



CANbridge Pharmaceuticals Inc.
北海康成製藥有限公司

(於開曼群島註冊成立的有限公司)
(Incorporated in the Cayman Islands with limited liability)
股份代號 Stock Code : 1228

**Environmental, Social and
Governance Report**
2025



ABOUT THIS REPORT

This is the fifth Environmental, Social and Governance (“ESG”) report (“ESG Report”, or “this Report”) published by CANbridge Pharmaceuticals Inc. (the “Company”, “we”, “us” or “our” or together with its subsidiaries as the “Group”). The ESG Report covers the sustainable development direction, strategy and performance of the Group, outlining strategies implemented and summarizing the performance for the year, with a view to elaborating on the efforts we uphold and the long-term value we create for our stakeholders.

BASIS AND REFERENCE

This ESG Report is prepared in accordance with the requirements set forth in Appendix C2 – Environmental, Social and Governance Reporting Code (the “ESG Reporting Code” of the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited (“the Stock Exchange”) (“Listing Rules”). This Report covers the Group’s principal businesses in research, development and commercialization of therapies in rare diseases and rare oncology.

The Group has complied with the mandatory disclosure requirements and the “comply or explain” provisions set out in the ESG Reporting Code. During the preparation of this Report, the Group adheres to the reporting principles of materiality, quantitative, balance and consistency by:

Materiality	Identifying material issues through stakeholder engagement and making key disclosures about these issues, and those that could reasonably be expected to affect the Group’s cash flows, finance or cost of capital over the short, medium or long term.
Quantitative	Presenting information in a quantitative way, where feasible, with comparative data and information on the standards, methodologies and assumptions adopted for the calculation.
Balance	Reporting information in an objective and unbiased manner to ensure it reflects both the achievements and the challenges faced by the Group.
Consistency	Using consistent measurement methods to enable meaningful comparisons of the Group’s ESG performance. Any change will be clearly stated in this Report.

The Group’s greenhouse gas (“GHG”) emissions were calculated based on the methodologies and emission factors set out in the “Emissions – GHG Emissions” section of this Report, with reference to the ESG Reporting Code. Methodologies for Scope 1, Scope 2 and Scope 3 GHG calculations, including activity data sources and emission factors, are detailed within the relevant KPI disclosures. The Group also referred to climate-related metric guidance under the IFRS Sustainability Disclosure Standards, as encouraged by Hong Kong Exchanges and Clearing Limited (the “HKEx”).

REPORTING PERIOD

The Report illustrated the Group’s initiative and performance on the environmental and social aspects for the period from 1 January 2025 to 31 December 2025 (the “Reporting Period” or the “Current Year”).

REPORTING SCOPE

This Report covers the Group's principal businesses in research and development and commercialization of therapies in rare diseases and rare oncology, located in Hong Kong, Taiwan, the mainland ("**Chinese Mainland**") of the People's Republic of China (the "**PRC**") and the United States of America (the "**US**" or the "**United States**"). The forementioned segment are considered to have material impact on the social and environmental aspects by the Group during the Reporting Period.

During the Reporting Period, the reporting scope of environmental data collection has been adjusted to reflect operational changes. Environmental data for the Hong Kong office is unavailable due to the relocation to a shared workspace where utilities are centrally managed by the landlord. As previously disclosed, the Group vacated its office and laboratory in Boston, the United States (the "**US Leased Property**") in the second half of 2024 and formally terminated the lease effective February 2025, thereafter, maintaining only minimal operations through shared laboratory services; consequently, no disaggregated environmental data is available for these activities. Offices in Beijing and Shanghai were also relocated to reduced office areas to improve space efficiency, while the Taiwan office maintains limited headcount with immaterial environmental impact and data currently unavailable. Accordingly, environmental performance data disclosed in this Report primarily reflects operations within the Chinese Mainland. GHG emissions (Scopes 1, 2, and relevant Scope 3 categories) are reported using the operational control approach and are aligned with the reporting scope of the environmental data. As a result of the foregoing adjustments, the reporting scope for environmental data of this Report has undergone changes compared to the period from 1 January 2024 to 31 December 2024 ("**last year**" or "**2024**"). Consequently, the environmental data for the Reporting Period may not be fully comparable with that of 2024. Disclosures relating to governance, environmental policies, and social performance continue to apply to all operating locations, including Hong Kong, Taiwan, the Chinese Mainland, and the United States.

DISCLOSURE OF REPORTING

This Report is disclosed alongside the CANbridge Pharmaceuticals Inc. 2025 Annual Report, and the financial data involved are consistent with the 2025 Annual Report. In this Report, the amounts mentioned are in HKD unless otherwise specified. Other data and cases mainly come from the Group's statistical reports and related documents. For more information on our corporate governance, please refer to the section "Corporate Governance Report" of the annual report of the Group for the year ended 31 December 2025.

REPORT RETRIEVAL

This Report is published in English and Chinese, and the electronic version of this Report is available on the Group's website and the Stock Exchange's website. Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail.

ABOUT THE COMPANY

CANbridge Pharmaceuticals Inc. (HKEX:1228) is a global biopharmaceutical company, with a foundation in the PRC, committed to the research, development and commercialization of transformative therapies for rare diseases. The Group has a differentiated drug portfolio, with 3 approved drugs and a pipeline of 7 assets, targeting prevalent rare disease indications that have unmet needs and significant market potential. These include Hunter syndrome and other lysosomal storage disorders, complement-mediated disorders, hemophilia A, metabolic disorders, rare cholestatic liver diseases and neuromuscular diseases.

The Group's Next-Generation Innovation and Process Development Facility is developing novel, potentially curative, gene therapies for rare genetic diseases, including Duchenne muscular dystrophy ("**DMD**") and other neuromuscular conditions, and collaborates with world-leading researchers and biotech companies. The Group's global partners include: GC Pharma, Mirum, Wuxi Biologics, Privus, and Scriptr Global.

For more details, please visit our official website (<https://www.canbridgepharma.com/>).

ESG STRATEGY AND GOVERNANCE

The Group fully recognizes the importance of improving environmental and social performance for a sustainable business operation. We therefore incorporate sustainability consideration, where appropriate, in the development of our business strategies and integrate our environmental, social and corporate governance strategies into our vision of being a global biopharmaceutical leader in delivering life-changing therapies based in the PRC. We are committed to upholding the quality of the services we provide to our customers and to building strong and lasting relationships with our stakeholders based on the core values of social, economic and environmental responsibility.

Given this, the Group has formulated an Environmental, Social and Corporate Governance Policy. The purpose of this policy is to ensure that the Group operates in a manner that makes a positive contribution to society and the environment. We continually seek to achieve and exceed the highest standards of behavior and corporate social responsibility, which are fundamental to our measure of success. We are committed to promoting corporate social responsibility and sustainable development and embedding it in our operations. We have progressively integrated our values and proactive attitude into our corporate culture, and we aim to guide our employees in practicing corporate social responsibility during their daily work through the implementation of a variety of policies.

The Group's Board of Directors (the "**Board**") considers ESG (including climate-related) risks and opportunities at a corporate level and is fully responsible for identifying the Group's ESG (including climate-related) risks, determining appropriate ESG strategies and reporting ESG performance. Additionally, the Board is responsible for overseeing the Group's risk management and internal control systems. Under the supervision of the Board, the Group's management (the "**Management**") has the responsibility of regularly communicating the effectiveness of the risk management and internal control system with the Board.

For a better management of ESG performance, the Group has set up a working group (the "**ESG Working Group**"), consisting of members of the Senior Management and Functional Departments. The ESG Working Group collaborates in collecting and analyzing ESG data, ensuring compliance with related laws and regulations regarding ESG and assisting the Board in supervising the implementation of ESG (including climate-related) strategies. If any significant ESG risks or non-compliance issues are identified in day-to-day operations, they report directly to the Board. Different ESG issues are reviewed by the Board at the meetings which are held at least annually.

The Board understands that the establishment of ESG targets aids in the Group's ESG governance. Therefore, the Board sets ESG targets related to the Group's business where appropriate, and reviews progress made toward improving the Group's ESG performance by keeping track of the ESG key performance indicators ("KPIs") on a regular basis, in the environmental and social aspects, which are vital and closely related to the Group's business. The Group has set short- and long-term sustainable development targets for continuous emission reduction per governmental requirements, with the globally accepted milestone of carbon neutrality by 2050 serving as a guiding principle for its climate strategy. The Board will, if necessary, engage independent third parties to evaluate the Group's ESG (including climate-related) risks and review existing strategies, targets and internal control measures. Furthermore, the Group has also considered ESG (including climate-related) risks in its corporate risk management framework in order to achieve its business targets and ensure its stable development. The Board determines the nature and extent of risks to be assumed for the purpose of achieving the Group's strategic targets and has the overall responsibility for overseeing the design, implementation and overall effectiveness of the risk management and internal control system. The Board is also responsible for ensuring that the Group has taken reasonable measures to manage significant risks. The Group believes that ESG risks have gradually become an important factor in its business and has taken the approach to incorporate ESG (including climate-related) risks into its routine risk management process as a means of enhancing its overall risk evaluation, prioritizing and management and control capabilities. Additionally, the Group also engages external consultants to conduct annual risk assessments to identify potential risks as well as control deficiencies and to make recommendations for improvements.

SELECTION OF MATERIAL ESG ISSUES AND ANALYSIS

The daily operations of the Group affect and are affected by different groups of stakeholders, therefore it is crucial to fully consider the expectations of stakeholders and truly understand their concerns so as to maximize greater economic output and business value while keeping in line with the Group's long-term sustainable development goals. The identification of such expectations and the related material ESG issues are conducted through our stakeholder engagement and materiality assessment process.

Stakeholder Engagement

Our internal and external stakeholders include employees, clients, investors and shareholders, suppliers and business partners, government and supervising authorities, social groups and public, and media. We have been actively engaging in and providing them with updates on our recent business developments through various effective channels of communication. These channels, as summarized below, provide important references for formulating and implementing ESG strategies, and for determining the materiality of ESG issues:

Stakeholders	Expectations and Requirements	Communication Channels
Employees	<ul style="list-style-type: none"> Employee rights protection Channel of career development Healthy & safe working environment Welfare & care 	<ul style="list-style-type: none"> Internal Emails & Publications Meetings & briefings Trainings Employee Activities Corporate Website

Stakeholders	Expectations and Requirements	Communication Channels
Patients	<ul style="list-style-type: none"> • Delivery of high-quality products • Protection of patients' rights, privacy & interests • Accessibility & affordability of drugs • Promotional compliance • Responsible marketing 	<ul style="list-style-type: none"> • Group Website • Emails • Phone calls and Meetings
Investors & Shareholders	<ul style="list-style-type: none"> • Return on investment • Corporate governance • Information disclosure 	<ul style="list-style-type: none"> • Corporate Website • Annual General Meeting • Annual and Interim Report • Press Release and Announcements • Emails, Facsimile & Phone Contacts
Suppliers & Business Partners	<ul style="list-style-type: none"> • Promotional compliance • Responsible marketing • Synergetic cooperation • Promotion of fairness & openness 	<ul style="list-style-type: none"> • Corporate Website • Emails, Facsimile & Phone Contacts • Conference • Field Visitation
Government & Supervising Authorities	<ul style="list-style-type: none"> • Operational Compliance • Regulatory Compliance 	<ul style="list-style-type: none"> • Corporate Website • Press Release & Announcement • Emails, Facsimile & Phone Contacts • Cooperate with Government & Regulatory Authorities on Compliance Inspections
Social Groups & The Public	<ul style="list-style-type: none"> • Community engagement • Business compliance • Environmental awareness • Public health education & medical breakthrough 	<ul style="list-style-type: none"> • Corporate Website • Press Release and Announcement • Emails, Facsimile & Phone Contacts
Media	<ul style="list-style-type: none"> • Responsible marketing • Information disclosure 	<ul style="list-style-type: none"> • Corporate Website • Press Release and Announcements • Emails, Facsimile & Phone Contacts

Materiality Assessment

The Group faces a great number of ESG issues relating to its operations which are of varying importance to stakeholders. The key ESG issues and KPIs in this Report are reported with reference to the recommendations of the ESG Reporting Code by the Stock Exchange.

