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廣東康華醫療股份有限公司
GUANGDONG KANGHUA HEALTHCARE CO., LTD.*
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 3689)

CHANGE OF AUDITOR

This announcement is made by the board of directors (the “**Board**”) of Guangdong Kanghua Healthcare Co., Ltd. (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

RESIGNATION OF AUDITOR

The Board hereby announces that Ernst & Young has resigned as the auditor of the Company with effect from 3 February 2023.

Ernst & Young has notified the Company of its resignation as auditors of the Company, as the Company was unable to reach a consensus with Ernst & Young regarding the auditor’s remuneration for the year ended 31 December 2022. With reference to section 300 Changes of Auditors of a Listed Issuer of The Stock Exchange of Hong Kong of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants, Ernst & Young has confirmed that there are no matters or circumstances connected with its resignation that it considers should be brought to the attention of the shareholders of the Company in relation to the change of the auditors of the Company. The Board and the audit committee of the Company (“**Audit Committee**”) have also confirmed that there are no matters in relation to the resignation of Ernst & Young that needs to be brought to the attention of the shareholders of the Company.

In addition, on 30 August 2022, Ernst & Young communicated with the Audit Committee that the major outstanding matter with respect to the interim review procedures was related to certain bonus payments made by the Group during the six months ended 30 June 2022. Ernst & Young was not able to obtain all necessary supporting documents on time and hence it did not perform all the necessary procedures in respect of the bonus payments, including the review of the full list of employees who were entitled to the bonus, the calculation basis and

the evidence of relevant approval for the bonus payments. Ernst & Young did not perform any further procedures subsequent to 30 August 2022. Upon becoming aware of such matter, the Audit Committee had made appropriate enquiries with the management of the Company and reviewed relevant documentation. Such matter was properly resolved to the satisfaction of the Audit Committee prior to the Company's publication of the interim results of the Group for the six months ended 30 June 2022 (the "**Interim Results**") on 30 August 2022. The Audit Committee confirmed that Interim Results complied with applicable accounting standards and requirements and that adequate disclosures have been made by the Company in relation to the relevant bonus payments. The Audit Committee has also discussed such matter with the incoming auditor, and will ensure the incoming auditor has sufficient time to complete the relevant procedures in respect of the audit of the Group's consolidated financial statements for the year ended 31 December 2022.

The Board would like to take this opportunity to express its sincere gratitude to Ernst & Young for its professional services to the Group in the past year.

APPOINTMENT OF AUDITOR

The Board further announces that, with the recommendation from the Audit Committee, Baker Tilly Hong Kong Limited ("**Bakertilly**") has been appointed as the auditor of the Company with effect from 3 February 2023 to fill the casual vacancy following the resignation of Ernst & Young and to hold office until the conclusion of the next annual general meeting of the Company. Pursuant to Articles 217 and 219 of the articles of association of the Company, the Board has the power to fill the vacancy in the office of auditor and to fix the remuneration of the auditor so appointed. Accordingly, no extraordinary general meeting will be held for such purpose. The Board would like to take this opportunity to welcome Bakertilly on its appointment as the auditor of the Company.

As at the date of this announcement, Ernst & Young has not commenced any audit work on the consolidated financial statements of the Group for the year ended 31 December 2022. The Company has discussed with Bakertilly on the expected time required to undertake the audit of the Group's consolidated financial statements for the year ended 31 December 2022. The Company currently expects to be able to announce its full year financial results for the year ended 31 December 2022 within the time prescribed under the Listing Rules. The Board believes that the change of auditor of the Company will not have any significant impact on the annual audit of the Group's consolidated financial statements for the year ended 31 December 2022.

By order of the Board of Directors
Guangdong Kanghua Healthcare Co., Ltd.*
WANG Junyang
Chairman and Executive Director

Hong Kong, 3 February 2023

As at the date of this announcement, the executive Directors are Mr. WANG Junyang, Mr. CHEN Wangzhi, Mr. WONG Wai Hung and Ms. WANG Aiqin; the non-executive Director is Mr. LV Yubo and the independent non-executive Directors are Mr. YEUNG Ming Lai, Dr. CHEN Keji and Mr. CHAN Sing Nun.

** For identification purposes only*