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160 Health International Limited
健康160国际有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2656)

PROPOSED CHANGE OF AUDITOR

This announcement is made by 160 Health International Limited (the "**Company**", together with its subsidiaries and consolidated affiliated entities, 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**").

The board (the "**Board**") of directors (the "**Directors**") of the Company hereby announces that the Board proposes to (i) remove PricewaterhouseCoopers ("**PwC**") as the auditor of the Company (the "**Proposed Removal**"); and (ii) with the recommendation of the audit committee of the Board (the "**Audit Committee**"), appoint Confucius International CPA Limited ("**CICPA**") as the new auditor of the Company (the "**Proposed Appointment**", together with the Proposed Removal, the "**Proposed Change of Auditor**") to fill the casual vacancy following the Proposed Removal and to hold office until the conclusion of the next annual general meeting of the Company. Each of the Proposed Removal and the Proposed Appointment is subject to the passing of the relevant resolution by the shareholders of the Company (the "**Shareholders**") at the extraordinary general meeting of the Company to be convened and held (the "**EGM**").

PROPOSED REMOVAL OF AUDITOR

At the last annual general meeting of the Company held on May 29, 2026, PwC was re-appointed as the auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

Reference is made to the Company's announcement dated September 14, 2026, and the section headed "Outlook" in its interim results announcement dated August 28, 2026, in relation to, among others, the introduction of a new business integrating healthcare with AI computing power. Due to adjustments in the Group's business, additional audit resources are required for the audit of the consolidated financial statements for the

financial year ending December 31, 2026 ("**FY2026**"). However, the Company could not reach a consensus with PwC in respect of the adjusted audit fee of the Company for FY2026. After considering the facts and circumstances, the Audit Committee made a recommendation to the Board to seek the approval of the Shareholders regarding the Proposed Removal. The Board is of the view that the Proposed Removal would enable the Company to carry out effective cost control and reduce operating expenses of the Company to better cope with the future business development of the Group and is in the best interest of the Company and its Shareholders as a whole, and therefore proposes to seek the approval of the Shareholders regarding the Proposed Removal. The Proposed Removal is subject to the passing of an ordinary resolution at the EGM pursuant to the second amended and restated articles of association of the Company (the "**Articles of Association**").

The Company is incorporated under the laws of the Cayman Islands and, to the best knowledge of the Board, there is no requirement under the laws of the Cayman Islands for an outgoing auditor to confirm whether there are any circumstances connected with its ceasing to hold office that need to be brought to the attention of the Shareholders. PwC has accordingly not issued such a confirmation. The Board has reviewed the letter from PwC dated October 29, 2026 setting out the circumstances in respect of the Proposed Removal. Save for the circumstances as mentioned in the letter from PwC, there is no other matter in respect of the Proposed Change of Auditor that needs to be brought to the attention of the Shareholders. The Board and the Audit Committee confirm that there is no other disagreement between the Company and PwC.

The Board further confirms that, as at the date of this announcement, PwC has not commenced any review or audit work for FY2026. Accordingly, it is expected that the Proposed Change of Auditor will not have any significant impact on the annual audit and the release of annual results of the Group for FY2026.

The Board would like to take this opportunity to thank PwC for its professional services and support in the past years.

PROPOSED APPOINTMENT OF AUDITOR

After reviewing the proposed scope of services, size, capacity, relevant industry experience and quotations from CICPA and several other accounting firms, the Audit Committee has assessed and considered that CICPA is qualified and suitable to act as the auditor of the Company. Based on the recommendation of the Audit Committee, the Board has resolved to propose that the Shareholders approve the appointment of CICPA as the new auditor of the Company to fill the casual vacancy following the removal of PwC and to hold office until the conclusion of the next annual general meeting of the Company. The Proposed Appointment is subject to the Proposed Removal becoming effective and the passing of an ordinary resolution in respect of the Proposed Appointment at the EGM.