The Group conducts materiality assessments annually to identify the key ESG issues that are material to our business operations. ESG issues were identified and considered as relevant to the Group with reference to the ESG Reporting Code and peer benchmarking results. The results of peer benchmarking and stakeholder engagement exercise were analyzed and consolidated in terms of their importance to stakeholders and the Group's business developments to derive the overall materiality level to each ESG issues.

During the Reporting Period, ESG issues which are considered material to our stakeholders and the Group are listed in the following table:

No.	ESG Issues	Chapter
1	General Compliance	Within each topic section
2	Hazardous and Non-hazardous Waste	Emissions
3	GHG Emissions	Emissions, Climate Change
4	Waste Disposal and Management	Emissions
5	Energy Usage	Use of Resources
6	Water Usage and Other Matters	Use of Resources
7	Packaging Material Usage	Use of Resources
8	Environmental Impacts from Operations	The Environment and Natural Resources
9	Climate Change	Climate Change
10	Human Resources Practices	Employment
11	Diversity and Equal Opportunity	Employment
12	Workplace Health and Safety	Health and Safety
13	Staff Development and Training	Development and Training
14	Anti-child and Forced Labour	Labour Standards
15	Supply Chain Management	Supply Chain Management
16	Evaluation of Suppliers' Performance on Environmental and Labour Performance	Supply Chain Management
17	Product Safety	Product Responsibility
18	Product Quality	Product Responsibility
19	Data Privacy and Protection	Product Responsibility
20	Anti-corruption and Money Laundering	Anti-corruption
21	Community Investment	Community Investment

Emissions

As a Group whose primary business is the research, development and commercialization of pharmaceuticals, our services are typically relying on third-party suppliers for the manufacture, importation and services of pharmaceutical products. By this nature, our operations don't directly generate significant air emissions and hazardous waste. Nevertheless, we pay more attention to the procurement procedures of our third-party suppliers to ensure that they also have stringent mechanisms in place to control the GHG emissions and waste generated from their operations. We also strictly comply with relevant environmental laws and regulations, including but not limited to The Environmental Protection Law of the PRC* (《中華人民共和國環境保護法》), The Law of the PRC on Prevention and Control of Environmental Pollution by Solid Wastes* (《中華人民共和國固體廢物污染環境防治法》), The Law of the PRC on Prevention and Control of Water Pollution* (《中華人民共和國水污染防治法》), The Law of the PRC on Prevention and Control of Air Pollution* (《中華人民共和國大氣污染防治法》) and The Law of the PRC on Energy Conservation* (《中華人民共和國節約能源法》). During the Reporting Period, there was no material breach of or non-compliance with the applicable laws and regulations related to environmental protection, air and GHG emissions, discharges into water and land which have a significant impact to the Group.

Air Pollutant Emissions

During the Reporting Period, the business operations of the Group did not result in the consumption of any natural gas or diesel. Due to the Group's business nature, only an immaterial amount of air pollutant emissions was generated from the use of corporate vehicles. As such, there were no material nitrogen oxides, sulphur oxides, or particulate matters emissions during the Reporting Period. To enhance data quality and disclosure completeness going forward, the Group plans to progressively improve its air pollutant data collection methods and target setting in the coming year.

GHG Emissions

Climate change is increasingly affecting our daily lives and gradually attracting the attention of society. GHG is considered one of the major contributors to climate change and global warming. During the Reporting Period, the Group discloses the GHG emissions data, which aligns with the reporting scope of environmental data outlined in this Report. For details, please refer to the "Reporting Scope" section. Generally, we apply the operational control approach to define our organizational boundary for reporting purposes, unless otherwise stated. GHG emissions are measured in accordance with the GHG Protocol: Corporate Accounting and Reporting Standards (2004). Additionally, the Group refers to the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) to identify relevant Scope 3 GHG emissions categories.

During the Reporting Period, our Scope 1 direct emissions and Scope 2 indirect emissions mainly came from mobile combustion and purchased electricity for daily business operations respectively. Scope 1 emissions include direct emissions from the combustion of unleaded petroleum resulting from vehicles used for transportation purposes. Scope 2 emissions include indirect emissions from purchased electricity in offices.

* The English name is for identification only

During the Reporting Period, the Group identified and disclosed material Scope 3 GHG emission categories for the first time in accordance with the fifteen Scope 3 categories of the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The categories disclosed include Category 1 (Purchased Goods and Services), Category 3 (Fuel and Energy-Related Activities), Category 5 (Waste Generated in Operations), and Category 7 (Employee Commuting), while other categories are not included as they are irrelevant to our business or data are unavailable and unreliable for quantification. In previous years, Scope 3 disclosure was limited to emissions from paper disposal only. This additional inclusion represents a strategic effort to further identify indirect emissions across the Group's value chain, thereby strengthening climate resilience and contributing to climate change mitigation. As a result of the expanded reporting scope, the Scope 3 data for the Reporting Period may not be fully comparable with that of previous reporting periods.

During the Reporting Period and the corresponding period in 2023 and 2024, the Group's GHG emissions are summarized as follow:

GHG Emissions ^{1,2,3}	2023	2024	2025
Direct (" Scope 1 ") emissions (tCO ₂ e)	9.78	12.79	7.95
<i>Scope 1 emissions intensity (tCO₂e/headcount)</i>	<i>0.084</i>	<i>0.138</i>	<i>0.113</i>
Indirect (" Scope 2 ") emissions (location-based) (tCO ₂ e)	254.66	195.89	9.67
<i>Scope 2 emissions intensity (location-based) (tCO₂e/headcount)</i>	<i>2.186</i>	<i>2.118</i>	<i>0.137</i>
Other indirect (" Scope 3 ") emissions (tCO ₂ e)	1.41	0.72	44.86
<i>Scope 3 emissions intensity (tCO₂e/headcount)</i>	<i>0.012</i>	<i>0.008</i>	<i>0.636</i>
Total GHG emissions (Scope 1 and 2) (tCO ₂ e)	264.44	208.68	17.62
<i>Total GHG emissions intensity (Scope 1 and 2) (tCO₂e/headcount)</i>	<i>2.495</i>	<i>2.256</i>	<i>0.250</i>
Total GHG emissions (Scope 1, 2 and 3) (tCO ₂ e)	265.85	209.40	62.48
<i>Total GHG emissions intensity (Scope 1, 2 and 3) (tCO₂e/headcount)</i>	<i>2.282</i>	<i>2.264</i>	<i>0.886</i>

Notes:

1. The GHG emissions are calculated with reference to "Corporate Accounting and Reporting Standard (2004)" and "Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)" from GHG Protocol, "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEx, Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factor* (《關於發佈2023年電力二氧化碳排放因子的公告》) issued by the Ministry of Ecology and Environment of the PRC* (中華人民共和國生態環境部) and latest released emission factors available at the completion time of this Report.
2. Intensity is calculated based on headcount, determined by taking the average of the total number of employees at the beginning and the end of the Reporting Period. This average headcount is also utilized for calculating other intensity metrics.
3. Due to changes in the reporting scope of environmental data as described in the "Reporting Scope" section, the GHG emissions data for the Reporting Period may not be fully comparable with that of previous reporting periods.

The decrease in Scope 1 GHG emissions during the Reporting Period was primarily attributed to the discontinuation of a leased corporate vehicle, resulting in reduced mobile combustion from transportation activities.

* The English name is for identification only

The decrease in Scope 2 GHG emissions was mainly due to the adjustment in the reporting scope of environmental data, as detailed in the “Reporting Scope” section of this Report. Following the Group’s vacating of its US Leased Property in the second half of 2024 and the formal termination of the lease effective February 2025, the US Leased Property is no longer included in the environmental data reporting boundary. Consequently, purchased electricity associated with that property is excluded from Scope 2 emissions for the Reporting Period, while US Leased Property accounted for a significant portion of the Group’s total Scope 2 emissions in previous reporting periods. In addition, the relocation of the Group’s offices in Beijing and Shanghai to premises with reduced office areas during the Reporting Period further contributed to lower electricity consumption and the corresponding decrease in Scope 2 emissions.

Scope 3 GHG emissions disclosure for the Reporting Period has been expanded to include additional GHG Protocol categories. Prior-year Scope 3 data was limited to paper disposal emissions and may not be directly comparable.

Further details and descriptions of this type of consumption, as well as our ongoing initiatives to reduce our carbon footprint, can be found in section “Use of Resources” of this Report.

Hazardous and Non-hazardous Waste

Owing to the current stage of our business operations, laboratory-related testing does not have a material impact on the environment. During the Reporting Period, the Group did not operate any independently leased laboratory facilities. As described in the Reporting Scope of this Report, minimal operations in the United States were maintained through shared laboratory services, with related research and development activities conducted under such arrangements. In selecting shared laboratory service providers, the Group undertakes prudent screening of their qualifications, operational protocols and waste disposal procedures to ensure that such providers possess the requisite capabilities and permits for the proper handling of chemicals and biomedical waste. As the laboratory facilities are managed by the service providers, responsibility for wastewater monitoring and pre-treatment rests with the operators or owners of such facilities. During the Reporting Period, no material hazardous waste was produced by the Group.

Meanwhile, non-hazardous waste is mainly composed of consumption of paper for office administration. The table below summarizes the amount of paper consumed and recycled during the Reporting Period and the corresponding period in 2023 and 2024:

Non-hazardous Wastes	2023	2024	2025
Paper consumption (tonnes)	0.29	0.17	0.53
<i>Paper consumption intensity (tonnes/headcount)</i>	<i>0.0025</i>	<i>0.0018</i>	<i>0.0075</i>
Paper recycling volume (tonnes)	0.04	0.02	0.02
<i>Paper recycling intensity (tonnes/headcount)</i>	<i>0.0003</i>	<i>0.0002</i>	<i>0.0003</i>

The majority of the non-hazardous waste generated was 0.53 (2024: 0.17) tonnes of paper, which represents a 212% increase compared to the amount in 2024. Of this, 96% is consumed in the form of documents or contracts which are archived or posted, and 4% is collected for reuse or sent to recyclers for disposal. The increase in paper consumption during the Reporting Period was primarily attributable to the preparation of substantial physical documentation required for regulatory inspections and commercial activities. In particular, the pre-approval inspection and pre-marketing Good Manufacturing Practice (“GMP”) compliance inspection for one of the Group’s key products, as well as the expansion of commercial insurance programs across multiple cities, necessitated the generation and retention of extensive paper-based records, contracts and archival materials. We have established controls in waste disposal and management, which are described in the following section.

Waste Disposal and Management

In terms of office management, the company implements the “3R” principle, namely Reduce, Reuse and Recycle, in its business activities. We continue to implement the waste classification mechanism to categorize different materials to facilitate their recycling. The classification mechanism has been effective in reducing the amount of waste generated as our employees have responded positively to office recycling. Apart from encouraging staff to print on both sides of the paper, the Group also encourages staff to minimize the waste caused by over-purchasing of office stationery. At the same time, employees responsible for procurement are reminded to pay more attention to sustainable sourcing by purchasing more environmentally friendly products (e.g. from Forest Stewardship Council-certified suppliers). Furthermore, we are actively promoting the use of digital platforms in our routine work to reduce our reliance on office consumables and inspiring more effective change.

Targets Setting

In the long run, the Group will continue to enhance its environmental management strategies regularly by monitoring and minimising the environmental impacts brought by its businesses. As such, we have set management and control targets on an absolute basis in reducing GHG emissions and waste production. In the future, we will develop more specific quantitative environmental goals to nurture the environment and cherish natural resources.

