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## **FINSOFT FINANCIAL INVESTMENT HOLDINGS LIMITED**

**匯財金融投資控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8018)**

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

Reference is made to the announcement (“**Announcement**”) of Finsoft Financial Investment Holdings Limited (“**Company**”, together with its subsidiaries referred to as “**Group**”) dated 17 December 2025 in relation to the change of its auditor (“**Auditor**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the Announcement.

The Board wishes to provide the Shareholders and potential investors of the Company with additional information about the change of the Auditor as follows:

#### **CHRONOLOGY OF EVENTS LEADING TO THE CHANGE OF AUDITOR**

In preparation for the audit of the Company’s consolidated financial statements for the year ending 31 December 2025 (“**2025 Audit**”), on or around 20 October 2025, the Company requested the then Auditor, RSM, as well as Baker Tilly to provide their fee quotations for conducting the 2025 Audit. The Company received the respective fee quotations from RSM and Baker Tilly by 6 November 2025. During the last two weeks of November 2025, the Board discussed the arrangements of the 2025 Audit and in particular, the fee quotations received from RSM and Baker Tilly. Taking into consideration the cost saving measures of the Company and the fee quotation of Baker Tilly (“**BT Fee Quotation**”) which was lower than the fee quotation of RSM (“**RSM Fee Quotation**”), the Board’s preliminary view was that RSM might not be engaged by the Company for the 2025 Audit and the Board decided to seek the opinion of the Audit Committee on such matter.

During the first week of December 2025, members of the Audit Committee discussed the potential need for the Company to change the Auditor and asked the Company to obtain quotations from other accounting firms for further comparison and consideration before making a decision. The Company received fee quotations from two other accounting firms in the second week of December 2025, which were both higher than the BT Fee Quotation. At the same time, members of the Board and the Audit Committee tried to negotiate with RSM for a price reduction for the 2025 Audit but RSM was unable to lower its fee to a level close to the BT Fee Quotation.

\* *For identification purpose only*

On 9 December 2025, meetings of the Audit Committee and the Board were held, in which members of the Board and the Audit Committee, after conducting an overall assessment on all the fee proposals received to date, came to the view that appointing Baker Tilly as the Auditor would be in the best interests of the Company given the reasons mentioned above. On the same day, the Board informed RSM of the Company's decision to change the Auditor for the 2025 Audit and Baker Tilly of its proposal to appoint it as the Auditor and requested Baker Tilly to prepare for the proposed appointment. RSM informed the Company that it might give its resignation letter to the Company on 17 December 2025. Following the Company's notification, Baker Tilly underwent its internal client acceptance procedures and onboarding process.

On 17 December 2025, the Company received the signed resignation letter from RSM, and the Audit Committee and the Board held meetings to approve the recommendation to the Board to appoint Baker Tilly as the Auditor ("**BT Appointment**") and the BT Appointment, respectively. On the same day, the Company confirmed to Baker Tilly its acceptance of Baker Tilly's service proposal and engagement for the 2025 Audit.

## **MAJOR FACTORS UNDERLYING THE DIFFERENT FEES BETWEEN RSM AND BAKER TILLY**

The major factors underlying the different fees are attributable to Baker Tilly's commercial approach to tailor to the Company's cost-saving objectives, and commitment to building long-term business relation. The reduced fee offered by Baker Tilly (i.e. HK\$850,000) is primarily attributable to the operational efficiencies, prior knowledge of the Group, and strategic resource deployment rather than any reduction in audit scope or audit quality. Baker Tilly has adopted a commercial approach aimed at aligning with the Company's cost-saving objectives while maintaining audit quality. This will be achieved through:

- Baker Tilly has ensured experienced audit team composition and appropriate resource allocation for the engagement. The proposed audit team of Baker Tilly for the 2025 Audit ("**Proposed Audit Team**"), which includes the audit-in-charge, engagement manager, and engagement director, comprises professionals who previously worked in Big Four accounting firms and are all qualified professional accountants (HKICPA or equivalent). This extensive background provides familiarity with high-quality audit practices, robust risk assessment procedures, and stringent compliance requirements, thereby safeguarding audit quality despite the agreed fee discount. The Proposed Audit Team comprises engagement director, engagement manager, assistant manager, senior associate, associate, experts for engagement quality review, technical review, tax review and IT review.
- Baker Tilly has emphasized to streamline the audit processes by leveraging on their prior knowledge of the Group's operations and systems. Baker Tilly confirmed they have direct experience in auditing listed companies with similar industry with the Company. This highly relevant experience ensures the familiarisation with industry-specific risks, regulatory requirements, and common accounting treatments, thereby reducing time spent on risk assessment and planning while maintaining audit quality.

