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## **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE PROPOSED CHANGE OF AUDITOR**

Reference is made to the announcements (the “**Announcements**”) of China High Speed Transmission Equipment Group Co., Ltd. (the “**Company**”) dated 26 February 2026 and 12 March 2026 respectively and the circular (the “**Circular**”) of the Company dated 12 March 2026 in relation to, among other things, the proposed removal of HLB Hodgson and the proposed appointment of Prism as the auditor of the Company (the “**Proposed Change of Auditor**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements and the Circular.

This announcement is made to provide additional information and clarification in relation to the Proposed Change of Auditor and, in particular, to provide supplemental disclosure regarding the assessment by the New Directors and the majority members of the Audit Committee (being Mr. Lau and Mr. Lu) of the disciplinary decision issued by the Accounting and Financial Reporting Council (the “**AFRC**”) against Prism on 5 March 2026 (the “**AFRC Decision**”).

### **ASSESSMENT OF THE AFRC DECISION BY THE BOARD AND AUDIT COMMITTEE**

The Board and the Audit Committee have assessed the AFRC Decision. Having considered the background of the AFRC Decision and the subsequent remedial actions taken by Prism, both the Board and the Audit Committee are of the view that the AFRC Decision does not negatively affect the suitability of Prism to be appointed as the Company’s auditor.

The factors and circumstances assessed by the Board and the Audit Committee include the following:

The Board and the Audit Committee note that, while the AFRC Decision was published on 5 March 2026, the relevant breaches identified by the AFRC were historical in nature. The incidents occurred during the course of taking up engagements prior to or during the 2023 inspection, which was three years ago. Such historical oversights might not reflect the current operational standards and compliance framework of Prism.

As noted in the AFRC Decision, the frequency, duration and impact of the misconduct were relatively limited. Furthermore, the AFRC acknowledged Prism's prompt remedial actions, including engaging an external reviewer to conduct a comprehensive Anti-Money Laundering ("AML") compliance review. Prism had admitted the wrongdoing, cooperated with the AFRC, and demonstrated a commitment to rectifying the historical control weaknesses.

After the 2023 inspection, Prism has upgraded its internal controls and compliance measures to prevent recurrence. Prism represents that it now operates under an improved and structured framework including the following elements:

(i) Establishment of a dedicated Quality Assurance Department

Prism has established a quality assurance department and implemented acceptance procedures for onboarding new clients and sustaining existing client relationships.

(ii) Strict adherence to AML guidelines

Prism's current procedures are stated to be in accordance with applicable independence and risk assessment requirements, including the Hong Kong Institute of Certified Public Accountants' guidelines on Anti-Money Laundering and Counter-Terrorist Financing.

(iii) Enhanced risk assessment and SOQM approval

Before any engagement is initiated, Prism's engagement team must evaluate potential threats and the engagement must pass through standard risk and quality control processes, requiring final authorisation from the System of Quality Management partner.

(iv) Ongoing monitoring

Any changes in a client's circumstances or regulatory environment would prompt reassessment of independence and risk, with escalation to relevant governance bodies if necessary. Prism has further represented that, following an AFRC inspection review conducted in late 2025, the inspection results indicated that there were no longer any findings related to AML compliance, suggesting that Prism has rectified the historical control weaknesses that led to the AFRC Decision.

Based on the aforementioned, the Board and the Audit Committee conclude that Prism's updated governance and risk management processes, and the reported status of more recent inspection outcomes, indicate that Prism now possesses a structured monitoring framework to support ongoing compliance and quality. As the AFRC Decision relates to historical matters and Prism has implemented corrective measures, the Board and the Audit Committee are satisfied that the AFRC Decision does not impair Prism's suitability to act as the auditor of the Company.

The above references to the views of the Board are to the views of the New Directors, who constitute the majority of the Board, because Mr. Hu, Mr. Ye and Ms. Jiang had not provided their views up to 23 March 2026 (the date on which Mr. Hu, Mr. Ye and Ms. Jiang resigned from the Company). The above references to the views of the Audit Committee are to the views of Mr. Lau and Mr. Lu who constitute the majority of the Audit Committee because Ms. Jiang had not provided her views up to 23 March 2026.

By order of the Board  
**China High Speed Transmission Equipment Group Co., Ltd.**  
**LI Zubin**  
*Executive Director*

Hong Kong, 26 March 2026

*As at the date of this announcement, the executive Director is Mr. Li Zubin; and the independent non-executive Directors are Mr. Lau Jing Yeung William, Mr. Lu Yuanzhu and Mr. Tse Man Kit, Keith.*