THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **PegBio Co., Ltd.**, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

(1) PROPOSED REMOVAL OF AUDITOR
(2) PROPOSED APPOINTMENT OF AUDITOR
(3) PROPOSED CHANGE IN USE OF PROCEEDS FROM THE GLOBAL OFFERING
AND
(4) NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 4 to 21 of this circular.

The notice convening the EGM to be held on Thursday, November 26, 2026 at 10:00 a.m. (Hong Kong time) by way of a physical meeting at 6/F, Block A, No. 520 Shaoxing Road, Gongshu District, Hangzhou, Zhejiang Province, PRC or any adjournment or postponement thereof is set out on pages N-I-1 to N-I-2 of this circular. A form of proxy for use at the EGM is also enclosed and is available on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.pegbio.com).

Whether or not you are able to attend the EGM, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the same as soon as possible but in any event not later than 24 hours before the time appointed for holding the EGM (i.e. not later than 10:00 a.m. on Wednesday, November 25, 2026) or any adjournment thereof to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and, in such event, the completed and returned form of proxy will be deemed to be revoked. For the avoidance of doubt, holders of treasury shares, if any, shall abstain from voting at the EGM in respect of any treasury shares held by them, if any.

References to time and dates in this circular are to Hong Kong time and dates.

November 11, 2026

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NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING N-I-1

In this circular, unless the context otherwise requires, the following terms or expressions shall have the meanings set out below:

"2025 AGM"	the 2025 annual general meeting of the Company
"2026 Annual Audit"	the audit for the financial results of the Company for the year ending December 31, 2026
"AFRC Guide"	the Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors issued by the Accounting and Financial Reporting Council
"Announcement"	the announcement of the Company dated September 18, 2026, in relation to the Proposed Change of Auditor
"Articles of Association"	the articles of association of the Company, as amended from time to time, which have been effective since the Listing Date
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors of the Company
"China" or the "PRC"	the People's Republic of China, for the purposes of this circular and for geographical reference only, unless otherwise indicated, excluding Hong Kong, Macau Special Administrative Region of the People's Republic of China, and Taiwan Region
"Company"	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
"Director(s)"	the director(s) of the Company

"EGM"	the 2026 first extraordinary general meeting of the Company to be held on Thursday, November 26, 2026 at 10:00 a.m. (Hong Kong time) or any adjournment thereof, the notice of which is set out on pages N-I-1 to N-I-2 of this circular
"Global Offering"	the initial public offering of the Shares on the terms and subject to the conditions as described in the Prospectus
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"H Share(s)"	listed ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
"Latest Practicable Date"	November 10, 2026, being the latest practicable date prior to the publication of this circular for ascertaining certain information in this circular
"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
"Proposed Appointment"	the proposed appointment of RCHK as the new auditor of the Company for the year ending December 31, 2026, subject to the approval of the Shareholders at the EGM
"Proposed Change of Auditor"	collectively, the Proposed Removal and the Proposed Appointment
"Proposed Removal"	the proposed removal of KPMG as the auditor of the Company for the year ending December 31, 2026, subject to the approval of the Shareholders at the EGM
"Prospectus"	the prospectus issued by the Company on May 19, 2025 in connection with the Global Offering

"RCHK"	Rongcheng (Hong Kong) CPA Limited
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Unlisted Share(s)"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange
"%"	per cent

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)

Executive Directors:
Dr. Michael Min XU *(Chairman)*
Ms. Xiaojun WANG

Non-executive Directors:
Dr. Xiangjun ZHOU
Dr. Yuhong XU
Ms. Ting ZHAI
Mr. Hongkai LI

Independent Non-executive Directors:
Dr. Jiancun ZHANG
Dr. Yangyang CHEN
Ms. Yik Lam LIAO

Registered office, headquarter and principal place of business in the PRC:
Room 606, Building 1
Haozhang Tower
Gongshu District
Hangzhou
Zhejiang Province
PRC

Principal place of business in Hong Kong:
46/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Hong Kong, November 11, 2026

To the Shareholders

Dear Sir or Madam,

(1) PROPOSED REMOVAL OF AUDITOR
(2) PROPOSED APPOINTMENT OF AUDITOR
(3) PROPOSED CHANGE IN USE OF PROCEEDS FROM THE GLOBAL OFFERING
AND
(4) NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

The purpose of this circular is to provide you with information in respect of certain resolutions to be proposed at the EGM to be held on Thursday, November 26, 2026 at 10:00 a.m. (Hong Kong time), to enable you to make an informed decision on whether to vote for or against the proposed resolutions set out in the notice of the EGM.

