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## **China Medical & HealthCare Group Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 383)**

### **CHANGE OF AUDITOR**

This announcement is made by China Medical & HealthCare Group Limited (the “**Company**”, together with its subsidiaries, 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 announces that RSM Hong Kong (“**RSM**”) has resigned as the auditor of the Company with effect from 22 December 2023. The Board has considered the cost effectiveness and competitiveness of the Company’s annual audit quotations, with the recommendations from the audit committee of the Company (the “**Audit Committee**”), by obtaining, reviewing and discussing the annual audit proposals for the year ended 31 December 2023 (the “**Annual Audit FY 2023**”) provided by various professional accounting firms. In addition, the Company and RSM could not reach a consensus on the proposed audit fee for Annual Audit FY 2023. Accordingly, the Board has resolved to appoint a new auditor which commensurate with the current scale of operations of the Group with a more competitive audit fee.

RSM has confirmed in its letter of resignation that there are no matters or circumstances connected with its resignation that need to be brought to the attention of the shareholders of the Company (“**Shareholders**”). The Board and the Audit Committee have also confirmed that there are no disagreements or unresolved matters between the Company and RSM, and there are no other matters in respect of the resignation of RSM that need to be brought to the attention of the Shareholders.

The Board and the Audit Committee further confirmed that RSM has not yet commenced any audit work on the financial statements of the Group for the Annual Audit FY 2023. The Board and the Audit Committee believe that the change of auditor will not have any significant impact on the Annual Audit FY 2023.

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

## **APPOINTMENT OF AUDITOR**

The Board, with the recommendation from the Audit Committee, has resolved to appoint BDO Limited (“**BDO**”) as the auditor of the Company with effect from 22 December 2023 to fill the casual vacancy following the resignation of RSM and to hold office until the conclusion of the next annual general meeting of the Company.

The Audit Committee has considered a number of factors in assessing the appointment of BDO as the auditor, including but not limited to (i) the audit proposal of BDO; (ii) its extensive experience, industry knowledge, and technical competence in handling audit work for companies listed on the Stock Exchange, its familiarity with the requirements under the Listing Rules and the Hong Kong Financial Reporting Standards; (iii) its independence and objectivity; (iv) its reputable standing in the market and high ranking in the industry; (v) its resources and capability of completing the audit work within stipulated schedule; and (vi) the relevant guidelines issued by the Accounting and Financial Reporting Council.

Based on the above, the Audit Committee noted that BDO has extensive audit experience for other sizable listed companies in Hong Kong. It has gained a high reputation in the market by providing extensive internal expert support on various industries. The Audit Committee has also assessed the engagement team for the audit of the Group and considered that there are sufficient and appropriate resources. Based on the factors aforesaid, the Audit Committee is satisfied that BDO is independent, competent and capable (in terms of manpower, expertise, time and other resources) to perform high quality audit services for the Group. The Audit Committee has assessed and considered that BDO is suitable to act as the auditor of the Company. The Board and the Audit Committee are of the view that the change in auditor would enhance the cost control of the Company, maintain audit quality and is in the interest of the Company and its Shareholders as a whole.

The Board would like to take this opportunity to extend its welcome to BDO on its appointment as the auditor of the Company.

By Order of the Board  
**China Medical & HealthCare Group Limited**  
**Kong Muk Yin**  
*Executive Director*

Hong Kong, 22 December 2023

*As at the date of this announcement, the Board comprises Mr. Kong Muk Yin, Mr. Guo Meibao and Mr. Zhou Haiying being executive Directors; Mr. Lee Seng Hui (Chairman), Mr. Mark Wong Tai Chun and Mr. Gao Zhaoyuan being non-executive Directors; and Mr. Zhang Jian, Dr. Xia Xiaoning, Dr. Wong Wing Kuen, Albert and Ms. Yang Lai Sum, Lisa being independent non-executive Directors.*