Anchorstone Holdings Limited
基石控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1592)

SUPPLEMENTAL INFORMATION RELATING TO CHANGE IN AUDITORS

Reference is made to the announcement of Anchorstone Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") dated 29 December 2025 in relation to the change in auditors (the "**Announcement**"). Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

1. The audit committee of the Company (the "**Audit Committee**"), after having discussion with the outgoing auditor, is satisfied that all the underlying reasons leading to the auditor's resignation have been disclosed in the Announcement. However, the Board of Directors would like to provide further details as below.

2. Please refer to the detailed chronology of events leading to the change of auditors below. The change was initiated by the outgoing auditor. The Audit Committee and the Board had made the response to ensure the change of auditor would not affect the annual audit timetable and the announcement of the Group's result for the year ended 31 December 2025.

   Since the reappointment of auditor in the last annual general meeting, RCHK started its audit planning and discussed the audit fee with the management for the annual audit year ended 31 December 2025. There was no change in audit fee proposed except for reflecting the general inflation in the previous years. The engagement letter had not been provided at that stage. In late November 2025, RCHK informed the Board of the Directors in relation to their initiation of the change for the reasons stated in the Announcement. The Audit Committee, after discussion with RCHK, understood the underlying reasons for RCHK's resignation and confirmed that there is no contentious audit issues raised during the course of the audit, except for the key audit matters disclosed in the last annual report. The Audit Committee then suggested the Company invite quotations from other CPA firms urgently, and appoint an incoming auditor to fill the casual vacancy arising from the resignation of RCHK and to hold office until the next general meeting of the Company. As at 22 December 2025, the Company received three quotations. The Board of the Directors, including the Audit Committee members, had reviewed those three quotations. On 22 December 2025, an Audit Committee meeting had been held. The Audit Committee, after considering all relevant factors, had recommended the Board to appoint GSHK upon the resignation of RCHK. The Audit Committee also held a meeting with GSHK to understand the audit approach, proposed timetable, resources and other relevant information of GSHK as the proposed incoming auditor.

On 24 December 2025 afternoon, the Company had received RCHK's resignation letter and clearance letter. There is no other disagreement or dispute between the Company and RCHK and there are no other matters or circumstances in respect of the resignation of auditor which should be brought to the attention of the Shareholders, the Creditors and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). RCHK did not commence any audit work for the year ended 31 December 2025 and hence the change of auditor would not have any material impact on the annual audit of the Group. On 29 December 2025, the Company signed the engagement letter with GSHK to appoint it as the Company's auditor.

3. According to the RCHK's resignation letter, as a normal procedure to consider and conclude whether to continue with an audit engagement, they have taken into consideration factors including the professional risks associated with the audit, their available internal resources and the level of audit fees. The Company, after further discussion with RCHK, would like to provide elaborations on each of the factors.

   Professional risk associated with the audit refers to the potential for the auditors to issue an incorrect or inappropriate opinion on the financial statements that are materially misstated. In the Company's case, RCHK considers that the key professional risk was in relation to the disclaimer opinion on the scope limitation relating to the going concern basis for the preparation of the consolidated financial statements in the auditor's report for the year ended 31 December 2024. As at the date of resignation, RCHK considered that such professional risk might be brought forward to the financial year ending 31 December 2025.

   For the available internal resources, the Company understood that RCHK had been restructured in June 2025. After the restructuring, RCHK had more audit engagements and other businesses, and had considered to reallocate its internal resources to other engagements to meet their business strategies.

   For the level of audit fee, the audit fee proposed by RCHK is HK$1,250,000 while the audit fee agreed with GSHK is HK$1,000,000. The seniority of staff members, the resources committed and the audit scope of GSHK are similar with the previous years. There is no change in audit work scope and no usage of expertise proposed by the auditor. There is basically no difference between the outgoing and incoming auditors in terms of the staff seniority, working time and workstream. However, the Audit Committee had considered that such fee reduction is acceptable given the size of the Group had been decreasing. The audit of the Group's construction projects, which is one of the key audit areas, had been downsized. There were less construction projects on hand and the related assets and liabilities had been decreased. The audit sampling might be less than previous years based on the audit materiality. On the other hand, the Audit Committee has reviewed the audit fee proposal provided by RCHK and considered that the estimated fee level may not be commensurate with the current operation scale of the

Group. The Audit Committee has also obtained and reviewed audit fee proposals provided by other professional accounting firms which were lower in comparison with RCHK's audit fee proposal. In view of the more competitive fee proposals provided by other professional accounting firms possessing the necessary capabilities and competence (including technical know-how, industry knowledge and track record, manpower and other resources) to perform its duties as the Auditor, the Board, with the recommendation of the Audit Committee, is satisfied that the resignation of RCHK is in the interest of the Company and the Shareholders as a whole. Therefore, the major factor underlying the different fees is attributable to the expected audit work done reduction. The Audit Committee considered the audit fees are commensurate with the extent of audit work required. Moreover, the Audit Committee had critically reviewed the capabilities and resources of GSHK. Although there is 20% reduction in audit fee, the Audit Committee considered that the audit quality would not be compromised due to reduced fees.