II. DETAILS OF THE RESOLUTIONS

Resolutions to be proposed at the EGM for the Shareholders' consideration and approval by way of ordinary resolutions include: (1) proposed removal of auditor; (2) proposed appointment of auditor; and (3) proposed change in use of proceeds from the Global Offering.

Details of the matters to be resolved at the EGM are set out in the notice of EGM on pages N-I-1 to N-I-2 of this circular. To enable you to get a better understanding of the resolutions to be proposed at the EGM and make informed decisions with sufficient and necessary information, we have provided particulars thereon in this circular.

1. PROPOSED REMOVAL 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 proposal 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 considering the facts and circumstances, the Audit Committee made a recommendation to the Board regarding the Proposed Removal.

The Board is of the view that the Proposed Removal 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 Removal to be in the best interests 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 the 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 Latest Practicable Date, KPMG had not commenced any review or audit work for the 2026 Annual Audit. The Proposed Change of Auditor is not expected to have any significant impact on the annual audit or the release of the Group's annual results for FY2026.

The Proposed Removal will be proposed, by way of an ordinary resolution, for the Shareholders' consideration and approval at the EGM.

2. PROPOSED APPOINTMENT OF AUDITOR

Following the Proposed Removal, the Company, upon the recommendation from the Audit Committee, proposes to appoint 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.

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.

The Proposed Appointment will be proposed, by way of an ordinary resolution, for the Shareholders' consideration and approval at the EGM, conditional upon the passing of the resolution to approve the Proposed Removal.

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 AFRC Guide and is satisfied that RCHK is independent, competent and capable of performing high-quality audits upon the consideration as set out in the AFRC 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, organisational 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 of RCHK for the 2026 Annual Audit ("**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.

The Chronology of Events in Relation to the Proposed Change of Auditor

The chronology of key events leading to the Proposed Change of Auditor is as follows:

Date	**Event(s)**
Early May 2026	As part of the Company's annual governance and cost-control review, the Board initiated a re-assessment of the level of professional fees of the Group, including audit fees, having regard to the Group's current operational scale, risk profile, cost-control strategy and prevailing market practices.
May 8, 2026	The Company obtained fee quotations from RCHK and another professional accounting firm ("**Accounting Firm A**").
May 11, 2026	The Company obtained fee quotations from another professional accounting firm ("**Accounting Firm B**").
May 12, 2026	The Company had separate discussions with RCHK, Accounting Firm A and Accounting Firm B respectively in relation to the quotations and had a preliminary understanding of their respective experience on listed company audit, available manpower on the Company's annual audit, proposed audit approach, audit plan and fee structure.
May 15, 2026	The Company obtained fee quotation from KPMG.

Date	Event(s)
Mid to late May, 2026	The Board considered that additional time was required to conduct a detailed assessment of the suitability of each prospective auditor candidate. In light of the timing of the 2025 AGM, the Company decided to propose the re-appointment of KPMG at the forthcoming 2025 AGM, and would further evaluate whether a change of auditors is required after the conclusion of the 2025 AGM.
June 1, 2026	The 2025 AGM circular and notice of the 2025 AGM were published.
June 24, 2026	The 2025 AGM was convened. KPMG was re-appointed as the auditor of the Company for FY2026, and to hold office until the conclusion of the next annual general meeting of the Company.
July 24, 2026	The Company had further discussions with KPMG and received an updated fee quotation from KPMG.
September 15, 2026	The Company had further discussions with RCHK and received an updated fee quotation from RCHK.
September 18, 2026	After a detailed assessment of, among others, the factors as more particularly set out in the Announcement, the Company formed 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. The Audit Committee meeting and Board meeting were held and the Board resolved to remove KPMG and appoint RCHK as the Company's auditor. On the same date, the Company formally notified KPMG of the Proposed Removal and received the termination letter and clearance letter from KPMG.