- Baker Tilly has confirmed to implement efficient resource allocation and management strategies to ensure audit quality while achieving cost efficiency. Senior personnel were strategically allocated to areas identified as high-risk during the planning stage of the audit. This deliberate allocation of experienced professionals to critical audit areas provided robust oversight and enhanced the reliability of audit procedures. By concentrating expertise where it was most needed, Baker Tilly has been able to address complex accounting issues effectively and mitigate potential risks without unnecessary duplication of work.
- Baker Tilly has leveraged on advanced technology and data analytics as part of its audit methodology to enhance efficiency and strengthen audit assurance. By incorporating technology, the engagement team has been able to allow broader coverage across key financial areas, thereby improving the depth and reliability of audit evidence obtained. The integration of advanced technology demonstrates that the cost efficiencies achieved has been the result of methodological enhancements rather than any reduction in audit scope or rigor. The time cost saving allows their staff to concentrate their time on key risk areas.
- Baker Tilly has confirmed to maintain regular communication with management throughout the course of the audit. The firm 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 of the clients 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 Baker Tilly on the 2025 Audit would not be compromised due to reduced fee, the Audit Committee has also taken the following factors into consideration:

- (i) to the best knowledge, belief and information of the Company, Baker Tilly has comparable standards to RSM. As confirmed through Baker Tilly's proposed audit plan and during the interview conducted with the Audit Committee, its auditing services are up to the standard of the Big Four accounting firms, with access to an international network and professional knowledge. The Proposed Audit Team comprises professional who had also previously worked in Big Four accounting firms, thereby bringing with them extensive experience and familiarity with high quality practices;
- (ii) as confirmed by Baker Tilly during an interview conducted with the Audit Committee, Baker Tilly has direct experience in auditing listed companies with similar industry with the Group. Such expertise of Baker Tilly is highly relevant to the Group's operations and provides assurance that the Audit Team is well-equipped to address the Group's regulatory and operational matters;
- (iii) as confirmed through Baker Tilly's proposed audit plan and during the interview conducted with it by the Audit Committee, Baker Tilly possesses a comprehensive internal structure, with membership with Baker Tilly International, a network comprising over 43,000 staff and 120 member firms. Baker Tilly has 600 offices across 143 territories to provide local services and the expertise and understanding, ensuring that the audit work to be performed on the 2025 Audit ("**Audit Work**") will be adequately covered and resources appropriately allocated;

- (iv) Baker Tilly has a deep pool of experienced auditors across its offices, 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, Baker Tilly can further drive down the overall cost of delivering the audit services and hence the audit fees charged by Baker Tilly to the Company would be lower; and
- (v) as reflected by the results of inspections against Baker Tilly by the Accounting and Financial Reporting Council (“AFRC”), the results demonstrate Baker Tilly’s adherence to professional standards and reduce the risk of deficiencies that could otherwise compromise the quality of the Audit Work.

The Audit Committee has given thorough consideration to the credentials of Baker Tilly and the members of the Proposed Audit Team, including Baker Tilly’s experience in auditing Hong Kong listed companies, its network and resources, its proposed audit plan and audit scope for the 2025 Audit, and other factors as stated in the Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors (“Guide”) issued by the AFRC.

In light of the above, the Audit Committee is of the view that the audit fee offered by Baker Tilly is reasonable. Further, the Audit Committee is satisfied that the audit fee proposed by Baker Tilly is not at a level that would compromise the audit quality by inadequate resource allocation or insufficient audit work being performed. Although the RSM Fee Quotation is in line with the audit fee of RSM for the Company’s previous year audit (“2024 Audit Fee”) and the re-appointment of RSM as the auditor of the Company was approved by the shareholders of the Company at the Company’s annual general meeting held on 6 June 2025, the Board is of the view that the change of the Company’s auditor to Baker Tilly is in the best interest of the Company and its shareholders as a whole taking into account that the BT Fee Quotation is lower than the 2024 Audit Fee and the RSM Fee Quotation which is in line with the Company’s cost saving measures; whereas the BT Fee Quotation is not at a level that would comprise the audit quality, as the resources allocated by Baker Tilly for the 2025 Audit are not reduced, as compared with those to be committed by RSM; and as advised by Baker Tilly, the BT Fee Quotation has been arrived at such budgeted recovery rate which includes a certain level of profit margin. In addition, the audit staff man-hours agreed by Baker Tilly for the 2025 Audit are more than those proposed by RSM. In view of this, the Board considers that the resources allocated by Baker Tilly for the 2025 Audit are sufficient.

