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)

PROPOSED CHANGE OF AUDITOR

This announcement is made by the board (**"Board"**) of directors (**"Directors"**) of PegBio Co., Ltd. (**"Company"**, together with its subsidiaries referred to as **"Group"**) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities (**"Listing Rules"**) on The Stock Exchange of Hong Kong Limited (**"Stock Exchange"**).

PROPOSED CHANGE OF AUDITOR

The Board announces that as the Company could not reach a consensus with KPMG ("**KPMG**") in respect of the audit fee for the year ending December 31, 2026 ("**2026 Annual Audit**"), the Company, upon the recommendation from the audit committee of the Board (the "**Audit Committee**"), proposes to remove KPMG as the auditor of the Company for the year ending December 31, 2026 (the "**Proposed Removal**") and to appoint Rongcheng (Hong Kong) CPA Limited ("**RCHK**") as the new auditor of the Company for the year ending December 31, 2026 to fill the casual vacancy following the Proposed Removal and to hold office until the conclusion of the next annual general meeting of the Company (the "**Proposed Appointment**", together with the Proposed Removal, the "**Proposed Change of Auditor**"). The Proposed Change of Auditor is subject to, among other things, the passing of the relevant resolutions at an extraordinary general meeting to be convened by the Company (the "**EGM**").

BACKGROUND FOR PROPOSED CHANGE OF AUDITOR

At the last annual general meeting of the Company held on June 24, 2026, KPMG was re-appointed as the auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

The Audit Committee has reviewed the audit fee proposals provided by KPMG and other professional accounting firms including RCHK. The audit fee proposals provided by RCHK was more competitive in comparison with the same provided by KPMG. The Company and KPMG have subsequently discussed regarding the fee for the 2026 Annual Audit but could not reach a consensus in respect thereof.

After a careful assessment of, among others, the matters as more particularly set out in the section headed "ASSESSMENT OF THE PROPOSED APPOINTMENT OF RCHK AS THE INCOMING AUDITOR" below, the Audit Committee was of the view that the audit proposals provided by KPMG and RCHK were broadly comparable, and RCHK possessed the professional qualifications and experience necessary to provide high-quality audit services with a competitive audit fee.

Upon the recommendation from the Audit Committee, the Board resolved to seek the approval of the shareholders of the Company (the "**Shareholders**") regarding (i) the Proposed Removal; and (ii) the Proposed Appointment.

The Board is of the view that the Proposed Change of Auditor will facilitate more effective cost control and reduce operating expenses for the Company, thereby enhancing the Group's operational agility. The Board accordingly considers the Proposed Change of Auditor to be in the best interest of the Company and its Shareholders as a whole. The Board would like to take this opportunity to thank KPMG for its professional services and support in the past years.

KPMG has confirmed in its termination letter that there is no disagreement between the Company and KPMG except for the audit fee for 2026 Annual Audit and there is no matter in connection with the termination of KPMG as the auditor of the Company that needs to be brought to the attention of the Shareholders.

The Board further confirmed that, as at the date of this announcement, KPMG has not commenced any review or audit work for 2026 Annual Audit. The Proposed Change of Auditor is not expected to have any significant impacts on the annual audit or the release of the Group's annual results for 2026 Annual Audit.

ASSESSMENT OF THE PROPOSED APPOINTMENT OF RCHK AS THE INCOMING AUDITOR

The Board and the Audit Committee have considered a number of factors regarding the proposed appointment of RCHK as the new independent auditor of the Company. In particular, the Audit Committee has considered section 2 of the Guide and is satisfied that the RCHK is independent, competent and capable to perform high-quality audits upon the consideration as set out in the Guide.

(i) Governance and leadership

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

(ii) Independence and compliance with relevant ethical requirements

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

(iii) Industry knowledge and technical competence

RCHK has a team of staff with professional qualifications and extensive audit experience, and possesses experience in providing audit services to companies listed on the Stock Exchange and clients across various industries. In addition, RCHK is able to leverage its international service network and professional resources to provide cross-border audit support for enterprises with domestic and overseas operations. The Audit Committee has reviewed and discussed with RCHK its proposed audit plan, which sets out the audit coverage, procedures, the Proposed Audit Team and timetable, and confirmed that it has sufficient qualified staff and professional resources to deliver high-quality audit services.

(iv) Engagement performance

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

(v) Communication and interaction with the Audit Committee

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

(vi) Monitoring procedures

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

The Audit Committee acknowledges its ongoing responsibility to monitor the performance and effectiveness of the auditor and will maintain appropriate oversight through regular communication, review of significant audit matters and evaluation of the auditor's performance to ensure compliance with applicable professional standards and the maintenance of audit quality.

IMPLICATIONS UNDER THE LISTING RULES AND THE ARTICLES

Pursuant to Article 170 of the articles of association of the Company (the "**Articles**"), the appointment and dismissal of an accounting firm shall be determined by a Shareholders' meeting.

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

In compliance with the Articles and the Listing Rules, the Proposed Change of Auditor will be proposed as ordinary resolutions at the EGM.

THE EGM

The Board and the Audit Committee are of the view that the Proposed Change of Auditor would preserve audit quality while affording the Company greater flexibility in implementing more effective cost control measures to better support its future business development, and that the Proposed Change of Auditor is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board and the Audit Committee recommend the Shareholders to vote in favour of the ordinary resolution in respect of the Proposed Change of Auditor at the EGM.

A circular containing, among other matters, details of the Proposed Change of Auditor, together with a notice of the EGM, will be published by the Company in due course.

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, September 18, 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. Yik Lam LIAO as independent non-executive directors.