Sunho Biologics, Inc.

盛禾生物控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2898)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO CHANGE OF AUDITOR

Reference is made to the announcement of Sunho Biologics, Inc. ("**Company**") dated June 5, 2026 in relation to the change of Auditor ("**Announcement**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide the following supplementary information in relation to the change of Auditor.

THE CHRONOLOGY OF EVENTS IN RELATION TO THE CHANGE OF AUDITOR

During the course of the 2025 Annual Audit, Zhonghui Anda issued its initial request to the Company in February 2026 for supporting documents relating to the Matters arising from the Service Agreements and the corresponding Upfront Payments. The Company provided the copies of the signed Service Agreements to Zhonghui Anda in early March 2026.

After reviewing the Service Agreements, in mid-to-late March 2026, Zhonghui Anda further requested interviews and supplementary information based on specific details in the Service Agreements and held continuous discussions with the management of the Company. On March 25, 2026, Zhonghui Anda issued a letter to the Company's chief financial officer and the chairman of the Audit Committee stating that additional time was required to complete the 2025 Annual Audit.

Despite the Company having engaged an Independent Advisor to perform the AUPs in April 2026, Zhonghui Anda was of the view that additional information was needed for the completion of the 2025 Annual Audit. On April 28, 2026, Zhonghui Anda informed the Company that it had not yet completed all outstanding work of the 2025 Annual Audit, resulting in the Company being unable to publish its 2025 Annual Results by April 30, 2026 as previously announced. During continuous discussions with the Company, Zhonghui Anda expressed its intention to resign if the outstanding items remain unresolved. Given that Zhonghui Anda could not determine the time necessary to complete the audit procedures in light of the relevant outstanding information, the Company notified the Audit Committee that it should start looking for suitable Auditor candidates to fill the potential casual vacancy, and the Audit Committee agreed with this approach.

After conducting interviews and evaluating various potential candidate firms, the Audit Committee having considered the factors stated hereinbelow, concluded that KTC was the most suitable Auditor candidate.

On June 5, 2026, Zhonghui Anda formally tendered the Resignation Letter with immediate effect. On the same day, the Audit Committee recommended the appointment of KTC as the new Auditor to fill the casual vacancy and the Board held a meeting to discuss and approve the change of Auditor. Although the Company considers that the current circumstances constitute a genuine resignation and do not amount to a removal, after taking into account the Frequently Asked Questions 16 — No. 5(iii) updated by the Stock Exchange in April 2026, the Company dispatched a circular and a notice of extraordinary general meeting to the Shareholders. The extraordinary general meeting was held on June 29, 2026 to formally confirm, accept, and ratify the resignation of Zhonghui Anda and the appointment of KTC.

DETAILS OF THE OUTSTANDING AUDIT ISSUES

The outstanding audit issues (the "**Audit Issues**") relate to the audit scope limitations encountered by Zhonghui Anda when attempting to verify the commercial substance and counterparties of the Service Agreements.

While the Company made its best efforts to facilitate the audit, including facilitating the initial interviews in April 2026 and relaying Zhonghui Anda's documentation requests to the Service Providers, the following information requested by Zhonghui Anda has not yet been arranged or provided at the material time:

(i) further verification of the identity documents and contact details provided by the interviewees arranged by the Service Providers;

(ii) coordination of physical site visits to the principal places of business of the Service Providers; and

(iii) further internal commercial and promotional materials from the Service Providers, as well as benchmarking contracts executed with other independent third-party clients, to assess their business operations, qualifications, experience, and the reasonableness of the service fees.

Zhonghui Anda maintained that because the direct relevant information from the Service Providers remained outstanding, it could not determine the extent of further audit procedures and provide a clear timetable for completing the 2025 Annual Audit. On the other hand, the Company was unable to provide the above requested information because it does not possess and is unable to obtain the requested relevant information or documents from public information, and that the Service Providers have not yet provided such information or documents upon the Company's request.

ALIGNMENT OF AUDIT TIMETABLE WITH RESUMPTION DEADLINES

The Company wishes to clarify that the change of Auditor does not imply any reduction in the standard or scope of audit evidence required. KTC, as the new Auditor, will similarly request the outstanding information from the Service Providers. However, the Company and the Audit Committee considered the change of Auditor was necessary to resolve the procedural impasse that had arisen in the audit process and to align and facilitate the relevant process towards meeting the Company's strict resumption deadlines.

Given the strict deadlines imposed by the Stock Exchange under the Resumption Guidance, the Board and the Audit Committee concluded that it was not in the interests of the Company and its Shareholders to remain in an indefinite state of procedural standstill. Accordingly, they considered the appointment of a new Auditor to be a necessary and pragmatic step to advance the audit process and support the Company's resumption efforts.

AUDIT COMMITTEE'S ASSESSMENT ON KTC

The Audit Committee's view is based on a rigorous vetting process, including formal interviews with the shortlisted candidate firms, a detailed review on KTC's audit proposal, and an assessment of KTC's specific strategies for handling the third-party scope limitations.

The basis for the Audit Committee's conclusion above is set out as follows:

(i) Resource allocation and project management

While KTC will also seek the outstanding third-party information, KTC has committed to a structured approach to evaluate all available evidence to advance the audit work.

Furthermore, KTC has committed a budget of approximately 3,000 audit hours and is utilizing its PRC partner firm to deploy a robust team in Mainland China to facilitate efficient substantive testing.

(ii) Basis for completing procedures without compromising audit quality

The Audit Committee evaluated how KTC planned to address the delays in obtaining information from the third parties without lowering the threshold of audit evidence. The Audit Committee determined that audit quality would be preserved because KTC's methodology relies on two principles:

(a) *Evaluation of available evidence:* During the meeting between the Audit Committee and KTC held in early June 2026, KTC demonstrated a clear, actionable plan to evaluate all available evidence, including conducting independent public background checks and anti-money laundering monitoring searches, to form its audit opinion rather than remaining in an indefinite standstill.

(b) *Integration with the Independent Investigation:* The Audit Committee concluded that audit quality will be heavily safeguarded by KTC's plan to critically rely upon and integrate with the findings of the Independent Investigation. The Audit Committee recognized that the investigator possesses specialized tools to trace fund flows and assess commercial rationale, which will provide KTC with high-quality and independent audit evidence to assist in bridging the current audit evidence gap.

(iii) Basis for the reasonableness of the timetable

The Audit Committee considered KTC's proposed timetable, which targets the issuance of a draft report by late September 2026, to be reasonable and achievable. In reaching this view, the Audit Committee noted that KTC demonstrated a practical understanding of the scope and challenges of the engagement, including the need to coordinate with the Independent Investigation.

The Audit Committee also considered KTC's phased approach to the engagement, comprising planning, interim reporting and completion of three stages, and believed that such approach is appropriate for managing the complexity of the matter.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on April 1, 2026 and will continue to be suspended pending the publication of the 2025 Annual Results by the Company.

Shareholders and potential investors of the Company are advised to exercise due caution when dealing in the securities of the Company. When in doubt, Shareholders and potential investors of the Company are advised to seek advice from professional or financial advisers.

By order of the Board
Sunho Biologics, Inc.
Mr. ZHANG Feng
Chairman and executive Director

Hong Kong, July 30, 2026

As at the date of this announcement, the executive Directors are Mr. ZHANG Feng and Ms. JIANG Xiaoling; and the independent non-executive Directors are Mr. CHAN Heung Wing Anthony, Ms. FENG Lan and Mr. SHI Luwen.

* *For identification purpose only*