July 2026	The Company received quotations from McMillan Woods and another audit firm respectively, and discussed with these two audit firms to assess their capabilities.
30 July 2026	The Company received the resignation letter from KPMG and the Board resolved to appoint McMillan Woods as the new auditor of the Company.

The Company did not consider a change of auditor at the last AGM, given the long-standing relationship with KPMG. However, it was later informed by KPMG in July 2026 that they would not be able to conduct the 2026 audit after due consideration of a number of factors including, among others, the time, manpower, professional resources required to complete the audit, and the level of audit fees for the financial year ended 30 June 2026 under its current work schedule. The Company did not request KPMG to resign, or took any action that caused or contributed to the resignation.

AUDIT FEE

The audit fees proposed by KPMG and another audit firm as mention above were RMB2 million and RMB1.6 million respectively, and the audit fee agreed with McMillan Woods was RMB1.4 million.

The breakdown of McMillan Woods' audit fee is set out below:

Seniority	Proposed number	Proposed working hours
Engagement director	1	50
Engagement quality reviewer	1	30
Technical reviewer	1	30
Audit principal	1	80
Audit manager	1	160
Audit senior	1	130
Audit associate	2	280

The Audit Committee is satisfied that the agreed audit fee with McMillan Woods is commensurate with the extent of audit work required considering the below:

Reasons for the Difference in Audit Fees

The Audit Committee has considered the major factors attributable to such difference. These include: (i) the seniority mix and composition of the engagement teams committed by each firm; (ii) each firm's internal cost structure; and (iii) each firm's respective commercial considerations and capacity planning for the audit timeframe. The Audit Committee is of the view that differences in audit fee quotations among the two firms do not necessarily reflect differences in audit scope or quality, and that such variations may be attributable to a range of firm-specific commercial factors and prevailing market conditions.

Assessment of Commensurability

To ensure that audit quality would not be compromised by the agreed fee level, the Audit Committee has, among other things:

- compared the audit fee quoted by KPMG with that proposed by McMillan Woods and noted that the difference is within a reasonable range, primarily reflecting each firm's internal cost structure and resource mix rather than any significant reduction in audit scope or effort;

- reviewed McMillan Woods' proposed audit plan, audit approach, timetable, staffing and planned man-hours against the size and complexity of the Group's business, and the Audit Committee is of the view that the proposed fee of McMillan is reasonable and commensurate with the operations of the Group; and

- understood from the discussion with McMillan Woods that the agreed audit fee is sufficient for McMillan Woods to allocate appropriate resources and expertise to complete the audit in accordance with the relevant Hong Kong auditing standards and requirements, without compromising audit quality.

Based on the foregoing, the Audit Committee is satisfied that the agreed audit fee of McMillan Woods is commensurate with the size of the Group, the complexity of the Group's business and the extent of audit work required, and that the quality of McMillan Woods' audit will not be compromised by the agreed fee level.

AUDIT COMMITTEE'S ASSESSMENT OF THE NEW AUDITOR

The Audit Committee has considered section 2 of the Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors issued by the Accounting and Financial Reporting Council (the "**Guide**") and is satisfied that McMillan Woods is independent, competent and capable to perform a high quality audit after assessing a number of factors including (a) governance and leadership, (b) compliance with relevant ethical requirements, (c) industry knowledge and technical competence, (d) engagement performance, (e) communication and interaction with the Audit Committee, and (f) audit inspection results, as follows:

(a) Governance and Leadership

McMillan Woods has a team consisting of qualified accountants and professional consultants currently serving over 70 listed companies in Hong Kong. It is a member firm of McMillan Woods Global, a global network of independent local and regional firms of recognized qualified accountants and professional advisors, covering over 3,200 people operating over 70 countries and regions.

(b) Compliance with relevant ethical requirements

McMillan Woods has maintained a quality management manual, with reference to the Codes of Ethics for Professional Accountants and Hong Kong Standards of Quality Management issued by the HKICPA, and required all professional staff to comply with. Further, through the independence statements set out in the fee quotation of McMillan Woods, McMillan Woods declares that it is independent of the Company. McMillan Woods possess Hong Kong practicing credentials and qualifications as auditors for Hong Kong listed companies, with no material misconduct on record.