Key Considerations of the Audit Committee

Major factors underlying differences between KPMG and RCHK audit fees

The Audit Committee has carefully considered the difference between the audit fee of approximately RMB3.0 million proposed by KPMG and the fee of RMB1.3 million proposed by RCHK for the audit of the consolidated financial statements of the Group for the year ending December 31, 2026, representing a reduction of approximately 56.7%. The audit fee proposed by RCHK was based on the total estimated audit hours by RCHK which total approximately 3,560 hours, comprising over 570 hours for the engagement partners, principals and managers, which includes over 60 hours for the IT team. The members of the audit team comprise (i) three partners; (ii) two principals; (iii) one manager; (iv) four senior auditors (including IT team member(s)); (v) three accountants; and (vi) one internship student.

After comparing these two audit fee proposals for the 2026 Annual Audit and making reference to the quotation of other accounting firms, the Audit Committee considered that the reduced fee proposed by RCHK is not unreasonable and audit quality should not be affected just because of this disparity. The reduced fee offered by RCHK is primarily attributable to the operational efficiencies and strategic resources deployment rather than any reduction in audit scope or audit quality, including:

- RCHK has ensured experienced audit team composition and appropriate resource allocation for the engagement. The Proposed Audit Team comprises partners and a dedicated audit team. Some team members have previously worked in Big Four accounting firms, and more than half are qualified professional accountants (HKICPA or equivalent). This extensive background provides familiarity with high-quality audit practices, robust risk assessment procedures, and stringent compliance requirements, thereby safeguarding audit quality despite the agreed fee discount.

- RCHK has confirmed to implement efficient resource allocation and management strategies to ensure audit quality while achieving cost efficiency by direct involvement of senior engagement personnel in audit planning, supervision and review, having regard to the nature, scope and complexity of the Group's operations. This deliberate allocation of experienced professionals to critical audit areas provides robust oversight and enhances the reliability of audit procedures to address complex accounting issues effectively and mitigate potential risks without unnecessary duplication of work.

- RCHK has confirmed to maintain regular communication with the management and the Audit Committee throughout the course of the audit. RCHK has undertaken to provide timely updates on any issues identified during audit procedures to ensure transparency and avoid last-minute surprises. This proactive communication framework allows the management and the Audit Committee to address matters promptly and such an approach reflects best practices in governance and reinforces the assurance for audit quality.

The Audit Committee further considered that the difference in audit quotations among professional firms does not necessarily reflect differences in audit scope or quality. Rather, such differences could be attributable to a variety of firm-specific commercial factors, including the scale and composition of their engagement teams, the firm's operating model and internal cost structure. Prevailing market conditions and each firm's individual business and marketing strategy may further account for variations in fee levels.

The Audit Committee has given thorough consideration to the credentials of RCHK and the members of the Proposed Audit Team, including RCHK's experience in auditing Hong Kong listed companies, its network and resources, its proposed audit plan and audit scope for the 2026 Annual Audit, and other factors as stated in the AFRC Guide.

Accordingly, a difference in quoted fees between two firms is not, of itself, an indication of any compromise in the scope or quality of the audit work to be performed. The Audit Committee is of the view that the audit fee offered by RCHK is reasonable. Further, the Audit Committee is satisfied that the audit fee proposed by RCHK is not at a level that would compromise the audit quality by inadequate resource allocation or insufficient audit work being performed.

Other considerations

The Board and the Audit Committee also took into account that the appointment of RCHK would constitute a first-year audit engagement. The Audit Committee considers that, as RCHK is required to understand the Group's business model and internal controls and to carry out first-year audit procedures, the staff resources proposed to be deployed by RCHK have already included the manpower necessary to complete relevant audit work as compared to non-first-year audits. The Audit Committee also considers that the estimated audit hours of RCHK were comparable to similar audit engagements based on individual Audit Committee member's experiences and therefore the resources committed by RCHK are sufficient, its audit timetable is feasible and its audit quality would not be compromised, notwithstanding the lower audit fee as compared to that of KPMG.

As a first-year audit, RCHK adopts a phased approach with early planning and coordinated execution of audit procedures, which assists in timely identification of key issues during the audit process. The additional workload arising from the first-year audit will therefore be addressed through targeted audit procedures and focused allocation of audit resources, rather than merely through an increase in audit hours.

For the reasons stated above and in the Announcement, both the Board and the Audit Committee consider that the Proposed Change of Auditor is in the best interests of the Company and its Shareholders. The fact that the H Shares have been listed on the Main Board of the Stock Exchange for less than 18 months does not affect the foregoing conclusion.

The Audit Plan and Timetable of RCHK

RCHK will perform the audit of the consolidated financial statements of the Group for the year ending December 31, 2026 in accordance with HKFRS Accounting Standards and in compliance with the Listing Rules.