The Group develops the environmental targets for GHG emissions and waste production, and the progresses at the end of the Reporting Period are as follow:

Environmental KPI	Targets	2025 vs. 2022		Status
		2025 vs. 2024	(the baseline year)	
GHG emissions	To reduce total GHG emissions by 10% by 2030, with 2022 as the baseline year.	Decreased by 70%	Decreased by 91%	In progress
Waste production	To reduce paper disposal by 10% by 2030, with 2022 as the baseline year.	Increased by 212%	Decreased by 16%	In progress

Use of Resources

Energy Usage

Our major sources of resource consumption are electricity used for lighting, air-conditioning, and daily office utilities for office operations, as well as fuel consumed by vehicles in transportation of our senior management. During the Reporting Period and the corresponding period in 2023 and 2024, the energy consumption for petrol and electricity are summarized below:

Energy Consumption ¹	2023	2024	2025
Direct energy consumption (kWh in '000s)	47.86	53.78	33.29
<i>Direct energy consumption intensity (kWh in '000s/headcount)</i>	<i>0.41</i>	<i>0.58</i>	<i>0.47</i>
Indirect energy consumption (kWh in '000s)	909.28	753.61	18.01
<i>Indirect energy consumption intensity (kWh in '000s/headcount)</i>	<i>7.81</i>	<i>8.15</i>	<i>0.26</i>
Total energy consumption (kWh in '000s)	957.14	807.39	51.30
<i>Total energy consumption intensity (kWh in '000s/headcount)</i>	<i>8.22</i>	<i>8.73</i>	<i>0.73</i>

Note:

- 1 · Due to changes in the reporting scope of environmental data as described in the "Reporting Scope" section, the energy consumption data for the Reporting Period may not be fully comparable with that of previous reporting periods.

During the Reporting Period, petrol consumption of the Group's own vehicles was 3,435 (2024: 5,549) liters, with a per capita petrol consumption intensity of 49 (2024: 60) liters, representing an decrease of 38% as compared to the petrol consumption in 2024, mainly due to the discontinuation of a leased corporate vehicle, resulting in reduced mobile combustion from transportation activities. In addition, the Group's electricity consumption decreased to 18.01 (2024: 753.61) kWh in '000s during the Reporting Period, with a per capita electricity intensity of 0.26 (2024: 8.15) kWh in '000s. The decrease in electricity consumption was mainly due to the adjustment in the reporting scope of environmental data, as detailed in the "Reporting Scope" section of this Report. Following the Group's vacating of its US Leased Property in the second half of 2024 and the formal termination of the lease effective February 2025, the US Leased Property is no longer included in the environmental data reporting boundary. Consequently, purchased electricity associated with that property is excluded from electricity consumption data for the Reporting Period, while the US Leased Property accounted for a significant portion of the Group's total electricity consumption in previous reporting periods. In addition, the relocation of the Group's offices in Beijing and Shanghai to premises with reduced office areas during the Reporting Period further contributed to lower electricity consumption.

Furthermore, we fully understand that energy consumption plays a large part in GHG emissions, and we seek to ensure all our business activities are conducted in an energy-conservative matter. During the Reporting Period, we continue putting efforts into energy saving with our green practices in the business operations, through less usage of office utilities by preferring to use more on digital platforms (for example, remote video conferencing), carrying out regular maintenance of vehicles with good condition for operational efficiency. By consistently implementing stringent control measures in green offices, such as: (i) adopting energy-efficient equipment; (ii) controlling the temperature of air conditioning system within reasonable ranges; (iii) raising employees' awareness of green behaviour by recommending them to switch off all the lights, computers and printers by the end of the work day; and (iv) promoting environmental protection such as saving water and electricity by slogan or poster in offices.

Water Usage and Other Matters

The Group regards water consumption as one of the most important things in monitoring its use of resources. However, water consumption in all the Group's office premises is not separately metered and is not available to each local office, and therefore the relevant data is not available during the Reporting Period. The Group will allocate resources to establish quantified water efficiency target, once water usage data becomes available.

Water Consumption ¹	2023	2024	2025
Water (cubic meter)	349	N/A	N/A
<i>Intensity per headcount (cubic meter)</i>	<i>12.46</i>	<i>N/A</i>	<i>N/A</i>

Note:

- 1 · The water consumption for the Reporting Period could not be measured due to the lack of separate water meter after the relocation of the Beijing office, while the water consumption in 2023 includes only water consumption in Beijing.

The Group has no difficulty in sourcing water for our purposes. As our business operations are currently outsourced to our suppliers for the production of pharmaceuticals, water is not directly consumed by the Group. In addition, the Group's offices in Beijing and Shanghai are centrally managed by the property management organization, the Group is unable to quantify the water consumption data for reporting purposes during the Reporting Period.

The Group still actively seeks ways to mitigate water consumption by raising employees' awareness of water saving through green office policy such as reminding employees to turn faucet off tightly and conducting regular inspection and maintenance of water facilities. During the Reporting Period, the Group did not operate any independently leased laboratory facilities. As described in the Reporting Scope of this Report, minimal operations in the United States were maintained through shared lab services, with related research and development activities conducted under such arrangements. In selecting shared laboratory service providers, the Group undertakes prudent screening of their qualifications and operational protocols to ensure that such providers possess the requisite capabilities and permits for proper wastewater management and disposal. As the laboratory facilities are managed by the service providers, responsibility for wastewater monitoring and treatment rests with the operators or owners of such facilities.

Packaging Material Usage

During the Reporting Period, there is no disclosure of the amount of packaging materials consumed by the Group, as the Group did not directly manufacture pharmaceutical products for market sale. During the Reporting Period, the Group imports 2 listed pharmaceutical products and obtained domestic marketing authorization for one additional product in the Chinese Mainland for marketing purposes. Since these products are manufactured by our suppliers, their packaging material usage is not under the direct operational control of the Group.

Furthermore, the Group places emphasis on collaborating with suppliers to optimize packaging design and promote the use of green packaging materials and technologies. For this purpose, we have worked with our suppliers to streamline the packaging process, effectively improving productivity and reducing working hours. Packaging design has been standardized and shaped to better meet the needs of pallet loading and cargo transport, effectively improving space utilization and reducing logistics costs.

Targets Setting

In addition, the Group advocates energy and resources saving and is committed to achieving sustainable operations and compliance with emission requirements by local authorities. To this end, we have set preliminary management and control targets on an absolute basis in terms of energy use efficiency, so as to perform better energy conservation. In the future, we will set more specific quantitative environmental goals to nurture the environment and cherish natural resources.

The Group develops the environmental targets and steps taken to achieve energy conservation, and the progress at the end of the Reporting Period are as follow:

Environmental KPI	Targets	2025 vs. 2024	2025 vs. 2022 (the baseline year)	Status
Energy consumption	To reduce electricity consumption by 5% by 2030, with 2022 as the baseline year.	Decreased by 98%	Decreased by 97%	In progress

The Environment and Natural Resources

Environmental Impacts from Operations

The Group seeks to maintain the long-term sustainability of the environment and communities in which we operate. Being a responsible member of society, the Group is continuously monitoring the potential risks and impacts of its business operations on the environment. During the Reporting Period, effects on the environment are mainly due to the Group's administrative operation, which will result in direct and indirect emissions of GHG. The Group consistently takes steps to act with an environmentally responsible attitude and in full compliance with relevant laws and regulations. For instance, we have taken measures to improve the utilization of our office space and further reduce the floor area of our office space, thereby reducing energy consumption related to lighting, air conditioning and so on. The Group uses existing digital platforms and actively adopts video conferencing instead of offline meetings to minimize carbon emissions generated by business travel of our employees. At the same time, the Group continues to reduce non-essential office space and adopt energy-saving measures so as to reduce energy consumption. The Group also continues to implement energy-saving initiatives in the workplace, such as requiring employees to switch off the office equipment, lighting and air-conditioners when they are not in use, so as to avoid leaving them on standby for a long time. The Group regularly reviews and updates the in-house policies to ensure that they accurately respond to the requirements of current laws, regulations and business practices. Additionally, the Group seeks to minimize the environmental impact of its operations through the prudent screening of shared laboratory service providers, including an assessment of their qualifications and operational protocols relating to environmental management and waste handling.

During the Reporting Period, there was no case of non-compliance with environmental laws and regulations. The Group's current operation focuses on research and development, clinical trial, market access, and sell pharmaceutical drugs, which does not have any material negative impact on the environment and natural resources in general. Hence, KPI A3.1 (Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them) are not applicable to the Group and therefore are not disclosed in this Report. The Group, however, continues to implement environmentally friendly measures to conserve energy and water in our operations. These measures have been proven to not only minimize the adverse impact on the environment but also help the Group to reduce its operating costs.

Climate Change

Climate change and extreme weather events are having an increasingly visible impact on business operation across a wide range of areas including regular operation of the workplaces, stability of the supply chain, safety and health of employees. It is vital for the Group to understand the scale and nature of climate change risks. Although the carbon footprint associated with our business is relatively small, the Group has a responsibility to do its utmost to reduce emissions and mitigate the impacts of climate change.

Governance

In view of the global efforts to address climate change and enhance climate governance, we have prioritized "continuously strengthening the assessment and responses to risks related to climate change" as one of our key tasks. This year, with reference to the "Climate-related Disclosure" section under Part D of the ESG Reporting Code and other guidelines, we continued to strengthen our climate governance and risk management capability and launched a carbon inventory reporting covering Scope 3 emissions.

Our climate governance is embedded within our ESG governance structure and risk management system. For more details, please see "ESG Strategy and Governance" in this Report. The Board is responsible for overseeing the Group's overall strategy and practices in addressing climate change. It receives a report at least annually on the assessment results of climate risks and opportunities, response strategies, target setting and progress, and then puts forward suggestions for improvement. During the Reporting Period, the Board and the ESG Working Group conducted a review of the Group's climate risks and opportunities assessment, laying the foundation for subsequent strategy enhancement and the implementation of action plans. The insights from the assessment are integrated by the Board when overseeing the Group's overall strategy, evaluating major transactions, and reviewing the risk management framework. This process involves considering the trade-offs associated with different climate-related risks and opportunities to inform balanced decision-making. We prioritize enhancing employees' understanding of climate change-related matters at all levels. In assessing whether the Board collectively maintains the appropriate skills and competencies to oversee climate-related risks and opportunities, the Board conducts periodic reviews of its knowledge needs through structured self-assessments and discussions during routine meetings. This evaluation considers the collective experience of Board members in areas such as risk oversight, operational management, regulatory compliance and strategic planning, which are relevant to understanding the potential impacts of climate-related matters on the Group. Where the Board identifies capability gaps or emerging areas requiring deeper oversight, it ensures that appropriate expertise is accessible, including through engagement of external advisers, or the utilization of internal subject-matter specialists. Through this continuous process, the Board maintains the necessary competencies to oversee strategies designed to respond to climate-related risks and opportunities. During the Reporting Period, we offered training for key members responsible for climate-related governance work on climate change to help the governance team integrate climate factors into the decision-making of risk management.

Climate-related matters are reported to the Board through established reporting lines, whereby the ESG Working Group provides updates during Management meetings. The Board is informed of climate-related risks, opportunities, performance metrics and emerging regulatory developments at least annually, and more frequently when material issues arise. Management integrates climate-related controls and monitoring procedures into the Group's existing internal control and risk management systems, ensuring that climate-related considerations are reviewed alongside other operational, compliance and strategic risks. Management implements structured controls and procedures to support the oversight of climate-related risks and opportunities. These controls include the establishment of defined workflows for climate-risk identification, escalation and monitoring, the maintenance of internal documentation and data-collection protocols, and the application of consistent methodologies when assessing climate-related impacts. Management ensures that climate-related matters are incorporated into the Group's existing internal control and risk-management systems, enabling these risks and opportunities to be reviewed alongside other operational, compliance and strategic risks. To ensure effective integration across the organization, climate-related procedures are embedded within key internal functions so that each function incorporates relevant climate considerations into its day-to-day decision-making and operational planning. Cross-departmental coordination mechanisms facilitate information sharing, scenario-analysis inputs, and alignment of climate-related actions with broader corporate processes. Through these integrated controls and procedures, management provides consistent and cross-functional oversight of climate-related risks and opportunities.

At present, the Group does not incorporate climate-related considerations or climate-linked performance indicators into its remuneration policies for directors, senior management or employees. To strengthen management's accountability and effectiveness in addressing climate-related matters, the Group will explore the feasibility of enhancing our remuneration policies by incorporating climate-related performance metrics into executive remuneration.

