YING KEE TEA HOUSE GROUP LIMITED
英記茶莊集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 8241)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO CHANGE OF AUDITOR

Reference is made to the announcement of Ying Kee Tea House Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 25 March 2026 in relation to the change of auditor ("**Announcement**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board would like to provide the following information supplemental to the Announcement:

1. THE DETAILED CHRONOLOGY OF EVENTS LEADING TO THE CHANGE OF AUDITOR CHANGE

Date	**Events**
22 August 2025	The Company had re-appointed GT as auditor at the annual general meeting of the Company held on 22 August 2025, taking into account GT's familiarity with the Group and its prior audit experience. At the time of re-appointment, there had been no disagreement regarding audit fees or other audit-related matters between the Company and GT and neither the Company nor the Audit Committee had contemplated a change of auditor.

10 March 2026	GT provided the audit fee quote of HK$700,000 for the 2026 Audit. Company's management informed Audit Committee the audit fee quote. Prior to this date, there had been no indication from GT that they would raise the audit fee and neither the Company nor the Audit Committee had contemplated a change of auditor.
11 March 2026	Company's management considered the audit fee provided by GT was high and asked for possible reduction of fee.
11 to 16 March 2026	Company's management reported to Audit Committee. The Audit Committee considered the audit fee proposed by GT to be high, given that there have been no material changes in the Group's business operations. Company's management and Audit Committee explored opportunities to invite other CPA firms to express their interests to be the Company's auditor for the 2026 Audit.
16 March 2026	Company's management met further with the partner of Crowe to understand their proposed audit strategies and approaches, audit fee and reporting timetable. Crowe provided draft fee quotation and engagement letter to the management.
18 March 2026	Audit Committee attended a presentation by Crowe to understand and clarify their proposed audit approach, reporting timetable and resource allocation.
19 March 2026	GT reduced the proposed audit fee to HK$550,000. The Audit Committee further considered GT's explanation regarding resource allocation and engagement staffing in evaluating the revised proposal.
23 March 2026	After evaluating different candidates, Audit Committee considered Crowe would be appropriate to be the auditor for the Company based on their track record, resource allocation and the quality of audit services.

25 March 2026	A meeting of the Audit Committee was held to consider the auditor arrangements for the 2026 Audit in light of the discussions regarding GT's proposed audit fee. The Audit Committee resolved to, in the event that GT resigned as auditor of the Company, it would recommend to the Board the appointment of Crowe to fill any casual vacancy arising from such resignation. A Board meeting was then held to consider the recommendation from the Audit Committee. The Board resolved that, upon GT's resignation becoming effective, Crowe would be appointed to fill the casual vacancy arising therefrom. Following the Board meeting, the management of the Company informed Crowe and GT regarding the Board's decision to appoint Crowe as the incoming auditor in the event that GT resigned. Thereafter, GT issued its resignation letter to the Company and responded to Crowe's professional clearance letter. Crowe completed its internal acceptance procedures and sent the final engagement letter to the Company. The Company's management signed the engagement letter with Crowe. The Company then issued an announcement regarding the resignation of GT and the appointment of Crowe to fill the resulting casual vacancy.

2. AUDIT FEE PROPOSED BY GT AND THE AUDIT FEE AGREED WITH CROWE

The audit fee proposed by GT for the 2026 Audit was initially HK$700,000 and was subsequently reduced to HK$550,000 following discussions, representing an increase of approximately 37.5% from the audit fee of HK$400,000 for the previous financial year.

The audit fee agreed with Crowe is HK$400,000, which is the same as that charged by GT for the previous financial year.

Details and basis of GT's audit fees

The Group has only one business segment (i.e. tea products) and only one geographical location (i.e. Hong Kong). As disclosed in the Announcement, GT indicated that the proposed increase was attributable to (i) the allocation of internal resources required during the same working period; (ii) rising costs of professional resources; and (iii) the need to maintain a better level of recovery for the engagement, details of which are as follows:

Basis of GT's audit fees:	The proposed increase in GT audit fees reflected both the tighter supply of professional resources and the rising cost of services. The proposed audit fees by GT would also allow GT to sustain its target engagement recovery rate in alignment with its internal performance benchmarks and compliance requirements.
Scope of Work	GT indicated that the scope of services would comprise the audit of the Group's consolidated financial statements and the statutory financial statements for Hong Kong subsidiaries and the audit methodology would remain consistent with prior years and align with current regulatory requirements.
Staff allocation	GT indicated that its proposed engagement team would comprise one engagement partner, one engagement quality reviewer, two managers who are responsible for overseeing the audit engagement and IT control environment aspects respectively, one assistant manager and three experienced associates.

