PegBio Co., Ltd.

派格生物醫藥(杭州)股份有限公司

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

(Stock Code: 2565)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2025

The Board of Directors of PegBio Co., Ltd. is pleased to announce the audited consolidated results of the Company and its subsidiaries for the year ended December 31, 2025, together with audited comparative figures for the same period of 2024. These annual results have been extracted from the audited financial statements of the Company and have been reviewed by the audit committee (the "**Audit Committee**") of the Board.

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments or have been rounded to one or two decimal places, as appropriate. Any discrepancies in any table, chart or elsewhere totals and sums of amounts listed therein are due to rounding.

FINANCIAL HIGHLIGHTS

OPERATING RESULTS

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Loss from operations	**(205,768)**	(280,852)
Loss for the year	**(208,547)**	(283,351)
Loss per share – Basic and diluted (RMB)	**(0.55)**	(0.77)

FINANCIAL POSITION

	At December 31, 2025	At December 31, 2024
	RMB'000	*RMB'000*
Non-current assets	**42,951**	28,063
Current assets	**556,283**	190,294
Total assets	**599,234**	218,357
Non-current liabilities	**9,589**	3,221
Current liabilities	**141,055**	157,666
Total liabilities	**150,644**	160,887
Total equity	**448,590**	57,470

BUSINESS HIGHLIGHTS

As of the date of this announcement, we have made significant progress in advancing our technology innovations, product pipeline and business operations in the U.S. and China.

As of the date of this announcement, PegBio has successfully established a pipeline matrix covering seven investigational drugs for chronic diseases. The Company's core strategy focuses on the treatment of metabolic diseases and complications thereof. Through continuous innovation, our internal assessments show that multiple drug candidates possess the dual value potential of "First-in-Class" (FIC) and "Best-in-Class" (BIC), laying a solid foundation for future market competitiveness. Leveraging the unique integrated strategic system of "Target Selection – Clinical Development – Commercialization", the Company has made an all-out effort to achieve the following key milestones in 2025.

I. RESEARCH AND DEVELOPMENT AND COMMERCIALIZATION PROGRESS OF THE CORE PRODUCT

Self-developed long-acting GLP-1 receptor agonists for PB-119 (Visepegenatide injection)

Review dynamics:

During the Reporting Period, the Group's self-developed long-acting GLP-1 receptor agonist PB-119 (Visepegenatide injection) obtained marketing approval from the National Medical Products Administration (NMPA) in November 2025, marking the completion of the key registration and review procedures for the product and its official entry into the commercialization preparation stage.

Marketing plan:

During the Reporting Period, the Group simultaneously advanced the construction of the commercial production system and preparations related to market access for PB-119, laying the foundation for the subsequent marketing and sales of the product. It is expected that commercial sales of PB-119 will be achieved in the first half of 2026.

Market strategies:

In terms of market strategies, the Group will leverage the clinical evidence-based advantages of the product in terms of safety, long-acting blood glucose control and potential cardiovascular benefits to continuously promote the access to medical institutions, expand diversified distribution channels, and enhance product market recognition through specialized academic promotion to support its future commercialization promotion.

II. PROGRESS OF OTHER INVESTIGATIONAL PIPELINES

During the Reporting Period, the Group continuously carried out preliminary research and evaluation work for other investigational pipelines at various R&D stages.

Projects in clinical stage:

In terms of the clinical stage, we continuously carried out relevant clinical research preparations for certain candidate products in Phases I/II and other clinical research stages, including optimization of trial protocols and integration of research resources.

Preclinical projects:

In terms of the preclinical stage, the Group continuously carried out preliminary work such as candidate molecule screening, pharmacodynamic evaluation, and preliminary safety studies for certain investigational projects, and will advance subsequent preparations related to investigational new drug (IND) applications in due course based on R&D progress.

MANAGEMENT DISCUSSION & ANALYSIS

I. OVERVIEW

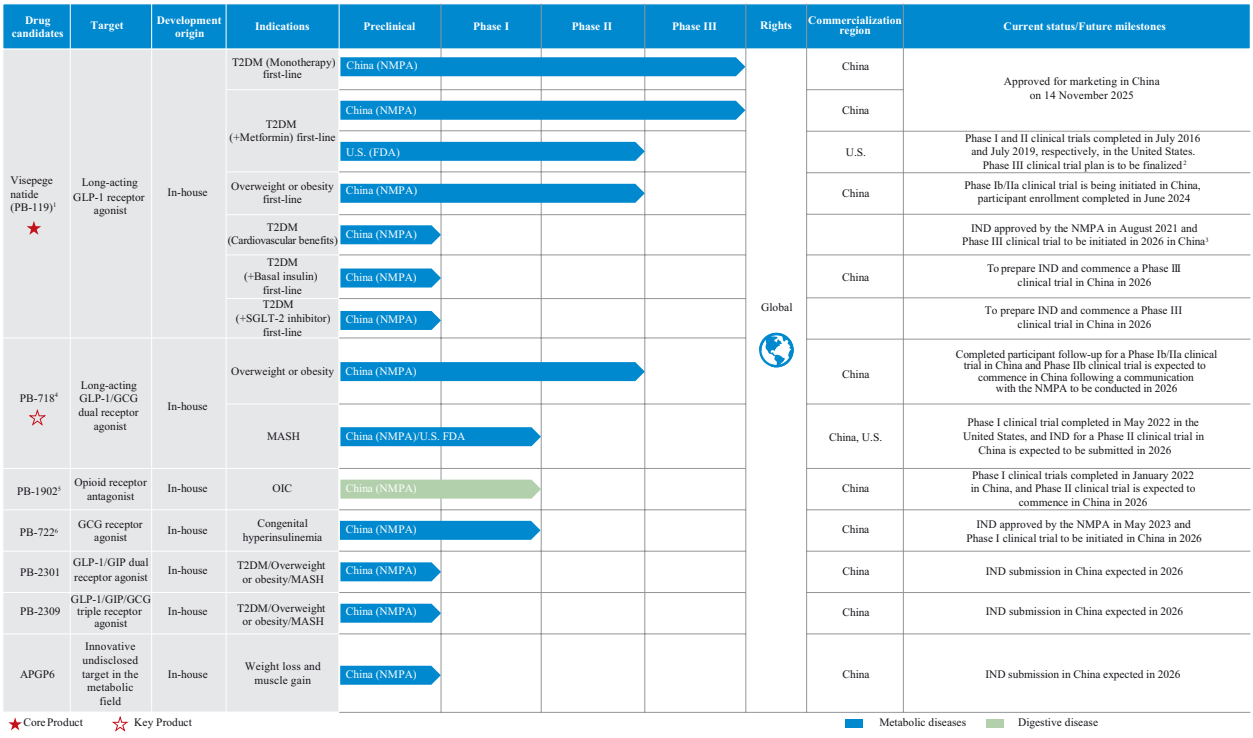
Founded in 2008, we are a biotechnology company focused on the in-house discovery and development of innovative therapies, primarily peptide and small molecule drugs, for chronic diseases with a particular emphasis on metabolic disorders. We have self-developed one Core Product and other five product candidates to capture the market potential in prevalent chronic and metabolic diseases, including type 2 diabetes mellitus ("**T2DM**", also known as type 2 diabetes), obesity, non-alcoholic steatohepatitis ("**NASH**"), opioid-induced constipation ("**OIC**", a gastrointestinal disorder induced by the usage of opioid drugs) and congenital hyperinsulinemia (a rare endocrine disease whose patients experience constant hypoglycemia).

II. BUSINESS REVIEW

Our Products and Product Pipeline

We focus on leveraging our industry experience and established R&D capabilities for the in-house discovery and development of differentiated therapeutics primarily for chronic and metabolic diseases. As of December 31, 2025, we had developed a diverse pipeline of seven product candidates, among which three were undergoing clinical trials and one had received IND clearance. We have applied our polyethylene glycol ("**PEG**") technology to our product candidates to optimize their physiochemical properties to achieve features such as long-acting efficacy and selective targeting of receptors in the digestive tract but not in the brain.