Strategy

The Group recognizes the importance of assessing climate-related risks under different warming scenarios. During the Reporting Period, the Group has conducted comprehensive climate scenario analysis using a systematic framework to assess the resilience of our strategy and business model to climate-related risks and opportunities. The scenario analysis will be reviewed and updated periodically as part of the Group's ongoing climate-related risk assessment process. The Group's climate-related scenario analysis covers all operations within the reporting boundary outlined in this Report. For further details, please refer to the "Reporting Scope" section.

We use the Intergovernmental Panel on Climate Change (“**IPCC**”)’s Shared Socioeconomic Pathways (“**SSP**”) scenarios to assess physical risks, and the Network for Greening the Financial System (“**NGFS**”) scenarios to assess transition risks and opportunities. These scenarios represent internationally recognized climate scenario frameworks, providing a scientific basis for the Group to identify and assess potential climate impacts under different emissions pathways and policy ambitions.

Risk/Opportunity	Scenario	Scenario description	
Physical risks	IPCC	SSP 1-2.6	Under the increasing commitment to achieving development goals, the world is gradually moving towards a path of socially and economically sustainable development. Global consumption patterns are shifting towards low energy and low resource consumption, while real economic growth is also relatively low.
		SSP2-4.5	Globally, progress towards achieving the SDGs is slow. Social, economic, and technological trends have not significantly deviated from historical patterns. Although some regions of the world have made progress, environmental systems continue to degrade. The intensity of resource and energy consumption is decreasing across the board.
Transition risks and climate-related opportunities	NGFS	Orderly	Limit global warming to 1.5°C through stringent climate policies and innovations, reaching net zero CO ₂ emissions around 2050.
		Hot house world	Assume only currently implemented policies are preserved, and the Nationally Determined Contributions (“ NDCs ”) will not be implemented.

The Group has adopted the four scenarios outlined above to assess the climate resilience of its strategy and business model across both physical and transition risk dimensions. Our current research only covers designated assets and businesses that fall within the reporting boundary of this Report. In accordance with the Note to paragraphs 30 to 32 of the ESG Reporting Code, the Group has not disclosed quantitative figures or percentages for these indicators in the Reporting Period and will continue to enhance its internal data collection processes, reviewing the feasibility of providing such disclosures in future reports as data availability and regulatory expectations evolve. To enhance climate risk resilience and seize climate-related opportunities, we have conducted a climate risk assessment and scenario analysis to examine the potential impacts of climate change on our operations and value chain over the short term (2025–2026), medium term (2027–2030), and long term (2031–2050).

The Group has assessed potential risks that may arise from the direct or indirect effects of climate change, and such risks and opportunities are summarized below:

Risk/Opportunity	Extent of Impact and Time Horizon	Impact Pathway (Business Model & Value Chain)	Financial Impact	Response Strategy
Physical Risks				
<p>Acute Physical Risk Extreme weather events such as heavy rainfall, typhoons, hurricanes, cyclones and flooding have potential hazards to employee's safety, assets preservation, supply chain stability and operational continuity.</p>	<p>Extent of Impact: Moderate</p> <p>Time Horizon: Short, medium and long term</p>	<p>Business Model: Extreme weather causes office disruptions at leased premises and employee commuting safety hazards, leading to business continuity interruptions and reduced workforce productivity.</p> <p>Value Chain: Damage to facilities or operational disruptions at third-party contract development and manufacturing organizations and outsourced logistics/ warehousing providers delay clinical trial material supply and commercial product delivery; timeliness and temperature control integrity of cold chain logistics face challenges.</p>	<ul style="list-style-type: none"> • Emergency response and temporary office arrangements leading to higher operating costs. • Increased frequency of extreme weather events drives higher insurance costs. 	<ul style="list-style-type: none"> • Pay close attention to weather forecasts and issue timely alerts in the case of extreme weather events. • Develop early warning systems, evacuation plans and emergency response measures for our employees and develop standard operating procedures for responding to such events, to enhance their awareness, ability and mobility in dealing with potential hazards.

Risk/Opportunity	Extent of Impact and Time Horizon	Impact Pathway (Business Model & Value Chain)	Financial Impact	Response Strategy
<p>Chronic Physical Risk Rising temperatures due to climate change may increase energy consumption and maintenance costs for temperature-controlled storage and cold chain logistics. Temperature-sensitive and humidity-sensitive products require stringent environmental controls, and heatwaves may also impact employee working conditions.</p>	<p>Extent of Impact: Moderate</p> <p>Time Horizon: Medium and long term</p>	<p>Business Model: Rising temperatures increases office cooling energy consumption and affects employee comfort and productivity in higher-temperature regions.</p> <p>Value Chain: Third-party logistics and warehousing providers face higher temperature-control energy costs, which may be passed through to us via service fees; risk of quality deviations for temperature-sensitive therapies during storage and transit intensifies.</p>	<ul style="list-style-type: none"> • Higher outsourced logistics and warehousing service fees increase cost of sales. • Increased office cooling energy consumption increases operating costs. • Elevated catastrophic event loss exposure drives higher insurance costs. 	<ul style="list-style-type: none"> • Continuous monitoring to ensure that our facilities are adequate to cope with rising temperatures and precipitation. • Outsourced our logistics and warehousing to external parties with better climate change resilience for the stability of supply chain and smooth operations.

Risk/Opportunity	Extent of Impact and Time Horizon	Impact Pathway (Business Model & Value Chain)	Financial Impact	Response Strategy
Transition Risks				
<p>Policy and Legal Risk Policies and regulations implemented globally to transition to a low carbon and green economy create potential compliance risks.</p>	<p>Extent of Impact: Low to Moderate</p> <p>Time Horizon: Medium and long term</p>	<p>Business Model: Evolving climate policies across operating jurisdictions increase compliance management and reporting burdens.</p> <p>Value Chain: Outsourced logistics and warehousing suppliers face stricter carbon emission regulations, with compliance costs passed through to procurement costs; if the pharmaceutical industry is included in carbon trading schemes or faces mandatory product carbon footprint disclosure, upstream compliance pressures indirectly affect procurement costs and market access.</p>	<ul style="list-style-type: none"> Suppliers raise service prices due to compliance requirements, increasing cost of sales. Compliance management and data disclosure activities increase operating costs. Market access barriers reduce revenue. 	<ul style="list-style-type: none"> Consider how the changing policies and regulations may affect our vendors and suppliers, especially in outsourced logistics. Promote our approach to cope with climate change within the organization, including climate risk identification, mitigation and adaptation guidelines to help build resilience to potential climate events.

Risk/Opportunity	Extent of Impact and Time Horizon	Impact Pathway (Business Model & Value Chain)	Financial Impact	Response Strategy
<p>Technology Risk</p> <p>Transition to low-carbon operations may affect the technology roadmap and cost structure of shared laboratory service providers, indirectly impacting the Group.</p>	<p>Extent of Impact: Low to Moderate</p> <p>Time Horizon: Medium and long term</p>	<p>Business Model: Office energy efficiency upgrades require certain capital investment.</p> <p>Value Chain: Costs of low-carbon technology and green laboratory equipment investments by shared laboratory service providers may be partially passed through to the Group via service fees; failure of providers to keep pace with green technology trends may affect their service capabilities and long-term partnership with the Group.</p>	<ul style="list-style-type: none"> Higher shared laboratory service fees increase research and development (“R&D”) costs. Procurement of energy-efficient office equipment requires additional capital expenditure. 	<ul style="list-style-type: none"> Incorporate providers’ climate technology capabilities and green operating standards into supplier evaluation criteria. Consider environmental impact and energy efficiency when acquiring new equipment. Maintain communication with key providers to understand their low-carbon transition progress and service implications.

Risk/Opportunity	Extent of Impact and Time Horizon	Impact Pathway (Business Model & Value Chain)	Financial Impact	Response Strategy
<p>Market Risk</p> <p>As climate change intensifies globally and client preference for environmentally friendly products and services rises, failure to align with market trends may cause loss of market share and decreased demand.</p>	<p>Extent of Impact: Low</p> <p>Time Horizon: Medium and long term</p>	<p>Business Model: Patients, prescribers, and payers are increasingly attentive to pharmaceutical environmental footprints; insufficient climate commitment may erode brand differentiation advantage.</p> <p>Value Chain: Pharmaceutical partners and large-scale purchasers incorporate ESG performance into supplier selection criteria.</p>	<ul style="list-style-type: none"> Failure to meet partners' ESG screening criteria may affect commercial collaboration opportunities, indirectly reducing revenue. 	<ul style="list-style-type: none"> Maintain close communication with our key clients regarding their expectations of our environmental performance. Develop a sustainable procurement policy requiring suppliers to meet environmental and social criteria. Enhance transparency of our environmental performance.

Risk/Opportunity	Extent of Impact and Time Horizon	Impact Pathway (Business Model & Value Chain)	Financial Impact	Response Strategy
<p>Reputation Risk</p> <p>Stakeholder expectations regarding the Group's contribution to a lower-carbon economy may affect company value. Performance on climate goals and actions perceived as insufficient may lead to value decline.</p>	<p>Extent of Impact: Low</p> <p>Time Horizon: Medium and long term</p>	<p>Business Model: Inadequate climate action attracts negative perceptions from patient communities, healthcare professionals, and regulators.</p> <p>Value Chain: Reputation damage affects talent attraction and retention, investor confidence, and commercial partnership opportunities.</p>	<ul style="list-style-type: none"> Poor ESG performance affects financing terms, increasing finance costs. Reputation and communication efforts generate additional operating costs. 	<ul style="list-style-type: none"> Strengthen communications with stakeholders and gather timely feedback regarding any concerns about our climate-related responses. Maintain transparent disclosure on climate-related efforts.
Opportunities				
<p>Resource Efficiency and Energy Sources</p>	<p>Extent of Impact: Low</p> <p>Time Horizon: Medium and long term</p>	<p>Business Model: Reduce day-to-day energy costs and environmental impact through optimized office energy management, reduced resource consumption, and exploration of green electricity procurement where feasible.</p> <p>Value Chain: Prioritize shared laboratory service providers that adopt energy-saving measures and renewable energy, indirectly reducing value chain carbon emissions.</p>	<ul style="list-style-type: none"> Reduced office energy and resource consumption lowers operating costs. Suppliers' improved energy efficiency reduces their own operating costs, helping to stabilize service fee charged to us, thereby indirectly stabilizing procurement costs. 	<ul style="list-style-type: none"> Implement office energy-saving measures and procure energy-efficient office equipment. Incorporate suppliers' energy management and efficiency performance into evaluation criteria.

Risk/Opportunity	Extent of Impact and Time Horizon	Impact Pathway (Business Model & Value Chain)	Financial Impact	Response Strategy
Products, services and Markets	<p>Extent of Impact: Low to Moderate</p> <p>Time Horizon: Medium and long term</p>	<p>Business Model: As the capital markets and the pharmaceutical industry increasingly emphasize ESG performance, robust climate disclosure and management practices enhance the Group's brand reputation and investor confidence.</p> <p>Value Chain: Collaborating with suppliers that adopt green R&D processes and low-carbon operations indirectly enhances the sustainability profile of the value chain, addressing increasing ESG expectations from partners.</p>	<ul style="list-style-type: none"> Stabilize revenue by meeting the ESG requirements of partners. Enhanced ESG performance may lower financial costs. 	<ul style="list-style-type: none"> Maintain high-quality transparent disclosure on climate-related matters. Incorporate ESG performance into supplier selection and evaluation criteria. Regularly communicate climate strategy and progress with investors and partners.
Resilience	<p>Extent of Impact: Low to Moderate</p> <p>Time Horizon: Medium and long term</p>	<p>Business Model: Establish and refine emergency response mechanisms for extreme weather events to safeguard employee safety and continuity of core office functions.</p> <p>Value Chain: Assess and enhance the climate risk management capabilities of key suppliers to mitigate potential supply chain disruptions impacting commercial supply.</p>	<ul style="list-style-type: none"> Stabilize revenue by reducing business interruption from extreme weather and supply chain disruptions. Lowered emergency procurement and project delay costs arising from supply chain interruptions. 	<ul style="list-style-type: none"> Develop and rehearse extreme weather contingency plans. Incorporate suppliers' climate risk management capabilities into supplier evaluation frameworks. Periodically review business continuity plans of key suppliers.

