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CHINA TIANRUI AUTOMOTIVE INTERIORS CO., LTD
中國天瑞汽車內飾件有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6162)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION
TO CHANGE OF AUDITOR**

Reference is made to the announcement of China Tianrui Automotive Interiors Co., Ltd. (the “**Company**”) dated 12 December 2025 in relation to the change of auditor (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, KPMG resigned as the auditor of the Company with effect from 10 December 2025, and Ascenda Cachet CPA Limited (“**Ascenda Cachet**”) was appointed as the new auditor of the Company to fill the casual vacancy. The Company would like to provide the following supplementary information in relation to the change of auditor.

THE CHRONOLOGY OF EVENTS LEADING TO THE CHANGE OF AUDITOR

KPMG provided an audit fee quotation of RMB2,100,000 for the audit of the consolidated financial statements of the Company for the financial year ended 31 December 2025 (“**2025 Audit**”) in July 2025.

In October 2025, as part of its annual governance and cost-control review, the board of directors of the Company (the “**Board**”), together with the audit committee of the Company (the “**Audit Committee**”), reassessed the level of professional fees of the Group, including audit fees, having regard to the Group’s current operational scale, risk profile, cost-control strategy and prevailing market practices. Upon the completion of the reassessment, the Audit Committee formed the view that, although the KPMG’s proposed audit fee was considered in the comparable range with those charged by KPMG in previous periods, it was not competitive having regard to the Group’s current operational scale and audit scope.

In exploring the Company’s options, the Audit Committee conducted a careful and deliberate assessment and selection process to control the audit fees in a level commensurate with the Group’s current operation scale while ensuring that audit quality would not be compromised. The Company has received the audit fee proposal of HK\$1,050,000 (approximately RMB966,000) with the proposed audit plan from Ascenda Cachet regarding the 2025 Audit in late November 2025.

Following discussions between the Company and KPMG, KPMG resigned as the auditor of the Company with effect from 10 December 2025 due to the parties being unable to reach consensus on the audit fee for the financial year ended 31 December 2025. On 12 December 2025, KPMG issued a standard professional clearance letter to Ascenda Cachet confirming that there are no circumstances surrounding the proposed change of auditor which Ascenda Cachet should be made aware of, and Ascenda Cachet was appointed as the new auditor of the Company to fill the casual vacancy.

THE MAJOR FACTORS UNDERLYING THE DIFFERENT FEES BY KPMG AND ASCENDA CACHET AND THE AUDIT COMMITTEE’S KEY ASSESSMENTS

After comparing the audit fee of RMB2,100,000 proposed by KPMG with another of HK\$1,050,000 (approximately RMB966,000) proposed by Ascenda Cachet for the 2025 Audit, and also made reference to the quotation of another reputable CPA firm, the Audit Committee considered that the reduced fee proposed by Ascenda Cachet is not unreasonable and audit quality should not be affected just because of this disparity.

The reduced fee offered by Ascenda Cachet 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:

- Ascenda Cachet has ensured experienced audit team composition and appropriate resource allocation for the engagement. The proposed audit team of Ascenda Cachet for the 2025 Audit (“**Proposed Audit Team**”) comprises an engagement director (the “**Engagement Director**”), an engagement quality control reviewer (director) (the “**EQCR Director**”), an engagement manager (the “**Engagement Manager**”) and a dedicated audit team.
- Ascenda Cachet has confirmed to implement efficient resource allocation and management strategies to ensure audit quality while achieving cost efficiency by direct involvement of senior engagement personnel in audit planning, supervision and review, having regard to the nature, scope and complexity of the Group’s operations. This deliberate allocation of experienced professionals to critical audit areas provided robust oversight and enhanced the reliability of audit procedures. By concentrating expertise where most needed, Ascenda Cachet would be able to address complex accounting issues effectively and mitigate potential risks without unnecessary duplication of work.
- Ascenda Cachet has confirmed to maintain regular communication with management and the Audit Committee throughout the course of the audit. Ascenda Cachet has undertaken to provide timely updates on any issues identified during audit procedures to ensure transparency and avoid last-minute surprises. This proactive communication framework allows the management and the Audit Committee to address matters promptly and such an approach reflects best practices in governance and reinforces the assurance for audit quality.

