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iMotion Automotive Technology (Suzhou) Co., Ltd.
知行汽車科技(蘇州)股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1274)

FURTHER INFORMATION ON PROPOSED CHANGE OF AUDITOR

Reference is made to the announcement of iMotion Automotive Technology (Suzhou) Co., Ltd. (the "**Company**") dated November 2, 2026 in relation to the Proposed Change of Auditor (the "**Announcement**"). Unless otherwise defined, capitalised terms used herein have the same meanings as in the Announcement.

As disclosed in the Announcement, the Company and KPMG were unable to agree on the proposed audit fee for 2026. Accordingly, the Board, on the Audit Committee's recommendation, proposes to remove KPMG and appoint Rongcheng Hong Kong as the Company's auditor for that year. The Proposed Change of Auditor is subject to Shareholders' approval at the EGM.

BASIS OF THE ESTIMATED FEE AND KPMG'S QUOTATION

The estimated 2026 audit fee range of RMB1,480,000 to RMB1,880,000 in the AGM Circular was based primarily on historical audit fees for 2024 and 2025 of RMB1,580,000 and RMB1,680,000, respectively, and the Group's expected scale of operations and business development, based on its financial information for 2025. At the material time, detailed 2026 audit planning and negotiations on specific audit scope, key audit areas and resource inputs had not commenced, and no formal quotation had been agreed with KPMG for the 2026 audit fees.

The initial estimate of 2026 audit fees disclosed in the AGM Circular took the Group's business development and historical fee levels into account at a general level. It did not incorporate an agreed assessment of the specific additional workstreams or a detailed 2026 staffing budget. Consistent with KPMG's usual practice of providing its annual fee quotation after publication of the Company's interim results, formal fee discussions

commenced in September 2026. KPMG assessed the expected current-year workload by reference to the Group's latest interim financial information, business development and its experience of the 2025 audit, and put forward a new fee quotation to the Group.

KPMG's proposed 2026 audit fee of RMB2,850,000 comprised the 2025 fee of RMB1,680,000 plus additional fees of RMB1,170,000. The proposed increase of RMB1,170,000 principally reflected additional professional hours and resource input for more extensive procedures within existing audit areas, rather than a material change in the overall audit scope compared with 2025, together with preparatory work relating to IFRS 18. The additional work related to (i) business growth; (ii) IFRS 18 comparative-information preparation; (iii) long-term asset impairment; and (iv) going concern. The work relating to business growth reflected the Group's business growth and increased operational complexity. For the six months ended June 30, 2026, the Group's revenue increased by approximately 107.8% year-on-year to RMB760.5 million, and deliveries of ADAS solutions and products increased by approximately 149.1% to over 289,000 units. The Group also obtained nominations for 37 OEM projects during the period, an increase of approximately 94.7% year-on-year. The higher sales and delivery volumes and increased number of development projects added to the work required on revenue recognition, costing, inventory and contract management, which KPMG took into account in assessing its resource requirements. The additional work also included assessing presentation implications and preparing 2026 comparative information for the Group's planned application of IFRS 18 in the year ending December 31, 2027. Not all such preparatory assistance constitutes a mandatory extension of the 2026 statutory audit. In relation to long-term asset impairment, KPMG referred to the greater-than-expected time spent by its audit and valuation specialists in 2025 and anticipated additional independent review of management's assumptions, valuation methodologies and valuation results for property, plant and equipment and intangible assets in 2026, having regard to business expansion and continuing losses. In relation to going concern, KPMG's quotation anticipated continuing operating cash outflows and increased reliance on bank financing. It envisaged additional assessment of projected cash flow improvement, financing covenants and waivers, the availability and drawdown conditions of undrawn facilities, funding coverage for the following 12 months and management's cash flow forecasts, supported by further financial analysis, financing-document review and bank enquiries. The allocation reflects KPMG's pricing and resource assumptions and does not, in itself, establish the existence or severity of any underlying financial reporting issue.

INITIATION OF THE PROPOSED CHANGE OF AUDITOR

Management initiated the Proposed Change of Auditor after reviewing KPMG's quotation and the Group's cost-control objectives; it was not prompted by a resignation notice from KPMG. On September 23, 2026, Ms. LIU Fang, executive

Director and chief financial officer, invited Rongcheng Hong Kong and the Potential Auditor to submit proposals. On November 2, 2026, the Audit Committee recommended the Proposed Change of Auditor after evaluating the three proposals, and the Board approved its submission to the EGM.

FEE COMPARISON AND AUDIT QUALITY

Rongcheng Hong Kong's quoted package comprises:

Service	**Fee *(RMB, exclusive of disbursements, turnover taxes and surcharges)***
2026 annual audit and related reporting support	1,100,000
Assistance and agreed-upon procedures for the 2027 interim report	150,000
2026 statutory audits of 13 entities, including the parent company	72,000
Total	**1,322,000**

KPMG's quotation covers the 2026 consolidated audit and parent-company statutory audit and excludes tax and separately reimbursable expenses. The service packages are therefore not identical: Rongcheng Hong Kong's quoted package includes the additional services described above, including interim services relating to 2027, not 2026.