Given that the Group focuses on the research, development and commercialization of transformative therapies for rare diseases and oncology, and operates an asset-light model (it does not own or lease manufacturing facilities or laboratories; the US Leased Property was vacated in 2024, with only shared laboratory services retained; all existing operating sites are leased offices), the direct physical risk exposure of its physical assets is relatively limited. However, extreme weather events may still impact employee safety, business continuity, and supply chain stability across operating locations. Transition risks primarily arise from tightening policies and regulations in various jurisdictions and technological iteration.

The Group faces multiple climate-related uncertainties. The frequency, intensity, and geographic distribution of extreme weather events, such as typhoons, heavy rainfall, and heatwaves in Hong Kong, Taiwan, and certain regions of the Chinese Mainland and the United States, remain highly uncertain, with localized impacts potentially diverging from global climate model projections. Furthermore, given the Group's business model relies on third-party contract development and manufacturing organizations and supplier networks, the climate resilience of upstream value chain partners remains insufficiently transparent; disruptions or regulatory changes upstream could trigger cascading impacts, potentially affecting commercial product delivery.

The Group demonstrates strong adaptive capacity, underpinned by the flexibility inherent in its asset-light operating model and its robust financial position. The Group conducts an annual review and enhancement of its climate risk management framework, integrating the latest data, stakeholder feedback, and lessons learned from actual climate-related events. This continuous improvement process ensures that the Group's strategies remain robust, forward-looking, and responsive to the dynamic nature of climate-related risks and opportunities.

In response to the demand from various stakeholders for climate-related financial information disclosure, we assessed potential financial impacts of climate-related risks and opportunities on the Group during the Reporting Period by combining key climate scenario parameters and the actual conditions of our business operations, demonstrating our commitment to adaptive management and long-term business continuity. At this stage, the Group is not able to provide quantitative forecasts of future financial impacts arising from climate-related risks and opportunities due to the limited availability of reasonable and supportable forward-looking data and the high level of measurement uncertainty involved.

During the Reporting Period, the Group did not make any capital investments specifically aimed at addressing climate-related risks or pursuing climate-related opportunities. The Group does not currently have any dedicated capital investment or divestment plans that are specifically driven by climate-related considerations. Any future climate-related capital expenditures will be assessed based on operational needs, commercial rationale and evolving regulatory requirements.

The Group has also not formulated any climate-specific funding strategy at this stage. Climate-related initiatives, where required, will continue to be supported through existing operational budgets, and the Group will evaluate additional funding needs as climate-related requirements or strategic priorities evolve. While separate quantification of individual climate-related financial effects is not feasible, the Group expects that the combined financial impact of climate-related risks, primarily those relating to extreme weather events, may affect operating costs, cost of goods sold, and gross margin in future periods. Such impacts are not expected to be material in the short term given the Group's business scale and exposure profile.

Risk Management

The Group has integrated climate-related risk management into its overall enterprise risk management framework and ESG governance structure. For a detailed description of the ESG governance structure, please refer to the "ESG Strategy and Governance" section of this Report. The Group follows a rigorous risk management process to systematically identify, assess, prioritize, respond to, and monitor climate-related risks across its operations and value chain, thereby enhancing long-term operational resilience.

The Group's climate risk management process encompasses four interconnected stages – risk identification, risk assessment, risk prioritization and response, and risk monitoring and reporting – forming a closed-loop management mechanism. For a detailed analysis of key climate-related risks and opportunities identified and their corresponding response strategies, please refer to the "Climate Change – Strategy" section of this Report.

Climate-related Risk and Opportunity Management Process

Identification	Climate-related physical risks, transition risks, and opportunities are identified dynamically based on industry trends, stakeholder expectations, external expert insights, and analysis of the Group's value chain.
Assessment	Qualitative method is employed to assess the likelihood of occurrence and potential impact of identified risks. For details on scenario parameters and methodologies, and results, please refer to the "Climate Change – Strategy" section of this Report.
Prioritization and Response	Climate risks are prioritized using unified criteria to determine management priorities, with differentiated response strategies formulated for risks at different levels.
Monitoring and Reporting	The ESG Working Group is responsible for day-to-day monitoring of climate-related risks and opportunities. Any significant climate risks or non-compliance issues identified are reported directly to the Board. The Board reviews the status of key climate risks and opportunities, the effectiveness of management measures, and their financial impact at least annually.

Climate-related risk management has been incorporated as a dedicated module within the Group's annual enterprise risk assessment process. The Board is responsible for overseeing the design, implementation, and overall effectiveness of the risk management and internal control systems, and for ensuring that the Group has taken reasonable measures to manage significant risks.

The Group's climate risk management covers all operations within the reporting boundary outlined in this Report. For further details on the reporting scope, please refer to the "Reporting Scope" section of this Report.

The Group conducts an annual review and enhancement of its climate risk management framework, integrating the latest data, stakeholder feedback, and lessons learned from actual climate-related events to ensure strategies remain robust, forward-looking, and responsive to the dynamic nature of climate-related risks and opportunities.

Our climate change risk assessment takes into account the policies and regulations expected to be introduced in the coming years as the climate cycle continues to deteriorate. By identifying areas where our organization can improve, we remain committed to implementing efficient investments and enhancing the resilience of our business operations. The first step toward a more sustainable future is to reduce energy and resource loss while improving overall efficiency. Ultimately, the key to protecting the environment lies in achieving complementarity and proportionality between business development and environmental protection. The Group actively promotes this belief and fosters a culture of environmental responsibility, ensuring that we contribute to alleviating climate change wherever possible.

Metrics and Targets

The Group adopts key metrics to assess and manage climate-related risks and opportunities. Energy consumption and GHG emissions indicators are the key metrics used to assess and manage relevant climate-related risks, which the Group considers material and crucial for evaluating the impact of its operations on global climate change during the Reporting Period.

During the Reporting Period, the Group discloses GHG emissions data, which aligns with the reporting scope of environmental data outlined in this Report. For details, please refer to the “Reporting Scope” section. Generally, the Group applies the operational control approach to define its organizational boundary for reporting purposes, unless otherwise stated. GHG emissions are measured in accordance with the GHG Protocol: Corporate Accounting and Reporting Standards (2004). Additionally, the Group refers to the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) to identify relevant Scope 3 GHG emissions categories. For detailed disclosure of emissions data, energy consumption data and year-on-year analysis, please refer to the “Emissions” and “Use of Resources” sections of this Report.

The Group has established a long-term aspiration to achieve carbon neutrality across its entire value chain by 2050, covering GHG emissions. This aspiration is guided by the global temperature goals of the Paris Agreement, and aligned with international climate frameworks relevant to the Group’s industry. The Group has set management and control targets on an absolute basis in the medium term by 2030 for reducing GHG emissions, waste generation and energy consumption, with 2022 as the baseline year. This target serves as a directional guide for the Group’s ongoing climate-related actions to lower its overall environmental footprint. Future development of a more detailed roadmap will be contingent upon improved data availability, evolving regulatory expectations, and ongoing enhancements to the Group’s climate-related measurement capabilities. The target is not derived using a sectoral decarbonization approach, and the Group does not presently plan to rely on carbon credits. Should the Group consider the use of carbon credits in the future, relevant verification schemes and associated criteria will be disclosed.

The Group regularly tracks its energy consumption and GHG emissions indicators to assess the effectiveness of emission reduction initiatives, as well as to inform the targets set out in the “Emissions” and “Use of Resources” sections, contributing its effort to mitigate global warming.

The Group does not currently apply internal carbon pricing in its decision-making processes. The potential implementation of internal carbon pricing will be explored in the future.

Given that the Group focuses on the research, development and commercialization of transformative therapies for rare diseases and oncology, and operates an asset-light model, the Group holds limited physical assets that are sensitive to climate-related transition or physical risks. Based on currently available information, the Group estimates that substantially all of its own business activities fall into a low-exposure category with respect to climate-related transition and physical risks.

In a similar manner, the Group's ability to capture climate-related opportunities (such as energy efficiency improvements and energy source enhancements) is also modest due to the limited scale and operational profile of the business. Accordingly, the Group considers that its own business activities currently have limited alignment with climate-related opportunities. The Group will continue to assess its level of exposure as the regulatory environment and business operations evolve.

During the Reporting Period, the Group did not incur any material capital expenditure, arrange financing or investment that was specifically dedicated to addressing climate-related risks or pursuing climate-related opportunities. Given the Group's business nature, climate-related initiatives are currently undertaken through existing operational budgets. The Group will continue to monitor its climate-related exposures and may allocate targeted capital resources as and when climate-related projects become necessary or relevant to its operational needs.

Given the Group's asset-light operating model and reliance on external vendors, consistent industry-based metrics are not yet disclosed. The Group will explore the feasibility of adopting such indicators and progressively integrate them as value chain data capabilities improve. The Group remains committed to strengthening its climate governance and disclosure practices in line with evolving regulatory expectations and international best practices.

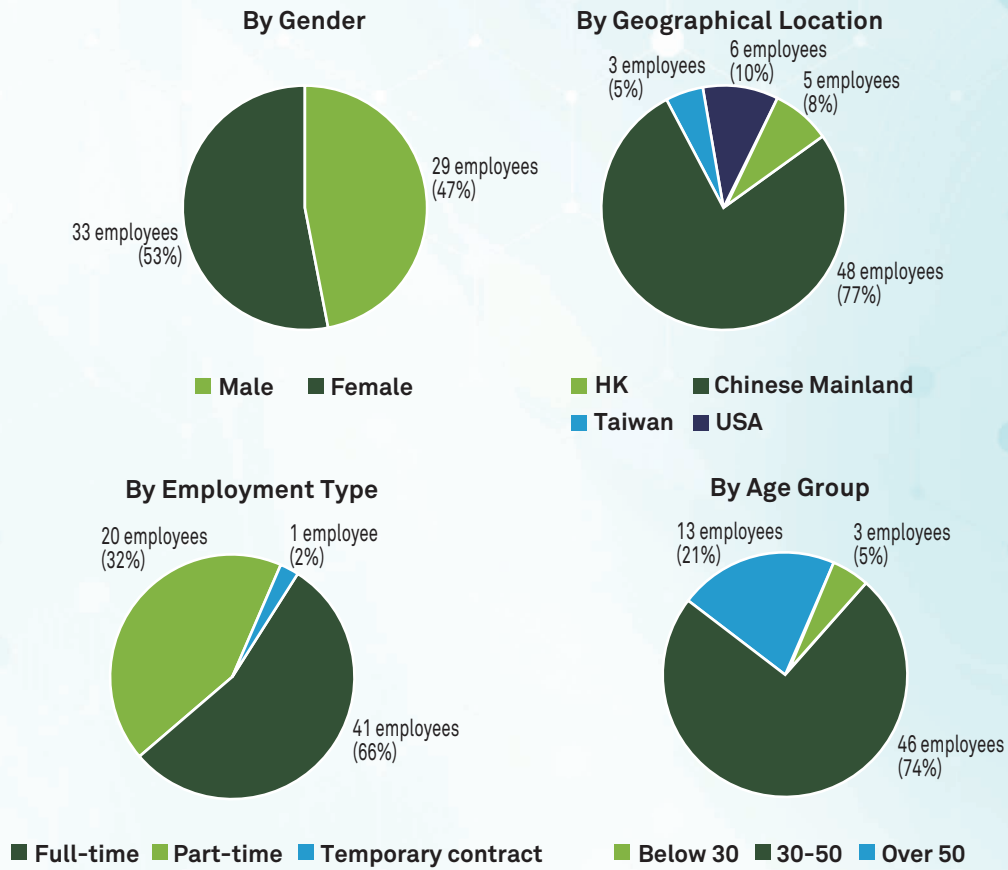
Employment

Talent Attraction and Retention

People are considered as the most valuable asset for the development of the organization. We aim to attract the appropriate people who have the right skills and knowledge, willing to share the same vision and values as the Group. We appreciate the contributions made by our employees and are dedicated to improving their welfare and well-being during the tenure of their employment. We are always committed to creating a harmonious and caring work environment which empowers our employees and gives them a sense of belonging.