RCHK proposed to carry out the audit work between December 2026 and March 2027. Set out below is the related audit timetable:

Phase	Estimated Time	Detailed Procedures
Audit Planning	December 2026	1. Conduct interviews with the management and the Audit Committee; 2. Perform audit procedures in accordance with applicable auditing standards on opening balances and prior-year comparative figures; 3. Identify and assess significant audit risks; 4. Understand internal control design and operation; test key control points; evaluate control effectiveness; determine the scope and nature of substantive procedures; 5. Perform inventory and fixed assets count.
Audit Execution	January to February 2027	1. Perform substantive procedures and focus on high-risk areas; 2. Perform consolidation procedures; 3. Perform subsequent events procedures; 4. Resolve outstanding audit exceptions.
Completion	March 2027	1. Summarize audit evidence; 2. Hold final audit meeting and communicate audit findings with the management and the Audit Committee; 3. Finalize the auditor's report.
Reporting	End of March 2027	1. Issuance of annual results announcement;
	End of April 2027	2. Issuance of annual report.

RCHK confirmed that the audit will be conducted in accordance with the Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants and in compliance with applicable ethical requirements. In performing the audit, RCHK will exercise professional judgement and maintain professional skepticism throughout the audit process. The proposed audit plan includes, among others, an assessment of the risks of material misstatement of the consolidated financial statements, an understanding and evaluation of relevant internal controls, and design and execution of audit procedures responsive to the identified risks. Based on its preliminary understanding of the Group's business and financial information, RCHK has identified recognition and measurement of research and development expenses as a key area of audit focus. RCHK has confirmed its commitment to fulfilling the proposed audit timetable while maintaining audit quality, by allocating sufficient resources efficiently and ensuring the direct involvement of senior engagement personnel in audit planning, supervision and review, having regard to the nature, scope and complexity of the Group's businesses.

The Audit Committee reviewed RCHK's proposed audit timetable, which provides sufficient time for each audit phase, including planning, fieldwork, review and completion, without undue compression.

Based on the above audit timetable and comparison with the prior year's audit schedule, there is no material change in the reporting timeline in spite of the change of the auditor and the Audit Committee is of the view that the proposed audit timetable is reasonable and sufficient for RCHK to complete all the necessary audit procedures without compromising the audit quality and RCHK's committed resources are adequate to achieve the proposed audit timetable.

Implications under the Listing Rules and the Articles of Association

Pursuant to Article 170 of the Articles of Association, the appointment and dismissal of an accounting firm shall be determined by a general meeting.

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

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

Accordingly, the Company will despatch a copy of this circular together with the notice of EGM to the Shareholders who request printed copies, and also despatch a copy of the same to KPMG to invite them to attend the EGM and make written and/or verbal representations (if any) to the Shareholders at the EGM. As at the Latest Practicable Date, the Company has not received such representation from KPMG.

3. PROPOSED CHANGE IN USE OF PROCEEDS FROM THE GLOBAL OFFERING

Reference is made to the announcement of the Company dated September 18, 2026 in relation to the change in use of proceeds from the Global Offering.

The actual net proceeds received from the Global Offering were approximately HK$231.8 million (equivalent to approximately RMB212.6 million) (after deducting the underwriting commissions and estimated expenses payable by the Company in relation to the Global Offering) ("**Net Proceeds**"). It was disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus that the Company intended to use the Net Proceeds in the following manner:

(i) approximately 50.2% of the Net Proceeds would be used to fund the commercialization and indication expansion of the Core Product PB-119, among which approximately 5.2% of the Net Proceeds would be used for commercialization and post-market studies of PB-119;

(ii) approximately 34.5% of the Net Proceeds would be used to fund further development of the key product PB-718;

(iii) approximately 5.3% of the Net Proceeds would be used to fund ongoing and planned research and development of our other pipeline product candidates;

(iv) approximately 1.0% of the Net Proceeds would be used for business development activities and enhancing our overseas presence; and

(v) approximately 9.0% of the Net Proceeds would be used for our working capital and other general corporate purposes.

In view of the reasons more particularly set out under the section headed "Reasons for and Benefits of the Change in Use of Proceeds" below, the Board has resolved to reallocate the unutilized Net Proceeds originally allocated for PB-119-related clinical R&D projects (comprising the PB-119 cardiovascular study, the PB-119 in combination with SGLT-2 inhibitor study, the PB-119 in combination with basal insulin study and the PB-119-2 weight loss development) to commercialization of PB-119 and post-market studies.

