海西新药
HXPharma

Fujian Haixi Pharmaceuticals Co., Ltd.
福建海西新藥創制股份有限公司

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

(Stock Code: 2637)

PREPARATION OF FINANCIAL REPORTS IN ACCORDANCE WITH CASBE AND PROPOSED CHANGE OF AUDITOR

This announcement is made by the board (the "**Board**") of directors (the "**Directors**") of Fujian Haixi Pharmaceuticals Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.51 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Reference is made to the circular of the Company dated 30 April 2026 in relation to the 2025 annual general meeting and the related announcement on the poll results dated 27 May 2026 (the "**Announcement**"). As disclosed in the Announcement, the ordinary resolution in relation to the re-appointment of Deloitte Touche Tohmatsu ("**Deloitte**") as the external auditor of the Company for 2026 was duly approved by the shareholders of the Company (the "**Shareholders**").

The Company convened a meeting of the audit committee of the Board (the "**Audit Committee**") on 9 July 2026 to recommend the proposed change of accounting standards and the corresponding change of auditor. On 15 July 2026, having considered the recommendation of the Audit Committee, the Board resolved to propose the resolutions in relation to the alignment in the preparation of financial reports in accordance with China Accounting Standards for Business Enterprises ("**CASBE**"), the proposed termination of the appointment of Deloitte and appointment of RSM China CPA LLP (容誠會計師事務所(特殊普通合夥)) ("**RSM**") as the external auditor of the Company for the year ending 31 December 2026 to hold office until the conclusion of the next annual general meeting of the Company (the "**Change of Auditor**"). Pursuant to the articles of association of the Company, the alignment in the preparation of financial reports in accordance with CASBE is not required to be submitted to a shareholders' meeting of the Company for consideration and has become effective upon approval by the Board. However, the proposed Change of Auditor is subject to the consideration and approval by the Shareholders at the extraordinary general meeting of the Company (the "**EGM**").

PREPARATION OF FINANCIAL REPORTS IN ACCORDANCE WITH CASBE

Pursuant to Rules 4.11(c) and 19A.31(4) of the Listing Rules, an issuer incorporated in Mainland China as a joint stock limited company and listed on the Stock Exchange (a "**PRC Issuer**") may prepare its financial statements in accordance with CASBE. Where the PRC Issuer's primary listing is on the Stock Exchange, its annual accounts may be audited by a firm of practising accountants in China which has been approved by the Ministry of Finance of the PRC and the China Securities Regulatory Commission (the "**CSRC**") pursuant to the mutual recognition agreement as being suitable to act as an auditor or reporting accountant for companies incorporated in China and listed in Hong Kong, and which is a recognised public interest entity auditor under section 20ZT of the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong) (as defined in the Listing Rules), provided that such PRC Issuer has prepared its annual financial statements in accordance with CASBE.

The Audit Committee and the Board are of the unanimous view that, given that CASBE and IFRSs have achieved substantial convergence, the alignment in accounting standards would enhance the efficiency of information disclosure and reduce preparation costs, and would not have any material adverse effect on the truthfulness and accuracy of the financial reports or investors' decision-making. Accordingly, they unanimously agreed that, commencing from the interim financial report of the Company for the period ended 30 June 2026, the Company shall align the preparation of its financial reports and disclosure of the relevant financial information in accordance with CASBE.

PROPOSED CHANGE OF AUDITOR

Given that the Company will prepare its financial reports in accordance with CASBE, and that RSM, the PRC external auditor proposed to be appointed by the Company for financial reporting purposes, has been recognised by the Ministry of Finance of the PRC ("**MOF**") and the CSRC and is qualified to provide audit services to issuers incorporated in mainland China and listed in Hong Kong, the Company will accordingly terminate the engagement of Deloitte as its external auditor after obtaining Shareholders' approval at the EGM. The Company has confirmed with Deloitte that there are no matters relating to its dismissal that need to be brought to the attention of the Shareholders. The Company also confirms that there are no disagreements or outstanding matters between the Company and Deloitte, and that there are no matters relating to the termination of Deloitte's engagement that need to be brought to the attention of the Shareholders.

The Board further confirms that, as of the date of this announcement, Deloitte has not commenced any review or audit work in respect of the financial year ending 31 December 2026, and does not expect the proposed Change of Auditor to have any material impact on the annual audit and the publication of the annual results of the Group for the financial year ending 31 December 2026.

