

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



PuraPharm

PURAPHARM CORPORATION LIMITED

培力農本方有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1498)

CHANGE OF AUDITOR

This announcement is made by the board of directors (the “**Board**”) of PuraPharm Corporation 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 has reviewed the need for a change of auditor, having considered that Ernst & Young (“**EY**”) has served as the auditor of the Company since the listing of the shares in the Company on the Stock Exchange in 2015.

In view of the above, the Board hereby announces that, the audit committee of the Board (the “**Audit Committee**”) has obtained and reviewed audit proposals provided by EY as well as other professional accounting firms, and considered their respective industry experience, resource allocation and proposed fees for the year ending 31 December 2024 (“**FY2024**”). In view of the more competitive proposals provided by other professional accounting firms possessing the necessary capabilities and competence (including technical know-how, industry knowledge and track record, manpower, fee and other resources) to perform its duties as independent auditor other than EY, the Board, with the recommendation of the Audit Committee, is satisfied that a change in auditor would achieve the cost-effectiveness of the Company’s annual audit and enhance the level of corporate governance, given the long tenure of EY as auditor of the Company. The Board is of the view that such change of auditor is in the interest of the Company and the shareholders of the Company (the “**Shareholders**”) as a whole.

Accordingly, the Board had informed EY of the proposed change of auditor and EY agreed to resign as auditor of the Company. The Board has received a letter dated 28 November 2024 from EY giving notice for its resignation with effect from 28 November 2024 (the “**Resignation Letter**”). In the Resignation Letter, EY confirmed that the Company was unable to reach a consensus with EY on the auditor’s remuneration for FY2024. EY further confirmed that, other than the emphasis of the material uncertainty related to the going concern of the Group which existed at 31 December 2023 as set out in the respective audit report dated 28 March 2024, EY does not have any other matters that would like to bring to the attention to the shareholders or creditors of the Company.

The Board and the Audit Committee are of the view that the emphasis of material uncertainty related to the going concern of the Group for the year ended 31 December 2023 mentioned in the Resignation Letter does not relate to resignation of EY as the auditor of the Company, since as at the date of this announcement, EY has not commenced any audit work of the Group for FY2024. The Board believes that the change of auditor will not have any impact on the annual audit of the Group for FY2024.

Given the above, the Board and the Audit Committee are of the view that, except for the lack of agreement as to the auditor’s remuneration for FY2024 as aforesaid, there is no disagreement between the Company and EY and that there are no other matters or circumstances in connection with the resignation of EY that need to be brought to the attention of the Shareholders and the Stock Exchange.

The Board would like to take this opportunity to express its gratitude and appreciation to EY for its professional and quality services rendered to the Company during the past years.

APPOINTMENT OF AUDITOR

The Board, with the recommendation from the Audit Committee, has resolved to appoint BDO Limited (“**BDO**”) as the new auditor of the Company to fill the casual vacancy following the resignation of EY with effect from 28 November 2024. BDO shall 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 new auditor of the Group, including but not limited to (i) the audit proposal of BDO; (ii) BDO's experience, industry knowledge and technical competence in providing audit work for companies listed on the Stock Exchange; (iii) its independence from the Group and objectivity; (iv) its resources and capabilities including manpower and time; and (v) the Guidance Notes on Change of Auditors issued by the Accounting and Financial Reporting Council.

Based on the above, the Audit Committee has assessed and considered BDO is fit and suitable to act as the auditor of the Company and recommended the Board for appointing BDO as the auditor of the Company. The Board and the Audit Committee are of the view that the change of auditor would not cause any material impact on the Group and would achieve the cost effectiveness of the Company's annual audit and enhance the level of corporate governance. The Board is further of the view that the appointment of BDO as the auditor of the Company is in the interests of the Company and the Shareholders as a whole.

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

By Order of the Board
PuraPharm Corporation Limited
Chan Yu Ling, Abraham
Chairman and Executive Director

Hong Kong, 28 November 2024

As at the date of this announcement, the executive Directors of the Company are Mr. Chan Yu Ling, Abraham and Ms. Man Yee Wai, Viola; the non-executive Director of the Company is Mr. Leung Stephen Kwok Keung; and the independent non-executive Directors of the Company are Mr. Ho Kwok Wah, George, Dr. Leung Lim Kin, Simon and Prof. Tsui Lap Chee.