## **FACTORS CONSIDERED IN THE APPOINTMENT OF BAKER TILLY**

The Audit Committee has considered section 2 of the Guide before making the decision on approving and recommending Baker Tilly to the Board for appointment as the Auditor to fill the causal vacancy following the resignation of RSM. In particular, the Audit Committee has taken the following factors into consideration so as to satisfy itself that Baker Tilly would be independent, competent and capable to perform a high quality 2025 Audit:

- (i) the reputation and quality of Baker Tilly, given that Baker Tilly is a public interest entity (“PIE”) registered with the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as a Registered PIE Auditor. Based on the information provided by Baker Tilly, it is one of the top ten accounting firms in the world, and it has extensive experience in the audit of state-owned enterprises and red-chip enterprises. In addition, Baker Tilly has 66 listed clients in Hong Kong as of 17 December 2025;

- (ii) the experience of Baker Tilly in providing audit services to Hong Kong listed companies which have similar business segments as the Group;
- (iii) to the best knowledge, belief and information of the Company, as confirmed by Baker Tilly after conducting its new client acceptance procedures and independent conflict checks during the week of 9 December 2025, Baker Tilly was satisfied of its independence with the Group 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;
- (iv) to the best knowledge, belief and information of the Company, based on the interview conducted by the Audit Committee with Baker Tilly and as noted in Baker Tilly’s service proposal, Baker Tilly consisted of a team of experts with various experience and expertise in providing audit services for Hong Kong listed companies, including extensive industry knowledge and appropriate technical competence in companies with similar revenue recognition approach as demonstrated by their respective track records. The Audit Committee was therefore of the view that the committed manpower of Baker Tilly is sufficient and commensurate with the extent of the Audit Work required;
- (v) Baker Tilly has set their audit scope for the 2025 Audit based on the information provided by the management of the Company and has commenced its audit planning work in late December 2025. An audit planning meeting with the independent non-executive Directors (“INEDs”) has been held in early January 2026, where Baker Tilly has explained the key audit focus areas and the proposed audit work to be performed for the 2025 Audit to the INEDs. The engagement is set to continue until the publication of the Company’s annual report for the year ending 31 December 2025, with due resources allocated to ensure that all the audit procedures will be completed on time; and
- (vi) to the best knowledge, belief and information of the Company, based on ongoing verbal communication with Baker Tilly throughout October 2025 and up to 17 December 2025 and the interview conducted by the Audit Committee with Baker Tilly, both the Company and the members of the Audit Committee have fully explained to Baker Tilly the Company’s latest business development and historical performance, and the Company has provided the latest management accounts of the Group to Baker Tilly. The Company has also explained the underlying reason leading to RSM’s resignation to Baker Tilly. Baker Tilly was therefore fully aware of the status of the Group and was committed to reserve necessary manpower and resources for the Audit Work based on the information provided by the Company.

## **DETAILS OF THE PROPOSED AUDIT PLAN OF BAKER TILLY**

Set out below is the proposed audit plan for the 2025 Audit of Baker Tilly:

### **1. Pre-Engagement Meeting and Background Review**

Before commencing the 2025 Audit, Baker Tilly held a meeting with the Company in which the Company provided a briefing on the background and current operations of the Group to Baker Tilly to ensure it had a comprehensive understanding of the business environment of the Group.

## **2. Understanding Key Audit Matters and Significant Audit Matters**

Baker Tilly has identified and assessed the key audit matters and significant audit matters relevant to the 2025 Audit, which will guide the risk assessment and audit procedures. Based on Baker Tilly's experience and assessment, the following areas would be the potential key audit matters and significant audit matters relevant to the 2025 Audit, i.e. impairment assessment of loan and interest receivables from money lending business; loss allowances for expected credit loss of trade and others receivables and consideration receivable arising from the acquisition of Metrotec Limited; revenue recognition and management override of controls.

## **3. Regulatory Framework and Resource Considerations**

Baker Tilly has designed its audit approach for the 2025 Audit in accordance with the following Hong Kong Standards on Auditing:

*HKSA 300 – Planning an Audit of Financial Statements*

*HKSA 220 (Revised) – Quality Management for an Audit of Financial Statements*

In line with the above-mentioned auditing standards, Baker Tilly has considered the size and complexity of the Group's operations when allocating resources to ensure that the 2025 Audit will be conducted effectively and efficiently.

## **4. Industry Experience and Resource Capability**

The Proposed Audit Team has extensive experience in auditing companies within the same industry and of similar size. Such experience does not only provide the Proposed Audit Team with strong knowledge of the business environment relevant to the Group and the resources required to perform the 2025 Audit, but also helps it to reliably assess the manpower required to perform the 2025 Audit.