The following table sets forth the original allocations of the Net Proceeds and the revised allocation of the unutilized Net Proceeds after the proposed change in the use of Net Proceeds (the "**Proposed Change in Use of Proceeds**"):

Use of proceeds	Approximate % of total Net Proceeds *(%)*	Planned allocation of Net Proceeds *(RMB million)*	Utilized Net Proceeds (as at August 31, 2026) *(RMB million)*	Unutilized Net Proceeds (as at August 31, 2026) *(RMB million)*	Revised allocation of the unutilized Net Proceeds following the Proposed Change in Use of Proceeds *(RMB million)*	Expected Time of Fully Utilizing the Unutilized Net Proceeds
Commercialization and indication expansion of our Core Product PB-119	50.2	106.7	3.0	103.7	103.7	End of 2027
(i) Commercialization, clinical and regulatory cost of PB-119 for the treatment of T2DM.	23.6	50.2	2.9	47.3	103.7	
(a) PB-119 cardiovascular research	7.2	15.3	–	15.3	–	
(b) Research on combination therapy of PB-119 with SGLT-2 inhibitor	5.6	11.9	–	11.9	–	
(c) Research on combination therapy of PB-119 with basal insulin	5.6	11.9	–	11.9	–	
(d) Commercialization of PB-119 and post marketing studies	5.2	11.1	2.9	8.2	103.7	
(ii) PB-119-2 weight-loss development	26.6	56.6	0.2	56.4	–	
Further development of our key product PB-718	34.5	73.3	21.4	51.9	51.9	End of 2027
Ongoing and planned research and development of our other pipeline product candidates	5.3	11.3	5.2	6.1	6.1	End of 2026
Business development activities and enhancing our overseas presence	1.0	2.1	0.1	2.0	2.0	End of 2026
Working capital and other general corporate purposes	9.0	19.2	19.2	–	–	
Total	**100**	**212.6**	**48.9**	**163.7**	**163.7**	

Note: Any discrepancies between totals and sums of amounts listed in this table are due to rounding.

Reasons for and Benefits of the Change in Use of Proceeds

Since the publication of the Prospectus, the competitive landscape, product pricing and industry development direction of the metabolic disease drug market in which the Group operates, in particular the GLP-1 related drug market, have undergone relatively rapid changes. With the successive approval for marketing or entry into late-stage clinical development of a number of GLP-1 receptor agonists and multi-target metabolic products, the treatment options available in the diabetes and weight management fields have increased significantly, and market competition has gradually extended from the speed of product launch to multiple dimensions such as efficacy, safety, dosing convenience, patient compliance, patient accessibility, cost-effectiveness and comprehensive metabolic benefits. Meanwhile, certain major domestic GLP-1 and weight management products have successively adjusted their pricing strategies, and the overall market price level and commercialization threshold have also changed. The Board considers that, under the above-mentioned market environment, it is necessary to dynamically optimise the internal allocation of the proceeds relating to PB-119 with reference to the latest development stage, clinical value, market competition landscape, commercialization progress and subsequent funding requirements of the Core Product, and to pool the unutilized Net Proceeds for purposes matching the commercialization-stage demands of PB-119.

In addition, PB-119 (Visepegenatide injection, trade name: Paidakang® (派達康®)) was approved for marketing by the National Medical Products Administration in November 2025 and officially entered the commercialization stage in 2026. In March 2026, the Group entered into a collaboration with Shanghai Tenry Pharmaceutical Co., Ltd. in respect of the commercialization of PB-119 in mainland China, and has since continued to advance medical insurance access, academic promotion, channel development, terminal coverage and patient services for PB-119. As PB-119 transitions from the research and development stage to the commercialization stage, the Group's focus for its subsequent resource allocation has accordingly gradually shifted from pre-marketing registration development to product commercialization, market access, post-marketing studies and lifecycle management. In light of the above changes in the product lifecycle, the Group considers it necessary to reassess the priority of certain clinical projects for additional indications and combination therapies of PB-119 that were originally planned to be pursued concurrently, and, within the PB-119-related uses, to re-pool part of the unutilized Net Proceeds for the commercialization of PB-119 and post-marketing studies, so as to better support the market ramp-up, enhancement of patient accessibility and realisation of long-term value of this Core Product.