The following chart summarizes the development status of our drug candidates As of December 31, 2025.



Core Product PB-119 (Visepegenatide Injection)

PB-119 is a long-acting GLP-1 receptor agonist independently developed by the Group primarily designed for the treatment of T2DM and obesity. During the Reporting Period, PB-119 obtained marketing approval from the NMPA in November 2025, marking the completion of the key registration and review procedures for this Core Product and its official entry from the R&D stage into the commercialization preparation stage.

Following the successful marketing approval of PB-119, during the Reporting Period, the Group continuously advanced various preliminary preparation tasks related to its commercialization, including the construction of the commercial production system, optimization of the quality management system, market access support efforts, and the overall preparation of the supply chain and operation system, to support the subsequent marketing and sales arrangements of the product. Relevant preparations aim to provide the necessary operational foundation for the official launch of sales of PB-119 and ensure stable supply capability of the product after its launch.

Meanwhile, the Group also carried out overall planning for post-launch marketing and channel distribution of PB-119, gradually improving the commercialization support system to enhance the market coverage and patient accessibility after the launch of the product. Relevant preparation efforts currently remain in a transitional phase and will be advanced in due course depending on the official commercialization process of the product.

Given that the marketing approval of PB-119 was obtained near the end of the Reporting Period, related commercialization efforts remain in the preparation and transitional stages. As of the date of this announcement, the Group has not generated revenue from the sales of PB-119. It is expected that commercial sales of PB-119 will be achieved in the first half of 2026, which is expected to gradually bring operating revenue contributions to the Group in future reporting periods.

The successful marketing approval of PB-119 marks a significant milestone for the transformation of the Group's core product pipeline from the R&D stage to the commercialization stage, laying the foundation for the Group's subsequent business development and diversification of revenue sources, and contributing to the enhancement of the long-term commercialization potential of the Group's overall product portfolio.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET PB-119 SUCCESSFULLY.

PB-718, a long-acting GLP-1/GCG dual receptor agonist

PB-718 is an investigational long-acting GLP-1/glucagon (GCG) dual receptor agonist of the Group, primarily designed for the treatment of obesity and metabolic dysfunction-associated steatohepatitis (MASH).

During the Reporting Period, PB-718 remained in the clinical research stage. The Group has completed a Phase I clinical trial of PB-718 on healthy participants in the United States, and has completed a Phase Ib/IIa randomized, double-blind, placebo-controlled clinical study (Clinical Trial Registration Number: CTR20231655) for PB-718 in obese participants in China to evaluate the safety, tolerability, pharmacokinetic profiles, and preliminary efficacy of PB-718.

The above Phase Ib/IIa study showed that PB-718 demonstrated good safety and tolerability in Chinese obese participants during the study period, with preliminary signals of efficacy observed, including an improvement trend in liver lipid content. Relevant study results provide support for the further clinical development of PB-718 in the indication of metabolic dysfunction-associated steatohepatitis (MASH).

During the Reporting Period, the Group continuously evaluated the subsequent clinical development strategy for PB-718, and will advance subsequent clinical trial plans in due course based on its R&D progress and resource allocation arrangements. Currently, PB-718 has not generated any sales revenue, and there are uncertainties regarding its R&D progress and final commercialization prospects.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET PB-718 SUCCESSFULLY.

PB-1902, a potential first-in-class oral selective opioid receptor antagonist for the treatment of OIC

PB-1902 is an investigational oral selective opioid receptor antagonist of the Group, intended for the treatment of opioid-induced constipation (OIC). OIC is one of the common adverse reactions in patients undergoing long-term opioid therapy for cancer pain and other chronic pain conditions, which may cause a continuous impact on the quality of life for patients.

PB-1902 is currently in the clinical development stage. The Group has completed two Phase I clinical trials of PB-1902 in healthy participants in China, results of which showed good safety and tolerability, as well as expected pharmacokinetic (PK) and pharmacodynamic (PD) profiles. In previous years, the NMPA approved the Group to conduct a Phase II clinical trial of PB-1902 for the treatment of OIC indication in China.

During the Reporting Period, the Group continuously conducted internal evaluations on the subsequent clinical development strategy for PB-1902, and carefully considered the timing of advancing its clinical development plan in combination with the overall R&D progress of the product pipeline and resource allocation arrangements. The related evaluation work aimed to support the Group's overall management of development priorities for its investigational projects, and to ensure the rational allocation and effective use of R&D resources.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET PB-1902 SUCCESSFULLY.

PB-722, a GCG receptor agonist being developed for the treatment of congenital hyperinsulinemia

PB-722 is a GCG receptor agonist being developed for the treatment of congenital hyperinsulinemia and has been granted the Orphan Drug Designation by the FDA in May 2021. PB-722 has demonstrated its safety in several animal models and its efficacy in raising and maintaining blood glucose levels in a hypoglycemic animal model. In May 2023, the NMPA approved our IND application to conduct clinical trial of PB-722 for the treatment of congenital hyperinsulinemia in China, rendering PB-722 the first drug candidate with IND approval for the treatment of congenital hyperinsulinemia in China. We plan to initiate a randomized, double-blind, placebo-controlled, dose-escalating Phase I clinical trial to test the safety, tolerability, PK and PD profiles of PB-722 single dose subcutaneous injection in 2026. We expect to initiate a Phase II clinical trial in 2027.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET PB-722 SUCCESSFULLY.

PB-2301, a candidate drug for the treatment of T2DM, NASH and obesity

PB-2301 is an investigational candidate drug of the Group for the treatment of type 2 diabetes mellitus (T2DM), non-alcoholic steatohepatitis (NASH) and obesity, which is currently in the preclinical research stage.

During the Reporting Period, the Group continuously advanced the early-stage R&D of PB-2301, optimized its candidate molecule design and mechanism of action, and carried out relevant preclinical research to evaluate its safety and potential efficacy. Relevant research activities included a comprehensive evaluation of the pharmacodynamic characteristics and preliminary safety performance of the candidate molecule, aiming to provide foundational support for its subsequent development.

Meanwhile, the Group continuously conducted internal evaluations on the development strategy of PB-2301, and carefully considered its subsequent development path and clinical application strategy in combination with the R&D progress of the overall investigational product pipeline and resource allocation arrangements. The related evaluation work aimed to support the Group's overall management of development priorities for its investigational projects, and to ensure the rational allocation and effective use of R&D resources.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET PB-2301 SUCCESSFULLY.

PB-2309, a GLP-1/GIP/GCG triple receptor agonist for the treatment of T2DM, NASH and obesity

PB-2309 is a GLP-1/GIP/GCG triple receptor agonist candidate under development by the Group for the treatment of type 2 diabetes mellitus (T2DM), non-alcoholic steatohepatitis (NASH) and obesity, which is currently at the preclinical research stage.

During the Reporting Period, the Group continued to advance the early-stage research and development of PB-2309, focusing on the exploration and optimization of key development elements, including candidate molecule design based on multi-receptor activation mechanisms, activity balance and safety profile. Given that triple receptor agonists involve varying combinations and ratios of receptor activities, which may affect efficacy and tolerability, the Group has adopted a stepwise design and validation pathway in its research and development approach. At the early research stage, candidate molecules were initially screened and validated for key characteristics based on single-receptor related mechanisms. Building on such foundation, multi-receptor activation features are progressively introduced, and different receptor combinations and their activity balance are iteratively optimized, with a view to supporting the development of candidate molecule solutions that better align with the requirements of the target indications.

Meanwhile, the Group continued to conduct preclinical research work related to PB-2309, including pharmacodynamic characteristic evaluation, preliminary safety studies and other supporting studies, to comprehensively evaluate its potential therapeutic value in the field of metabolic diseases and provide a research basis for subsequent clinical development strategies.