The Detailed Chronology of Events Leading to the Proposed Change of Auditor

Date	Event
May 29, 2026	At the last annual general meeting of the Company held on May 29, 2026, PwC was re-appointed as the auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company. The Board is authorized to fix the remuneration of PwC. Based on the Group's existing business at that time, the audit fee for FY2026 agreed by the Company and PwC was RMB2,600,000 (exclusive of tax and disbursement).
July 9, 2026	PwC confirmed in writing the audit fee for FY2026 agreed at the last annual general meeting discussions by email.
August 27, 2026	The Company informed PwC that it had commenced developing a new business segment, namely "healthcare AI agent + hardware + integrated debugging service", which is expected to generate revenue in 2026. Accordingly, the Company formally requested a re-quotation of the audit fee for FY2026.
September 2, 2026	PwC wrote to management requesting information on the new business in order to assess its impact on the audit.
September 3, 2026	The Company submitted its responses, following which PwC raised further follow-up questions.
September 4, 2026	PwC formally submitted its increased fee quotation.
September 7, 2026	The Company requested a concession on the quoted fee.
September 8, 2026	PwC offered a discount, emphasising that the fee had been prudently determined and that there was limited room for further reduction. On the same day, upon receipt of PwC's final quotation and for cost-control purposes, the management emailed all members of the Audit Committee to report PwC's latest quotation and seek their views on soliciting quotations from external accounting firms, and obtained the unanimous approval of all Audit Committee members for management to conduct an external quotation process.
September 10, 2026	The Company sent invitations for proposals by email to several accounting firms, inviting interested accounting firms to submit quotations and participate in the selection of the Company's auditor.

Date	Event
September 15, 2026	The Company began receiving audit proposals for FY2026 from CICPA and other accounting firms.
September 16, 2026	PwC, the Audit Committee and management held an on-line meeting to discuss the fee discrepancy in full: PwC reiterated that the quotation had been calculated strictly based on staffing and cost and reached its cost floor; the Company indicated the quotation exceeded its acceptable range under its cost-reduction strategy. Both parties confirmed that the sole disagreement concerned the level of audit fees, and that there was no other disagreement since PwC had not commenced any review or audit work for FY2026. Following full deliberation, the Audit Committee unanimously agreed that the Company should change its auditor. The Company notified PwC of this decision in writing and commenced the removal procedure.
October 29, 2026	The Audit Committee convened a meeting with CICPA and other appropriate accounting firms to understand their proposed audit approach, manpower deployment, audit timetable and fee structure. After the meeting, the Audit Committee assessed various aspects concerning the relevant requirements of change of auditor and discussed with management. After considering the proposals submitted by CICPA and other appropriate accounting firms, the Audit Committee recommended to the Board the appointment of CICPA as the new auditor of the Company. The Board, after due consideration and with the recommendation from the Audit Committee, resolved to propose the appointment of CICPA as the new auditor of the Company and to recommend the Proposed Change of Auditor to the Shareholders for approval at the EGM. On the same day, the Company received the representation letter from PwC.

Key Factors and Information Considered by the Audit Committee

In reaching its recommendation to the Board, the Audit Committee has considered a number of factors, including but not limited to, (i) difference between audit fees; (ii) governance and leadership; (iii) compliance with relevant ethical requirements; (iv)

industry knowledge and technical competence; (v) engagement performance; (vi) communication and interaction with the Audit Committee; and (vii) monitoring process. Details of key factors considered by the Audit Committee are set out as follows:

The Audit Fee Proposal and the Reasons for the Different Fees

The proposed audit fee from PwC is RMB3,450,000 (exclusive of tax and disbursement) and that proposed by CICPA is RMB2,600,000 (exclusive of tax and disbursement) for the audit of the consolidated financial statements of the Company for FY2026 (the "**2026 Audit**"). The fee proposed by CICPA was determined following a comprehensive assessment of the Group's business operations, corporate structure and audit scope.

