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GBA HOLDINGS LIMITED

GBA集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00261)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO PROPOSED CHANGE OF AUDITORS

Reference is made to the announcement of GBA Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) regarding the proposed change of auditors published on 30 September 2026 (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide the following clarification and supplemental information.

DETAILED CHRONOLOGY OF EVENTS

In May 2026, the Company requested Baker Tilly to provide an estimated 2026 Audit Fee for the purpose of disclosure in the relevant supplemental announcement in relation to the annual general meeting (the “**AGM**”) circular of the Company (the “**Supplemental AGM Circular**”), to comply with newly promulgated disclosure requirements issued shortly prior to the sign off and finalisation of the Supplemental AGM Circular. Baker Tilly indicated that the estimated 2026 Audit Fee would be in range of HK\$1,000,000 to HK\$1,100,000.

During July 2026, the Company is preparing the interim management account for the six months ended 30 June 2026 and the Company has made a preliminary finding that the Group’s largest segment property business operation has continued to scale down. The Group’s property development projects in Anshan, the PRC have largely entered into the stage of disposing of the remaining unsold completed properties, with no significant new property development activities undertaken during the period. The number and volume of property transactions requiring audit procedures have reduced and the business operations have become less complex compared with prior years.

In early August 2026, the Company requested Baker Tilly to consider revising its proposed 2026 Audit Fee in view of the Group's scaled down operations. Baker Tilly subsequently revised its quotation for the 2026 Audit Fee to HK\$700,000, being, in its view, the lowest fee that commensurate with the resources and work required to perform the 2026 Audit.

As the revised audit fee proposed by Baker Tilly did not align with the Company's expectation, our chairman and our general manager (the "**Management**") considered it is appropriate, and in line with the cost effectiveness, to obtain quotations from other professional audit firms with comparable experience in auditing listed companies in order to assess the reasonableness of Baker Tilly's proposed fee. In mid of August 2026, the Management invited quotations from two other professional audit firms, including CCTH. In end of August 2026, the Company received a quotation for the 2026 Audit Fee from CCTH and a quotation for the fee solely for the 2026 Audit from another professional audit firm in the amounts of HK\$600,000 and HK\$1,400,000, respectively. At the same time, the Management received three quotations and tabled them to the Audit Committee.

In mid of September 2026, the Board, including all independent non-executive Directors (the "**INEDs**"), who are all members of the Audit Committee, held a meeting with CCTH. At the meeting, CCTH introduced itself to the Board and presented information regarding its qualifications, the experience of its team members and its client base.

The audit work relating to the property business is expected to decrease, including fewer transaction testing procedures for verification of reduced development costs and fewer audit procedures for active development projects. CCTH has therefore estimated that fewer audit hours and resources will be required to perform the 2026 audit compared with those allocated by Baker Tilly in 2025.

MAJOR FACTORS

CCTH has engaged their engagement partner, audit manager, senior and associate to involve the Company's audit work for the year ending 31 December 2026. It is same number of headcounts as Baker Tilly last year's audit work.

- **Overall approach**
 - CCTH: Risk-based testing, focused on material balances and key risks (revenue, properties valuation, inventories and loan receivables) commenced prior to year end to enhance time and audit efficiency
 - Baker Tilly: Extensive substantive testing across most account areas performed after year end

- **Sample size**
 - CCTH: Materiality-based targeted sampling for risky account areas
 - Baker Tilly: Extended coverage for most account areas

The Audit Committee reviewed CCTH's proposed audit approach and scope and is satisfied that they are commensurate with the Group's business size, profile and operational complexity. Given that the Group's operations are not geographically dispersed and remain relatively straightforward, the Audit Committee considers a risk-based and materiality-focused audit approach to be appropriate and sufficient.

In 2023, the AFRC imposed a penalty of HK\$80,000 on CCTH for its failure to implement corrective actions within stipulated timelines, in respect of findings identified during an inspection of its quality control system and PIE engagements. Apart from the above case, CCTH has not been subjected to any disciplinary actions by the relevant authorities. The Audit Committee reviewed the circumstances of the above-mentioned case and determined that it had no material impact on the audit quality to be delivered by CCTH.