To ensure that the quality of the audit to be performed by Ascenda Cachet on the 2025 Audit would not be compromised due to reduced fee, the Audit Committee has considered paragraph 2.2.4 of the Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors (“**Guide**”) issued by Accounting and Financial Reporting Council (“**AFRC**”) and taken the following factors into consideration:

a) Governance and leadership

The Audit Committee assessed Ascenda Cachet’s governance and leadership by reviewing the composition and seniority of the proposed engagement team, the roles and responsibilities of senior engagement personnel, and the firm’s governance arrangements relevant to audit quality.

The engagement of 2025 Audit is led by the Engagement Director, with the involvement of the EQCR Director, Engagement Manager and that senior engagement personnel are responsible for audit planning, direction, supervision and review of significant audit matters. Ascenda Cachet confirmed that they have established the relevant quality management system in accordance with the Hong Kong Standard on Quality Management 1 (the “**HKSQM 1**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). Ascenda Cachet have achieved improvements and also confirmed that they have implemented appropriate measures and corrective actions to satisfactorily address the recommendations made by the AFRC in its 2023 annual inspection in respect of certain common findings.

The Audit Committee is satisfied that appropriate governance and leadership are in place to support audit quality.

b) Compliance with relevant ethical requirements

The Audit Committee assessed Ascenda Cachet’s compliance with relevant ethical requirements by reviewing written independence confirmations provided by Ascenda Cachet and members of the engagement team and considering compliance with applicable ethical and independence standards. Ascenda Cachet confirmed that they have established and adopted the policies and procedures regarding their quality management system (the “**QMS**”) in accordance with the HKSQM 1, which include but not limited to monitoring and complying with relevant ethical requirements in accordance with the HKICPA’s Code of Ethics for Professional Accountants.

Pursuant to such policies and procedures, Ascenda Cachet have (i) performed internal conflict check with all directors (including the Engagement Director and the EQCR Director); and (ii) performed the independence assessment and performing the necessary company searches and background searches so as to ensure no potential conflict of interest or threats to their independence between Ascenda Cachet and the Company. Ascenda Cachet confirmed that it has not provided non-audit services to the Company that would give rise to independence concerns. Ascenda Cachet was satisfied of its independence with the Company in accordance with the relevant independence requirements for audit engagements, including section 290 “Independence – Audit and Review Engagements” of the Code of Ethics for Professional Accountants.

The Audit Committee conducted background and desktop checks on Ascenda Cachet that confirmed its audit engagement team are independent to the Group, the Directors, substantial shareholders and senior management.

In light of this, the Audit Committee is satisfied that Ascenda Cachet complies with relevant ethical requirements and is independent in relation to the audit engagement.

c) Industry knowledge and technical competence

The Engagement Director is the co-founder of Ascenda Cachet who has over 40 years of audit experience and previously worked in Big-Four firms. The EQCR Director has over 25 years of audit experience and worked with Ascenda Cachet for over 20 years. The Engagement Manager has over 10 years audit experience and worked for Ascenda Cachet for over 8 years. All of them are qualified CPA and registered responsible persons for public interest entity (“PIE”) audit engagement with AFRC and with extensive audit experience for Hong Kong listed companies. The audit team includes audit seniors holding bachelor degree in accounting who have extensive audit experience for listed companies in Hong Kong, thereby bringing with them experience and familiarity with high quality practices.

Ascenda Cachet has direct experience, knowledge and technical competence in auditing listed companies with similar industry size and operational profile in Hong Kong and the Chinese Mainland. Such expertise of Ascenda Cachet is highly relevant to the Company’s operations and provides assurance that the Audit Team is well-equipped to address the Group’s regulatory and operational matters.

d) Engagement performance

To the best knowledge, belief and information of the Company, Ascenda Cachet has comparable standards to KPMG. The Audit Committee reviewed Ascenda Cachet’s proposed audit plan, including its allocation of about 2,000 budgeted audit hours by staff seniority, risk assessment approach, materiality thresholds, planned audit procedures, methodology and timetable, and confirmed that the audit plan is designed to comply with applicable auditing standards. The Audit Committee assessed that the audit engagement team has sufficient and appropriate resources, including expertise and time to perform quality audit.

