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ZHIDAO INTERNATIONAL (HOLDINGS) LIMITED

志道國際(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 01220)

INSIDE INFORMATION
PROPOSED APPOINTMENT OF AUDITOR
AND
CONTINUED SUSPENSION OF TRADING

This announcement is made by Zhidao International (Holdings) Limited (the "**Company**") pursuant to Rules 13.09 and 13.24A of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the Company's announcements dated 13 October 2025, 17 October 2025, 28 November 2025, 12 January 2026, 14 April 2026, 30 June 2026, 30 September 2026, 21 October 2026 and 27 October 2026 and 3 November 2026 in relation to, among other things, the delay in publication of the 2025 Annual Results and 2025 Interim Results and despatch of 2025 Annual Report and 2025 Interim Report, and the delay in publication of the 2026 Annual Results and despatch of 2026 Annual Report (collectively, the "**Announcements**"). Unless defined otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

PROPOSED APPOINTMENT OF AUDITOR

The Board hereby announces that having considered the recommendation of the Audit Committee, it has resolved to propose to appoint McMillan Woods (Hong Kong) CPA Limited ("**McMillan Woods**") as the new auditors of the Company (the "**Proposed Auditor Appointment**").

The Audit Committee has considered section 2, particularly paragraph 2.2.4, of the "Guidelines for Effective Audit Committee — Selection, Appointment and Reappointment of Auditors" published by the Accounting and Financial Reporting Council, and is of the view that, subject to (i) the approval of the Shareholders at the special general meeting of the Company (the "**SGM**"); and (ii) satisfactory completion of McMillan Woods' acceptance procedures, including applicable independence and conflict checks, and

McMillan Woods being satisfied that it is able to accept the engagement in compliance with applicable professional and ethical requirements, McMillan Woods is considered by the Audit Committee to (a) be independent, competent and capable to perform the 2025 Audit and the 2026 Audit; and (b) have sufficient and appropriate manpower, expertise, time and resources to carry out the necessary audit procedures to achieve the proposed audit timetable without compromising the audit quality.

Set out below are the specific factors considered by the Audit Committee regarding the Proposed Auditor Appointment:

(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 recognised 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 whose core businesses are carried out in China, which are similar to the situation of the Group whose new principal business in micro-dot code is mainly carried out in China. 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 year end 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* — Subject to its formal appointment and completion of its acceptance procedures, McMillan Woods intends to maintain communication with the Audit Committee and the Company's management (the "**Management**") on the audit progress from time to time to ensure key audit matters will be properly addressed in a timely manner.

(f) *Monitoring process* — To the best knowledge of the Audit Committee, it is not aware of any behavior or activities from McMillan Woods that will threaten its integrity, objectivity and independence or adversely affect its audit quality.

(g) *Proposed audit fees* — The Company obtained audit fee proposals from three audit firms (including McMillan Woods) and the Audit Committee considered these proposed fees together with the respective manpower, reputation and experience in performing audits for companies during the resumption process, etc. The estimated audit fee for the audit services relating to the 2025 Audit and the 2026 Audit agreed with McMillan Woods is approximately HK$2,400,000 for two years. This range is determined on a fair and reasonable basis after due consideration of the following factors and assumptions discussed between the Company and McMillan Woods: (i) the size and structure of the Group; (ii) the nature and complexity of the Group's business operations; (iii) the expected audit scope; (iv) the timetable and direction of the audit; and (v) the time and resources to be deployed by McMillan Woods. Having considered the nature and complexity of the 2025 Audit and the 2026 Audit, the Audit Committee is of the view that McMillan Woods' s proposed audit fee is fair and reasonable.

(h) *Proposed audit plan and timetable* — McMillan Woods will adopt a risk-based audit approach whereby McMillan Woods will obtain an understanding of the Company's internal controls and focus its auditing efforts on areas with the highest risk of material misstatement. Set out below is McMillan Woods' s proposed audit timetable:

End of November 2026	Audit planning meeting with the Audit Committee and the Management
End of November 2026 to end of December 2026	Performing audit field work
Early of January 2027	Communicate audit findings with the Audit Committee and the Management. Resolution of any identified audit matters. Finalise the annual results announcements for the financial years ended 31 March 2025 and 2026

The Audit Committee has discussed with McMillan Woods regarding the Allegations and will provide them with a copy of the latest draft report in relation to the Forensic Investigation. Pursuant to the discussions between the Audit Committee and McMillan Woods, it is noted that McMillan Woods is fully aware of the Allegations. While the Special Committee has been working closely with the New Forensic Advisor to address the Allegations, McMillan Woods is of the view that the Allegations would be addressed by the current scope of work conducted by the New Forensic Advisor. In the event when any of the Allegations could not be fully addressed by the current scope of work, McMillan Woods would assess the feasibility of alternative procedures to complete the 2025 Audit and the 2026 Audit, depending on the nature of the remaining Allegations.

Having reviewed and considered the preliminary audit plan of McMillan Woods on the 2025 Audit and the 2026 Audit (the "**Audit Plan**"), including the audit methodology, composition of the audit engagement team, proposed audit timetable, and taking into account the deadline for the Company to fulfil the resumption guidance, and considering that the Company is prepared to commit all it available resources to assist McMillan Woods in the 2025 Audit and the 2026 Audit (including the preparation and provision of all materials required by McMillan Woods), the Audit Committee is of the view that the Audit Plan and the proposed audit timetable are reasonable and sufficient for McMillan Woods to carry out necessary audit procedures without compromising the audit quality, and that McMillan Woods's resources are adequate to achieve the proposed audit timetable which would enable the Company to complete the 2025 Audit and the 2026 Audit as soon as possible to meet the resumption deadline.

Based on the above, the Audit Committee has assessed and considered McMillan Woods is eligible and suitable to act as the new auditor of the Company. The Board and the Audit Committee are of the view that the change of auditor of the Company would maintain audit quality and enable the Company to complete the 2025 Audit and the 2026 Audit as soon as practicable and is in the interest of the Company and the Shareholders as a whole.

The Board and the Audit Committee confirm that save as disclosed in this announcement, there are no other circumstances or matters in connection with the Proposed Auditor Appointment that should be brought to the attention of the Shareholders.

SPECIAL GENERAL MEETING

Subject to the approval of the Shareholders at the SGM, the Board will be authorised to determine the remuneration of the auditor and may further delegate such authority to the management of the Company, having regard to the scope of audit services and the actual workload. Unless there are material changes to the above bases or assumptions, the final audit fee should not differ materially from the initially disclosed estimated amount. In the event of any material changes, the Company will make further disclosure in due course.

Accordingly, the Company will convene the SGM for the purposes of considering and, if thought fit, approving the Proposed Auditor Appointment. A circular containing, among other things, further information on the Proposed Auditor Appointment together with a notice convening the SGM will be despatched to the Shareholders in due course.

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 2 July 2025 and will continue to be suspended until further notice.

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

By order of the Board
ZHIDAO INTERNATIONAL (HOLDINGS) LIMITED
Tung Yee Shing
Chairman

Hong Kong, 6 November 2026

As at the date of this announcement, the Board comprises 7 Directors. The executive Directors are Mr. Tung Yee Shing (Chairman), Mr. Zhong Can and Mr. Lam Chun Bun. The independent non-executive Directors are Mr. Li Kam Chung, Mr. Kwok Lap Fung, Beeson, Mr. Wong Wing Cheung and Ms. Ng Wing Laam.

* *For identification purposes only*