(c) Industry knowledge and technical competence

McMillan Woods' previous or existing clients include a number of listed companies engaged in the media industry, which are similar to the Group. McMillan Woods has maintained an independent technical department, which is responsible for performing independent review on each listed audit engagement. Concurring review must be completed by audit engagement directors, engagement quality reviewer and the independent technical department before issue of auditor's opinion.

(d) Engagement performance

McMillan Woods proposes to set up a dedicated service team. Its directors and staff possess comprehensive expertise and knowledge in audit, taxation and industry matters, with proven experience in serving listed companies and enterprises across multiple industries. The assigned team have direct access to the information of the listed companies and is also well versed in common accounting and taxation issues faced by enterprises operating in Hong Kong. McMillan Woods proposes to adopt a structured and flexible audit strategy. The audit process includes the following three key stages:

(i) Planning

In this stage, the auditor identifies potential risks through planning and discussions, clarifies service requirements and finalises a work timetable.

(ii) Conducting audit work

In this stage, the auditor carries out analysis and review, executes comprehensive yearend audit procedures including tests of controls and substantive tests, and discusses audit findings with management team of the Company.

(iii) Finalising audit report

In this stage, the auditor reviews and finalises the financial statements, submits an audit report on key issues within the prescribed time limit.

(e) Communication and interaction with the Audit Committee

McMillan Woods guarantees liaison with the Audit Committee at each stage of the audit where necessary. As part of the two-way communication with the Audit Committee, McMillan Woods will provide an overview of the planned audit scope and preliminary audit timetable. Upon completion of the audit, McMillan Woods will also present the audit findings and discuss with the Audit Committee from time to time during the course of its audit. At this stage, McMillan Woods understands the Company's requirements and expectations clearly at the outset of meetings with the Audit Committee and senior management, including addressing inquiries relating to risks and potential concerns.

(f) Audit inspection results

To facilitate the assessment process for the appointment of the incoming auditor, McMillan Woods presented to the Audit Committee the findings and results of recent AFRC inspections. Improvements in its audit engagements were evidenced by the engagement inspection scores, which improved from ratings of 4 in its previous two inspections to ratings of 3 in the latest inspection, with which the Audit Committee is satisfied.

Having considered the above factors, the Audit Committee is satisfied that McMillan Woods is independent, competent and capable of performing a high-quality audit. The Audit Committee is also satisfied that the agreed audit fee is reasonable and commensurate with the size and level of complexity of the Group's business, and that McMillan Woods proposed audit plan, timetable and committed resources are adequate to complete the 2026 Audit without compromising audit quality.

AUDIT PLAN AND TIMETABLE

McMillan Woods' proposed audit plan and timetable is set out below:

Phase	Estimated Period	Audit Plan
Audit Planning	July – Early August 2026	Perform audit planning
		Conduct preliminary analytical procedures
		Perform risk assessment
		Hold planning meetings with Audit Committee, management and key finance staff

Phase	Estimated Period	Audit Plan
Audit Fieldwork	Early August – September 2026	Understand major operating cycles and internal control environment
		Test the operating effectiveness of key internal controls
		Perform audit procedures on opening balances
		Locations with roll-back procedures
		Execute substantive audit procedures across significant areas
		Maintain ongoing discussion with management
Communication with management and AC on Key Audit Findings	Late September 2026	Review draft financial statements
		Discuss key audit findings with management and the Audit Committee
Publish Results Announcement	Late September 2026	Coordinate with the Company for draft result announcement
Publish Annual Report	October 2026	Final review of annual report

McMillan Woods has confirmed its commitment to fulfilling the proposed audit timetable while maintaining audit quality, by allocating sufficient resources efficiently and ensuring the direct involvement of senior engagement personnel in audit planning, supervision and review, having regard to the nature, scope and complexity of the Group's businesses. McMillan Woods has provided their time budgets and estimated hours for the engagement and is committed to deploying an experienced team comprising one engagement director, one engagement quality reviewer, one technical reviewer, one audit principal, one audit manager, one audit senior, two audit associates and other supporting staff. Having regard to the foregoing, the Audit Committee is satisfied that the proposed audit strategy, audit plan and timetable are reasonable and adequate for McMillan Woods to complete all necessary audit procedures without compromising audit quality, and that McMillan Woods' committed resources are sufficient to support the audit engagement.