After comparing audit fee proposals from PwC and CICPA for the 2026 Audit, and having also made reference to the quotations of the other professional accounting firms ranging from approximately RMB2,550,000 to RMB3,100,000, the Audit Committee considered that the lower fee proposed by CICPA is not unreasonable and audit quality should not be affected just because of this disparity. The lower fee offered by CICPA is primarily attributable to the operational efficiencies and strategic resources deployment rather than any reduction in audit scope or audit quality, including:

- CICPA has confirmed that it has sufficient personnel, expertise and resources to undertake the 2026 Audit. The proposed engagement team comprises experienced professionals based in Hong Kong and the Chinese mainland, enabling effective coverage of the Group's operations and financial reporting requirements. The team members from CICPA for the Company's 2026 Audit comprise both a Hong Kong team and a Chinese mainland team. The Hong Kong team mainly includes an engagement partner (over 20 years of audit experience), an engagement quality reviewer (over 20 years of audit experience), and an audit manager (over 10 years of audit experience). The Chinese mainland team consists of a partner (over 20 years of audit experience), a senior manager (over 10 years of audit experience), two engagement quality reviewers (over 10 years of audit experience), two managers (over 7 years of audit experience), and several supporting audit staff.

- CICPA has confirmed to implement efficient resource allocation and management strategies to ensure audit quality while achieving cost efficiency by direct involvement of senior engagement personnel in audit planning, supervision and review. This deliberate allocation of experienced professionals to critical audit areas will provide robust oversight and enhance the reliability of audit procedures to address complex accounting issues effectively and mitigate potential risks without unnecessary duplication of work.

- CICPA has confirmed to maintain regular communication with management and the Audit Committee throughout the course of the audit. CICPA has undertaken to provide timely updates on any issues identified during audit procedures to ensure transparency and avoid last-minute surprises. This proactive communication

framework allows the management and the Audit Committee to address matters promptly and such an approach reflects best practices in governance and reinforces the assurance for audit quality.

Audit Committee's Assessment of CICPA

In addition, the Audit Committee conducted a comprehensive assessment regarding the audit quality, proposed audit approach, manpower deployment, level of senior involvement, audit timetable, independence, competence and capability of CICPA, with reference to the quality indicators set out in the Guidelines for Effective Audit Committees — Selection, Appointment and Reappointment of Auditors issued by the Accounting and Financial Reporting Council (the "**AFRC**").

i. Governance and leadership

CICPA is registered with the AFRC as a public interest entity auditor. The Audit Committee has reviewed profiles of CICPA's leadership team, organizational structure and quality management policies on governance and leadership. CICPA assesses the compliance with the requirements of Hong Kong Standard on Quality Management 1 ("**HKSQM 1**") issued by the Hong Kong Institute of Certified Public Accountants on an annual basis as part of its internal quality review program. The Audit Committee is satisfied that CICPA has established a sound audit quality management system and rigorous audit methodologies and is committed to conducting audit work in the interests of the Company's Shareholders and the wider public.

ii. Compliance with relevant ethical requirements

The Audit Committee has held discussions with the proposed engagement partner and noted that CICPA complies with the Code of Ethics for Professional Accountants (including the independence provisions) issued by the Hong Kong Institute of Certified Public Accountants and applicable quality management standards. There are no non-audit services, financial or commercial relationships between the Company and CICPA that may impair CICPA's independence, nor any other relationships (whether financial, employment, familial or otherwise) between members of the proposed audit engagement team (and their respective immediate family members) and the Company that could compromise CICPA's independence when conducting audits for the Company.

iii. Industry knowledge and technical competence

CICPA has a team of staff with professional qualifications and extensive audit experience and possesses experience in providing audit services to companies listed on the Stock Exchange and clients across various industries. CICPA has served more than 30 listed clients whose shares are listed on the Stock Exchange. The audit team will be led by engagement partners, each with nearly 20 years of experience in

auditing a wide variety of businesses, including numerous listed companies, and by engagement managers with over 10 years of experience in various sizeable international accounting firms in the PRC, Hong Kong and Singapore. The Audit Committee has obtained the profile and qualifications of CICPA's audit team and its other relevant audit experience, and confirmed that it has sufficient qualified staff and professional resources to deliver high-quality audit services.

iv. Engagement performance

The Audit Committee has discussed with CICPA in respect of its overall audit strategy, which covers clear audit scope, audit focus and key work arrangements. After reviewing CICPA's audit methodology proposed to be adopted and the background of the engagement partner and team members, the Audit Committee is satisfied that the proposed audit team possesses sufficient professional expertise, human resources and time commitment to effectively carry out the audit work of the Company.