The Group will, based on the early research results of PB-2309 and taking into account the R&D progress of the overall product pipeline and resource allocation arrangements, further evaluate its subsequent clinical development pathway as well as the clinical application strategy and timing of advancement.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET PB-2309 SUCCESSFULLY.

APGP6

APGP6 is a drug candidate under development by the Group for weight management and muscle mass improvement, which aims to increase lean mass while reducing fat content, so as to meet the potential clinical needs for superior body composition management solutions in the field of treatment for obesity and related metabolic diseases. It is currently at the pre-clinical research stage.

During the Reporting Period, the Group continued to advance the early-stage research and development of APGP6, optimized its candidate molecule design and mechanism of action, and conducted relevant pre-clinical studies to evaluate its safety and potential efficacy. Relevant research work included a comprehensive evaluation of the pharmacodynamic characteristics and preliminary safety performance of the candidate molecule in terms of weight regulation and body composition improvement, aiming to provide foundational support for its subsequent development.

Meanwhile, the Group also continued to conduct internal evaluations on the development strategy of NAPGP6, and prudently considered its subsequent development path and clinical application strategy in combination with the research and development progress and resource allocation arrangements of the overall pipeline of products under development. Relevant evaluation work aimed to support the management of the overall development priority of the Group's projects under development, and to ensure the rational allocation and effective use of research and development resources.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET APGP6 SUCCESSFULLY.

Research and Development

During the Reporting Period, the Group continued to advance its R&D activities to support the development progress of its investigational product candidates.

The Group has established an R&D team focusing on the fields of chronic and metabolic diseases. The team members cover multiple functional areas including drug discovery, clinical development and regulatory affairs, and possess relevant product development experience.

Leveraging its in-house drug discovery platform, the Group continued to carry out design optimization and related research work for its product candidates. Relevant R&D activities cover stages such as molecular design, efficacy evaluation, safety studies and formulation development of potential drug candidates. During the drug discovery stage, the Group's R&D team continues to carry out synthesis and optimization for potential drug candidates to support the subsequent development of the product candidates. During the drug evaluation stage, our R&D team coordinates the conduct of preclinical research activities in relation to the pharmacological evaluation, pharmacokinetics studies and toxicology, in order to to provide support for the further development of the product candidates.

As of December 31, 2025, the Group's clinical development team consisted of scientists and physicians with drug development experience, who are responsible for clinical development strategy development, clinical trial protocol design, clinical trial operation organization, drug safety monitoring, and clinical trial quality control, so as to support the clinical research activities of various investigational products.

The Group will continue to advance relevant R&D activities in combination with the R&D progress of the overall product pipeline and resource allocation arrangements, to support the subsequent development of the Core Product and other investigational product candidates.

For the year ended December 31, 2025 and 2024, our R&D expenses were RMB50.4 million and RMB95.4 million, respectively.

Chemistry, Manufacturing & Controls ("CMC")

As of December 31, 2025, our CMC team consisted of professionals with extensive experience in process development, production and quality management from well-known biopharmaceutical and pharmaceutical companies. Many of the CMC team members had over a decade of relevant work experience. Our CMC team specialized in preclinical and clinical support throughout the drug development process. The CMC function in our Company plays a critical role in drug development. It is responsible for developing safe, robust, and economically sound production processes for our drug substances and drug products, and ensuring their quality meets regulatory requirements.

As of the date of this announcement, we did not have commercialization-scale manufacturing facility. Currently we do not have any plans to establish our own manufacturing facilities to support our preclinical and clinical studies or produce future commercial supplies. We collaborate with CDMOs (including CMOs) to conduct and support our preclinical and clinical studies in line with industry practice. We believe our major CDMO partners possess sufficient production capacity and commercial production experience in the key compounds for our R&D activities such as peptide compounds.

Commercialization

As of December 31, 2025, the Group did not have any commercialized product.

During the Reporting Period, following the NDA approval of the Core Product Paidakang® (派達康®) (PB-119) obtained in November 2025, the Group continued to advance various preparations related to its commercialization and gradually established a supporting commercialization support system to support the subsequent marketing and sales arrangements of the product. Relevant work includes pre-launch preparations such as formulation of commercialization strategies, establishment of market access support systems, planning of academic promotion systems, preparation of patient support programs and innovative payment arrangements.

The Group has established an in-house marketing team that is primarily responsible for the formulation of overall commercialization strategies, advancing the planning of pre-launch academic exchange campaigns, and collaboration discussions with potential business partners. Considering that the establishment of an internal sales team may involve higher operating costs, the Group currently intends to adopt a collaborative commercialization model by partnering with pharmaceutical enterprises who possess commercialization capability in the relevant therapeutical fields, to utilize their mature sales networks to support the marketing and sales activities of the product after its launch.

Meanwhile, the Group continued to carry out overall planning for the promotional support tools, patient support programs and relevant market access arrangements required before the launch of PB-119, and advanced the communication and coordination with potential partner institutions to enhance the market coverage capability and patient accessibility after the launch of the product.

For the overseas market, the Group intends to take a step-wise strategy. During the Reporting Period, the Group has initiated preliminary negotiations with potential partners regarding development and commercialization collaboration opportunities for PB-119 in certain overseas regions, and has entered into a non-binding term sheet, the scope of which covers product development, registration filing, technology transfer and commercialization arrangements.

The Group will continue to conduct further communication and evaluation with potential partners regarding the aforementioned collaboration opportunities. Relevant collaboration arrangements are currently still at an early discussion stage, and no binding agreement has been entered into, and there remains uncertainty as to their final terms and whether they will be implemented.

Collaboration arrangement for commercializing PB-119

We entered into a commercialization collaboration arrangement (the "**Collaboration Agreement**") on September 13, 2024 with a commercialization partner (the "**Commercialization Partner**") regarding the future marketing and commercialization activities of PB-119 in Mainland China. As disclosed in the Prospectus, according to the Collaboration Agreement, if we fail to obtain the drug registration certificate for PB-119 from the NMPA by March 31, 2025, our Commercialization Partner has the right to unilaterally terminate the agreement upon written notice, and if such termination notice is not provided by the Commercialization Partner by June 30, 2025, the Collaboration Agreement will remain in effect, in which case both parties may need to engage in further negotiations regarding potential adjustments to the milestone events and payments.

In view of the development status of PB-119, the Collaboration Agreement was terminated in June 2025, with the parties being in negotiation of potential new arrangement for marketing and commercialization of PB-119 taking into account of its latest development status. Meanwhile, we will also identify other potential collaboration partners and explore possible collaboration arrangements for commercializing PB-119.

Intellectual Property

Intellectual property rights are pivotal to the success of our business. Our commercial future will depend, in part, on our ability to acquire and protect our intellectual property rights for commercially significant technologies, inventions and know-how. This includes acquisition of new patents, defense of existing patents, and protection of our trade secrets. We will also have to operate without infringing, misappropriating, or otherwise violating third parties' valid, enforceable intellectual property rights.

As of December 31, 2025, we held 83 patents and patent applications, including 14 patents

and 14 patent applications in relation to our Core Product. As of December 31, 2025, all of our material patents and patent applications were self-owned and all of our clinical-stage drug candidates were derived out of our HECTOR® platform and PEGylation technologies.

Future and Prospects

Looking ahead, the Group will continue to focus on the field of chronic disease treatment, committing to advancing the commercialization process of the Core Product and deepening the development of the investigational product pipeline to support the long-term business development of the Group.

Following the NDA approval of the Core Product Paidakang® (PB-119) successfully obtained in November 2025, the Group will comprehensively advance its commercialization implementation in the PRC market. Going forward, the Group will continue to focus on post-launch market access initiatives, enhancement of its commercialization and operational systems, and improvement of patient accessibility, with a view to supporting market penetration and expansion of clinical application scenarios after the launch of the product, and progressively unlocking the product's value.