Ascenda Cachet has a pool of experienced auditors, which allows it to optimize the staffing and utilization of the audit team, ensuring the right mix of skills and experience. By carefully managing the proposed audit team’s composition and utilization, Ascenda Cachet can further drive down the overall cost of delivering the audit services and hence the audit fees charged by Ascenda Cachet to the Company would be lower, without compromising the audit quality.

e) Communication and interaction with the audit committee;

The Audit Committee assessed Ascenda Cachet's communication and interaction arrangements by reviewing the proposed communication protocols set out in the audit plan. Ascenda Cachet will maintain structured and ongoing communication with the Audit Committee throughout the audit process, including:

- (i) an opening meeting during the audit planning stage in December 2025 to discuss the audit scope, audit approach, risk assessment, materiality and timetable;
- (ii) interim meeting(s) during the audit execution stage from January to February 2026 to update the Audit Committee on audit progress, preliminary findings, key audit matters and any issues identified; and
- (iii) a closing meeting during the completion stage in late March 2026 to report the audit findings, significant judgments, audit adjustments (if any), unresolved matters (if any) and conclusions prior to finalisation of the annual results and audited financial statements.

Ascenda Cachet will also report significant audit matters to the Audit Committee on a timely basis throughout the audit process.

f) Monitoring process

The Audit Committee assessed Ascenda Cachet's monitoring process by reviewing the firm's quality management framework, engagement-level supervision and review arrangements that are established in accordance with the HKQMS 1 issued by the HKICPA. Ascenda Cachet has established the QMS in accordance with the HKSQM 1, which includes but not limited to the close supervision of the Engagement Director and the Engagement Manager as well as the assignment of the EQCR Director in reviewing significant audit judgments and conclusions.

During 2024 and 2025, the Group has maintained stable operations characterised by limited complexity. The business model and core activities remained consistent, supported by a straightforward group structure and a small number of operating subsidiaries. There were no significant acquisitions, disposals, restructurings, or complex transactions undertaken. The nature and complexity of the business, as well as the composition of group entities, operational bases, major customers, and suppliers, did not experience material changes. Operations continue to be concentrated in the Chinese Mainland within familiar regulatory frameworks, and the Group does not participate in complex financial instruments or valuation intensive undertakings. In summary, the Audit Committee concurred with Ascenda Cachet's assessment that the scale and risk profile of the Group's operations remain manageable and largely unchanged from previous periods.

Accordingly, the Audit Committee is satisfied that Ascenda Cachet is independent, competent and capable to perform the highly quality audit, which meets the requirements of the Company. The Audit Committee acknowledges its ongoing responsibility to monitor the performance and effectiveness of the external auditor and will maintain appropriate oversight through regular communication, review of significant audit matters and evaluation of the auditor’s performance to ensure compliance with applicable professional standards and the maintenance of audit quality.

THE AUDIT TIMETABLE OF ASCENDA CACHET FOR 2025 AUDIT

| Time Phase | Estimated Time | Detailed Procedures |
|---------------------------------|-----------------------------|---|
| Audit Planning Phase | December 2025 | <ol style="list-style-type: none"> 1. Communicate with management and the Audit Committee; 2. Update the understanding of the Group’s operations, key revenue streams and internal controls; 3. Identify and assess significant audit risks 4. Understand internal control design and operation; test key control points; evaluate control effectiveness; determine the scope and nature of substantive procedures; 5. Perform inventory count and fixed assets count. |
| Audit Execution Phase | January 2026- March 2026 | <ol style="list-style-type: none"> 1. Perform audit procedures in accordance with applicable auditing standards on opening balances and prior-year comparative figures; 2. Perform substantive procedures; focus on high-risk areas. |
| Completion and Reporting | Late March 2026 | <ol style="list-style-type: none"> 1. Summarize audit evidence; 2. Communicate audit findings with management and the Audit Committee; 3. Conclude the consolidated financial results for the results announcement and the audited consolidated financial statements contained in the Company’s annual report. |

Ascenda Cachet has presented its overall audit strategy, audit plan and proposed timetable to the Audit Committee. The Audit Committee has reviewed and discussed the proposed audit plan and is satisfied that it is appropriate and sufficient for conducting a quality audit.

