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Ab&B Bio-Tech CO., LTD. JS

江蘇中慧元通生物科技股份有限公司

(A joint stock company established in the People's Republic of China with limited liability)

(Stock Code: 2627)

PROPOSED APPOINTMENT OF AUDITOR

This announcement is made by Ab&B Bio-Tech CO., LTD. JS (the “**Company**” or “**Ab&B Bio-Tech**”, together with its subsidiary, the “**Group**”) pursuant to Rule 13.09(2)(a) and 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**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the announcement of the Company dated March 31, 2026 in relation to, among others, the suspension of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on Wednesday, April 1, 2026, and the delay in publication of the 2025 Annual Results; and (ii) the announcement of the Company dated April 14, 2026 in relation to the resignation of auditor (collectively, the “**Announcements**”).

Unless otherwise stated, capitalized terms used in this announcement shall bear the same meanings as those defined in the Announcements.

PROPOSED APPOINTMENT OF AUDITOR

In view of the vacancy in the office of auditor of the Company following the resignation of Deloitte Touche Tohmatsu (“**DTT**”), the Board has resolved, with the recommendation of the Audit Committee, to appoint Prism Hong Kong Limited (“**Prism**”) as the new auditor of the Company with effect from the date of approval by the shareholders at a general meeting of the Company, and to hold office until the conclusion of the next annual general meeting of the Company (the “**Proposed Appointment of Auditor**”).

In evaluating the appointment of Prism, the Audit Committee has had regard to the guidelines issued by the Accounting and Financial Reporting Council (“**AFRC**”), including section 2 of the Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors published by the AFRC in December 2021. The Audit Committee has come to its recommendation, having assessed the qualifications, experience, independence, fee quotation, resources, manpower, timetable and scope of services of Prism, amongst various audit candidate firms, based on information provided and interviews with each candidate firm. The Board (after due consideration of the Audit Committee’s recommendation) and the Audit Committee have resolved to propose the appointment of Prism as auditor of the Company to its Shareholders after taking into account the key factors set out below.

Competence (including industry knowledge), leadership and team resources, scope and audit approach

Prism is an independent accounting firm headquartered in Hong Kong with more than 150 professionals (including over 30 qualified accountants) across its Hong Kong and Mainland China offices, with each of its partners having over 15 years of audit experience. Prism has confirmed that it currently provides audit services to more than 70 companies listed on the Stock Exchange, including listed companies in sectors directly relevant to the Company, including biotech, pharmaceutical and healthcare companies listed on the Stock Exchange, such as ETHK Labs Inc. (1931.HK) and Jilin Province Huinan Changlong Bio-pharmacy Company Limited (8049.HK).

The proposed core engagement team comprises an engagement partner and an engagement quality control reviewer who are members of Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have 20 years and over 10 years of audit experience respectively, including audit and related experience (including initial public offerings and cross border engagements) and complex audit engagements that involved relatively prolonged suspension of trading of the relevant listed issuer’s securities. The engagement partner has also confirmed that he has industry relevant experience in biotech, pharmaceutical and healthcare companies referred to above. They are to lead a team comprising a senior manager that holds Chinese Institute of Certified Public Accountants (“CICPA”) certifications with over 10 years of listed company audit experience and other audit professionals who are CICPA student members, some of whom have over six years of Hong Kong listed company audit experience. Prism has confirmed that they implement in their audit process with documented evidence to ensure traceability from initial planning to audit completion and regulatory responsiveness for quality control and promotes a culture committed to audit quality, professional skepticism and legal and regulatory compliance.

Prism has provided a scope of audit and approach provides for additional audit procedures in light of the matters disclosed in the Announcements and plans to perform additional audit procedures for the first year audit, in addition to those covering the Group’s business and operations on a structured and risk-based approach, including collaboration with component auditors and independent valuers, encompassing a multifaceted examination that includes risk assessment and internal control evaluation, substantive examination of audit evidence, revenue recognition and contractual analysis and areas of audit focus including impairment of expected credit losses, estimation of refund liabilities, allowance of inventories and estimated impairment of property plant and machinery, rights of use assets and intangible assets. The Audit Committee has also noted that in addition to their detailed proposals (including their commitment on reporting to the Audit Committee on audit planning, audit progress, significant financial reporting matters before final reporting in the absence of management), Prism has been responsive throughout the selection process in response to its enquiries.

