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Beijing Biostar Pharmaceuticals Co., Ltd.

北京華昊中天生物醫藥股份有限公司

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

(Stock code: 2563)

CHANGE OF AUDITORS

This announcement is made by Beijing Biostar Pharmaceuticals Co., Ltd. (the “**Company**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

SUMMARY

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that following amicable discussions and with the recommendation of the audit committee of the Board (the “**Audit Committee**”), KPMG, Certified Public Accountants (“**KPMG**”), has agreed to resign as the auditor of the Company (the “**Auditor**”) with effect from 24 April 2025 upon request from the Board, given that KPMG could not reach a consensus with the Company on a mutually acceptable timetable and fee for the completion of the remainder of the audit of consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2024 (“**FY2024**”).

With the recommendation of Audit Committee, the Board has resolved to propose the appointment of Daxin Global (Hong Kong) Certified Public Accountants Ltd. (“**Daxin**”) (大信國際(香港)會計師事務所有限公司) as the new Auditor. The appointment of Daxin by the Company will be proposed to its shareholders (the “**Shareholders**”) for consideration by way of an ordinary resolution and subject to the approval at the 2025 first extraordinary general meeting of the Company (the “**EGM**”).

RESIGNATION OF AUDITOR

As referred to in the Company’s announcement dated 25 February 2025, the Company had subscribed for principal-protected and low-risk fund products from two different fund companies on 22 November 2024 and 25 November 2024, with investment amounts of HK\$38 million and HK\$22 million, respectively. On 29 November 2024, Biostar Pharma, Inc., a wholly-owned subsidiary of the Company, also subscribed for a principal-and-return-guaranteed fund in the amount of US\$5 million, details of which will be published in due course (collectively, the “**Three Investments**”). Prior to 21 February 2025 the Company has fully withdrawn the first and second investments, subscribed by the Company

on 22 November 2024 and 25 November 2024, in their entirety and recovered the amounts invested in full. For further details of the Three Investments, please refer to the related announcements of the Company.

KPMG has been requesting for supporting documents, interviews and confirmations in connection with the Three Investments, including management's risk assessment documentation on the funds, redemption documentation of US\$5 million investment subscribed by the Company on 29 November 2024 to prove the completion of redemption other than just early redemption notice sent by the Company to the fund, interviews with the general partners and/or directors of the funds, financial information of the funds, and confirmations from the funds. After receiving the requests from KPMG, the Company has promptly made endeavors to prepare the relevant information and documents, including coordinating with the relevant parties and chasing the redemption status of US\$5 million investment. However, the Company has not provided all of the information and documents required by KPMG as of the date of this announcement. As a result, KPMG advised the Company and the Audit Committee that they were not able to reasonably estimate the time and cost required to complete the audit.

Given the uncertainty regarding the amount of time required to complete the audit and additional costs associated with the audit work to be performed by KPMG, the Board believes that it is in the best interests of the Company and its Shareholders to move forward and complete the audit as soon as practicable. Therefore, the Board has decided to propose that KPMG resign as the Auditor so that the Company can engage another qualified external auditor to complete the FY2024 audit as soon as possible. After due and careful consideration, KPMG agreed to resign as the Auditor with effect from 24 April 2025.

The Company has communicated with KPMG and is not aware of any existing disagreements between the Company and KPMG other than disclosed above. Save as disclosed above, the Board and the Audit Committee have confirmed that there is no disagreement between KPMG and the Company, and there are no other matters in connection with KPMG's resignation that should be brought to the attention of the Shareholders.

The Company would like to take this opportunity to sincerely thank KPMG for the professional and quality services provided to the Company in the past.

PROPOSED APPOINTMENT OF NEW AUDITOR

The Audit Committee has considered a number of factors in assessing the appointment of Daxin in accordance with their duties stated in the terms of reference of the Audit Committee, including but not limited to (i) its audit proposal, recommendations and timetable; (ii) its audit experience in handling audit work for companies listed on the Stock Exchange, industry knowledge, technical competence, professional expertise and ability to perform duties; (iii) its resources and capability including but not limited to manpower and time; (iv) its independence and objectivity; (v) the audit fee; (vi) the

Guidance Notes on Change of Auditors issued by the Accounting and Financial Reporting Council; and (vii) its past experience in providing professional and quality services to the Company and familiarity with the Company's business.

Based on the above, the Audit Committee is satisfied that Daxin is independent, suitable and capable (in terms of manpower, expertise and resources) to perform audit services to the Company and is of the view that the change of Auditor is in the interests of the Company and the Shareholders as a whole. The Board, with the recommendation of the Audit Committee, has resolved to propose the appointment of Daxin as the new Auditor. The appointment of Daxin by the Company will be proposed to the Shareholders for consideration by way of an ordinary resolution and subject to the approval at the 2025 first EGM.

A circular containing, among other things, details of appointing Daxin as the new auditor of the Company, together with a notice convening the 2025 first EGM, will be dispatched to Shareholders in due course.

By order of the Board
Beijing Biostar Pharmaceuticals Co., Ltd.
北京華昊中天生物醫藥股份有限公司
Dr. Tang Li
Chairperson and Executive Director

Beijing, the PRC, 25 April 2025

As at the date of this announcement, the Board comprises (i) Dr. Tang Li, Dr. Qiu Rongguo, Mr. Zhang Cheng and Dr. Guan Jin as executive Directors; (ii) Mr. Tang Jin and Mr. Zhu Pai as non-executive Directors; and (iii) Dr. Meng Songdong as independent non-executive Director.