Ascenda Cachet confirmed that the audit will be conducted in accordance with the Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants and in compliance with applicable ethical requirements. In performing the audit, Ascenda Cachet will exercise professional judgement and maintain professional scepticism throughout the audit process.

The proposed audit plan includes, among others, an assessment of the risks of material misstatement of the consolidated financial statements, an understanding and evaluation of relevant internal controls, and design and execution of audit procedures responsive to the identified risks.

Ascenda Cachet has identified key areas of audit focus based on its preliminary understanding of the Group's business and financial information, including revenue recognition and expected credit loss allowances.

In accordance with Ascenda Cachet's proposed audit timetable, audit planning work would be commenced in December 2025, audit work would be carried out from January 2026, and the audit is targeted to be completed by mid-March 2026.

Ascenda Cachet confirmed that sufficient and appropriate audit resources will be allocated to meet the proposed timetable.

The Audit Committee is satisfied that the proposed audit strategy, audit plan and timetable are reasonable and adequate for the incoming auditor to complete all necessary audit procedures without compromising audit quality, and that Ascenda Cachet's committed resources are sufficient to support the audit engagement.

The Audit Committee noted that audit planning procedures commenced in December 2025, allowing adequate lead time before year-end, and that the main audit fieldwork and review stages are appropriately scheduled.

THE AUDIT COMMITTEE'S ASSESSMENT OF THE AFRC INSPECTION AND REMEDIAL MEASURES

The Audit Committee noted that Ascenda Cachet was one of the 20 public interest entity ("PIE") auditors selected for inspection by the AFRC in 2023 and was classified as a Category C firm. Such selection formed part of the AFRC's routine inspection programme and does not in itself indicate any wrongdoing or deficiency. The AFRC's 2023 Annual Inspection Report sets out findings and expected actions on an aggregate basis without identifying individual firms.

Ascenda Cachet has confirmed to the Company that it has reviewed the relevant AFRC inspection reports and implemented appropriate remedial and governance measures to address the AFRC's expectations. The Audit Committee has also reviewed the AFRC's 2023 and 2024/25 Annual Inspection Reports and, taking into account Ascenda Cachet's confirmation and its overall assessment of Ascenda Cachet's independence, competence and audit arrangements, is satisfied that Ascenda Cachet is suitably qualified and capable of discharging its duties as the auditor of the Company.

THE AUDIT COMMITTEE'S ASSESSMENT ON THE REDUCED AUDIT FEE AND AUDIT QUALITY

The Audit Committee noted that the audit fee proposed by Ascenda Cachet for the audit of the financial year ending 31 December 2025 is substantially lower than that previously quoted by KPMG. In assessing whether such fee difference is reasonable and whether audit quality would be compromised, the Audit Committee compared Ascenda Cachet's proposed audit scope, key audit areas, staffing structure, budgeted audit hours, audit timetable and level of senior engagement involvement with those of prior-year audits and noted that they are broadly comparable.

In particular, the Audit Committee noted that:

- (i) there is no material reduction in audit scope under the proposed engagement;
- (ii) the proposed audit approach remains risk-based and addresses the Group's principal audit risks and key audit areas;
- (iii) first-year audit procedures have been explicitly incorporated into the proposed audit plan, staffing allocation and audit timetable; and
- (iv) the Group's operations, organisational structure and risk profile have remained stable, with no material increase in complexity, no significant acquisitions, disposals or restructurings, and no complex transactions undertaken during the year.

The Audit Committee further considered that the lower audit fee is primarily attributable to the differences in staffing mix, leverage structure and organisational structure, rather than any limitation or reduction in audit work, audit coverage or level of senior oversight.

Having considered the above factors collectively, the Audit Committee is satisfied that the audit fee agreed with Ascenda Cachet is commensurate with the audit work required and that audit quality will not be compromised.

All other information contained in the Announcement remains unchanged and continues to be valid for all purposes. This supplemental announcement should be read in conjunction with the Announcement.

By Order of the Board
China Tianrui Automotive Interiors Co., LTD
Zhang Jingrong
Executive Director

Xi'an, the PRC, 26, March 2026

As at the date of this announcement, the Board comprises two executive Directors, namely Ms. Zhang Jingrong and Mr. Zou Weidong, and three independent non-executive Directors, namely Mr. Zhu Hongqiang, Mr. Zhou Genshu and Mr. Chen Geng.