Additionally, CICPA will be supported by specialist resources where necessary, including valuation specialists and IT specialists. The Audit Committee is satisfied that appropriate specialist resources will be made available as required.

v. Communication and interaction with the Audit Committee

CICPA has confirmed that it will maintain regular and effective two-way communication with management and the Audit Committee throughout the course of the audit, in accordance with the requirements under HKSA 260 (Revised) *Communication with Those Charged with Governance*.

Specifically, CICPA will:

- hold meetings with the Audit Committee at key stages of the audit, including the planning stage (to present the planned audit scope, timetable and significant risks), during the fieldwork stage (to update on progress and any issues identified), and upon completion of the audit (to discuss audit findings and the draft auditor's report);

- provide timely updates on any significant audit matters or issues identified during the audit procedures to avoid last-minute surprises; and

- make itself available for periodic meetings or discussions with the Audit Committee as required, including private sessions without the presence of management where appropriate.

The Audit Committee considers that CICPA has established communication arrangements with the management and the Audit Committee to ensure that audit progress, significant audit matters and other key issues can be timely reported to the Audit Committee and properly addressed.

vi. Monitoring process

The Audit Committee has noted that CICPA shall conduct an internal quality review program on an annual basis, which assesses the compliance with HKSQM 1 covering areas such as risk assessment process, governance and leadership, ethical requirements and engagement performance. In addition, CICPA is subject to AFRC inspection covering system of quality management and audit engagement files. To the best of its knowledge, the Audit Committee is not aware of any matters that may affect CICPA's integrity, objectivity and independence, or that may adversely affect the quality of its audit.

In view of the above, the Audit Committee has assessed and considered that CICPA is independent, competent and capable to act as the auditor of the Company, and the audit fee proposed by CICPA is commensurate with the extent of audit work required.

Audit Plan and Timetable

The proposed timetable accounts for initial engagement procedures, including client acceptance and independence procedures, understanding the Group's business and internal control environment, assessing opening balances and comparative information, and designing risk-responsive audit procedures. The timetable covers:

Early November 2026:	Covering first year audit procedures, including client acceptance, independence checks, engagement acceptance, preliminary discussions with management, understanding the organisational structure (including but not limited to the assessment of contractual arrangement) and business processes, and audit planning.
Mid-November 2026:	Based on the risk assessment on planning stage to carry out pre-audit field work for the significant risk area identified including but not limited to risk assessment and procedures for revenue recognition, purchases and cost of sales; Based on the understanding of client's operation, to prepare detailed list of targeted annual audit materials for each company, strengthen communication and coordination with financial staff, and improve the efficiency of the annual audit work; Also, to liaise with management for the year-end physical inspection on inventory and fixed assets.

January to mid-March 2027:	Fieldwork, including risk assessment and procedures for revenue recognition, purchases and cost of sales, intangible assets and financial assets at fair value through profit or loss, trade and other receivables, trade and other payables, restricted cash, cash and cash equivalents, impairment assessment, consolidation, related party transactions, subsequent events, and specific attention to the digital healthcare and wellness solution segment (including contract review, transaction testing, revenue recognition, and cut-off assessment).
Mid- to late March 2027:	Communication of audit findings, resolution of significant issues, review of estimates and judgements, completion of outstanding procedures, and finalisation of reporting matters.

Based on the above timetable, CICPA expects that its audit team will provide approximately 4,060 hours of services to the Company. The expected allocation of human resources and relevant working hours are as follows:

	CICPA auditors	
Seniority	**Proposed number of auditors**	**Proposed working hours**
Engagement Director	2	150
Engagement Quality Reviewer	3	190
Senior Manager	1	200
Manager	3	950
Assistant Manager	1	400
Tax Team	1	20
Audit Senior	4	1,260
Audit Associate	3	890
Total	**18**	**4,060**

As this is the initial engagement for CICPA to carry out the audit of the consolidated financial statements of the Group, its audit plan incorporates the specific audit engagement procedures in accordance with the HKSA 510 Initial Audit Engagements — Opening Balances, together with the planning and risk assessment procedures required under HKSA 300 Planning an Audit of Financial Statements and HKSA 315 (Revised 2019) Identifying and Assessing the Risks of Material Misstatement, including obtaining an understanding of the Group and its environment, evaluating the design and implementation of the Group's internal controls, mapping historical accounting data and performing audit procedures on the opening balances and the prior year comparative figures.

