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GRAND PHARMACEUTICAL GROUP LIMITED

遠大醫藥集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00512)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO PROPOSED CHANGE OF AUDITORS

Reference is made to the announcement of Grand Pharmaceutical Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 22 October 2026 (the "**Announcement**") in relation to the change of auditors of the Company. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, the Board proposes to terminate the appointment of HLB as the auditor of the Company and appoint Deloitte as the new auditor of the Company to fill the casual vacancy following the Proposed Termination.

The Board would like to provide the following supplementary information in relation to the Proposed Change of Auditors.

(I) DETAILED CHRONOLOGY OF EVENTS LEADING TO THE PROPOSED CHANGE OF AUDITORS

Date	Event	Party Initiated/ Involved
26 March 2026	The Audit Committee convened a meeting to review and approve the publication of the Company's preliminary results announcement for the year ended 31 December 2025.	The Audit Committee

Date	Event	Party Initiated/ Involved
29 April 2026	The Company despatched the circular on the annual general meeting and notice convening the annual general meeting, including resolution to re-appoint HLB as auditor.	The Company
5 June 2026	The ordinary resolution of the Company for the re-appointment of HLB as the auditor of the Company was passed at the annual general meeting.	The Company and Shareholders
25 August 2026	The Company and Deloitte entered into a service agreement for the financial health check to support the Group's overseas strategy.	The Company and Deloitte
August to September 2026	Deloitte commenced the financial health check service.	The Company and Deloitte
September 2026	Upon completion of the financial health check service, the management extended a verbal invitation to Deloitte to submit the service proposal and audit fee quotation for the annual audit for the year ending 31 December 2026.	The management of the Company and Deloitte
September to October 2026	The management of the Company continued to discuss with Deloitte on the audit fee quotation, resource arrangement and audit plan, and reported progress to the Board of Directors.	The management of the Company and Deloitte
16 October 2026	The management of the Company issued a notice concerning the recommendation to change the auditor from HLB, as discussed with HLB, and whether there were any disagreements between HLB and the Company.	The management of the Company and HLB

Date	Event	Party Initiated/ Involved
20 October 2026	The Audit Committee met privately with Deloitte's audit team, during which Deloitte presented and discussed its qualifications, expertise, capabilities, proposed audit plan and resource arrangement if Deloitte were selected as the new auditor. After the meeting, the Audit Committee assessed various aspects concerning the relevant requirements of change of auditors.	The Audit Committee and Deloitte
20 October 2026	The Audit Committee met privately with HLB's audit team to understand whether there were any disagreements between HLB and the Company.	The Audit Committee and HLB
22 October 2026	The Audit Committee, after due consideration, made a recommendation to the Board on the Proposed Change of Auditors.	The Audit Committee
22 October 2026	The Board, after due consideration and with the recommendation from the Audit Committee, resolved to propose the appointment of Deloitte as the new auditor of the Company for the year ending 31 December 2026, subject to Shareholders' approval at the SGM. The Company published the announcement on the Proposed Change of Auditors on the same day.	The Board

(II) REASONS FOR THE PROPOSED CHANGE OF AUDITORS

As disclosed in the Announcement, in light of the Group's overseas expansion strategy, the Board believes that it is now an appropriate time for the Company to rotate its external auditor.

The Board would like to further provide that the reasons the Proposed Change of Auditors was undertaken at this point of time rather than during the last annual general meeting is due to the timing of discussions regarding the audit arrangements and the evaluation of alternative audit proposals:

- HLB was re-appointed at the last annual general meeting in June 2026, it was only during the subsequent preparations and discussions with HLB regarding the upcoming annual audit (held between August and September 2026) that the Company and the Audit Committee more closely evaluated the practical audit arrangements for the year ending 31 December 2026.

- During these reviews, the Board recognized that the Group's ongoing overseas expansion strategy required an external auditor with a larger scale and more extensive international networks to better enhance audit efficiency, expand audit coverage, and support future development needs.

- Prompted by these evolving strategic needs, the Company sought indicative fee proposals and timelines from other firms, including Deloitte. It was not until October 2026 that the Audit Committee formally met with Deloitte and concluded that Deloitte provided a more comprehensive scope of financial reporting work, ample staffing, and robust support for overseas operations compared to the current auditor.

