

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Yunkang Group Limited

云康集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2325)

CHANGE OF AUDITOR

This announcement is made by Yunkang Group Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) 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**”).

RESIGNATION OF AUDITOR

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that PricewaterhouseCoopers (“**PwC**”) has resigned as the auditor of the Company with effect from November 17, 2023. In the resignation letter of PwC dated November 17, 2023, PwC stated that they resigned as auditor of the Company as PwC was informed by the Board that the Board has decided to propose the appointment of another auditor because PwC was not able to reach a consensus with the Company on the reduction of audit fee for the year ending December 31, 2023 that was proposed by the Company after the Company’s annual general meeting held on June 28, 2023.

The Company is incorporated under the laws of the Cayman Islands and to the knowledge of the Board, there is no requirement under the laws of the Cayman Islands for the outgoing auditors to confirm whether or not there is any circumstance in connection with their resignation which they consider should be brought to the attention of the shareholders of the Company (the “**Shareholders**”) and the creditors of the Company. Therefore, PwC has not issued such confirmation.

Save for the above, the Board and the audit committee of the Company (the “**Audit Committee**”) confirm that there are no disagreement or unresolved matters between the Company and PwC and there are no other matters in connection with the resignation of PwC as the auditor of the Company that should be brought to the attention of the Shareholders, the creditors of the Company or the Stock Exchange.

As at the date of this announcement, PwC has not commenced any review or audit work in relation to the consolidated financial statements of the Group for the year ending December 31, 2023 (the “**2023 Audit**”). The Board therefore believes that the change of auditor will not have any significant impact on the annual audit and the release of annual results of the Group for the year ending December 31, 2023.

The Board would like to take this opportunity to express its sincere gratitude to PwC for its professional and quality services rendered for the Group during the past years.

APPOINTMENT OF AUDITOR

The Board further announces that, with the recommendation of the Audit Committee, it has resolved to appoint Mazars CPA Limited (“**Mazars**”) as the new auditor of the Company to fill the casual vacancy following the resignation of PwC and to hold office until the conclusion of the next annual general meeting of the Company. Such appointment is subject to the satisfaction of the client acceptance procedures currently being carried out by Mazars. The Company will make further announcement upon the appointment becoming effective. Mazars has confirmed its independence from the Group.

Such recommendation was made by the Audit Committee after due consideration of, inter alia, (i) the Stock Exchange’s Listed Issuer Regulation Newsletters published in December 2022 and June 2023 and the Stock Exchange’s Enforcement Bulletin published in March 2023; (ii) the open letter dated 27 October 2022 and the follow-up open letter dated 11 January 2023 issued by the Accounting and Financial Reporting Council (the “**AFRC**”); (iii) the AFRC’s Guidelines for Effective Audit Committees — Selection, Appointment and Reappointment of Auditors issued in December 2021; (iv) the AFRC’s Guidance Notes on Change of Auditors issued in September 2023; and (v) careful assessment of Mazars’s eligibility and suitability to act as the auditor of the Company in accordance with the rules and requirements set forth therein.

The Audit Committee has considered a number of factors in assessing the appointment of Mazars as the auditor, including but not limited to (i) the competence and the calibre of Mazars including its experience in handling audit work for companies listed on the Stock Exchange and its familiarity with the requirements under the Listing Rules and the Hong Kong Financial Reporting Standards; (ii) its audit proposal and presentation to and communication with the Audit Committee; (iii) its independence from the Group and objectivity; (iv) its reputation in the market; (v) its resources and capability; and (vi) the guidelines issued by the AFRC.

Based on the above, the Audit Committee has assessed and considered that Mazars is eligible and suitable to act as the auditor for the 2023 Audit. The Board and the Audit Committee are of the view that the change of auditor would enhance the cost-effectiveness of the Company’s audit fee and is in the interest of the Company and its Shareholders.

By order of the Board
Yunkang Group Limited
Zhang Yong
Chairman

Guangzhou, the PRC
November 17, 2023

As at the date of this announcement, the Board comprises Mr. Zhang Yong as chairman and executive Director; Ms. Huang Luo, Dr. Wang Pinghui and Dr. Wang Ruihua as non-executive Directors; and Mr. Yu Shiyong, Mr. Lan Fenghui and Mr. Xie Shaohua as independent non-executive Directors.