Audit Committee's Assessment of the Proposed Auditor

In assessing the proposed appointment of RSM as the external auditor of the Company, the Audit Committee has considered various factors, including but not limited to (i) RSM's professional competence, including its experience in handling audit engagements of companies listed on the Stock Exchange and its familiarity with the requirements under the Listing Rules and CASBE; (ii) its independence and objectivity; (iii) its audit proposal, including the audit fees; (iv) its market reputation; (v) its resources and ability to complete the audit within the prescribed timetable; and (vi) the Guidelines for Effective Audit Committees — Selection, Appointment and Re-appointment of Auditors and the Guidance Notes on Change of Auditors issued by the Accounting and Financial Reporting Council.

In particular, (i) in respect of independence, the Audit Committee has obtained information relating to the engagement partners of RSM and cross-checked such information against information relating to the Directors, substantial shareholders and senior management of the Company, and confirmed that there is no relationship between the Company and the engagement partners of RSM that would impair RSM's independence; (ii) in respect of the relevant qualifications, the Audit Committee has obtained RSM's business licence, practising certificate, proof of filing in respect of the relevant business and proof of its qualification to conduct audits of H Share companies, and verified the same against publicly available information published by the MOF, and confirmed that RSM possesses the relevant qualifications; and (iii) in respect of audit experience, knowledge and technical competence, the Audit Committee noted from publicly available information that RSM is one of the largest accounting firms in the PRC, with a scope of services covering domestic and overseas capital markets. RSM also provides a wide range of services to numerous enterprises, particularly large state-owned enterprises, including IPO audits, annual audits of listed companies, follow-on share offerings, bond issuances, mergers and acquisitions and material restructurings. RSM currently acts as auditor for approximately 560 A-share listed companies, over 300 companies listed on the National Equities Exchange and Quotations and approximately 70 Hong Kong-listed companies, including approximately 10 H-share listed companies. RSM's proposed audit engagement team comprises 2 partners, 1 quality control review partner, 2 managers, 3 senior auditors and 4 junior auditors, all of whom have audit experience in serving listed companies. All partners and managers hold PRC certified public accountant qualifications.

Difference Between Audit Fees

The estimated audit fee proposed by RSM is approximately RMB0.9 million (the "**Estimated Audit Fee**"). The Estimated Audit Fee was determined on a reasonable basis after taking into account various factors, including the operating scale of the Company, the characteristics of the industry in which the Company operates, its business structure and the complexity of its accounting, as well as the staffing requirements for the audit work, the estimated working hours required and the fee standards of external auditors in mainland China.

As disclosed in the Announcement, the estimated audit fee agreed between the Company and Deloitte was not more than approximately HK$1.98 million. The principal factor contributing to the difference in fees is the difference in the hourly charge-out rates of the RSM team and the Deloitte team, notwithstanding that the members of the respective audit teams have broadly comparable experience and seniority. In general, where audit team members have comparable experience and seniority, the hourly charge-out rates of Hong Kong auditor teams are generally higher than those of mainland Chinese auditor teams. The Deloitte team engaged in the audit of the Company for 2025 comprised 12 members, while the RSM team proposed to be engaged in the audit of the Company for 2026 will also comprise no fewer than 12 members. There is no material difference between the two teams in terms of staffing arrangements. Accordingly, the difference in audit fees will not result in any material difference in the quality of the Company's audit. The Estimated Audit Fee is considered cost-effective and appropriate for the Group's size, complexity, and risk profile.

Based on the above, the Audit Committee has assessed and considered that RSM is independent, competent and eligible (including manpower, expertise, time and other resources) to act as the new auditor of the Company, and has recommended to the Board for the proposed appointment of RSM as the auditor of the Company. The Change of Auditor is subject to the consideration and approval by the Shareholders at the EGM and will take effect from the date of approval by the Shareholders at the EGM. A circular containing, among other things, details of the change of auditor will be despatched to the Shareholders in due course.

By order of the Board
Fujian Haixi Pharmaceuticals Co., Ltd.
Dr. Kang Xinshan
Executive Director, Chairman and General Manager

Hong Kong, 15 July 2026

As of the date of this announcement, the Board comprises (i) Dr. Kang Xinshan, Ms. Feng Yan, Dr. Chen Guangming and Mr. Li Junqing as executive Directors; (ii) Mr. Wang Xinkun and Mr. Xu Dong as non-executive Directors; and (iii) Ms. Wang Shan Shan, Ms. Pu Meiting and Mr. Lin Bin as independent non-executive Directors.