Specifically, the Group intends to reallocate the unutilized Net Proceeds originally intended for the PB-119 cardiovascular study, the PB-119 in combination with SGLT-2 inhibitor study, the PB-119 in combination with basal insulin study and the PB-119-2 weight loss development, amounting to approximately RMB15.3 million, RMB11.9 million, RMB11.9 million and RMB56.4 million respectively, and to increase the aggregate amount of approximately RMB95.5 million of unutilized Net Proceeds entirely for the commercialization of PB-119 and post-marketing studies. The above adjustment only involves a reallocation within the PB-119-related uses, and the total amount of proceeds for the PB-119-related uses remains unchanged. It does not involve the transfer of proceeds originally intended for PB-119 to the research and development of other product candidates.

- **PB-119 Cardiovascular Research (a decrease of approximately RMB15.3 million)**

With respect to the PB-119 cardiovascular research, the Board noted that, in recent years, clinical evidence on GLP-1-like drugs in cardiovascular risk management has continued to accumulate, the related treatment concepts and clinical practice have become increasingly mature, and certain marketed products of the same class have already established relatively comprehensive cardiovascular outcomes evidence. At the same time, large-scale cardiovascular outcomes research is generally characterized by large patient populations, long research durations, and high funding requirements. In view of the fact that PB-119 has entered the commercialization stage, the Board, after comprehensively assessing the project's clinical development cycle, funding requirements, relative priority, and expected incremental value, considers that continuing to use the Net Proceeds to advance the research at this stage would be a relatively less efficient use of capital. Accordingly, the Group intends to reallocate all unused Net Proceeds originally earmarked for the project, approximately RMB15.3 million, to PB-119 commercialization and post-market studies. This adjustment will not affect the commercialization of PB-119 for its existing approved indications or the continued accumulation of post-market safety, efficacy, and real-world evidence.

- **Research on Combination Therapy of PB-119 with SGLT-2 Inhibitor (a decrease of approximately RMB11.9 million)**

With respect to the research on combination therapy of PB-119 with SGLT-2 inhibitor, since the original use of proceeds was determined, the treatment pathways for type 2 diabetes have further diversified. As GLP-1-like drugs and SGLT-2 inhibitors have complementary mechanisms of action and clinical benefits, their combined use in clinical practice and physicians' awareness of such use have become increasingly well established. At the same time, the market supply, patient access and clinical use of SGLT-2 inhibitors have continued to expand. Against this backdrop, the incremental product differentiation and commercialization value that could be generated by conducting a stand-alone registrational clinical trial of PB-119 in combination with SGLT-2 inhibitors have declined compared with the original planning stage. Having considered the project's clinical development costs, expected incremental value, competitive landscape and the funding requirements for the commercialization phase of PB-119, the Board considers that prioritizing support for the commercialization of core products and post-market studies at this stage would be more conducive to enhancing the overall efficiency of the use of the relevant funds. Accordingly, the Group intends to reallocate all of the approximately RMB11.9 million in Net Proceeds not yet utilized for this project to the commercialization of PB-119 and post-market studies.

- **Research on Combination Therapy of PB-119 with Basal Insulin (a decrease of approximately RMB11.9 million)**

With respect to the research on combination therapy of PB-119 with basal insulin, in recent years, stratified treatment and intensification treatment pathways for type 2 diabetes patients have continued to improve, the use of GLP-1-like drugs in treatment pathways has continued to move earlier, and the combination of basal insulin and GLP-1-like drugs has become one of

the more established intensification treatment options in clinical practice, with multiple related treatment choices also available on the market. Compared with earlier or broader non-insulin treatment settings, basal insulin combination therapy mainly targets a specific patient population requiring further intensified glycemic control, and its use setting is relatively more concentrated. Considering that conducting a further independent registrational clinical trial would still require a relatively long development cycle and additional R&D investment, the Board, after reassessing the project's potential covered population, expected incremental clinical and commercial value, market competition conditions, and resource requirements for the commercialization phase of PB-119, considers that the development priority of the project at the current stage has declined. Accordingly, the Group intends to reallocate all of the approximately RMB11.9 million in unutilized Net Proceeds for this project to the commercialization of PB-119 and post-market studies.