In terms of R&D, while promoting the commercialization of the Core Product, the Group will continue to deepen the development of the existing product pipeline, and prudently advance the subsequent development of potential investigational projects, taking into account the overall R&D progress and resource allocation arrangements. The Group will continue to carry out preclinical research and clinical research support work for product candidates to evaluate their safety and potential efficacy, and provide support for subsequent development strategies.

Meanwhile, the Group will also continue to optimize the development priority and resource investment arrangements of various investigational projects based on the R&D progress of the overall product pipeline, so as to support the long-term development process and potential commercialization opportunities of the investigational products, and reserve new development momentum for future business growth. The Group will also continue to improve the product life cycle management strategy and explore potential opportunities for indication expansion and long-term clinical value enhancement to further support the long-term development of the product portfolio.

In terms of international development, the Group will continue to pursue opportunities for the development and commercialization of PB-119 in overseas markets based on the existing preliminary cooperation. During the Reporting Period, the Group has entered into a non-binding term sheets with potential partners in respect of the development and commercialization collaboration opportunities for PB-119 in certain overseas regions, and will continue to conduct further communication and evaluation of relevant collaboration opportunities to support the registration and commercialization process of the product in target markets.

The Group maintains a cautiously optimistic outlook on future development and will continue to advance the commercialization of the Core Product and the development of the investigational pipeline to support its long-term business growth. Looking ahead, the Group will remain focused on the field of chronic disease treatment, committed to advancing the commercialization of the Core Product and deepening the development of the investigational product pipeline to support the long-term business growth of the Group.

III. FINANCIAL REVIEW

Overview

We currently have not generated any revenue from product sales. We had not been profitable and incurred operating losses during the Reporting Period. For the year ended December 31, 2025, we had a total loss of RMB208.5 million, compared to the total loss of RMB283.4 million for the year ended December 31, 2024. Our total loss mainly resulted from research and development expenses, as well as administrative expenses.

As the NDA for PB-119 have been accepted by the NMPA, we expect to commercialize PB-119 in China in the near future. Subsequent to the Listing, we expect to incur costs associated with operating as a public company. We expect that our financial performance will fluctuate from period to period due to the development status of our drug candidates, timeline and terms of potential collaboration with our partners, regulatory approval timeline and commercialization of our drug candidates.

Loss for the Period

Net loss was RMB208.5 million for the year ended December 31, 2025, representing a decrease of RMB74.9 million from RMB283.4 million for the year ended December 31, 2024. The decrease was primarily due to the decrease in share-based compensation expenses and the reduction in R&D expenses as the launch of PB-119 was approved.

Non-HKFRS Measure

To supplement the Group's consolidated net loss which is presented in accordance with the HKFRS Accounting Standards, the Company has provided adjusted net loss as additional financial measure, which is not required by, or presented in accordance with, the HKFRS Accounting Standards.

Adjusted net loss for the period represents the net loss excluding the effect of a non-cash item, namely the share-based compensation expenses. The term adjusted net loss is not defined under the HKFRS Accounting Standards.

The table below sets forth a reconciliation of the loss to adjusted loss during the periods indicated:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Loss for the period	**(208,547)**	(283,351)
Add:		
Share-based compensation expenses	**82,421**	145,468
Adjusted net loss	**(126,126)**	(137,883)

The Company believes that the adjusted non-HKFRS measure is useful for understanding and assessing the underlying business performance and operating trends, and that the Company's management and investors may benefit from referring to this adjusted financial measure in assessing the Group's financial performance by eliminating the impact of certain unusual, non-recurring, non-cash and/or non-operating items that the Group does not consider indicative of the performance of the Group's core business. This non-HKFRS measure, as the management of the Group believes, is widely accepted and adopted in the industry in which the Group is operating. However, the presentation of this non-HKFRS measure is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the HKFRS Accounting Standards. Shareholders of the Company and potential investors should not view the adjusted results on a stand-alone basis or as a substitute for results under HKFRS Accounting Standards, and this non-HKFRS measure may not be comparable to similarly-titled measures represented by other companies.

Revenue

We currently have not generated any revenue from product sales.

R&D Expenses

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Third-party contracting expenses	**26,667**	35,913
Staff costs	**15,578**	19,524
Cost of materials and consumables	**3,641**	12,052
Share-based compensation expenses	**2,049**	24,855
Depreciation and amortization expenses	**1,487**	1,682
Others	**965**	1,401
Total	**50,387**	95,427

R&D expenses are RMB50.4 million for the year ended December 31, 2025, representing a decrease of RMB45.0 million from RMB95.4 million for year ended December 31, 2024, primarily due to (i) the decreased share-based compensation expenses by RMB22.8 million, mainly due to the one-off impacts of the cancellation and the modification of the vesting conditions of restricted share units ("**RSUs**") during the year ended December 31, 2024; and (ii) the reduction in R&D expenses as the launch of PB-119 was approved.

Administrative Expenses

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Share-based compensation expenses	**80,372**	120,613
Staff costs	**35,950**	14,334
Professional and consulting service fees	**20,163**	37,315
Depreciation and amortization expenses	**2,204**	733
Others	**4,634**	12,287
Total	**143,323**	185,282

Administrative expenses are RMB143.3 million for the year ended December 31, 2025, representing a decrease of RMB42.0 million from RMB185.3 million for the year ended December 31, 2024, primarily due to (i) the decreased share-based compensation expenses by RMB40.2 million, mainly due to the impacts of the above-mentioned cancellation and modification of RSUs during the year ended December 31, 2024; and (ii) the decrease in listing expenses as we completed the Listing in May 2025.

Liquidity and Capital Resources

We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. In addition, we monitor the utilization of borrowings and, from time to time, evaluate the options to renew the borrowings upon expiry based on our actual business requirement. We relied on equity financing as the major sources of liquidity during the Reporting Period.

During the Reporting Period, we incurred negative cash flows from our operations and substantially all of our operating cash outflows resulted from our research and development and administrative activities. Our operating activities used RMB183.4 million and RMB151.9 million of cash for the year ended December 31, 2024 and 2025, respectively.

We expect to generate more cash flow from our operating activities, through launching and commercializing our products and enhancing our cost containment capacity and operating efficiency. In order to bring to fruition our research and development objectives, we will ultimately need additional funding sources and there can be no assurances that they will be made available.

The following table sets forth our cash flows for the periods indicated:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Net cash used in operating activities	**(151,906)**	(183,442)
Net cash generated from investing activities	**97,912**	114,353
Net cash generated from financing activities	**498,894**	20,334
Net increase/(decrease) in cash and cash equivalents	**444,900**	(48,755)
Cash and cash equivalents at the beginning of the period	**28,392**	77,147
Effect of foreign exchange rate changes	**(5,752)**	–
Cash and cash equivalents at the end of the period	**467,540**	28,392

Net Cash Used in Operating Activities

For the year ended December 31, 2025, our net cash used in operating activities was RMB151.9 million, which was primarily attributable to the R&D and administrative expenses. For the year ended December 31, 2024, our net cash used in operating activities was RMB183.4 million, which was primarily attributable to the R&D and administrative expenses.

Net Cash Generated from Investing Activities

For the year ended December 31, 2025, our net cash generated from investing activities was RMB97.9 million, which was primarily attributable to the redemption of financial assets. For the year ended December 31, 2024, our net cash generated from investing activities was RMB114.4 million, which was primarily attributable to the redemption of financial assets.

Net Cash Generated from Financing Activities

For the year ended December 31, 2025, our net cash generated from financing activities was RMB498.9 million primarily attributable to the proceeds from the Listing and the Placing we conduct in December 2025. For the year ended December 31, 2024, our net cash generated from financing activities was RMB20.3 million primarily attributable to the increase in interest-bearing borrowings.