4. Rule 13.88 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on the Stock Exchange states that the issuer must at each annual general meeting appoint an auditor to hold office from the conclusion of that meeting until the next annual general meeting. In considering the various factors stated in the last Announcement and the supplementary information above, the auditor change happened before the commencement of audit instead of in the last annual general meeting.

5. The Audit Committee has considered a number of factors in assessing the appointment of GSHK as the auditor, including but not limited to (i) the audit proposal of GSHK; (ii) the experience, industry knowledge and technical competence of GSHK's managing directors, other directors and the engagement teams in providing audit work for companies listed on the Stock Exchange; (iii) its independence from the Group and objectivity; (iv) its reputation in the market; (v) its resources and capabilities; (vi) the Guidelines for Effective Audit Committees — Selection, Appointment and Reappointment of Auditors published by the Accounting and Financial Reporting Council (the "**AFRC**"); and (vii) Guidance Notes on Change of Auditors published by the AFRC.

6. Based on the Group's observations and insights from the 2024 annual audit, RCHK's engagement team consists of one engagement director, one manager, plus a number of core and supporting staff. The Company is of the view that the team mix offered by GSHK is better than RCHK, as a senior partner would also be involved in the engagement. A detailed breakdown of GSHK's audit team composition is set out in the table below.

Staff category	**No. of staff**	**Role**
Senior partner	1	Support the engagement director in the engagement to ensure the audit quality up to the standard

Staff category	No. of staff	Role
Engagement director	1	Overall responsibility for group audit, supervision of component auditors and signing of group audit opinion; extensive listed-company and PRC group audit experience
Engagement manager	1	Day-to-day engagement management, supervision and review of key audit areas
Senior auditor	1	Execution of substantive audit procedures in higher-risk areas
Associates	2	Execution of standard audit procedures under supervision
Associate (PRC)	1	Perform certain audit procedures for the Group's PRC component, such as the inventory count
EQCR	1	Independent engagement quality control review

Throughout the auditor change process, the Committee conducted a rigorous independent review, thoroughly examining the circumstances leading to RCHK's resignation. The Audit Committee has reviewed GSHK's proposed audit plan and held a meeting with the engagement team.

(i) The Audit Committee had reviewed the audit approach of GSHK before the appointment. GSHK had assigned an engagement leader, an engagement manager and certain associates to the audit fieldwork and agreed to commence the audit fieldwork in January 2026. A senior partner would also be involved in the engagement. As at 31 December 2025, the usage of expertise was considered not necessary given there is no complex issue such as valuation. Based on the business size and organization structure of the Group, the Audit Committee considered that the audit timetable is reasonable and sufficient for GSHK to complete the audit procedures without compromising the audit quality;

(ii) The GSHK audit team possessed the relevant experience in auditing the Main Board listed companies and the constructure and engineering industry knowledge. Amongst the other three proposers, certain of the GSHK directors possessed the professional accountant's qualification in the Mainland China which may be helpful to the Group in assessing the relevant audit issue of its PRC component;

(iii) As at the date of engaging GSHK as the auditor, GSHK confirmed its independence from the Group, the Board and the shareholders of the Company;

(iv) GSHK is relatively small size compared with the outgoing auditor, however it could allow the same level of staff resources for the Group's annual audit. There is also no negative reputation (such as penalties posted by professional bodies and/or regulators on GSHK and its directors) noted by the Audit Committee;

(v) GSHK's resources and capabilities are considered sufficient. Besides the key audit team, GSHK also allocated a senior partner to support the engagement in order to ensure the audit quality.

Based on the above, the Audit Committee has assessed and considered that GSHK is eligible and suitable to act as the auditor for the Company's annual audit for the year ended 31 December 2025. The Board, with the recommendation of the Audit Committee, has resolved to appoint GSHK as the new auditor of the Company. The Board and the Audit Committee are of the view that the change in auditor would enhance the cost-effectiveness of the Company's audit and is in the interest of the Company and its Shareholders as a whole.

By Order of the Board
Anchorstone Holdings Limited
Don Mun Min
Company Secretary

Hong Kong, 16 April 2026

As at the date of this announcement, the Executive Directors are Mr. Lui Yue Yun Gary and Ms. Lui Natalie Po Wai, and the Independent Non-executive Directors are Mr. Ko Tsz Kin, Mr. Wong Yue Fai and Prof. Jiang Zhihong.