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Kangqiao Service Group Limited

康橋悅生活集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2205)

PROPOSED CHANGE OF AUDITOR

This announcement is made by the board (the “**Board**”) of directors (the “**Director(s)**”) of Kangqiao Service Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

At the annual general meeting of the Company held on June 18, 2024, PricewaterhouseCoopers (“**PwC**”) was re-appointed as the auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company, and the Board was authorized to fix its remuneration for the year ending December 31, 2024.

The Board announces that, after taking into account the Company’s existing business status and development needs, the current economic conditions and the cost-effectiveness and competitiveness of the audit services proposal from PwC and other auditing firms according to market conditions, and considering the recommendation of the audit committee of the Company (the “**Audit Committee**”), on October 28, 2024, the Board has resolved to propose to change the auditor of the Company for the year ending December 31, 2024.

Accordingly, the Board had informed PwC of the proposed change of auditor on October 28, 2024, and PwC agreed to resign as the auditor of the Company with effect from October 28, 2024. The Company received a resignation letter from PwC dated October 28, 2024 (the “**Resignation Letter**”), pursuant to which, PwC is aware of the above-mentioned reasons for the proposed change of auditor, and sets out the following matters which PwC considers that need to be brought to the attention of the shareholders of the Company (the “**Shareholders**”) and the creditors of the Company: (a) the inside information announcement published by the Company on July 7, 2024 (the “**Announcement**”), and PwC issued a letter to the Audit Committee on July 30, 2024 to wish to understand the details of the relevant matters as stated in the Announcement, in particular the Purported Promissory Letter as defined in the Announcement; and (b) the announcement on litigation involving a wholly-owned subsidiary published by the Company on August 18, 2024. As

of the date of the Resignation Letter, PwC has not yet commenced audit work on the consolidated financial statements of the Group for the year ending December 31, 2024, and has not received additional information in respect of the above-mentioned matters.

The Board and the Audit Committee confirmed that there is no disagreement between the Company and PwC, and save as disclosed above, there are no other matters in relation to the resignation of PwC that need to be brought to the attention of the Shareholders. The Board and the Audit Committee also confirmed that PwC has not yet commenced audit work on the consolidated financial statements of the Group for the year ending December 31, 2024. It is therefore expected that the change of auditor will not have any material impact on the annual audit of the Group for the year ending December 31, 2024.

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

In consideration of its needs for audit services, the Company has conducted a joint bidding for the selection and appointment of auditor for the year ending December 31, 2024. Based on the assessment results and on the recommendation of the Audit Committee, the Board further announces that, it has resolved to propose the appointment of Crowe (HK) CPA Limited (“**Crowe**”) as the new auditor of the Company to fill the vacancy following the resignation of PwC and to hold office until the conclusion of the next annual general meeting of the Company, subject to the approval by the Shareholders at the extraordinary general meeting of the Company (the “**EGM**”).

In recommending Crowe as the auditor of the Company for the year ending December 31, 2024, the Audit Committee has considered a number of factors in assessing the proposed appointment of Crowe as the new auditor of the Company, including but not limited to (i) the service proposal of Crowe; (ii) its experience, knowledge and technical competence in providing audit work for many companies listed on the Stock Exchange, as well as its level of familiarity to the requirements under the Listing Rules and the Hong Kong Financial Reporting Standards; (iii) its independence and objectivity; (iv) its market reputation and track record; (v) its resources and capability in completing its audit work within the stipulated timeframe, including the scale and structure of the proposed audit team; (vi) the Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors issued by the Accounting and Financial Reporting Council (the “**AFRC**”) in December 2021; and (vii) the Guidance Notes on Change of Auditors issued by the AFRC in September 2023.

Based on the above, the Audit Committee has assessed and considered that Crowe is independent, competent and capable (including manpower, expertise, time and other resources) to act as the new auditor of the Company. The Board and the Audit Committee are of the view that the change of auditor would enhance the cost-effectiveness of the Company’s annual audit and maintain audit quality, and is in the interests of the Company and the Shareholders as a whole.

An ordinary resolution will be proposed at the EGM to be convened and held for the Shareholders to consider and approve the proposed appointment of Crowe as the new auditor of the Company. A circular containing, among others, details of the proposed appointment of auditor together with the notice of the EGM, will be published and/or despatched to the Shareholders in due course.

On behalf of the Board
Kangqiao Service Group Limited
SONG Gewei
Chairman

Hong Kong, October 28, 2024

As at the date of this announcement, the Board comprises Mr. SONG Gewei as the chairman and non-executive Director; Mr. DAI Wei, Mr. KANG Weiguo and Ms. WANG Na as the executive Directors; and Mr. KAM Hou Yin, John, Dr. FAN Yun and Mr. WONG Yun Pun as the independent non-executive Directors.