Cash and Cash Equivalents

The Group's cash and cash equivalents as at December 31, 2025 were RMB467.5 million, representing an increase of RMB439.1 million compared to RMB28.4 million as at December 31, 2024. The increase was mainly due to net proceeds from the Listing and the Placing we conduct in December 2025.

Borrowing and Gearing Ratio

The Group's total borrowings, including interest-bearing borrowings, as at December 31, 2025 were RMB85.0 million, representing a decrease of RMB15.0 million compared to RMB100.0 million as at December 31, 2024.

As at December 31, 2025 and December 31, 2024, all of the Group's interest-bearing borrowings are unsecured.

As at December 31, 2025, the Group's interest-bearing borrowings will mature within one year with the interest rate of 2.4%-3.0% (as at December 31, 2024: 2.6%-3.1%).

The gearing ratio (calculated by dividing the sum of interest-bearing borrowings and lease liabilities by total equity) of the Group as at December 31, 2025 was 20.9% (as at December 31, 2024: 176.6%).

Lease Liabilities

The lease liabilities of the Group were related to properties leased for our offices and R&D premises. The Group recognized lease liabilities for all leases except for short-term leases and leases of low-value assets.

Our lease liabilities increased to RMB8.6 million as at December 31, 2025 from RMB1.5 million as at December 31, 2024, mainly due to our lease of new office in Hangzhou during the Reporting Period.

Significant Investments

During the Reporting Period, we held the following negotiable certificate of deposits with banks, each of which accounts for 5% or more of the Group's total assets as of December 31, 2025:

(i) one deposit in the principal amount of RMB20 million with The China Construction Bank Suzhou Industrial Park Sub-branch (中國建設銀行蘇州工業園區支行) deposited on April 4, 2023. The maturity date for this deposit is on April 4, 2026 and the contractual yield is 3.10%. The reported gain on changes in fair value from this deposit during the Reporting Period was approximately RMB1.7 million and the fair value amounted to approximately RMB21.7 million as at December 31, 2025; and

(ii) two deposits in the aggregate principal amount of RMB30 million with Evergrowing Bank Co., Ltd. Shanghai Branch Business Department (恒豐銀行股份有限公司上海分行營業部) deposited on September 21, 2023 and August 1, 2024. The maturity date for these two deposits is August 1, 2026, and the contractual yields are both 3.20%. The aggregate reported gain on changes in fair value from these deposits during the Reporting Period was approximately RMB2.1 million and the aggregate fair value amounted to approximately RMB32.3 million as at December 31, 2025

Saved as disclosed above, we did not hold any significant investments (including any investment in an investee company) with a value of 5% or more of the Group's total assets during the Reporting Period.

The Group has adopted an investment strategy with the aim of effectively managing and enhancing the return on its cash reserves. This strategy is being implemented while the Group contemplates its investments.

Material Acquisitions and Disposals

In October 2025, the shareholders of Shanghai Maiji Biotech Co., Ltd. (上海邁跡生物醫藥科技有限公司) ("**Shanghai Maiji**"), a non wholly-owned subsidiary of the Company, resolved to voluntarily dissolve Shanghai Maiji, as disclosed in the announcement of the Company dated November 3, 2025. Upon completion of the dissolution, the Group derecognised the assets and liabilities of Shanghai Maiji in accordance with the accounting policy, and recognised the distribution amounted to RMB4,993,000 to the non-controlling shareholders of Shanghai Maiji.

Save as disclosed, during the year ended December 31, 2025, we did not have material acquisitions or disposals of subsidiaries, associates and joint ventures.

Foreign Exchange Risk

The Group has entities operating in the PRC. Certain of our bank balances are dominated in foreign currencies and are exposed to foreign currency risk.

As at December 31, 2025, the Group had no foreign exchange hedging instruments and foreign currency hedging policy. However, our management constantly monitors the economic situation and our Group's foreign exchange exposure and will consider appropriate hedging measures in the future should the need arise.

Capital Expenditure

For the year ended December 31, 2025, the Group's total capital expenditure amounted to approximately RMB3.7 million, which was mostly used in payment for fitting out of our offices.

Charge on Assets

As at December 31, 2025, the pledged bank deposits of the Group were RMB27,000 (2024: nil).

Contingent Liability

As at December 31, 2025, the Group did not have any material contingent liabilities. We confirm that as of the date of this announcement, there had been no material changes or arrangements to our contingent liabilities.

Employees and Remuneration Policies

As of December 31, 2025, we had a total of 58 employees, compared to 64 employees as at December 31, 2024.

In compliance with the applicable labor laws, we enter into individual employment contracts with our employees covering salaries, employee benefits, workplace safety, confidentiality and non-competition, work product assignment clause and grounds for termination. We normally enter into an employment contract and a non-competition agreement with our key management members and technical personnel, with a term of three years. The non-competition obligation is effective during the course of employment and within 12 months after the termination of the employment, unless written consent from the Company otherwise has been obtained. The agreements also typically include undertakings regarding assignment of inventions and discoveries made during the course of his or her employment.

During the Reporting Period and up to the date of this announcement, we did not experience any strikes, labor disputes or industrial action which had a material effect on our business. We believe we have not experienced any significant difficulty in recruiting staff for our operations.

Our employees' remuneration comprises salaries, bonuses, provident funds, social security contributions, and other welfare payments. We have made contributions to our employees' social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds pursuant to applicable laws and regulations. We had complied with all statutory social security insurance fund and housing fund obligations applicable to us under the laws and regulations in China in all material aspects during the Reporting Period and as of the date of this announcement.

To maintain our workforce's quality, knowledge, and skill levels, we provide continuing education and training programs, including internal training, to improve their technical, professional or management skills. We also provide training programs to our employees from time to time to ensure their awareness and compliance with our policies and procedures in various aspects. Furthermore, we provide various incentives and benefits to our employees, including competitive salaries, bonuses and share-based payment, particularly our key employees.

Future Plans for Material Investments and Capital Asset

It is the Group's corporate mission to continue to explore ways to improve its financial performance and to broaden the sources of revenue within acceptable risk level. Hence, the Company does not rule out the possibility of investing in or changing to other business as long as it is in the interest of the Company and the shareholders as a whole. Also, as part of its routine exercise, the Company reviews the performance of its existing business portfolio and evaluates possible investment opportunities available to the Company from time to time.

Subject to the result of such review and the then market and economy situation, the Company may make suitable investment decisions which may involve the disposal of part of its existing business portfolio and/or change of the asset allocation of its business and investment portfolio and/or expanding its business portfolio with a view of realizing and/or optimizing the expected return and minimizing the risks. Meanwhile, the Company does not preclude the possibility that the Company may implement debt and/or equity fund raising plan(s) to satisfy the financing needs arising out of any business development of the Group as well as to improve its financial position in the event that suitable fund raising opportunities arise, as the Company has from time to time been approached by investors for potential investment projects. In these regards, the Company will publish announcement as and when appropriate according to applicable rules and regulations.

IV. PRINCIPAL RISKS AND UNCERTAINTIES

We believe that there are certain risks involved in our operations, many of which are beyond our control. These risks are set out in the section headed "Risk Factors" in our Prospectus. Some of the major risks we face include:

- We may face intense competition and rapid technological change and the possibility that our competitors may develop therapies that are similar, more advanced, or more effective than ours, which may adversely affect our financial condition and our ability to successfully commercialize our drug candidates.

- We could be unsuccessful in obtaining or maintaining adequate patent protection for one or more of our drug candidates through intellectual property rights, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties may compete directly against us.

- Our business, financial condition, results of operations and prospects for the next couple of years are substantially dependent upon the successful approval and sales of PB-119. If we are unable to successfully obtain regulatory approvals, achieve commercialization or complete clinical development to expand indications for PB-119 in our targeted markets, or if we experience significant delays or cost overruns in doing any of the foregoing, our business, financial condition, results of operations and prospects could be materially and adversely affected.

- Clinical drug development involves a lengthy and expensive process with uncertain outcomes, and we may need to deprioritize certain drug candidates, and may be unable to commercialize our drug candidates at all.