- **PB-119-2 Weight-Loss Development (a decrease of approximately RMB56.4 million)**

With respect to the further development of PB-119 for weight management, since the original use of proceeds was determined, the global and China weight management drug markets have developed at a markedly faster pace and become significantly more competitive. Several GLP-1 single-target and multi-target weight management drugs have received marketing approval or have entered late-stage clinical development. Industry evaluation criteria for weight management products have also gradually moved beyond a sole focus on weight loss to more comprehensive product attributes, including the extent of fat reduction, preservation of lean body mass, muscle function, cardiovascular and hepatic comprehensive metabolic benefits, dosing frequency, and patient convenience. At the same time, price competition among major domestic weight management drugs has continued to intensify, with some marketed products undergoing relatively significant price adjustments, further raising the bar for new entrants in terms of efficacy differentiation and commercialization efficiency.

Meanwhile, since its listing, the Group's follow-on R&D pipeline in weight management and related metabolic diseases has become further enriched. APGP6 is intended to explore the potential differentiated value of improving or preserving lean body mass and muscle function while reducing fat content, while PB-2312 is an innovative multi-target metabolic disease candidate whose therapeutic potential is being explored in weight management, MASH, and other metabolism-related diseases. Both candidates are currently in preclinical or IND-enabling studies. The Group believes that, as competition in weight management increasingly shifts toward differentiated mechanisms, body composition management, and comprehensive metabolic benefits, and given that the Group has established a multi-layered R&D portfolio in weight management and metabolic diseases, the relative priority of continuing to advance the weight management indication of PB-119 on a large scale using Net Proceeds has declined compared with the original planning stage. After comprehensively considering the latest competitive landscape, product pricing environment, the current commercialization stage of PB-119, and the Group's overall product portfolio, the Group intends to no longer use Net Proceeds to advance the weight management indication of PB-119 and to reallocate all of the approximately RMB56.4 million in unutilized Net Proceeds for the project to the commercialization of PB-119 and post-market studies.

- **PB-119 Commercialization and Post-market Studies (an increase of approximately RMB95.5 million)**

Following the marketing approval of PB-119 in November 2025 and its entry into the commercialization phase in 2026, its funding needs have gradually shifted from pre-market registration and development to commercialization and post-market lifecycle management. The Group, together with its commercialization partners, has continued to advance market access, academic promotion, channel development, terminal coverage, and patient services for PB-119, and is continuing to strengthen its market access, medical and marketing support, channel management, and patient service capabilities to support the commercialization of an innovative drug. The Board believes that, with PB-119 as a Core Product of the Group and now at a critical commercialization stage, further increasing the funds allocated to its commercialization and post-market studies will help support the continued expansion of the product's clinical application and patient accessibility, and will reinforce the realization of PB-119's long-term value following its launch.

The increased proceeds will be used, based on the commercialization progress and actual business needs of PB-119, to support matters including market access, medical and academic promotion support, channel and terminal coverage, patient services, and post-market studies relating to safety, efficacy, real-world evidence, and other lifecycle management. The Board believes that increasing the allocation to PB-119 commercialization and post-market studies by the above aggregate unutilized Net Proceeds of approximately RMB95.5 million aligns with PB-119's actual funding needs following its transition from R&D to commercialization, and will help improve the efficiency with which proceeds relating to the core product are used.

Opinion of the Board

Having considered the above factors, the Board is of the view that reallocating the aggregate unutilized Net Proceeds of approximately RMB95.5 million from the aforementioned PB-119-related clinical R&D projects to PB-119 commercialization and post-market studies is better aligned with the current product lifecycle stage of PB-119, the latest market environment, and the Group's medium-to-long term development strategy for its core product. This adjustment does not represent a reduction in investment in PB-119; rather, it is an internal reallocation of PB-119-related proceeds among different uses. Following the adjustment, the total proceeds originally planned to be used for PB-119 remain unchanged.

The Board considers that the above change in the use of proceeds will help the Group allocate financial resources relating to its core product more effectively and in a more targeted manner in light of PB-119's latest commercialization progress, the market competitive landscape, and actual post-market funding needs, thereby further advancing market access, commercialization, post-market studies and lifecycle management for PB-119 and enhancing the overall efficiency of the use of proceeds. The Board confirms that the above change will not cause any material change in the nature of the Group's principal business as disclosed in the Prospectus, nor will it have any material adverse effect on the Group's existing business and operations. The Board considers that the above change in the use of proceeds is fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Save for the above change, the other uses of the Net Proceeds remain unchanged. The Group will continue to prudently review the plan for the use of the unutilized proceeds in light of the progress of PB-119 commercialization and post-market studies, market conditions, the regulatory environment and actual business needs, and will make further disclosure in a timely manner in accordance with the applicable Listing Rules and other laws and regulations.

