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Rongta Technology (Xiamen) Group Co., Ltd.
容大合眾(廈門)科技集團股份公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 9881)

INSIDE INFORMATION
UPDATE ON THE CIVIL PROCEEDINGS

This announcement is made by Rongta Technology (Xiamen) Group Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to (i) the section headed "Business – Legal and Compliance – Legal Proceedings – Civil Proceedings relating to a criminal investigation of Mr. A" in the prospectus of the Company dated 30 May 2025 (the "**Prospectus**") in relation to the civil proceeding incidental a criminal case lodged against the Group by a company whose trade secrets were alleged to be infringed by an individual; and (ii) the announcements (the "**Announcements**") of the Company dated 3 July 2025, 25 July 2025 and 20 October 2025 in relation to the civil complaint. Unless otherwise defined herein, capitalised terms used in this announcement have the same meanings as given to them in the Prospectus and the Announcements.

FURTHER UPDATE REGARDING THE DISPUTE

The board of directors of the Company (the "**Board**") announces that, on 13 November 2026, the Company received a first-instance civil judgment issued by the Fujian Provincial Higher People's Court (the "**Higher Court**") in respect of the Dispute (the "**Judgment**"). Pursuant to the Judgment, the Higher Court ordered the Company to pay the Plaintiff damages of RMB278,185,768.10 for the period from September 2015 to 31 August 2025 and reasonable enforcement expenses of RMB1,000,000, amounting to RMB279,185,768.10 in aggregate, within 10 days after the Judgment takes legal effect. Mr. A was held jointly and severally liable for RMB100,000 of that amount. The aggregate monetary claim of RMB975,320,188.35 sought by the Plaintiff was not supported by the Higher Court. In particular, the Higher Court did not award the additional punitive damages sought by the Plaintiff, considering that its calculation of damages already incorporated various punitive factors, including the use of the Plaintiff's substantially higher product profits and the absence of any reduction to reflect the software's contribution to the products. The Higher Court dismissed the Plaintiff's other claims. The Company was also ordered to bear RMB2,990,000 of the first-instance case acceptance fee.

The Company considers that there are grounds to appeal against the Judgment and will lodge an appeal to the Supreme People's Court within the applicable statutory time limit, seeking to have the Judgment set aside or varied. The Company is working with its PRC Litigation Legal Advisers to prepare the appeal and the supporting submissions.

The Judgment is a first-instance judgment and has not yet taken legal effect. Upon the Company lodging its appeal within the statutory time limit, the Judgment will not take legal effect pending the determination of the appeal. Accordingly, the payment obligation under the Judgment, which is expressed to fall due within 10 days after the Judgment takes legal effect, is not presently due under the Judgment.

THE ASSESSMENT OF THE BOARD IN RESPECT OF THE DISPUTE

Based on the advice of its PRC Litigation Legal Advisers and the reasons set out below, the Board considers that the Company has substantive grounds to succeed in appeal:

(i) the profit per unit used to calculate damages is overstated, as the underlying audit report does not adequately account for relevant costs. The report is an audit report rather than a forensic accounting appraisal opinion and was not prepared in accordance with the procedural requirements for judicial appraisal. The Higher Court adopted the report's profit-per-unit figure on the basis that the report had already been accepted in the related criminal proceedings. However, those proceedings concerned whether the losses met the thresholds for criminal liability and sentencing, whereas the present civil proceedings require an assessment of the Plaintiff's actual compensable loss. The Company considers that relying on the report's prior acceptance without independently examining its underlying evidence and calculations is insufficient to establish the appropriate basis for civil damages;

(ii) the damages calculation overstates the volume of infringing products by treating aggregate weighing-instrument sales as infringing sales and extrapolating additional volumes without sufficient supporting evidence. Further, operational similarities, without source-code-level comparison, are insufficient to establish that the Company's rewritten software continued to use the relevant trade secrets after August 2020;

(iii) the damages assessment overstates the losses attributable to the relevant software by failing to distinguish its contribution from that of hardware, branding, distribution and other factors. The software being indispensable to the products does not mean that all product profits are attributable to it, and the Judgment does not substantively address the Company's expert evidence on its contribution; and

(iv) incorporating punitive factors into compensatory damages without applying the statutory requirements for punitive damages is inconsistent with the applicable damages framework. Where actual losses and infringement-related profits cannot be reliably determined, statutory damages should apply rather than a damages calculation based on unsupported assumptions.

The outcome of the appeal remains uncertain, and there can be no assurance that the Judgment will be set aside or varied.

POTENTIAL IMPACT ON THE GROUP

Although the Judgment includes both monetary compensation and orders concerning the development, production and sale of the products concerned and the destruction of production moulds, the Company considers that the Judgment is unlikely to have a material adverse impact on the Group's business, financial conditions and results of operations for the following reasons:

(1) the Dispute is an isolated incident, and, save for the Dispute, no member of the Group is involved in any other material litigation or claims relating to intellectual property as at the date of this announcement;

(2) in the event that the losses, costs, expenses, damages or other liabilities incurred or suffered by the Company arising out of or in connection with the Dispute exceed RMB9.4 million, being the upper end of the range of amounts previously estimated to be borne by the Company, the Controlling Shareholders will indemnify the Company for any amount exceeding RMB9.4 million. Sufficient provision has been made in respect of the Dispute, taking into account the indemnity; and

(3) despite the Asset Preservation and the Judgment, the Group's business operations remain normal. As at the date of this announcement, the Group has maintained stable business relationships with reputable customers, and the fulfilment of domestic and overseas orders, supply chain procurement and payment of employee remuneration continue as normal. The Group's core business and management team remain stable. The Group has recently continued to make progress in overseas market expansion and the delivery of new products, while its customer mix and order backlog remain stable. The management of the Company remains confident in the Group's business prospects. The Board is of the view that the Judgment will not have any material adverse impact on the Group's normal operations and debt repayment ability of the Group.

The Company will make further announcement(s) regarding any material developments in the Dispute and the appeal, and any material impact on the Group, as and when appropriate.

Shareholders and other investors of the Company are advised not to rely solely on the information contained herein and should exercise caution when dealing in the securities of the Company. When in doubt, shareholders and other investors of the Company are advised to seek professional advice from their own professional or financial advisers.

By Order of the Board
Rongta Technology (Xiamen) Group Co., Ltd.
Xu Kaiming
Chairman and Executive Director

PRC, 16 November 2026

As of the date of this announcement, the executive directors of the Company are Mr. Xu Kaiming, Ms. Lin Yanqin and Mr. Fu Jianfang; the employee representative director of the Company is Ms. Chai Ling; and the independent non-executive directors of the Company are Dr. Lim Kim Huat, Dr. Huang Liqin and Dr. Lai Shaojuan.