- If our drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or may ultimately be unable to complete, the development and commercialization of our drug candidates.

- Our drug candidates may cause undesirable adverse events.

- Negative results from off-label drug use of our drug products could negatively impact our business, financial condition, results of operations and prospects and expose us to liability.

- We work with various third parties to develop our drug candidates. If these third parties fail to duly perform their contractual obligations or meet expected timelines, we may be unable to obtain regulatory approvals for, or commercialize, our drug candidates, and our business, financial condition and results of operations could be materially and adversely affected.

- We intend to work with third parties for the commercialization of our drug candidates. We may fail to identify competent third parties for such purposes, fail to achieve the expected synergies with the clinical development partners, and have little or no control over the marketing and sales efforts of the commercialization partners.

- We work with third parties to manufacture a portion of our drug candidates for clinical development and future commercialization. Our business could be harmed if those third parties fail to deliver sufficient quantities of products.

- The market size of our drug candidates might be smaller than we expected.

- We have incurred significant net losses since inception and we may continue to incur net losses and may fail to achieve or maintain profitability in the future. As a result, you may lose substantially all of your investment in us if our business fails.

For further details of the risk factors stated above, please see section headed "Risk Factors" in our Prospectus.

CORPORATE GOVERNANCE AND OTHER INFORMATION

I. FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended December 31, 2025 (year ended December 31, 2024: nil).

II. COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code to regulate all dealings by the Directors, the Supervisors and relevant employees of securities in the Company and other matters covered by the Model Code since the Listing Date. Specific enquiries have been made to all Directors and Supervisors, all of the Directors and Supervisors have confirmed that they have complied with the Model Code during the Reporting Period.

The Company's employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the employees was noted by the Company during the Reporting Period.

III. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted and applied the principles and code provisions as set out in the Part 2 of Corporate Governance Code as its own code of corporate governance practices.

During the Reporting Period, the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code, except for code provision C.2.1 described in the paragraph below. The Board will continue to review and monitor the code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

Pursuant to paragraph C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between chairman and chief executive should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive and Dr. Michael Min XU ("**Dr. XU**") currently performs the roles of the chairman of our Board and the general manager of our Company. Dr. XU has assumed the role of general manager of our Company since May 2008. He has extensive experience in the business operations and management of our Group. Our Board believes that, in view of his experience, personal profile and his roles in our Company, Dr. XU is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our general manager. The Board also believes that vesting the roles of both chairman and general manager in the same person has the benefit of (i) ensuring consistent leadership within the Group, (ii) enabling more effective and efficient overall strategic planning and execution of strategic initiatives of the Board, and (iii) facilitating the flow of information between the management and the Board for the Group.

The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this arrangement will enable the Company to make and implement decisions promptly and effectively. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees, and three independent non-executive Directors. The Board will continue to review and consider splitting the roles of chairman of the Board and general manager of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

IV. AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of Part 2 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Ms. Xinpeng FAN, Dr. Xiangjun ZHOU and Dr. Yangyang CHEN. Ms. Xinpeng FAN, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules, serves as the chairperson of the Audit Committee. The primary duties of the Audit Committee include, but not limited to, the following:

- proposing the appointment or change of external auditors to our Board, and monitoring the independence of external auditors and evaluating their performance;
- guiding internal audit work;
- examining the financial information of our Company, reviewing financial reports and statements of our Company and giving comments on relevant matters;
- assessing the effectiveness of internal control;
- coordinating the communication among management, internal audit department, related departments and external audit agency; and
- dealing with other matters that are authorized by the Board or involved in relevant laws and regulations.

The Audit Committee has reviewed and agreed with the accounting principles and practices adopted by the Group and has discussed matters in relation to internal controls and financial reporting with the management, including the review of the annual financial results of the Group for the year ended December 31, 2025. The Audit Committee considers that the annual financial results for the year ended December 31, 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

V. SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

VI. PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury Shares (as defined under the Listing Rules)).

As of December 31, 2025, there were no treasury Shares (as defined under the Listing Rules) held by the Company and no Shares repurchased but pending cancellation.

VII. USE OF PROCEEDS

Global Offering

The Company's H Shares, each with nominal value of RMB1.00, were listed on the Stock Exchange on May 19, 2025 with a total of 19,283,500 offer shares issued at an issued price of HK$15.6 and the net proceeds raised from the Global Offering were approximately HK$231.8 million (equivalent to RMB212.6 million) after the deduction of underwriting fees, and related expenses in connection with the Global Offering.

The net proceeds from the Global Offering have been and will be utilized in accordance with the purposes set out in the Prospectus. As of December 31, 2025, the Group had used the net proceeds from the Global Offering for the following purposes:

Use of proceeds	**Approximate % of total net proceeds** *(%)*	**Planned allocation of net proceeds** *(RMB million)*	**Utilized Net Proceeds during the Reporting Period** *(RMB million)*	**Unutilized Net Proceeds (as of December 31, 2025)** *(RMB million)*	**Expected timeline for application of unutilized net proceeds**
Commercialization and indication expansion of our Core Product PB-119	50.2	106.7	1	105.7	Expected to be fully utilized by the end of 2027
Further development of our key product PB-718	34.5	73.3	1.2	72.1	Expected to be fully utilized by the end of 2027
Ongoing and planned research and development of our other pipeline product candidates	5.3	11.3	5.2	6.1	Expected to be fully utilized by the end of 2026
Business development activities and enhancing our overseas presence	1.0	2.1	0.1	2	Expected to be fully utilized by the end of 2026
Working capital and other general corporate purposes	9.0	19.2*(Note)*	19.2*(Note)*	–	NA
Total	**100**	212.6	26.7	185.9	

Note:

Among the RMB19.2 million, (i) RMB18 million has been utilized to repay loans from banks; and (ii) RMB1.2 million has been utilized to pay professional services fees.

The December 2025 Placing

On December 12, 2025 (after trading hours), the Company entered into a placing agreement (the "**Placing Agreement**") for the placing of an aggregate of 5,136,000 H Shares to not less than six placees at a price of HK$58.41 per H Share (the "**Placing**"). The placing price of HK$58.41 per H Share represents: (i) a discount of 10% to the closing price of HK$64.90 per H Share as quoted on the Stock Exchange on December 12, 2025 (Hong Kong time), being the date of the Placing Agreement; and (ii) a discount of approximately 7.11% to the average closing price of HK$62.88 per H Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Placing Agreement. The gross proceeds and net proceeds (after deducting related costs and expenses to be borne by the Company) from the Placing amounted to approximately HK$299,993,760 and approximately HK$295,699,826, respectively.

Completion of the Placing took place on December 22, 2025.

The table below sets out the intended uses of the net proceeds of the Placing:

Expected use of net proceeds	Approximate percentage of total net proceeds	Allocation of net proceeds *(HK$ million)*	Net proceeds utilized during the year December 31, 2025 *(HK$ million)*	Unutilized net proceeds (as of December 31, 2025) *(HK$ million)*	Expected timeline for utilization of the net proceeds[(Note 1)]
Construction of a new-generation intelligent R&D and data platform	40	118.28	–	118.28	Expected to be fully utilized by the end of 2026
Repayment of loans and strengthening of the Company's capital structure	28	82.80	–	82.80	Expected to be fully utilized by the end of 2026
Ongoing and planned R&D of PB-2301 and PB-2309	12	35.48	–	35.48	Expected to be fully utilized by the end of 2026
Establishment of a HK subsidiary and acceleration of the Groups' overseas presence	10	29.57	–	29.57	Expected to be fully utilized by the end of 2026
General corporate purposes and working capital	10	29.57[(Note 2)]	–	29.57[(Note 2)]	Expected to be fully utilized by the end of 2026
Total	100	295.69	–	295.69	

Notes:

(1) The expected timeline is based on the best estimation of future market conditions and business operations made by the Company currently and remains subject to change based on future development of market conditions and actual business needs.