A set of human resources policies and procedures have been established to guide employee compensation, dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, other benefits and welfare in accordance with the relevant employment laws and regulations in each location. These human resources related policies are regularly reviewed and updated to ensure compliance with the latest labour laws and regulations. Also, the human resources department implements appropriate internal controls to ensure that these policies being strictly adhered to.

As of 31 December 2025, the Group has 62 (2024: 79) employees in total, including full-time, part-time and temporary employees, and 66% (2024: 85%) of them are full time employees. Distributions of the Group's employees are shown below:



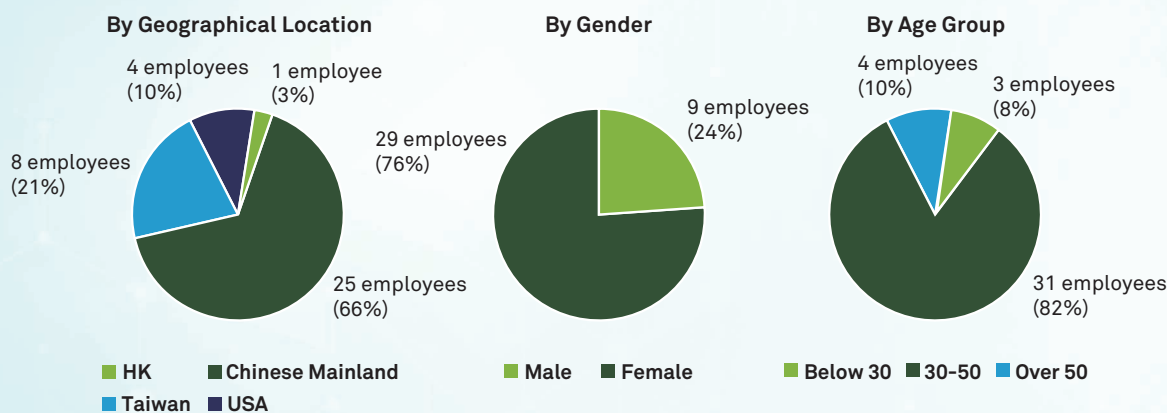
During the Reporting Period, the Group had an overall turnover rate of 38% (2024: 38%). The detailed breakdown of the employee turnover rate during the Reporting Period and the corresponding period in 2023 and 2024 are summarized as below:

Category		Number of employees left (total in category) ¹			Turnover rate for employees in the relevant categories ²		
		2023	2024	2025	2023	2024	2025
By Geographical Location	Hong Kong	3 (6)	2 (5)	1 (6)	50%	40%	17%
	Chinese Mainland	27 (103)	28 (88)	25 (73)	26%	32%	34%
	Taiwan	4 (13)	2 (12)	8 (11)	31%	17%	73%
	US	10 (28)	17 (23)	4 (10)	36%	74%	40%
By Gender	Male	16 (56)	18 (46)	9 (38)	29%	39%	24%
	Female	28 (94)	31 (82)	29 (62)	30%	38%	47%
By Age Group	Below 30	12 (27)	7 (17)	3 (6)	44%	41%	50%
	30 to 50	20 (106)	35 (94)	31 (77)	27%	37%	40%
	Over 50	3 (17)	7 (17)	4 (17)	18%	41%	24%

Notes:

1. The numbers in parentheses are the sum of Number of Employees left and Total Number of Employees at the end of the Reporting Period.
2. Turnover rate for employees in the relevant categories= Number of Employees Leaved/(Number of Employees Leaved + Total Number of Employees at the end of the Reporting Period).

Overall, there were 38 (2024: 49) employees leaving the Group during the Reporting Period and the distribution of turnover was as follows:



Compensation and Employee Benefits

We offer our employees an attractive remuneration package, which is determined based on two main factors:

- **Competitiveness:** On a regular basis, the Group conducts market research and compares salary levels with competitors in the same industry to ensure that our employees are being offered competitive remuneration packages.
- **Performance:** The Group believes the key to overcoming challenges in a competitive business environment is our dedicated employees. As such, individual performance serves as one of the primary factors driving salary adjustments and promotions.

The Group's remuneration package includes a comprehensive range of benefits for all employees, such as mandatory provident fund, life insurance, medical insurance, annual leave, overtime leave, marriage leave, maternity leave, and birthday leave. Additionally, the Group offers meal and travel allowances for employees during overtime work and business trips.

Career Advancement and Promotion Opportunities

We provide our employees with ample opportunities for career development and promotion. Every year, we conduct performance reviews of employees through an established performance management mechanism, which is based on the following process:

Personal performance planning

- Formulate individual annual work plans based on company-level annual targets and positional responsibilities.

Application of assessment results

- Implementation of pay incentives;
- Assign learning and development opportunities.



Executive performance management

- Follow up with employees on plan implementation and make adjustments;
- Coach and motivate employees on the process.

Implementing performance evaluation

- Conduct performance evaluations;
- Interview employees and provide feedback on evaluation results;
- Develop individual competency development plans.

The performance management mechanism provides a structured framework for employees to identify their strengths and areas for improvement, fostering effective communication and mutual understanding between employees and management. Performance assessment results serve as a reference for decisions related to salary adjustments, bonus distribution, promotions, re-deployment, job rotations, or other relevant arrangements. The evaluation process is designed to adhere to the principles of fairness, actionability, realism, and measurability, ensuring it effectively supports and guides employees in their career and professional development.

Wellbeing and Work Life Balance

The Group attaches equal importance to employee wellbeing and work-life balance. The Group has clearly stated the working hours and rest periods of employees in the Employee Handbook. At the same time, the Group has implemented a flexible working time policy which allows employees to freely choose 1.5 hours up or down as flexible time based on the standard working time, as well as leaving work 0.5 hours earlier every Friday, so that employees can maintain a proper work-life balance. The measures mentioned above have effectively reduced the work pressure of employees and improved their overall work efficiency.

Employee satisfaction is one of our key concerns, and as such, we invest a great deal of effort in maintaining and/or improving employees' motivation. The Group conducts annual internal employee satisfaction surveys to understand their perceptions and opinions about the Group or the work environment. The survey results are summarized and reviewed by the management with actionable goals and improvements being set as necessary.

Diversity and Equal Opportunity

The Group promotes a corporate culture of equality, inclusion and diversity. We strongly believe that an inclusive work environment will promote harmony and co-operation amongst our employees. We recognize that a team with greater diversity in terms of gender, age, marital status, pregnancy, race, education, family status and disability can help us to better understand the needs of our diverse customers and the dynamic business environment. We provide equal opportunities in employment and promotion for our employees, regardless of the differences among them, and this is also stipulated in our Employee Handbook.

The Group also pays attention to the prevention of sexual harassment in any form at the workplace. Relevant complaints will be forwarded to the Human Resources Department and will be dealt with under strict confidentiality. The Group's policies in diversity and equal opportunity were established with reference to the following laws and regulations: Sex Discrimination Ordinance (Cap.480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527), Race Discrimination Ordinance (Cap. 602) of Hong Kong, Labour Law of the PRC * (《中華人民共和國勞動法》), and the Act of Gender Equality in Employment of Taiwan* (台灣《性別平等工作法》).

* The English name is for identification only.

Health and Safety

Workplace and Occupational Health and Safety

A healthy workforce is the backbone and foundation of the Group's long-term success. Therefore, it has been a top priority for us to ensure the occupational health and safety of our employees. The Group is committed to promoting and maintaining the physical as well as mental health of our employees, creating and maintaining a safe and healthy working environment. All of the Group's business operations comply with applicable laws and relevant provisions, including but not limited to The Occupational Safety and Health Ordinance (Cap. 509) of Hong Kong, Law of the PRC on Work Safety* (《中華人民共和國安全生產法》), The Occupational Safety and Health Act* (《職業安全衛生法》) and Act for Protecting Worker of Occupational Accidents of Taiwan* (《台灣職業事故工人保護法》), Law of the PRC on Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》) as well as the relevant regulations issued by the Occupational Safety and Health Administration ("OSHA") of the USA Department of Labour.

In addition, the Group has established the Safety Manual for providing instructions on work safety. The Safety Manual is reviewed each year to ensure that the latest laws, regulatory requirements and internal requirements can be reflected, and any changes will be timely circulated to related staff. Furthermore, for all our offices, activities such as periodic safety training, fire and evacuation drills are conducted in order to maintain and raise our employees' safety awareness and knowledge in safety. Employees are also encouraged to express opinions on safety procedures to the management. Finally, we conduct periodic risk assessments in order to timely identify, evacuate and mitigate any new risks from the workplace and to ultimately provide our employees with a healthy and safe working environment.

The Group has established a sound mechanism for handling any work-related fatalities or injuries. During the Reporting Period, no case (2024: Nil) of work injuries and loss days due to work injuries are recorded by the Group. There were no work-related fatalities in the past three years including the Reporting Period. Also, no material case was identified in terms of non-compliance on health and safety related regulations.

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Development and Training

Staff Training and Professional Development

The Group believes that continuous learning and training is a strong pillar for the Group to achieve long term development as well as a driving force for the growth of the business. Therefore, the Group's management is committed to supporting and valuing the training and development of our employees in order to enhance their professional skills and knowledge. During the Reporting Period, the Group continues to implement its overarching talent development strategy with the vision of "Building a Global Leading Rare Disease Business Team" and comprehensively and systematically executes the corresponding skills enhancement program. At the same time, the Group has continued to objectively review and evaluate its existing talents pool based on employee evaluation standards and promotion procedures aligned with the respective levels. Additionally, the Group remains committed to fostering talent development through various projects and training programs aimed at enhancing the overall capabilities of the entire team. For instance, high-performing and high-potential employees are selected to participate in talent development camps, where they are paired with personalized career mentors to prepare them for taking on key roles and responsibilities within the organization. Employees with fair performance and average potential are assigned challenging tasks and provided with tailored online courses designed to address their areas for improvement. The management team plays a critical role in driving the Group's high-quality development and serves as a key force in leading and fostering the growth of the team. Employees with strategic thinking and strong problem-solving skills are selected for the Talent Leadership Programs as a reserve for the future management team. During the Reporting Period, the Group has conducted more than 10 online training and offline workshops, aiming to build a high-quality team by improving employees' innovation and interpersonal skills.

For the orientation of new employees, the Human Resources Department prepares an induction package on their first working day, which includes information regarding the Group's organizational structure, code of conduct as well as other materials related to the employee's responsibilities. The Group has also organized both online and offline training for new employees, helping them adapt to the new workplace quickly and smoothly. We believe that by providing these resources to our employees, both the Group and employees can receive enough benefits.