- The need for a larger-scale, internationally supported auditor and an audit firm with extensive global member firm network were only materialized and finalized during the audit preparation and evaluation process between August and October 2026, well after the annual general meeting in June concluded.

(III) THE PROPOSED AUDIT PLAN BY DELOITTE

Deloitte has developed this tailored audit plan for the Company, fully aligned with Hong Kong Standards on Auditing (HKSAs) and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The plan is designed around the Company's operational characteristics, strategic development priorities and geographic footprint, with the objectives of delivering high-quality audit outcomes on schedule, ensuring smooth audit transition, and maximising the overall service experience for the Company.

1. Tailored Audit Approach Aligned with Business Operations and Strategy

Deloitte adopts a risk-based audit methodology customised to the Company's profile as a Hong Kong-listed pharmaceutical enterprise with core production, R&D and operational bases in China and with business operations overseas. Audit procedures are designed to closely map the Group's business cycles and strategic implementation priorities, with intensified focus placed on industry-specific high-risk areas.

The scope of audit work is aligned with the operational pace and management priorities of the Group's domestic and overseas operations. Audit work fulfils statutory and regulatory obligations under the Listing Rules and Hong Kong Financial Reporting Standards, and supports the Group's business development and internal control improvement.

2. Audit Engagement Team

Leveraging Deloitte's global member firm network, Deloitte deploys an integrated service team that combines capital market expertise, local on-site execution and global network resources, under a unified quality management system for 2026 group audit.

No fewer than 20 personnel will be assigned to the Company's audit engagement. The audit team will be coordinated and led by a project partner with 23 years of professional experience, assisted by a project partner with 15 years of professional experience.

3. Proposed Timetable

Deloitte will allocate dedicated audit resources throughout the course of audit, and closely monitor project progress, audit quality and ensure to dedicate adequate resources to meet the timetable requirements for the Company's annual report.

Deloitte's proposed timetable to execute the key procedures and steps for the year ending 31 December 2026 is as follows:

Expected Timeline	Key Procedures
By end of November 2026	• Perform acceptance & clearance with the predecessor auditor
By end of December 2026	• Audit opening balances; • Complete audit planning; • Hold planning meeting with Audit Committee
By end of March 2027	• Complete audit and issue the preliminary result announcement under PN730 in March 2027; • Hold close meeting with Audit Committee

The Audit Committee is of the view that Deloitte's proposed audit timetable is reasonable and sufficient to complete all necessary audit procedures without compromising the audit quality, and that Deloitte's committed resources are adequate to achieve the proposed audit timetable, based on the below:

- The Audit Committee has reviewed Deloitte's proposed audit timeline, which sets out the key phases of the 2026 audit, the corresponding procedures, and the composition of the proposed audit team. The Audit Committee notes that no fewer than 20 personnel will be assigned to the Company's audit engagement.

- The core engagement partners possess extensive experience auditing companies listed in Hong Kong and China, specifically bringing specialised audit background knowledge in the biopharmaceutical and healthcare sectors.

- Deloitte presented a detailed annual audit plan covering schedule mapping, seamless handover and working paper integration with the predecessor auditor (HLB), and specialised responses for significant audit risk areas.

- Deloitte explicitly confirmed their proposed audit timetable during the meeting, expressing full confidence in their ability to meet the Group's target milestone to complete the annual audit work in March 2027.

The Audit Committee established a formal consensus with Deloitte to maintain effective, ongoing communication across all stages of the audit process, which includes regular scheduled meetings and prompt discussions to address any technical or reporting issues as they arise.

The Board confirms that save as disclosed herein, there are no other matters in respect of the Proposed Change of Auditors that need to be brought to the attention of the Shareholders.

Save as disclosed above, all other information and contents set out in the Announcement remain unchanged. This announcement is supplemental to and should be read in conjunction with the Announcement.

By order of the Board
Grand Pharmaceutical Group Limited
Chairman
Dr. Tang Weikun

Hong Kong, 3 November 2026

As at the date of this announcement, the Board comprises four executive directors, namely, Dr. Tang Weikun, Mr. Zhou Chao, Mr. Yang Guang and Ms. Lam Chit Yee Jessica, and four independent non-executive directors, namely, Ms. So Tosi Wan, Winnie, Dr. Xing Li Na, Dr. Pei Geng and Mr. Hu Yebi.

* *For identification purpose only*