(2) Among the HK$29.57 million, it is expected that (i) HK$12.59 million will be used as employee salary expense; and (ii) 16.98 million will be used to pay professional services fees.

For further details of the Placing, please refer to the announcements of the Company dated December 14, 2025 and December 22, 2025.

VIII. EVENTS AFTER THE REPORTING PERIOD

The board lot size of the H shares of RMB1.00 each in the capital of the Company for trading on the Stock Exchange will be changed from 500 H Shares to 50 H Shares with effect from 9:00 a.m. on Tuesday, March 31, 2026. For further details, please refer to the announcements of the Company dated March 10, 2026.

Save as disclosed, the Group has no significant event occurred after the Reporting Period which require additional disclosures or adjustments as at the date of this announcement.

IX. CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

X. PUBLICATION OF ANNUAL RESULTS AND 2025 ANNUAL REPORT

This annual results announcement is published on the website of the Company (www.pegbio.com) and the website of the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended December 31, 2025 containing all the information required by the Listing Rules will be despatched to the Shareholders who have requested corporate communications in printed copy and published on the respective websites of the Company and the Stock Exchange within the prescribed time and in accordance with the requirements under the Listing Rules.

XI. ANNUAL GENERAL MEETING

The date of the Annual General Meeting (the "AGM") will be announced in due course. Shareholders should refer to details regarding the AGM in the circular of the Company, the notice of AGM and form of proxy accompanying thereto to be published and despatched (if requested) by the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2025

(Expressed in Renminbi)

	Note	Year ended 31 December	
		2025	2024
		RMB'000	*RMB'000*
Revenue		**–**	–
Cost of sales		**–**	–
Gross profit		**–**	–
Other net income	*2*	**189**	7,007
Selling and marketing expenses		**(12,247)**	(7,150)
Research and development expenses		**(50,387)**	(95,427)
Administrative expenses		**(143,323)**	(185,282)
Loss from operations		**(205,768)**	(280,852)
Finance costs	*3(a)*	**(2,779)**	(2,499)
Loss before taxation	*3*	**(208,547)**	(283,351)
Income tax	*4*	**–**	–
Loss for the year		**(208,547)**	(283,351)
Other comprehensive income for the year (after tax and other adjustments)		**–**	–
Total comprehensive income for the year		**(208,547)**	(283,351)
Attributable to:			
Equity shareholders of the Company		**(208,362)**	(283,158)
Non-controlling interests		**(185)**	(193)
Loss and total comprehensive income for the year		**(208,547)**	(283,351)
Loss per share			
Basic and diluted (RMB)	*5*	**(0.55)**	(0.77)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2025
(Expressed in Renminbi)

	Note	At 31 December 2025 *RMB'000*	At 31 December 2024 *RMB'000*
Non-current assets			
Property, plant and equipment		**6,920**	3,572
Right-of-use assets		**8,346**	1,527
Intangible assets		**554**	863
Other non-current assets		**27,131**	22,101
		42,951	28,063
Current assets			
Inventories		**873**	–
Prepayments and other receivables	*6*	**33,369**	8,247
Financial assets at fair value through profit or loss ("FVPL")		**54,474**	153,655
Pledged deposits		**27**	–
Cash and cash equivalents		**467,540**	28,392
		556,283	190,294
Current liabilities			
Trade and other payables	*7*	**54,038**	56,394
Interest-bearing borrowings	*8*	**84,969**	100,003
Lease liabilities		**2,048**	1,269
		141,055	157,666
Net current assets		**415,228**	32,628
Total assets less current liabilities		**458,179**	60,691
Non-current liabilities			
Lease liabilities		**6,589**	221
Deferred income		**3,000**	3,000
		9,589	3,221
NET ASSETS		**448,590**	57,470

	Note	At 31 December 2025 *RMB'000*	At 31 December 2024 *RMB'000*
CAPITAL AND RESERVES			
Share capital		**391,092**	366,672
Reserves		**57,396**	(314,482)
Total equity attributable to equity shareholders of the Company		**448,488**	52,190
Non-controlling interests		**102**	5,280
TOTAL EQUITY		**448,590**	57,470

NOTES

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

派格生物醫藥(杭州)股份有限公司 (PegBio Co., Ltd.) (the "Company") and its subsidiaries (together, the "Group") are engaged in research and development therapies in chronic disease. The Company completed the listing of H shares on the Main Board of The Stock Exchange of Hong Kong Limited in May 2025.

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the financial assets are stated at their fair value as explained in the accounting policies.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Changes in accounting policies

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 OTHER NET INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Net realised and unrealised gain on financial instruments carried at FVPL	**2,393**	6,013
Government grants *(i)*	**51**	267
Interest income on bank deposits	**4,177**	802
Foreign exchange loss	**(6,442)**	(9)
Others	**10**	(66)
	189	7,007

(i) Government grants primarily comprise subsidies from government for the encouragement of the research and development activities.

3 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Interest on interest-bearing borrowings	**2,457**	2,392
Interest on lease liabilities	**322**	107
	2,779	2,499

(b) Staff costs

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**55,960**	36,173
Contributions to defined contribution retirement plan *(i)*	**2,299**	2,615
Equity-settled share-based payment expenses	**82,421**	145,468
	140,680	184,256

(i) Pursuant to the relevant labor rules and regulations in the PRC, the Company and its subsidiaries in the PRC are required to participate in defined contribution retirement benefit schemes (the "Schemes") organised by the local government authorities whereby the Company and its subsidiaries in the PRC are required to make contributions to the Schemes based on certain percentages of the eligible employee's salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees.

The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions described above.

(c) Other items

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Depreciation of property, plant and equipment	**878**	829
Depreciation of right-of-use assets	**2,551**	1,374
Amortisation of intangible assets	**309**	295
Research and development expenses *(i)*	**50,387**	95,427
Listing expenses *(ii)*	**9,835**	35,492

(i) For the year ended 31 December 2025, research and development expenses include staff costs of RMB17,627,000 (2024: RMB44,379,000), depreciation and amortisation expenses of RMB1,487,000 (2024: RMB1,682,000), in which the respective amounts are also disclosed separately above.

(ii) For the year ended 31 December 2025, the Group recognised auditors' remuneration in respect of initial public offering of RMB652,000 (2024: RMB3,198,000), which is also included in the listing expenses disclosed separately above.

4 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income:

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

(i) The PRC

The Company's subsidiaries established and operated in the PRC are subject to the PRC corporate income tax at the rate of 25%.

According to the tax incentive policies promulgated by the State Tax Bureau of the PRC in September 2022, an additional 100% of qualified research and development expenses incurred for the years ended 31 December 2025 is allowed to be deducted from taxable income.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Loss before taxation	**(208,547)**	(283,351)
Notional tax on loss before taxation, calculated at the rates applicable to losses in the jurisdictions concerned	**(52,137)**	(70,838)
Effect of non-deductible expenses	**324**	288
Effect of share-based payment expenses	**20,605**	36,367
Effect of deferred tax assets in respect of temporary differences and tax losses not recognised	**38,130**	48,538
Tax effect of super deduction for research and development expenses *(Note 4(a)(i))*	**(6,922)**	(14,355)
Actual tax expense	**–**	–

5 LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share is based on the loss attributable to equity shareholders of the Company of RMB208,362,000 (2024: RMB283,158,000) and the weighted average of 378,383,000 ordinary shares (2024: 366,672,000) in issue during the year, calculated as follows:

Weighted average number of shares

	Year ended 31 December	
	2025	2024
	'000	*'000*
Issued shares at 1 January	**366,672**	366,672
Issuance of H shares	**11,711**	–
Weighted average number ordinary shares at 31 December	**378,383**	366,672

(b) Diluted loss per share

For the year ended 31 December 2025, the Company did not have any dilutive potential ordinary shares (2024: nil). Therefore, diluted loss per share is the same as basic loss per share.

