

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)

UPDATE ANNOUNCEMENT APPOINTMENT OF AUDITOR

Reference is made to the announcement of Yunkang Group Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) dated November 17, 2023 relating to, among others, the resignation of PricewaterhouseCoopers (“**PwC**”) as the auditor of the Company (the “**Auditor**”) with effect from November 17, 2023 (the “**Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall bear the same meaning as those defined in the Announcement.

The Board is pleased to announce that as Mazars has completed the client acceptance procedures and has duly signed an engagement letter dated November 23, 2023 to the Company, the Board, as recommended by the Audit Committee, has appointed Mazars as the Auditor with effect from November 23, 2023 (the “**Appointment**”) 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.

The Audit Committee made such recommendation 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 October 27, 2022 and the follow-up open letter dated January 11, 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; (iv) the AFRC’s Guidance Notes on Change of Auditors issued in September 2023; and (v) careful assessment of Mazars’ 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.

In view of the relatively lower audit fee chargeable by Mazars and the abovementioned qualities, the Board, with the recommendation from the Audit Committee, considered that the Appointment would enhance the cost-effectiveness of the Company's audit fee and is in the interest of the Company and its Shareholders as a whole.

The Board would like to take this opportunity to express its welcome to Mazars on its Appointment.

By order of the Board
Yunkang Group Limited
Zhang Yong
Chairman

Guangzhou, the PRC
November 23, 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.