Details and basis of Crowe's audit fees

Scope of Work	Crowe's proposal similarly contemplated the audit of the Group's consolidated financial statements and the statutory financial statements for Hong Kong subsidiaries.
Staff allocation	Crowe's proposed engagement team would comprise an engagement partner, an engagement quality reviewer, an audit manager, two audit seniors and a technical support team.
Audit Approach	Crowe's proposed audit approach included procedures relating to risk assessment, fraud consideration, internal control understanding, going concern assessment, substantive testing, group audit procedures and reporting to the Audit Committee, which the Audit Committee considered to be broadly similar to the approach adopted by GT in prior years.

3. THE MAJOR FACTORS UNDERLYING THE DIFFERENT FEES BY GT AND CROWE AND THE AUDIT COMMITTEE'S ASSESSMENT

The Audit Committee noted that there had been no material change in the scope of the 2026 Audit as compared with the audit for the preceding financial year, and that the size, structure, risk profile and operational complexity of the Group would remain broadly similar. On this basis, the Audit Committee considered that the agreed audit fee proposed by Crowe was reasonable and commensurate with the audit work required.

In comparing the proposals submitted by GT and Crowe, the Audit Committee considered the following matters:

(a) the proposed audit fee and the basis for the fee level;

(b) the proposed audit scope and whether there would be any reduction in audit procedures;

(c) the audit approach and key procedures to be performed under Hong Kong Standards on Auditing ("**HKSAs**");

(d) the proposed engagement team structure, including partner, quality reviewer, manager and audit staff involvement;

(e) the proposed timetable and whether the 2026 Audit could be completed within the required reporting timeframe;

(f) the firm's listed-company audit experience, technical resources and quality-control arrangements; and

(g) whether the proposed audit fee would enable sufficient and appropriate audit resources to be allocated to perform the requisite audit procedures.

The Audit Committee noted that both GT and Crowe proposed to conduct the 2026 Audit in accordance with HKSAs and that there was no material reduction in the overall audit scope proposed by Crowe as compared with GT. Both firms covered the audit of the consolidated financial statements of the Group and the relevant Hong Kong subsidiaries with similar audit approach.

The Audit Committee noted that GT proposed an engagement team comprising one engagement partner, one engagement quality reviewer, two managers who are responsible for overseeing the audit engagement and IT control environment aspects respectively, one assistant manager and three experienced associates. Crowe proposed a different engagement structure, comprising an engagement partner, an engagement quality reviewer, an audit manager, two audit seniors and a technical support team. The Audit Committee considered that the difference in team structure reflected the respective firms' internal engagement planning, staff deployment and resource allocation models, rather than any reduction in audit scope or audit procedures.

The Audit Committee also considered that Crowe's proposed audit fee of HK$400,000 should not be viewed in isolation, but together with its proposed audit approach, staffing structure, technical support and ability to commence audit planning promptly following appointment. The Audit Committee further noted that Crowe had confirmed that sufficient and appropriate audit resources would be deployed to complete the 2026 Audit within the required reporting timetable.

The Audit Committee has specifically considered whether the lower audit fee agreed with Crowe would have any adverse impact on audit quality. Having reviewed Crowe's proposed audit approach, engagement structure, resource allocation, technical support and timetable, the Audit Committee is satisfied that sufficient and appropriate audit resources will be deployed to perform the 2026 Audit in accordance with applicable auditing standards, and that the audit quality will not be compromised.

In view of the ongoing challenging business environment and the Group's financial performance, the Audit Committee considered it appropriate to carefully assess the overall audit fee level while maintaining audit quality as the primary consideration. Having reviewed Crowe's proposed audit approach, engagement structure, resource allocation and timetable, the Audit Committee considered the agreed audit fee to be reasonable and commensurate with the audit work required, andwas in the best interest of the Company and the Shareholders.

4. AUDIT COMMITTEE'S ASSESSMENT OF CROWE

The Company would also like to supplement on the Audit Committee's assessment on Crowe. The Audit Committee has considered the following and the Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors issued by the Accounting and Financial Reporting Council on 16 December 2021 when assessing the suitability of Crowe and assessing whether Crowe is independent, competent and capable:

(i) there has been no material change in the audit approach and scope of the 2026 Audit and the Group's overall profile remains broadly consistent with that of the preceding financial year, and accordingly the agreed audit fee proposed by Crowe was reasonable and commensurate with the audit work required;

(ii) the Audit Committee discussed with Crowe regarding its audit planning, including key risk areas, audit procedures and resource allocation, and was satisfied that Crowe has a clear and comprehensive understanding of the Group's business and audit requirements;