The Proposed Change in Use of Proceeds will be proposed, by way of an ordinary resolution, for the Shareholders' consideration and approval at the EGM.

Cautionary statement required under Rule 18A.05 of the Listing Rules: The Company cannot guarantee that it will ultimately be able to successfully commercialize its other products.

III. THE EGM

The EGM will be held by way of a physical meeting at 10:00 a.m. (Hong Kong time), on Thursday, November 26, 2026 at 6/F, Block A, No. 520 Shaoxing Road, Gongshu District, Hangzhou, Zhejiang Province, PRC to consider and, if thought fit, to pass resolutions in respect of the matters set out in the notice of the EGM. Notice convening the EGM is set out on pages N-I-1 to N-I-2 of this circular and is also available on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.pegbio.com).

IV. RECORD DATE

Shareholders whose names appear on the register of H Shares kept at the H Share Registrar on Friday, November 20, 2026 (being the record date) are entitled to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration before 4:30 p.m. on Friday, November 20, 2026.

V. PROXY ARRANGEMENT

A form of proxy for use at the EGM is enclosed and also available on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.pegbio.com).

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. The form of proxy should be returned to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not later than 24 hours before the time appointed for holding the EGM (or any adjournment thereof), i.e. not later than 10:00 a.m. on Wednesday, November 25, 2026, in order to be valid. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjournment thereof if you so wish, in which case the returned form of proxy shall be deemed to be revoked.

VI. VOTING BY POLL

Any vote of Shareholders at the EGM must be taken by poll except where the chairman of the EGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company shall publish the poll results announcement in the manner prescribed under Rule 13.39(5) of the Listing Rules. Accordingly, the chairman of the EGM will exercise his power under the Articles of Association to demand a poll in relation to all the proposed resolutions at the EGM.

To the best of the Directors' knowledge, information and belief, none of the Shareholders is required to abstain from voting on resolutions proposed at the EGM.

VII. RECOMMENDATIONS

The Board considers that all the resolutions proposed at the EGM are in the best interests of the Company, the Group and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

VIII. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
By order of the Board
PegBio Co., Ltd.
Michael Min XU
Chairman of the Board, Executive Director and General Manager

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)

NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2026 first extraordinary general meeting (the "**EGM**") of PegBio Co., Ltd. (the "**Company**") will be held by way of a physical meeting at 6/F, Block A, No. 520 Shaoxing Road, Gongshu District, Hangzhou, Zhejiang Province, PRC at 10:00 a.m. on Thursday, November 26, 2026 for the purposes of considering and, if deemed appropriate, approving the following resolutions.

ORDINARY RESOLUTIONS

1. To consider and approve the proposed removal of KPMG as the auditor of the Company (the "**Proposed Removal**") with immediate effect after the conclusion of the EGM, and the authorisation of the board of directors of the Company (the "**Board**") and any director(s) of the Company to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they may consider necessary, desirable or expedient or in the interest of the Company to give effect to the Proposed Removal.

2. To consider and approve, conditional upon the passing of the ordinary resolution numbered 1 above, the proposed appointment of Rongcheng (Hong Kong) CPA Limited as the auditor of the Company to fill the vacancy following the Proposed Removal and to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix the remuneration of Rongcheng (Hong Kong) CPA Limited and do all such acts and things to give effect to such appointment.

3. To consider and approve the proposed change in use of proceeds from the Global Offering.

Details of the above resolutions proposed at the EGM are contained in the circular, which is available on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.pegbio.com).

By order of the Board
PegBio Co., Ltd.
Michael Min XU
Chairman of the Board, Executive Director and General Manager

Hong Kong, November 11, 2026

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.

2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him/her.

3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time appointed for the meeting (i.e. not later than 10:00 a.m. on Wednesday, November 25, 2026) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

4. Shareholders whose names appear on the register of H Shares kept at the H Share Registrar on Friday, November 20, 2026 (being the record date) are entitled to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration before 4:30 p.m. on Friday, November 20, 2026.

5. References to time and dates in this notice are to Hong Kong time and dates.

As of the date of this notice, the Board 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.