During the Reporting Period, a total of 48 (2024: 92) full-time employees have received training across four geographical locations, with 785 (2024: 1,147) training hours in total. The average employee training time during the Reporting Period is 16 (2024: 11) hours. More Details on training and development offered to the Group's staff are as follows:

Categories	2023	2024	2025
Percentage of Employees Trained ¹	89%	89%	100%
Composition of Employees Received Training ²			
By Gender			
Male	37%	38%	48%
Female	63%	62%	52%
By Employee Category			
Senior Management	8%	10%	13%
Middle Management	25%	22%	27%
General Staff	67%	68%	60%
Average Number of Hours Trained ³	11 hours	11 hours	16 hours
By Gender			
Male	10 hours	11 hours	19 hours
Female	12 hours	11 hours	10 hours
By Employee Category			
Senior Management	14 hours	8 hours	13 hours
Middle Management	25 hours	13 hours	19 hours
General Staff	6 hours	11 hours	16 hours

Notes:

1. Percentage of Employees Trained = Total Number of Employees Trained/Total Number of Full-time Employees (including the employees resigned or terminated) at the end of the Reporting Period
2. Composition Percentage of Employees in the Specified Category Received Training = Total Number of Employees in the Specified Category Trained/Total Number of Employees Trained
3. Average Number of Hours Trained = Total Training hours/Total Number of Full-time Employees (including the employees resigned or terminated) at the end of the Reporting Period

Labour Standards

Anti-Child and Forced Labour

The Group firmly believes that only legal and ethical employment practices can attract and retain the right people. The Group strictly prohibits the use of child or forced labour in its business operations. All employees are recruited in strict compliance with local labour laws and regulations, which are detailed and stated in the employment contracts signed with the employees in order to protect the interests of both the employees and the Group. At the same time, we conduct background check on each new employee in order to protect the Group's reputation and ensure a safe working environment for all employees. Once a situation of child labour is identified, it will be immediately reported to senior management for follow-up actions. In addition, when engaging with suppliers and contractors, the Group also takes proactive steps to screen out potential business partners who may be involved in the employment of child labour. The Group continuously reviews their employment practices to ensure that they are in strict compliance with relevant laws, such as the Employment Ordinance (Cap.57) of Hong Kong, Labour Contract Law of the PRC* (《中華人民共和國勞動合同法》), the Labour Standards Act of Taiwan* (台灣《勞動基準法》), as well as the Fair Labour Standards Act of the USA.

The Group firmly believes that only legal and ethical employment practices can attract and retain the right people. During the Reporting Period, there is no violation of laws and regulations for the Group and also our business partners relating to child labour or forced labour.

Supply Chain Management

Responsible Supply Chain Management

Similar to other pharmaceutical companies, the Group has established a responsible supply chain management framework to standardize and enhance supplier management, reducing procurement risk and maximizing overall value in terms of quality, cost, service and efficiency.

Supplier Selection Process

The Group implements a rigorous supplier selection process to ensure the competence and suitability of suppliers. The factors considered in this process include, but are not limited to, experience, reputation and the holding of relevant licenses. For supplier evaluation criteria, we have developed detailed requirements from a business perspective, including an assessment of services provided and technical parameters, quality certifications, technology, R&D and innovation capabilities, as well as the supplier's legal, safety, health and environmental performance. For example, we strictly select suppliers who have never been subject to any criminal or administrative investigation or received any criminal or administrative penalties for serious violations of anti-corruption, anti-money laundering, anti-monopoly and environmental protection regulations. In addition, when engaging with suppliers and contractors, the Group also takes proactive steps to screen out potential business partners who may be involved in the employment of child labour.

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The Group would not select suppliers with the following characteristics:

- Adverse environmental impacts brought from inefficient use of resources and emissions during lifecycle of product manufactured.
- Adverse impacts to people and environment due to usage of hazardous substances, emissions, pollutants, and limited recyclability of products that could be prevented or minimized.
- Unfair employment practices, such as low wages, excessive overtime, child labour, and absence of occupational health and safety measures; and
- Risks for consumer health and safety.

According to the Group's policies on procurement, selected suppliers are classified into three classes of risks, namely Class A (High Risk), Class B (Medium Risk), and Class C (Low Risk). If proposed business has any relationship or contact with any Healthcare Professional or Government Official, irrespective of whether the business is related to the principal business of the Group, the supplier is classified as high risk and as Class A type, or they will be classified as low risk and as Class C Type to the contrary. Prior to the establishment, renewal or extension of any business relationship, due diligence shall be conducted to the extent necessary and reasonable in accordance with Third-party Supplier Compliance Provisions and the Procurement Management Process. In particular, Third-party Supplier Compliance Provisions in principle shall apply to Class A (High Risk) strictly, and to Class B (Medium Risk) as a reference, and to Class C (Low Risk) flexibly. Internal control mechanisms are in place to ensure suppliers with different classes of risks meet respective requirements during the supplier selection process.

Supplier Monitoring Regime

All suppliers are required to complete a Third-Party Supplier Questionnaire and a Standard Compliance Clauses for the Third-Party Suppliers as part of the supplier selection process. For the purpose of monitoring our suppliers from time to time and ensuring their continuous compliance, the department that procures the goods or service is responsible for monitoring the supplier's performance, and regularly tracking the suppliers' activities, which should match the company's business targets.

The Group distributes the Group's Anti-Corruption Guideline Policy to selected suppliers and holds compliance training for suppliers to ensure their understanding and compliance with the policy. Additionally, the Group also issues suppliers with Compliance Training Certificate upon successful attendance. These procedures are all clearly established under the Group's Third-Party Supplier Compliance Provisions, which is made according to relevant local and international anti-corruption laws applicable to the business of the Group, including but not limited to the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), Anti-Unfair Competition Law of the PRC* (《中華人民共和國反不正當競爭法》), the Criminal Law of the PRC* (《中華人民共和國刑法》), the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act.

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During the cooperation with suppliers, the Group actively monitors its suppliers' performance against predetermined cooperation criteria. An overall performance assessment will also be conducted at the end of the contractual relationship to serve as a reference for supplier selection in the future. The Group continuously maintains a close and long-term relationship with qualified suppliers and contractors to guarantee a stable supply chain for business operations.

Our Suppliers

During the Reporting Period, there were 10 (2024: 7) major suppliers directly related to the Group's core operations. These included but not limited to research, licensing, cold chain logistics and drug production sites. The table below lists out the suppliers in certain key geographical locations:

Geographical Location	Number of Suppliers	
	2024	2025
Hong Kong	–	2
Chinese Mainland	6	5
Taiwan	1	–
US	–	2
South Korea	–	1

During the Reporting Period, the Group did not terminate any supplier relationships based on the supplier evaluation mechanism. This can be partly attributed to the Group's proactive approach to assessing potential risks associated with suppliers before entering into cooperation with them.

Product Responsibility

Product Safety and Service Quality

The Group is committed to producing high quality products. We have maintained a comprehensive quality management system to standardize all aspects of products and services, spanning from the initial clinical trial stage to product commercialization and marketing stage. The Group strictly complies the laws, rules and regulations of relevant geographical locations in relation to assurance and product safety such as the Drug Administration Law of the PRC* (《中華人民共和國藥品管理辦法》) and Good Manufacturing Practice of National Medical Products Administration* (《藥品生產質量管理規範》), Import and Export Ordinance (Cap. 60) and Control of Chemicals Ordinance (Cap.145) of Hong Kong · Pharmaceutical Affairs Act* (台灣《藥事法》), Regulations on Management of Medicament Samples and Gifts* (台灣《藥品樣品贈品管理辦法》), and Regulations Governing the Trace and Track System for Medical Products of Taiwan* (台灣《醫療產品追溯與追溯制度管理規定》).

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Elements of Control

Drug Import

The quality of our imported drugs is ensured since the Group only procures from sources that are in compliance with related regulations and standards, such as the Drug Administration Law of the PRC* (《中華人民共和國藥品管理法》), and Regulations for the Implementation of the Drug Administration Law of the PRC* (《中華人民共和國藥品管理法實施條例》), Standards for Quality Control of Pharmaceutical Production* (《藥品生產質量管理規範》), GMP 2010), Import and Export Ordinance (Cap. 60) and Control of Chemicals Ordinance (Cap.145) of Hong Kong.

Inventory Control

To ensure the traceability of our products, we have assigned responsible staff to keep track of daily inventory flows and maintain relevant records. The Group has also designated staff with professional pharmaceutical knowledge to perform quality checks upon receiving products, manage storage conditions and report to government authorities in accordance with relevant laws and regulations.

Intellectual Property Rights

We strictly abide by the Trademark Law of the PRC * (《中華人民共和國商標法》), Patent Law of the PRC * (《中華人民共和國專利法》) and other related laws and regulations and establish adequate procedures to respect and protect relevant intellectual property rights.

Product Recall

We have signed license agreements with the license holders and the business agreements with distributors to address the responsibilities and scope of product recalls. Even though we are not facing the end customers directly, SOPs for Recall Management have been established internally to initiate and manage the recall process when quality issues occur and result in product recalls.

Complaint Handling

We constantly strive to maintain the quality of our products and customer relationships and have a sound feedback mechanism in place for customers to raise any problems or comments to us. We have regulated the standard procedures for receiving customer complaints, investigating, handling, and responding to ensure complaints are properly handled with care and diligence. If the customer raises complaints, distributors will be responsible for communicating and coordinating with our Quality Assurance Department in a prompt manner and resolving the complaint promptly with high customer satisfaction.

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Compliance Marketing

We have established the Code of Interaction with Healthcare Professionals (“HCPs”), Patients and the Public, which provides guidelines on business behaviors performed during all kinds of pharmaceutical awareness activities and interactions, including promotion of CANbridge’s pharmaceutical products and interactions with entities such as HCPs, healthcare organizations, patients, patient organizations, and charitable entities. We have prohibited any false or exaggerated descriptions of our products, and continuously market our products according to the requirements of local regulations relevant to the pharmaceutical field, including but not limited to the Advertising Law of the PRC* (《中華人民共和國廣告法》), Measures for the Administration of Medical Advertisements* (《醫療廣告管理辦法》), and Provisions for Drug Insert Sheets and Labels* (《藥品說明書和標籤管理規定》).

During the Reporting Period, the Group has not identified any material non-compliance cases regarding products related laws and regulations. In addition, the Group has not identified any cases of product recall or complaints for our products owing to health and safety problems.

Data Privacy and Protection

We value the confidentiality of personal data and are committed to protecting stakeholder’s information with care. We trust to keep the information shared to us in a safe and secure manner by implementing strict data protection measures in compliance with the statutory requirements relating to data privacy. During the Reporting Period, we continue to implement the Data Management Plan (“DMP”) in accordance with the guidelines of the National Medical Products Administration (“NMPA”), which fully considers the characteristics of data collection systems and the common data management practices in the industry, both domestically and internationally. Six data protection principles upheld by the Group include:

Collection Purpose and Means

Data is collected in a lawful and fair manner and clearly informed the data providers of the purposes for which we collect the data. Only the necessary data is gathered to fulfill the specified purpose.

Accuracy and Retention

Regular reviews are conducted to ensure the accuracy and timeliness of the data. Data is promptly removed once the purpose of its collection has been fulfilled.

Use of data

Collection of personal information is used for proper purposes only, and under explicit or implicit consent from clients.

Data Security

Data files are stored in locations with restricted access to solely authorized users, and list of authorized users are reviewed on a regular basis.

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Data Openness

Data providers would be notified of the types and contents of personal data being collected by the Group, as well as the policies and guidelines on dealing with data.

Data access and Correction

The electronic or hard copies of personal data will be given to data providers upon request. Data providers are able to request correction of any data records where necessary.

Information Technology Policies and Procedures set out the principles for a sound information security management of the Group to protect the business by managing the risks arising from unauthorized disclosure or distribution of confidential or sensitive information. For instance, the Group has established data privacy and protection policies and procedures, including the Guideline on Personal Information Protection. These policies are also regularly reviewed and updated by the management to ensure they are sufficient to counter evolving threats to data privacy, and in full compliance with increasingly stringent data privacy laws and regulations. The Group has also established a complaint handling mechanism, in which all staff and the public can raise complaints to the Compliance Department for handling and follow-up. Furthermore, the Group developed a company-level Information Confidentiality Policy in 2023, which sets out the definition of confidential information, types of confidential information, classification of confidentiality, confidentiality measures and management procedures, confidentiality agreements, and liability for incidents of confidential information, and has organized relevant training for our staff. During the Reporting Period, the Group continues to use the electronic data capture (“EDC”) system for clinical trial data collection so as to protect patients’ private information and the health data involved.

During the Reporting Period, we have not identified any material cases of non-compliance on data privacy laws and regulations.

