RONGTA

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
IN RELATION TO THE CIVIL COMPLAINT

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 "**Announcement**") of the Company dated 3 July 2025 and 25 July 2025 in relation to the civil complaint received from the Intermediate Court, which is lodged by the Plaintiff against the Group and Mr. A. 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

On 20 October 2025, the Company had received a civil ruling from the Intermediate Court in relation to the Dispute (the "**Civil Ruling**"). Pursuant to the Civil Ruling, the Plaintiff had applied to the Intermediate Court to (i) join Mr. Xu Kaiming, the executive Director, chairman of the Board and a controlling shareholder of the Company, as a co-defendant to the Civil Complaint; and (ii) increase the amount of damages sought from the Company and Mr. A from the original claim amount of RMB199,999,994 under the Civil Complaint to an aggregate amount of RMB975,230,188.35 ("**New Claimed Compensation**"), among which Mr. Xu Kaiming shall bear joint liability for RMB965,920,188.35. The New Claimed Compensation comprises (i) the Alleged Actual Damages of RMB278,185,768.1 (calculated by multiplying the alleged reasonable profit per unit of the Subject Products of RMB1,131.95 and the number of Subject Products alleged to be sold by the Group during the period from September 2015 to 31 August 2025 of 245,758) times the Alleged Penalty Multiplier of 3.5 times; and (ii) the Alleged Rights Protection Expenses of RMB1,670,000. The Company has not yet received any new calculation basis or evidence for the New Claimed Compensation submitted by the Plaintiff.

Pursuant to the Civil Ruling, for cases involving infringement of technical secrets, the People's Court at the place where the infringement occurred or the defendant's domicile shall have jurisdiction. At the same time, according to relevant court rules, first-instance intellectual property civil cases within the administrative jurisdiction of Fujian Province with a subject matter of more than RMB200 million shall be under the jurisdiction of the Fujian Provincial High People's Court. Accordingly, the Intermediate Court ruled that, since the subject claim now exceeded RMB200 million, the Dispute will be transferred to the Fujian Provincial High People's Court for handling.

No other ruling was made under the Civil Ruling in respect of the merits of the arguments under the Civil Complaint.

THE ASSESSMENT OF THE BOARD IN RESPECT OF THE CIVIL RULING

The Company is of the view that, based on the current status of the Dispute and the following, the Civil Ruling and the New Claimed Compensation is unlikely to cause any material adverse impact on the Group's business, financial conditions and results of operations for the year ending 31 December 2025:

(i) the Civil Ruling is of the similar nature with previous Incidental Civil Action but the Plaintiff lodged separate civil proceeding to the Group, Mr. A and Mr. Xu Kaiming after the court dismissed all the claims from the Plaintiff in the Retrial Appeal Ruling;

(ii) there was no basis or evidence provided by the Plaintiff to substantiate the New Claimed Compensation so that the Company does not have sufficient information to assess the impact of the Civil Ruling on the Company or to defend against the claim made by the Plaintiff;

(iii) the Company and the Directors are not aware of the act of misappropriation by Mr. A at all material times until Mr. A was arrested in August 2020 as it was due to Mr. A's personal behaviour;

(iv) the Company had promptly ceased the sale of the Subject Products since August 2020 and that Mr. A's employment with the Group was also terminated in January 2021;

(v) save and except the Subject Products, none of the Group's existing products have been subject to any material dispute;

(vi) the Plaintiff had failed to assert its claims at the Retrial Ruling and the Retrial Appeal Ruling. In particular, the People's Court of Siming had previously dismissed the claim from the Plaintiff in the sum of approximately RMB350 million based on a penalty multiplier of 5 times of the profit generated from the Subject Products and a rights protection expense. The court was of the view that there was no evidence that the Company had knowledge of Mr. A's infringement action. Such view was not subsequently challenged at the Retrial Ruling and the Retrial Appeal Ruling;

(vii) the Civil Ruling was an isolated incident and the members of the Group had not been involved in any other material litigation or claims in relation to intellectual properties as at the date of this announcement;

(viii) in the event that the losses, costs, expenses, damages, or other liabilities which the Company incurred or suffered arising out of or in connection with the Civil Ruling exceed RMB9.4 million, being the highest amount in the range of likely amount to be borne by the Company, the Controlling Shareholders will indemnify the Company for any such amount exceeding RMB9.4 million. Sufficient provision has been made in relation to the Civil Ruling in this regard; and

(ix) despite the Asset Preservation and the Civil Ruling, the Company is under normal business operation with ties with reputable customers as at the date of this announcement.

The Company would like to reiterate that, the New Claimed Compensation is only an amount that the Plaintiff is seeking from the court and it does not mean that the court will fully award the New Claimed Compensation in favour of the Plaintiff, nor that the court or any subsequent court may rule in favour of the Plaintiff at all. The Directors are of the view that it is not uncommon in a dispute that the plaintiff would endeavor its best to claim the highest amount to the extent possible. However, the defendant would defend in accordance pursuant to circumstances and facts in relation to the Civil Complaint. Hence, the New Claimed Compensation is solely based on the Plaintiff's expectations, which is not in line with the Company's view. The Company will vigorously assert its defence to safeguard the interest of the Group and the Shareholders in the upcoming legal proceedings.

As at the date of this announcement, the Company is consulting the PRC Litigation Legal Advisers as to the Civil Ruling and the actions to be taken in view of the Civil Ruling and the New Claimed Compensation. The Company will make further announcement(s) regarding any material developments of the Civil Ruling 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, 20 October 2025

As at the date of this announcement, the executive directors of the Company are Mr. Xu Kaiming, Mr. Xu Kaihe and Ms. Lin Yanqin, and the independent non-executive directors of the Company are Dr. Lim Kim Huat, Dr. Yu Xiaoou, and Dr. Huang Liqin.