The lower quotation reflects Rongcheng Hong Kong's competitive pricing, integrated mainland and Hong Kong resources and anticipated efficiencies from relevant industry experience and knowledge of the Group. KPMG's quotation reflects its own time-costing methodology and resource assumptions. Both proposals contemplate a full-scope consolidated audit under the relevant auditing standards, but staffing, specialist deployment, sampling and individual procedures may differ. The available information does not establish identical specialist deployment or sample sizes; the reference in the Announcement to no reduction in sample size should be read on this basis.

The Audit Committee did not select Rongcheng Hong Kong solely on price. In assessing whether its lower fee could compromise audit quality, the Audit Committee considered the work to be performed and the resources and quality safeguards supporting its delivery, rather than treating the level of fees as a proxy for audit quality. In particular, it reviewed and discussed with Rongcheng Hong Kong (i) its proposed full-scope consolidated audit under the relevant auditing standards; (ii) its risk-based audit plan, including coverage of revenue recognition, inventory valuation, expected credit losses, research and development expenditure, related-party transactions, going concern and long-term asset impairment; (iii) the qualifications and experience of the proposed engagement team, the involvement of senior personnel and the provision for a quality-review partner; and (iv) the availability of resources and the proposed

timetable for planning, fieldwork and completion. The Audit Committee also took into account the Group's business growth and increased operational complexity when assessing the adequacy of the proposed audit coverage and resources. Its assessment was not premised on the accounting firms adopting identical staffing arrangements, sample sizes or individual audit procedures. Rather, it considered whether Rongcheng Hong Kong's own proposal provided an appropriate basis for addressing the Group's audit risks and completing all necessary audit procedures. Having considered these matters, together with the pricing and resource factors described above, the Board and the Audit Committee consider Rongcheng Hong Kong's proposed fee commensurate with the work required and do not consider that the lower fee should, in itself, compromise audit quality. All necessary audit procedures must be performed notwithstanding the agreed fee. The Audit Committee will monitor audit progress, resource adequacy and significant audit matters throughout the engagement.

AUDIT PLAN, RESOURCES AND TIMETABLE

Rongcheng Hong Kong proposes a risk-based audit covering internal controls, substantive testing, group consolidation and significant estimates and judgements. Key areas include revenue recognition, inventory valuation, expected credit losses, research and development expenditure, related-party transactions, going concern and long-term asset impairment.

Its proposed team comprises at least two engagement partners, a director, a senior manager, a manager, six team members and a quality-review partner. The budget is not less than 3,000 hours: 1,250 pre-final and 1,750 final hours.

Timing	**Planned work/milestone**
November 2026	Planning, finalisation of the audit plan and a meeting between the lead partner and management.
November–December 2026	Pre-final fieldwork, including internal-control evaluation, walkthroughs, controls testing and preliminary substantive procedures.
Late December 2026	Year-end inventory observation.
January–February 2027	Final fieldwork and completion of controls testing and substantive procedures, with management meetings in February to address key audit areas and queries.
March 2027	Finalisation and an audit completion meeting with the Audit Committee.

Late March 2027	Completion and signing of the auditor's report, with annual results publication by the end of March 2027.

Implementation is subject to Shareholders' approval and effective appointment. Preparatory work before appointment does not constitute acting as the Company's auditor.

Based on the planned procedures, senior supervision, team experience and confirmed resource availability, the Audit Committee considers the timetable and resources adequate, subject to timely appointment, handover and information availability. It will monitor progress, resources and significant audit matters.

REGULATORY SANCTIONS AND SUITABILITY ASSESSMENT

As disclosed in the Announcement, the AFRC imposed sanctions in January 2026 in respect of serious registration and notification breaches during 2022–2023. According to information supplied by Rongcheng Hong Kong, these concerned registration and notification procedures related to an engagement partner and the person responsible for the quality-control system, and an individual's failure to respond to an investigator's statutory requirements. The sanctions against the firm comprised a public censure and a fine of HK$808,000.

Rongcheng Hong Kong has confirmed that the persons involved will not participate in the Company's audit engagement. The Audit Committee considered the seriousness and nature of the breaches, the exclusion of those individuals and the firm's current quality-management arrangements. It remains satisfied that Rongcheng Hong Kong is independent, competent and capable of performing the audit.

Save as supplemented and clarified above, the information in the Announcement remains unchanged.

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

By order of the Board
iMotion Automotive Technology (Suzhou) Co., Ltd.
SONG Yang
Chairman of the Board and Executive Director

Hong Kong, November 19, 2026

As at the date of this announcement, the Board comprises Mr. SONG Yang as chairman of the Board and executive Director; Mr. LU Yukun and Ms. LIU Fang as executive Directors; and Dr. ZHANG Weigong, Ms. XUE Rui Shirley and Dr. SHAO Jun as independent non-executive Directors.