Anti-corruption***Anti-corruption and Anti-money Laundering***

The Group recognizes that integrity, openness and honesty are the core values for conducting business. Any form of corruption, bribery, extortion, money laundering and other fraudulent activities will not be tolerated, and all employees are required to adhere to personal and professional ethics. We have established key policies and distributed them across all business units, including the Anti-Corruption Guideline Policy, Anti-Money Laundering Compliance Provisions, Anti-Monopoly and Fair Competition Compliance Policy and Whistleblowing and Anti-Fraud Policy to ensure all staff are aware of and comply with relevant requirements at all times. As we are also aware of the importance of avoiding commercial bribery, enforced anti-commercial bribery policies are also established, which includes Medical Advisors Engagement Compliance Provisions, Entertainment/Hospitality, Travel Support and Gifts Compliance Provisions, Third-Party Supplier Compliance Provisions, Code of Interaction with HCPs, Patients and the Public, and FAQs & Compliance Guidelines on Interactions with Various Parties Regarding the Huimin Supplemental Commercial Health Insurance Program. These policies have been developed in accordance with relevant laws and regulations, including but not limited to, the Anti-Money Laundering Law of the PRC* (《中華人民共和國反洗錢法》), the Anti-Monopoly Law of the PRC* (《中華人民共和國反壟斷法》), and the U.S. Foreign Corrupt Practices Act, which are available in both English and Chinese versions to ensure a full understanding by employees from different locations.

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The Group's Whistleblowing and Anti-Fraud Policy sets out the procedures for receiving, retaining and processing complaints received by the Group in relation to any suspected fraudulent activities or irregularities identified in its business operations. The implementation of this policy is in line with the Group's commitment to good corporate governance and its culture of zero tolerance for unethical behavior, irregularities, fraud or corruption in its activities. The Group maintains a zero-tolerance policy toward harassment, threats, retaliation, discrimination, or any adverse employment actions against employees who make complaints in good faith or assist in investigations. The Audit Committee holds overall responsibility for overseeing this policy and managing the procedures for handling complaints and reporting fraud cases. The steps for addressing a complaint or reported fraud case involves processing and monitoring the complaint, completing the investigation, and keeping a detailed record of the Report to ensure transparency and accountability. The Audit Committee and the CEO are notified of the results of any investigation. Upon completion of the investigation, the Audit Committee will review the results and determine corrective actions. If the complainant is not satisfied with the result, he/she may revert to the Audit Committee. Furthermore, the Group has also established an effective risk management and internal control system, which is regularly reviewed and updated to help detect anti-corruption actions.

During the Reporting Period, the Group has provided one training session on the Contract Management SOP to employees, to ensure compliance in procurement processes and adhere to transparent approval processes. Training materials are also provided to all employees to ensure that they are aware of compliance requirements, thereby increasing their awareness of anticorruption and anti-money laundering practices.

During the Reporting Period, no significant violation of anti-corruption-related laws and regulations has been found. The Group and its employees are also not subject to any legal proceedings.

Community Investment

Our goal is to build a sustainable community by supporting local activities that create effective and lasting benefits for the community. These activities primarily include corporate philanthropy, building community partnerships and motivating employees to engage in volunteer work. The Group is passionate about contributing and giving back to the community. As a pioneer in developing rare disease therapies in the PRC, we work with key stakeholders including regulatory authorities, key opinion leaders ("KOLs"), doctors, patients through patient registry and advocacy groups, centers of excellence, healthcare security organizations and commercial insurance organizations, among other key stakeholders, to play an active role in driving the development of the rare disease industry and shaping the rare disease ecosystem in the PRC.

Therefore, the Group actively participates in charitable activities and makes donations. Our goal is to help patients with rare diseases improve their multi-level protection and welfare system and reduce their family burden. During the Reporting Period, we continued to provide comprehensive support to patients with rare diseases through various patient assistance programs, including drug donation initiatives and rare disease charity programs aimed at enhancing treatment accessibility and quality of life of our patients.

Additionally, our community investments focus on developing the pharmaceutical and healthcare industries to cultivate more medical professionals and advance valuable medical knowledge, skills and experience. This commitment is reflected in our donations and sponsorships to numerous medical groups, associations and research institutions. Below is a non-exhaustive list of examples of events that we have supported during the Reporting Period:

PRC	<ul style="list-style-type: none"> • “Childlike Heart Life Care” Program via Anhui Red Cross Foundation* (安徽省紅十字基金會); • Gaurunning® Drug Donation Programs via Beijing Huaxia Public Welfare Foundation* (北京華夏公益基金會); • CANbridge Rare Disease Charity Program; • Sponsorship of multiple academic conferences including: Yangtze River Delta Rare Disease Forum* (長三角罕見病防治與保障論壇), Guangdong Medical Association Neonatal Genetic Metabolic Diseases Symposium* (廣東省醫學會新生兒遺傳代謝疾病學術研討會), Chinese Anti-Cancer Association Pediatric GI Diseases Symposium* (中國抗癌協會兒童胃腸道疾病研討會), and various provincial-level rare disease and pediatric academic meetings.
Taiwan	<ul style="list-style-type: none"> • 2025 Taiwan Newborn Screening Summit/6th APAC Educational Forum for Families and Caregivers on MPS organized by Taiwan MPS Society • 20th Anniversary Charity Gala of Prader-Willi Syndrome Association Taiwan • CANbridge Rare Disease Charity Program

In addition to initiatives at the corporate level, we also support our employees in organizing and participating in various charitable activities, as this is in line with our core values. Our employees are motivated to contribute to charitable causes in both financial and non-financial ways, such as volunteering or making donations. During the Reporting Period, our employees participated in volunteer activities including patient support and educational outreach programs across multiple regions.

During the Reporting Period, the Group donated approximately RMB35,058,000 (2024: RMB102,000), primarily allocated for patient assistance programs, academic conference sponsorships, healthcare research support, and rare disease patient welfare initiatives. During the Reporting Period, 17 employees participated in volunteer activities, contributing a total of 44 hours of community service. This newly collected data provides a more comprehensive reflection of the Group’s commitment to and performance in community investment.

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APPENDIX: CONTENT INDEX FOR ESG REPORTING CODE

General Disclosures and KPIs	Description	Reference Section
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group. relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions – Air Pollutant Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Hazardous and Non-hazardous Waste
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Hazardous and Non-hazardous Waste
KPI A1.5	Description of target(s) set and steps taken to achieve them.	Emissions – Targets Setting
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions – Hazardous and Non-hazardous Waste; Emissions – Waste Disposal and Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Energy Usage
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Water Usage and Other Matters
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – Energy Usage; Use of Resources – Targets Setting
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources – Water Usage and Other Matters

General Disclosures and KPIs

Description

Reference Section

KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.

Use of Resources – Packaging Material Usage

Aspect A3: The Environment and Natural Resources

General Disclosure Policies on minimising the Group's significant impacts on the environment and natural resources.

The Environment and Natural Resources

KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the action taken to manage them.

The Environment and Natural Resources – Environmental Impacts from Operations

B. Social

Aspect B1: Employment and Labour Practices

General Disclosure Information on:

Employment

(a) the policies; and

(b) compliance with relevant laws and regulations that have a significant impact on the Group

relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.

Employment – Talent Attraction and Retention

KPI B1.2 Employee turnover rate by gender, age group and geographical region.

Employment – Talent Attraction and Retention

Aspect B2: Health and Safety

General Disclosure Information on:

Health and Safety

(a) the policies; and

(b) compliance with relevant laws and regulations that have a significant impact on the Group

relating to providing a safe working environment and protecting employees from occupational hazards.

General Disclosures and KPIs

Description

Reference Section

KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Period.	Health and Safety – Workplace and Occupational Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety – Workplace and Occupational Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety – Workplace and Occupational Health and Safety

Aspect B3: Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training – Staff Training and Professional Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training – Staff Training and Professional Development

Aspect B4: Labour Standards

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group. relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards – Anti-Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards – Anti-Child and Forced Labour

General Disclosures and KPIs

General Disclosures and KPIs	Description	Reference Section
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management – Responsible Supply Chain Management; Supply Chain Management –Supplier Monitoring Regime
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management – Our Suppliers
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management – Supplier Selection Process; Supply Chain Management – Supplier Monitoring Regime
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management – Supplier Selection Process; Supply Chain Management – Supplier Monitoring Regime
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management – Supplier Selection Process; Supply Chain Management – Supplier Monitoring Regime
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group. relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility – Product Safety and Service Quality
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility – Product Safety and Service Quality

General Disclosures and KPIs

Description

Reference Section

KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Product Safety and Service Quality
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Product Safety and Service Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility –Data Privacy and Protection

Aspect B7: Anti-corruption

General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group. relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the Group or its employees during the Reporting Period and the outcomes of the cases.	Anti-corruption –Anti-corruption and Money Laundering
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption –Anti-corruption and Money Laundering
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption –Anti-corruption and Money Laundering

Aspect B8: Community Investment

General Disclosure	Policies on community engagement to understand the needs of the communities where the Group operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

General Disclosures and KPIs

Description

Reference Section

Part D: climate related disclosure

(I) Governance

Information about:

- (a) the governance body responsible for oversight of climate-related risks and opportunities; and
- (b) management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.

Climate Change – Governance

(II) Strategy

Climate-related risks and opportunities

Information of climate-related risks and opportunities that could be expected to affect the Group’s cash flows, its access to finance or cost of capital over the short, medium or long term.

Climate Change –Strategy

Business model and value chain

Information of the current and anticipated effects of climate-related risks and opportunities on the business model and value chain.

Strategy and decision-making

Information of the effects of climate-related risks and opportunities on its strategy and decision-making.

Information about the progress of plans disclosed in previous reporting periods.

Financial position, financial performance and cash flows

Information about:

- (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and
- (b) the climate-related risks and opportunities identified for which there is a significant risk of a material adjustment within the next annual reporting period.

**General Disclosures
and KPIs**

Description

Reference Section

Disclosures about:

- (a) how the Group expects its financial position to change over the short, medium and long term; and
- (b) how the Group expects its financial performance and cash flows to change over the short, medium and long term.

Climate resilience

Information of the resilience of the Group's strategy and business model to climate-related changes, developments and uncertainties, with climate-related scenario analysis to assess its climate resilience.

(III) Risk Management

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Information about:

- (a) the processes and related policies used to identify, assess, prioritize and monitor climate-related risks;
- (b) the processes used to identify, assess, prioritize and monitor climate-related and opportunities; and
- (c) the extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the Group's overall risk management process.

Climate Change –Risk
Management

(IV) Metrics and Targets

Greenhouse gas
emissions

The absolute gross greenhouse gas emissions generated during the Reporting Period, expressed as metric tons of CO2 equivalent, classified as:

- (a) Scope 1 greenhouse gas emissions;
- (b) Scope 2 greenhouse gas emissions; and
- (c) Scope 3 greenhouse gas emissions;

General Disclosures and KPIs

Description

Reference Section

	Information on:	
	(a) measurement of greenhouse gas emissions;	
	(b) the approach used to measure its greenhouse gas emissions;	
	(c) location-based Scope 2 and information about any contractual instruments of Scope 2 greenhouse gas emissions; and	
	(d) the categories included within the measurement of Scope 3 greenhouse gas emissions.	
Climate-related transition risks	The amount and percentage of assets or business activities vulnerable to climate-related transition risks.	
Climate-related physical risks	The amount and percentage of assets or business activities vulnerable to climate-related physical risks.	
Climate-related opportunities	The amount and percentage of assets or business activities aligned with climate-related opportunities.	
Capital deployment	The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	
Internal carbon prices	Information on:	
	(a) whether and how the Group is applying a carbon price in decision-making; and	
	(b) the price of each metric tonne of greenhouse gas emissions the Group uses to assess the costs of its greenhouse gas emissions, if any.	
Remuneration	Information on whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	
Industry-based metrics	Information on industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry, if any.	

**General Disclosures
and KPIs**

Description

Reference Section

Climate-related
targets

Information on:

- The qualitative and quantitative climate-related targets the Group has set to monitor progress towards achieving its strategic goals; and any targets the Group is required to meet by law or regulation, including any greenhouse gas emissions targets.
- The approach to setting and reviewing each target, and how progress against each target is monitored.
- The performance against each climate-related target and an analysis of trends or changes in the Group's performance.

Applicability of cross-
industry metrics and
industry- based metrics

Reference to and consideration of the applicability of cross-
industry metrics and industry-based metrics.