EGM

According to Frequently Asked Questions 16 – No. 5(iii) updated by the Stock Exchange in April 2026, where a listed issuer requests an auditor to resign, or takes action to cause an auditor's resignations, such request or action may amount to a removal of the auditor by the listed issuer, which requires shareholders' approval under the Listing Rules.

In light of the above, the Company will therefore convene and hold the EGM for the purpose of considering and, if thought fit, passing the ordinary resolution(s) to (i) confirm, accept and ratify the resignation of KPMG as the auditor of the Company and (ii) ratify and confirm the appointment of McMillan Woods as the new auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company.

A notice convening the EGM is set out on pages 12 to 13 of this circular. The EGM will be convened at Room 1803, Zhongzhou Building, No. 3088 Jintian Road, Gangxia Community, Futian Street, Futian District, Shenzhen, the People's Republic of China on Thursday, 10 September 2026 at 2:30 p.m. for the purpose of, considering and, if thought fit, approving the Change of Auditor. A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. no later than Tuesday, 8 September 2026 at 2:30 p.m.). Completion and return of a form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 7 September 2026 to Thursday, 10 September 2026 (both days inclusive) during which period no transfer of Shares will be registered. In order to be qualified to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Friday, 4 September 2026. The record date for determining the entitlement of the Shareholders to attend and vote at the EGM is on Thursday, 10 September 2026.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

Based on the above, the Directors consider that the Change of Auditor is fair and reasonable and is in the best interests of the Company and the Shareholders as a whole, and recommend the Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM as set out in the notice of EGM attached to this circular.

By order of the Board
Litian Pictures Holdings Limited
Xie Taoquan
Chairman

Litian Pictures Holdings Limited
力天影業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9958)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Litian Pictures Holdings Limited (the "**Company**") will be held at Room 1803, Zhongzhou Building, No. 3088 Jintian Road, Gangxia Community, Futian Street, Futian District, Shenzhen, the People's Republic of China, on Thursday, 10 September 2026 at 2:30 p.m. (or any adjournment thereof) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions of the Company. Capitalised terms defined in the circular dated 21 August 2026 issued by the Company (the "**Circular**") shall have the same meanings when used in this notice of EGM unless otherwise specified.

ORDINARY RESOLUTIONS

1. to confirm, accept and ratify the resignation of KPMG as the auditor of the Company; and

2. to ratify and confirm the appointment of McMillan Woods as the auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company, and that the board of directors of the Company be and is hereby authorised to fix its remuneration.

By order of the Board
Litian Pictures Holdings Limited
力天影業控股有限公司
Xie Taoquan
Chairman

Hong Kong, 21 August 2026

Registered office:
Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands

Principal place of business in Hong Kong:
Level 27, Wing On Centre, 111 Connaught Road Central, Sheung Wan, Hong Kong

Notes:

(i) A shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it; a proxy need not be a shareholder of the Company. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.

(ii) In order to be valid, a form of proxy must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.

(iii) For the purpose of determining the shareholders' eligibility to attend and vote at the above meeting to be held on Thursday, 10 September 2026, the register of members of the Company will be closed from Monday, 7 September 2026 to Thursday, 10 September 2026 (both days inclusive), during which period no transfers of shares will be registered. In order to qualify for attending and voting at the above meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 4 September 2026. The record date for determining the entitlement of the Shareholders to attend and vote at the EGM is on Thursday, 10 September 2026.

(iv) If typhoon signal no. 8 or above, or a "black" rainstorm warning is in effect any time after 7:00 a.m. on the date of the EGM, the EGM will be postponed. The Company will publish an announcement on the website of the Company at www.litian.tv and on the website of the Stock Exchange at www.hkexnews.hk to notify the Shareholders of the date, time and venue of the rescheduled meeting.

(v) The translation into the Chinese language of this Notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date of this notice, the Board comprises Mr. Xie Taoquan, Ms. Yu Ping and Ms. Huang Meiyuan as executive directors, and Mr. Liang Jie, Mr. Jing Quanliang and Mr. Chen Tong as independent non-executive directors.