## **5. Planning Timeline and Resource Delegation**

Baker Tilly has commenced planning activities for the 2025 Audit in late December 2025 and will continue working on the engagement until the publication of the Company's annual report for the year ending 31 December 2025. Resources have been allocated appropriately to meet this timeline to ensure the timely completion of all the audit procedures.

## **6. Work Scope and Hours Allocation**

Baker Tilly has assessed the scope of work required for the 2025 Audit and allocated sufficient audit staff man-hours for the engagement. This allocation ensures that sufficient workforce and expertise are dedicated to delivering a robust and compliant audit.

In short, Baker Tilly believes the audit plan demonstrates that they have allocated sufficient resources, including an experienced audit team and sufficient planned hours, to ensure compliance with the regulatory framework. By leveraging on its industry expertise, efficient planning, and robust quality control processes, it is of the view that it can deliver an audit that meets the professional standards while maintaining cost efficiency.

Set out below is the bi-weekly audit timetable (late December 2025 to Late March 2026) for the 2025 Audit:

***Bi-Week 1: Late December 2025***

Key Activities:

- Preliminary planning, risk assessment, scoping and materiality determination.
- Initial IT environment review; identification of key IT-dependent controls.
- Preparation of audit on opening balance.

Resources:

Engagement Director (“ED”), Engagement Manager (“EM”), Assistant Manager (“AM”), Senior Associate (“SA”); IT Expert (scoping).

***Bi-Week 2: Early January 2026***

Key Activities:

- Attending formal Audit Committee planning meeting; approval of plan, scope and materiality.
- Undertaking opening balance procedures: tie-out prior-year closing balances and roll-forward entries.
- Walkthroughs of key processes; design and implementation assessment of controls.

Resources:

ED, EM, AM, SA to participate in planning review, i.e. Engagement Quality Review (“EQR”) and Technical Review (“TAR”).

***Bi-Week 3: Mid – Late January 2026***

Key Activities:

- Company-level substantive procedures: revenue, receivables, investments, cash & bank.
- Undertaking IT general controls (GITC) and application control procedures.
- Finalisation of substantive testing scope and sample sizes.

Resources:

AM (lead), SA/Associate (“A”) (fieldwork); IT Expert; ED/EM (oversight).

***Bi-Week 4: Late January – Early February 2026***

Key Activities:

- Conducting substantive testing of loans and advances; impairment/Expected credit loss (“ECL”) analysis.
- Valuation Expert engaged to review valuation assumptions and ECL parameters.
- Undertaking journal entry testing and fraud-related procedures.

Resources:

AM, SA/A; Valuation Expert; TAR (IFRS 9 support); ED/EM (review).

***Bi-Week 5: Mid – Late February 2026***

Key Activities:

- Tax computations review and deferred tax assessment by Tax Team.
- Completion of IT controls work and operating effectiveness testing (where applicable).
- Start of consolidation procedures and review of intercompany eliminations.

Resources:

Tax Team; IT Expert; EM, AM, SA; TAR for complex disclosures.

***Bi-Week 6: Late February – Mid March 2026***

Key Activities:

- Final substantive testing and clearance of outstanding audit exceptions.
- Drafting of disclosures and key audit matters with technical reviews.
- Review of draft audited financial statements and audit report.
- Undertaking subsequent events procedures.

Resources:

AM, SA/A; EM/ED reviews; TAR on complex disclosure analysis.

***Bi-Week 7: Mid – Late March 2026***

Key Activities:

- Engagement quality control review and obtaining independence confirmations; and management representation letter.
- Final audit meeting with management; attending meetings of the Audit Committee and the Board; publication of results announcement by the Company.

Resources:

ED, EM, AM; EQR; TAR; Valuation/Tax specialists for final clarifications as needed.

Based on the above audit timetable and comparison with the prior year's audit schedule which was substantially similar to the above audit timetable, there is no material change in the reporting timeline in spite of the change of the auditor and the Audit Committee is of the view that the proposed audit timetable is reasonable and sufficient for Baker Tilly to complete all the necessary audit procedures without comprising the audit quality and Baker Tilly's committed resources are adequate to achieve the proposed audit timetable.

On behalf of the Board  
**Finsoft Financial Investment Holdings Limited**  
**Ms. Tin Yat Yu Carol**  
*Chairman*

Hong Kong, 13 February 2026

*As at the date of this announcement, the Board consists of Ms. Tin Yat Yu Carol being an executive Director and the chairman of the Board, Ms. Tin Wun Yan Kelly being an executive Director and the chief executive officer of the Company, Mr. Yu Kwan Nam Gabriel being an executive Director, Mr. Lo Kai Pong being a non-executive Director and Mr. Hon Ming Sang, Mr. Tang Shu Pui Simon and Mr. Hung Ka Hai Clement being the independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

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