

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.



Befar Group Co., Ltd
濱化集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6745)

**ANNOUNCEMENT ON THE ALIGNMENT IN PREPARATION
OF FINANCIAL REPORTS IN ACCORDANCE WITH
THE CHINA ACCOUNTING STANDARDS
FOR BUSINESS ENTERPRISES**

The board (the “**Board**”) of directors (the “**Directors**”) of Befar Group Co., Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that the Board, on September 29, 2026, has resolved to adopt the China Accounting Standards for Business Enterprises (“**CAS**”) in the preparation of its consolidated financial statements for future financial reporting periods, commencing with the results of the Group for the year ending December 31, 2026.

**UNIFORM ADOPTION OF THE CHINA ACCOUNTING STANDARDS FOR
BUSINESS ENTERPRISES FOR FINANCIAL REPORT PREPARATION**

The Company is listed on both the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company currently prepares its financial statements under CAS for A Shares reporting purposes, and has adopted IFRS Accounting Standards in the accountants’ report included in the prospectus for its H Share listing on the Stock Exchange. Pursuant to the note 2.1 to paragraph 2 and paragraph 38 of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), PRC issuers listed in Hong Kong may adopt CAS for annual reporting and interim reporting purposes. Given the substantial convergence between CAS and IFRS Accounting Standards, the Company intends to adopt CAS on a uniform basis for the preparation of its financial statements and disclosure of related financial information commencing with the results of the Group for the year ending December 31, 2026.

As the Group's principal operations, assets and management functions are primarily located in the PRC, and its statutory financial statements have consistently been prepared under CAS for PRC reporting purposes, the Board considers that the unified adoption of CAS will enhance the consistency of financial reporting and disclosures, improve operational efficiency and reduce compliance and audit costs. The Board believes that such change is in the interests of the Company and its shareholders as a whole.

IMPACT ON THE COMPANY WITH UNIFORM ADOPTION OF CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES FOR FINANCIAL REPORT PREPARATION

The adoption of the CAS for the preparation of financial reports and disclosure of related financial information on a uniform basis will not have any material impact on the results or financial position of the Company.

DISCONTINUATION OF SEPARATE ENGAGEMENT OF OVERSEAS FINANCIAL REPORTING AUDITORS

Pursuant to the resolution of the 2025 first extraordinary shareholders' meeting of the Company held on October 16, 2025, the resolution regarding the engagement of the auditing firm for the H share issuance and listing was considered and approved, and KPMG was appointed as the reporting accountants for the initial public offering of the Company's H shares and listing on the Stock Exchange. Following the Company's successful listing on the Stock Exchange on July 10, 2026, KPMG has completed all its engagements and its term of appointment has accordingly ended. KPMG confirmed that there are no matters in connection with its retirement that need to be brought to the attention of Shareholders. The Company also confirmed that there was no disagreement or unresolved matters between the Company and KPMG, and there are no matters in connection with the retirement of KPMG that need to be brought to the attention of Shareholders. Pursuant to the Rule 19A.31(4) of the Listing Rules, if the PRC issuer's primary listing is on the Stock Exchange, its annual accounts may be audited by a PRC firm of practicing accountants which under the mutual recognition agreement, has been approved by the China Ministry of Finance and the China Securities Regulatory Commission (the "CSRC") as being suitable to act as an auditor or a reporting accountants for a PRC incorporated company listed in Hong Kong and is a Recognized PIE Auditor (as defined under the Listing Rules) under section 20ZT of the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong) on the condition that the PRC issuer has adopted the CAS for the preparation of its annual financial statements.

Following the adoption of the CAS, the Company will continue to engage KPMG Huazhen LLP (畢馬威華振會計師事務所(特殊普通合夥)) (“**KPMG Huazhen**”) as its sole auditor, whose appointment will be approved at the 2026 second extraordinary shareholders’ meeting of the Company. KPMG Huazhen is a recognized public interest entity auditor, and has obtained recognition from the China Ministry of Finance and the CSRC, and is qualified to provide audit services to issuers incorporated in Mainland China and listed in Hong Kong in accordance with Mainland China auditing standards, for the preparation of its financial statements for both A shares and H shares. Going forward, the Company will appoint accounting firm which has obtained recognition from the China Ministry of Finance and the CSRC and is qualified to provide audit services to issuers incorporated in Mainland China and listed in Hong Kong as its auditor. Accordingly, the Company will not separately engage an overseas auditing firm.

A circular containing, among other things, details of the proposed re-appointment of KPMG Huazhen as the accounting firm for the year 2026, together with the notice of the Shareholders’ meeting, will be published in due course.

OPINIONS OF THE AUDIT COMMITTEE OF THE BOARD

The audit committee of the Board (the “**Audit Committee**”) has reviewed this matter and is of the opinion that: the Company’s adoption of the CAS on a uniform basis for the preparation of financial statements is conducive to improving the efficiency of information disclosure and will not have any material adverse impact on the authenticity and accuracy of the financial reports or on investors’ decision-making. The members of the Audit Committee have unanimously agreed that the Company shall adopt the CAS on a uniform basis to prepare its financial statements and will no longer separately appoint an overseas financial report auditing firm.

By order of the Board
Befar Group Co., Ltd
Mr. Yu Jiang
Chairman of the Board and Executive Director

Hong Kong, September 29, 2026

As of the date of this announcement, the Board comprises: (i) Mr. Yu Jiang, Mr. Dong Hongbo and Dr. Liu Hongan as executive Directors; (ii) Mr. Song Shuhua as non-executive Director; and (iii) Mr. Hao Yinping, Ms. Li Haixia, Mr. Wang Qian and Mr. Cao Chunmeng as independent non-executive Directors.