GR Life Style
国锐生活

GR LIFE STYLE COMPANY LIMITED
國銳生活有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 108)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE PROPOSED CHANGE OF AUDITOR

Reference is made to the announcement (the "**Announcement**") of GR Life Style Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 4 June 2026 in relation to the proposed change of the auditor of the Company (the "**Proposed Change of Auditor**") and the circular of the Company dated 4 June 2026 in relation to, among others, the Proposed Change of Auditor (the "**Circular**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement. This announcement is made by the Company pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

At the 2025 annual general meeting of the Company held on 27 June 2025, the Shareholders resolved to re-appoint Ernst & Young as the auditor of the Company to hold office until the conclusion of the forthcoming annual general meeting of the Company to be held on 26 June 2026 (the "**2026 AGM**"). The Audit Committee was satisfied with Ernst & Young's work, its independence, objectivity, qualifications, expertise, resources and the effectiveness of the audit process during its tenure.

In order to (i) enhance the efficiency of audit works; and (ii) reduce the anticipated auditor's remuneration, the Board will evaluate the need for auditor rotation on a periodic basis.

The two primary disclosed rationales for the Proposed Change of Auditor as set out in the Announcement, (i) optimisation of audit execution efficiency across the Group's multi-segment operations; and (ii) material reduction in annual audit remuneration, are aligned with the best interests of the Company and all shareholders. There are no disagreements and unresolved matters between the Company and Ernst & Young, or other circumstances in respect of Ernst & Young's retirement that need to be brought to the Shareholders' attention.

In respect of the optimisation of audit execution efficiency across the Group's multi-segment operations, following the Group's acquisition of Beijing Chun Yu Tian Xia Software Co., Ltd., the Group's business scope covers property development and management, lifestyle services and digital healthcare consultation services. Before the 2026 AGM, the Audit Committee noted that BDO has extensive audit experience across both the property and healthcare sectors and is capable of managing the audit procedures having regard to the Group's expanded business scope. Having considered BDO's relevant track record and sector expertise, the Audit Committee is of the view that the proposed appointment of BDO will maintain the efficiency of the audit process and facilitate overall audit workflow execution.

In respect of the reduction in annual audit remuneration aligning with shareholders' interests, the Audit Committee conducted a full competitive tender exercise covering Ernst & Young and four other mid-tier audit service providers to assess audit service quotations for the financial year ending 31 December 2026. Following the Group's acquisition of Beijing Chun Yu Tian Xia Software Co., Ltd., the total audit fee quotation submitted by Ernst & Young increased, while BDO's proposed total audit fee represents a material reduction compared with Ernst & Young's quotation. The lower audit fee offered by BDO is considered to be derived from its streamlined internal workflows and integrated cross-border service model, without any curtailment of the required audit scope, testing procedures or deployment of specialist audit resources. The Audit Committee benchmarked BDO's proposed fee against market audit fees of comparable listed issuers with similar asset scale and business complexity, and confirmed such fee level is commercially reasonable within the prevailing market range for firms offering comparable service quality. The sustained reduction in annual audit expenditure will lower the Group's administrative overheads and generate long-term economic benefits for the Company and its shareholders as a whole.

On 4 June 2026, the Board resolved, based on the recommendation of the Audit Committee, to appoint BDO as the new auditor of the Company for the year ending 31 December 2026, subject to the approval of the Shareholders at the 2026 AGM. Accordingly, Ernst & Young will retire as the auditor of the Company upon the conclusion of the 2026 AGM.

The Company has received a confirmation letter from Ernst & Young confirming that there are no matters in connection with its retirement as the auditor of the Company that need to be brought to the attention of the Shareholders and there are no disagreements or unresolved matters between the Company and Ernst & Young. The Board also confirms that, to the best of its knowledge, there are no other matters in connection with Ernst & Young's retirement as the auditor of the Company that need to be brought to the attention of the Shareholders.

The Board would like to express its sincere gratitude to Ernst & Young for its professional and quality audit services rendered to the Group during its tenure of office.

When evaluating the appointment of BDO as the auditor of the Company, the Audit Committee has taken into account various factors, including without limitation: (i) its audit proposal; (ii) its rich experience, industry knowledge and technical competence in providing audit work for companies listed on the Stock Exchange; (iii) its independence from the Group and its objectivity; (iv) its reputation in the market; (v) its resources and capabilities; (vi) the Guidelines for Effective Audit Committees – Selection, Appointment and Re-appointment of Auditors published by the Accounting and Financial Reporting Council (the "**AFRC**"); and (vii) Guidance Notes on Change of Auditors published by the AFRC.

The proposed payable to BDO in respect of audit services and permissible non-audit services for the year 2026 is expected to be approximately HK$2,100,000 and HK$280,000 respectively, which was determined after due consideration and arm's length negotiation between the Company and BDO, taking into account various factors including the size and structure of the Group, the nature and complexity of the Group's businesses, the expected scope and timetable of the audit, and the time and resources to be committed by BDO.

Having considered the above factors, the Board and the Audit Committee are of the view that (i) the Proposed Change of Auditor will promote a high standard of corporate governance and maintain the independence and objectivity of the Company's auditor, would not have any material impact of the Group, and is in the interest of the Company and the Shareholders as a whole; and (ii) BDO is independent, competent and capable of delivering high-quality audit services to the Company.

The Circular containing, among other things, details of the proposed appointment of the new auditor together with a notice of the 2026 AGM was despatched to the shareholders of the Company on 4 June 2026.

By order of the Board
GR Life Style Company Limited
Wei Chunxian
Chairman

Hong Kong, 26 June 2026

As at the date of this announcement, the executive directors of the Company are Mr. Wei Chunxian, Mr. Wei Laier and Mr. Sun Zhongmin; and the independent non-executive directors of the Company are Mr. Tung Woon Cheung Eric, Ms. To Tsz Wan Vivien and Mr. Leung Louis Ho Ming.