6 PREPAYMENTS AND OTHER RECEIVABLES

	At 31 December	
	2025	2024
	RMB'000	*RMB'000*
Prepayments to suppliers	**32,663**	2,886
Prepayments for listing expenses	**–**	1,999
Other debtors and deposits	**706**	3,362
	33,369	8,247

All the prepayments and other receivables are expected to be recovered or recognised as expenses within one year.

7 TRADE AND OTHER PAYABLES

	At 31 December	
	2025	2024
	RMB'000	*RMB'000*
Trade payables	**25,242**	35,123
Accrued payroll	**24,907**	3,958
Tax payables	**953**	429
Other payables and accruals	**2,936**	16,884
	54,038	56,394

All of trade and other payables are expected to be settled within one year or are repayable on demand.

As at the end of the reporting period, the ageing analysis of trade payables based on the invoice date, is as follows:

	At 31 December	
	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**25,052**	34,933
Over 1 year	**190**	190
	25,242	35,123

8 INTEREST-BEARING BORROWINGS

	At 31 December	
	2025	2024
	RMB'000	*RMB'000*
Bank loans	**84,969**	91,582
Trade finance loans	**–**	8,421
	84,969	100,003

As of the end of the reporting period, all of the above interest-bearing borrowings are unsecured and carried at amortised cost. All these interest-bearing borrowings are to be settled within one year.

9 DIVIDENDS

No dividends were declared or paid by the Company in 2025.

"affiliate"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"Articles of Association"	the articles of association of the Company, as amended from time to time, which was effective from the Listing Date
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Company
"Board of Directors", "Board" or "our Board"	the board of Directors
"BVI"	the British Virgin Islands
"China" or "PRC"	the People's Republic of China, which for the purpose of this announcement and for geographical reference only, excludes Hong Kong, Macau and Taiwan
"Company", "our Company", "the Company" and "PegBio"	PegBio Co., Ltd. (派格生物醫藥(杭州)股份有限公司) (formerly known as PegBio Co., Ltd. (派格生物醫藥(蘇州)股份有限公司)), a limited liability company incorporated in the PRC on May 13, 2008 and converted into a joint stock company with limited liability on December 30, 2020
"Core Product"	has the meaning ascribed to it in Chapter 18A of the Listing Rules and in this context, refers to PB-119
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"FDA"	U.S. Food and Drug Administration
"Global Offering"	the initial public offering of the shares on the terms and subject to the conditions as described in the Prospectus
"Group", "our Group", "we", "us" or "our"	our Company and its subsidiaries
"H Share(s)"	listed ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be subscribed for and traded in HK dollars and to be listed on the Hong Kong Stock Exchange

"HKFRS" or "HKFRS Accounting Standards"	All applicable HKFRS Accounting Standards, which collectively includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants
"HK$" or "Hong Kong Dollars" or "HK Dollars" and "HK cents"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Listing"	the listing of our H Shares on the Main Board
"Listing Date"	May 27, 2025
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"NMPA"	the National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局), or CFDA
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)
"Prospectus"	the prospectus issued by the Company on May 19, 2025 in connection with the Hong Kong Public Offering
"Reporting Period"	the period from January 1, 2025 to December 31, 2025
"RMB"	Renminbi, the lawful currency of China
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Cap. 571), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of Shares of the Company

"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"Supervisor(s)"	supervisor(s) of the Company
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$" or "U.S. Dollars"	United States dollars, the lawful currency of the United States
"%"	per cent

GLOSSARY

"Agonist"	an agonist is an agent that activates a receptor to produce a biological response
"CAGR"	compound annual growth rate
"CDMO"	contract development and manufacturing organization, a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing
"clinical trial/study"	a type of research carried out on human for validating or finding the therapeutic effects and side effects of test drugs in order to determine the therapeutic value and safety of such drugs
"CMC"	chemistry, manufacturing, and controls
"CMO"	contract manufacturing organization, a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive services for drug manufacturing
"diabetes"	a complex, chronic metabolic disease characterized by elevated levels of blood glucose, which over time leads to serious damage to the heart, blood vessels, eyes, kidneys, nerves and other organs, comprised of two categories including type 1 diabetes mellitus and type 2 diabetes mellitus
"GCG"	glucagon, the main catabolic hormone of the body, produced by alpha cells of the pancreas; it raises the concentration of glucose and fatty acids in the bloodstream
"GLP-1"	glucagon-like peptide-1; a peptide hormone that decreases blood sugar levels in a glucose-dependent manner by enhancing the secretion of insulin
"glycemic control"	the management of blood sugar levels

"IND"	investigational new drug, an application in the drug review process required by a regulatory authority to decide whether a new drug is permitted to initiate clinical trials; also known as clinical trial application, or CTA, in China
"NASH" or "non-alcoholic steatohepatitis"	the liver manifestation of a metabolic disorder, and the most severe form of non-alcoholic fatty liver disease, also known as metabolic dysfunction-associated steatohepatitis (MASH)
"NDA"	new drug application, a process required by an regulatory authority to approve a new drug for sale and marketing
"obesity"	abnormal or excessive fat accumulation in the body; defined as an individual having a body mass index over 28kg/m^2 or more in China and 30 kg/m^2 or more in the United States, respectively
"OIC"	opioid-induced constipation; opioid drugs inhibit gastric emptying and peristalsis in the gastrointestinal tract which results in delayed absorption of medications and increased absorption of fluid
"opioid"	a class of drugs used to reduce pain
"PD"	pharmacodynamics; the study of how a drug affects an organism, which, together with pharmacokinetics, influences dosing, benefit, and adverse effects of the drug
"PEG"	polyethylene glycol
"PEGylation"	a process through which PEG chains are attached to proteins, peptides or other molecules to alter certain properties, such as molecular mass, solubility, stability and half-life in the body
"Phase I clinical trial"	a study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its efficacy
"Phase II clinical trial"	a study in which a drug is administered to a limited patient population to preliminarily evaluate the efficacy of the product for specific targeted diseases, to identify possible adverse effects and safety risks, and to determine optimal dosage
"Phase III clinical trial"	a study in which a drug is administered to an expanded patient population generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to provide adequate information for the labeling of the product

"placebo"	a medical treatment or preparation with no specific pharmacological activity
"preclinical study"	a study testing a drug on non-human subjects, to gather efficacy, toxicity, pharmacokinetic and safety information and to decide whether the drug is ready for clinical trials
"R&D"	research and development
"receptor agonist"	a receptor agonist is an agent that activates a receptor to produce a biological response
"SGLT-2"	sodium-glucose cotransporter-2; SGLT-2 is the major cotransporter involved in glucose reabsorption in the kidney, responsible for reabsorption of 80-90% of the glucose filtered by the kidney glomerulus
"SGLT-2i"	sodium-glucose cotransporter-2 inhibitors, a class of prescription medicines that are FDA-approved for use with diet and exercise to lower blood sugar in adults with T2DM
"T2DM"	type 2 diabetes mellitus, a form of diabetes characterized by high blood sugar, insulin resistance and relative lack of insulin; the pancreas in T2DM patient makes less insulin, and the body becomes resistant to insulin

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.

By Order of the Board
PegBio Co., Ltd.
派格生物醫藥(杭州)股份有限公司
Michael Min XU
Chairman of the Board, Executive Director and General Manager

Hangzhou, the PRC, March 23, 2026

As of the date of this announcement, the board of directors of the Company comprises: (i) Dr. Michael Min XU and Ms. Xiaojun WANG as executive directors; (ii) Dr. Xiangjun ZHOU, Dr. Yuhong XU, Ms. Ting ZHAI and Mr. Hongkai LI as non-executive directors; and (iii) Dr. Jiancun ZHANG, Dr. Yangyang CHEN and Ms. Xinpeng FAN as independent non-executive directors.