(iii) Crowe has proposed an audit timetable covering planning, execution and completion phases and its staffing and resource allocation. The Audit Committee has reviewed the proposed timetable and, having regard to the timing of the appointment and its resources to be committed, is satisfied that the timetable is achievable and sufficient to complete all necessary audit procedures without compromising audit quality;

(iv) Crowe's competence and capability, including its experience in auditing Hong Kong listed companies and its familiarity with applicable financial reporting and auditing standards. Crowe is a full-service CPA member of Crowe Global with around 30 partners and principals, 350 professional and supporting members. Crowe Global is ranked among the top 10 global accounting networks with more than 220 independent accounting and advisory services firms containing 780 offices in 130 countries. Crowe has the necessary resources and experience in performing the 2026 Audit;

(v) Crowe has a sizable operation in Hong Kong and possesses the necessary industry knowledge, professional competence and technical expertise in handling audit work for companies listed on the Stock Exchange, and it is familiar with the requirements under the GEM Listing Rules, HKSAs and HKFRS Accounting Standards;

(vi) Crowe and its engagement team are independent of the Company and its directors, chief executives and substantial shareholders, as well as the subsidiaries and holding companies of the Company. The Audit Committee has considered Crowe's prior engagement since the Company was listed on the Stock Exchange and the current re-engagement in providing ESG-related services for the year ended 31 March 2026 as non-audit service, which was limited in scope. Given that Crowe's ESG work is limited to reorganizing historical data for presentation purpose and that the audit team is separate, the Audit Committee is satisfied that such prior engagement does not impair Crowe's independence or objectivity. The Audit Committee has obtained confirmations from Crowe regarding its independence and is satisfied that Crowe is independent in accordance with the applicable professional and ethical standards; and

(vii) in relation to whether the agreed audit fee would have any adverse impact on audit quality, the Audit Committee has considered Crowe's size, reputation, experience and resources (i.e. engagement team composition), and is of the view that the agreed audit fee with Crowe is reasonable and appropriate and commensurate with the scope and extent of the audit work required, and is satisfied that sufficient and appropriate audit resources will be deployed to perform the audit in accordance with applicable auditing standards, while not compromising audit quality.

Based on the above, the Audit Committee is satisfied that Crowe is independent, competent and capable of performing a high-quality audit and is eligible and suitable to act as the auditor of the Company. The Audit Committee is of the view that the change of auditor will maintain audit quality while maintaining an appropriate balance between audit quality and overall audit costs, and is in the best interests of the Company and the Shareholders as a whole.

5. THE PROPOSED AUDIT PLAN BY CROWE

Crowe's proposed audit methodology and plan comprise audit planning and risk assessment, execution of audit procedures including tests of controls and substantive testing, and completion and reporting stages in accordance with applicable auditing standards.

The Audit Committee has reviewed Crowe's proposed audit timetable, which covers the period from audit planning in mid-to-late March 2026 to completion of audit procedures and the results announcement in late June 2026, and considers such timetable to be reasonable and sufficient for the completion of the 2026 Audit.

The Audit Committee has also discussed with Crowe its proposed staffing and resource allocation as mentioned in Part 2 above. Based on such discussions, the Audit Committee is satisfied that adequate resources will be committed to complete the audit within the reporting timeline.

As at the date of this announcement, the Audit Committee has discussed the progress of the audit with Crowe and understands that the audit is progressing substantially in accordance with the agreed timetable. Based on the information currently available to the Company and discussions with Crowe, the Company is not aware of any matter which is expected to result in a delay in the completion of the audit or the publication of the annual results announcement.

Given that (i) the adequate resource allocation by Crowe is expected to facilitate the audit process and enhance efficiency; (ii) there are no material differences in the audit approach and scope of work required for the audits for the years ended 31 March 2025 and 2026; (iii) the Audit Committee has discussed with Crowe on the audit planning to ensure Crowe has complete oversight of all key audit matters to ensure orderly and efficient audit process; the Audit Committee is of the view that the resources committed by Crowe are adequate to achieve the proposed audit timetable, and the proposed timetable is reasonable and sufficient for Crowe to complete all necessary audit procedures without compromising audit quality.

All other information contained in the Announcement remain unchanged and continues to be valid for all purposes. This announcement is a supplement to and should be read in conjunction with the Announcement.

By Order of the Board
Ying Kee Tea House Group Limited
Chan Kwong Yuen
Chairman

Hong Kong, 22 June 2026

As at the date of this announcement, the Board comprises Mr. Chan Kwong Yuen, Mr. Chan Kun Yuen and Mr. Chan Shu Yuen as executive Directors of the Company; and Dr. Ip Wai Hung, Mr. Lee Wai Ho and Ms. Hon Yin Wah as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange 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 nor deceptive; and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its posting and on the website of the Company at www.yingkeetea.com.