CICPA has confirmed that its fee quotation of RMB2,600,000 is inclusive of such additional audit procedures for the initial engagement. The Company will facilitate a full professional clearance process so that CICPA has complete access to the historical audit records and working papers in order to avoid redundant testing, and the Audit Committee is satisfied that the first-year audit procedures will be performed without any reduction in audit scope or quality.

The Audit Committee has reviewed the proposed audit timetable proposed by CICPA, which provides sufficient time for each audit phase, including planning, fieldwork, review and completion, without undue compression. In assessing the reasonableness of the timetable, the Audit Committee took into account:

- the Group's year-end closing process and operational complexity;
- the sequencing of the audit procedures across the Group's operating entities, including the consolidated affiliated entities; and
- the requirements under the Listing Rules for the timely publication of the annual results.

CICPA has presented its overall audit strategy, audit plan and proposed timetable to the Audit Committee. The Audit Committee has reviewed and discussed the proposed audit plan and is satisfied that it is appropriate and sufficient for conducting a quality audit. CICPA confirmed that the audit will be conducted in accordance with the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants, including the independence requirements applicable to public interest entities.

In performing the audit, CICPA will exercise professional judgement and maintain professional skepticism throughout the audit process. The proposed audit plan includes, among others, an assessment of the risks of material misstatement of the consolidated financial statements, an understanding and evaluation of relevant internal controls, and the design and execution of audit procedures responsive to the identified risks. CICPA has identified key areas of audit focus based on its preliminary understanding of the Group's business and financial information, including Revenue Recognition; Expected Credit Loss on Trade Receivables; Valuation of Share-Based Payments; and Consolidation of Contractual Arrangement.

CICPA confirmed that sufficient and appropriate audit resources will be allocated to meet the proposed timetable. The Audit Committee is satisfied that the proposed audit strategy, audit plan and timetable are reasonable and adequate for CICPA to complete all necessary audit procedures without compromising audit quality, and that the committed resources of CICPA are sufficient to support the audit engagement.

IMPLICATIONS UNDER THE LISTING RULES AND THE ARTICLES OF ASSOCIATION

According to Articles 32.3 and 32.4 of the Articles of Association, the removal of an auditor before the expiration of its term of office shall require the approval of an ordinary resolution of the Shareholders in general meeting.

Pursuant to Rule 13.88 of the Listing Rules, (a) the Company must not remove its auditor before the end of the auditor's term of office without first obtaining Shareholders' approval at a general meeting; (b) the Company must send a circular proposing the removal of the auditor to the Shareholders, together with any written representations from the auditor, not less than 10 business days before the general meeting; and (c) the Company must allow the auditor to attend the general meeting and make written and/or verbal representations to the Shareholders at the general meeting.

In compliance with the Articles of Association and the Listing Rules, the Proposed Removal and the Proposed Appointment will be proposed as ordinary resolutions at the EGM. Accordingly, the Company will despatch a circular to the Shareholders who request printed copies, containing, among other things, the further information on the Proposed Removal and the Proposed Appointment, together with the notice of EGM, and also despatch a copy of the same to PwC to invite them to attend the EGM and make written or verbal representations (if any) to the Shareholders at the EGM.

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

By order of the Board
160 Health International Limited
Mr. Luo Ningzheng
Chairman of the Board, Executive Director and Chief Executive Officer

Hong Kong, October 29, 2026

As of the date of this announcement, the Board comprises (i) Mr. LUO Ningzheng, Mr. JI Cuilin, Mr. HUANG Lang and Ms. WU Shixuan as executive Directors; (ii) Mr. LIU Haibin as non-executive Director; and (iii) Mr. WANG Huan, Dr. XU Weiguo and Dr. FAN Ming as independent non-executive Directors.