After having assessed the proposed audit plan and timetable for the 2026 Audit and the audit fees provided by the audit firms, the Management considered that, if a consensus on 2026 Audit Fee between Baker Tilly and the Company (the "**Consensus**") could not be reached, the engagement of CCTH to be an alternative and a preferable choice, and most aligned with the Company's cost effectiveness. The Management also considered that CCTH has relevant audit experience and technical resources to provide the audit services for the 2026 Audit at a more competitive fee. Accordingly, the Management proposed to the Audit Committee that the Company change its auditor from Baker Tilly to CCTH (the "**Change of Auditor**") should no Consensus be reached.

PROPOSED AUDIT PLAN

Audit Approach and Strategy

- **Risk-Based Audit:** CCTH will adopt a risk-based audit approach, focusing on significant risk areas and Key Audit Matters ("**KAMs**") (KAMs including, but not limited to, revenue recognition, property and asset valuations, valuation of unlisted equity interests and impairment assessments for loans and interest receivables).
- **Interim Audit Work:** The auditor plans to commence pre-year-end interim audit work in November 2026 to identify potential accounting issues early and communicate them with management to enhance overall audit effectiveness and efficiency.

Proposed Timetable and Detailed Procedures

- **November 2026:** Conduct preliminary planning, internal control walkthroughs, risk assessments and administration work for change of auditor.
- **November – December 2026:** Execute pre-year-end interim audit substantive testing, including opening balance verification, detail transaction testing for interim period, properties physical verification, inventory count preparation and observations, and preparation of external bank/legal/shares confirmations.
- **January – March 2027:** Execute year-end audit work, including reviewing significant accounting estimates, communicating with valuer to understand the use of estimates, assumption and methodologies in assets and receivables valuation, sending external bank/trade confirmations and following up on non-replied confirmation.
- **March 2027:** Formulate and discuss audit adjustments with management and hold a closed-door meeting with the Audit Committee.
- **31 March 2027 or before:** Complete all internal quality control review procedures; the annual results announcement is expected to be published by this date.

Human Resources Committed

- The dedicated engagement team will comprise seasoned professionals with extensive experience in auditing listed companies, particularly in the property construction sector.
- The core team structure consists of Engagement Partner, Engagement Quality Control Reviewer, Audit Manager, and a fieldwork team of senior and associate auditors, totalling approximately 900 estimated man-hours.

The Audit Committee has critically reviewed the aforementioned audit plan and considers that the proposed timetable is **reasonable and sufficient**, and the resources committed are **adequate to ensure audit quality**, based on the following reasons:

1. **Workload Mitigation via Interim Audit:** By introducing substantial interim audit procedures, a significant portion of transaction testing will be completed before the year-end closing. This effectively mitigates the pressure and time constraints during the peak year-end field audit period and provides flexibility to address unexpected issues with management.
2. **Competence and Sufficiency of Resources:** The Audit Committee evaluated the profiles of the proposed engagement team members. The core members possess deep expertise in handling the accounting structures of the property construction sector. Furthermore, the total budgeted man-days are fully proportionate to the scale and complexity of the Group's operations.

Based on the above, the Audit Committee is fully confident that CCTH is capable of completing all necessary audit procedures in strict accordance with the proposed timetable **without compromising audit quality.**

Save as disclosed above, all other information contained in the Announcement remains unchanged. The supplemental information set out in this announcement does not affect the other contents of the Announcement.

By order of the Board
GBA Holdings Limited
Ong Chor Wei
Chairman and Executive Director

Hong Kong, 23 October 2026

As at the date of this announcement, the executive Directors are Mr. Ong Chor Wei, Ms. Wong Misa and Ms. Lam Ka Lee and the independent non-executive Directors are Ms. Wu Wai Shan, Mr. Leung Gar-Gene Vincent and Ms. Chan Sheung Yu.