Based on the specific circumstances of the Group, management presentation of staffing levels of previous auditor, the planned involvement by Prism of independent valuers for impairment and allowance assessment processes, the planned internal reviews (and consideration of Audit Committee led reviews) in relation to the subject matter of the Announcements and their commitment to continue effective collaboration with the Audit Committee, the Board and the Audit Committee consider Prism and its proposed audit team have the competence (including industry knowledge), leadership and team resources and capabilities to properly undertake its audit engagement and the scope of audit and approach to be appropriate. In addition, the Audit Committee considers that Prism's proposed communication strategy is appropriately transparent and consistent with best practices for corporate governance and regulatory compliance.

Compliance with relevant ethical requirements, risk assessment and ongoing monitoring processes

Prism has confirmed that it maintains comprehensive independence policies aligned with the Code of Ethics for Professional Accountants issued by the HKICPA, including annual independence confirmations, a restricted entity list and periodic internal inspections, and implements continuous monitoring mechanism for quality control, and also internal inspections, ongoing independence monitoring and continuing professional development programs as part of a continuous quality control framework.

The Board and the Audit Committee have noted the public reprimand and pecuniary penalties imposed by the AFRC on Prism (and certain individuals) as set out in AFRC's press release dated September 11, 2025 in its interview with Prism in relation to engagement-related incidents that took place during 2023. Prism has confirmed that it has implemented remedial actions to address the identified deficiency, including enhanced registration workflows, tightened supervision and targeted training for core engagement members to ensure that the engagement partner and engagement quality control reviewer are qualified during the acceptance process, and that following the AFRC's post-review in late 2025, the AFRC has concluded that Prism's internal quality controls were satisfactory.

Based on the foregoing, the Board and Audit Committee consider that Prism has in place a structured monitoring framework to support ongoing compliance and quality and is competent to be appointed as auditor of the Company notwithstanding the published AFRC disciplinary decisions.

Proposed timetable with expected dates

Prism has proposed to the Audit Committee the timeline for the audit, estimating that the 2025 Audit would be completed by the end of May 2026. Details of the proposed audit timetable for the 2025 Audit are as follows:

Engagement acceptance/independence confirmation:	Late April 2026
Audit planning (with management and Audit Committee respectively) and onsite and remote field work to commence:	Late April to early May 2026
Financial reporting (after internal and Audit Committee led reviews, based on indicative time required, in relation to the subject matter of the Announcements):	Late May to early June 2026

Proposed remuneration

The proposed audit fee is estimated at RMB2.4 million, taking into account the actual circumstances of the Company (with the assumption that the corporate structure and core business of the Group remains unchanged since the Company's listing, apart from the matters that are the subject of the Company's announcement dated April 14, 2026, the indicative time required for workstreams of external professionals involved and the level of professional responsibility to be assumed, the degree of professional and technical expertise required, and the seniority, experience and time commitment of the personnel involved in the audit engagement).

GENERAL

The Proposed Appointment of Auditor is subject to the passing of the ordinary resolution in respect of the Proposed Appointment of Auditor at the general meeting of the Company. A circular containing, among others, further information of the Proposed Appointment of Auditor, together with the notice of the general meeting, is expected to be dispatched to the Shareholders in due course.

CONTINUED SUSPENSION OF TRADING

Trading in the H Shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Wednesday, April 1, 2026 and will remain suspended until further notice.

The Company is committed to completing the 2025 Audit and publishing the 2025 Annual Results as soon as reasonably practicable upon the appointment of the new auditor, and to working closely with its professional advisers and the Stock Exchange towards the resumption of trading in the H Shares of the Company at the earliest opportunity. Further announcement(s) will be made by the Company to keep the Shareholders and potential investors informed of any material development in this regard as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Ab&B Bio-Tech CO., LTD. JS
Mr. AN Youcai

Executive Director, Chairman of the Board and General Manager

Hong Kong, April 24, 2026

As at the date of this announcement, the Board comprises: (i) Mr. AN Youcai, Ms. LI Runxiang and Mr. HE Yiming as executive Directors; (ii) Mr. CHENG Qianwen, Mr. YU Jianlin and Mr. DU Mu as non-executive Directors; and (iii) Mr. LI Xiangming, Mr. LI Jianjun and Mr. CHEN Chengbei as independent non-executive Directors.