遠大健康 CGE HEALTHCARE

遠大醫藥集團有限公司
GRAND PHARMACEUTICAL GROUP LIMITED

2025
環境、社會及管治報告
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Contents

About This Report

This is the third Environmental, Social and Governance ("ESG") report (this "Report") independently published by Grand Pharmaceutical Group Limited ("Grand Pharma", "we" or the "Company"). The purpose of this Report is to provide shareholders, employees, the government, customers, patients, partners, the public and other stakeholders with an objective and accurate account of the Company's measures and achievements in sustainable development covering environmental, social, and governance aspects.

Basis of Preparation

This Report has been prepared in accordance with the requirements set out in *Appendix C2 Environmental, Social and Governance Reporting Code* (the "ESG Code") of the Listing Rules and the *Corporate Governance Code* of The Stock Exchange of Hong Kong Limited ("HKEX"). This Report also draws on reference from certain indicators of the Global Reporting Initiative's *Sustainability Reporting Standards* (the "GRI Standards").

Reporting Period

From 1 January 2025 to 31 December 2025 (the "Reporting Period" or the "Year"). In order to enhance the comparability and completeness of the contents of this Report, certain content may extend to 2026 where appropriate.

Reporting Scope

The disclosure scope of this Report covers Grand Pharmaceutical Group Limited (00512.HK) and its subsidiaries, which is consistent with that of the 2025 Annual Report of the Company. The abbreviated names of the subsidiaries and associates referred to in the body of this Report are as follows:

Full name of the company	Abbreviated name of the company
Sirtex Medical Pty Ltd.	Sirtex
Grand Pharmaceutical Technology (Wuhan) Co., Ltd.	Wuyao Pharmaceutical
Wuhan Grand Hoyo Co., Ltd.	Grand Hoyo
Hubei Grand Life Science & Technology Co., Ltd.	Grand Life Technology
Hubei Grand Biotechnology Co., Ltd.	Grand Bio
Hubei Grand Fuchi Pharmaceutical & Chemicals Co., Ltd.	Fuchi Chemicals
Hubei Grand EBE Pharmaceutical Company Limited	Grand EBE
Wuhan Kernel Bio-tech Co., Ltd.	Kernel Bio
Wuhan Kernel Bio-tech Co., Ltd. Xiantao Branch	Kernel Xiantao
Grand Pharma (Xiantao) Pharmaceutical Co., Ltd.	Grand Pharma (Xiantao)
Beijing Grand Johamu Pharmaceutical Co., Ltd.	Grand Johamu (Beijing)
Grand Beilin (Xi'an) Pharmaceutical Co., Ltd.	Grand Beilin (Xi'an)
Grand Johamu (Jiangxi) Pharmaceutical Co., Ltd.	Grand Johamu (Jiangxi)
Wuhan Shetai Medical Technology Co., Ltd.	Shetai Medical
Grand Huachen (Hebei) Biotechnology Co., Ltd.	Huachen Bio
Grand Pharmaceutical (Tianjin) Co., Ltd.	Grand Tianjin
Jiangsu Grand Xianle Pharmaceutical Co., Ltd.	Jiangsu Xianle
Grand Beilin (Qinghai) Pharmaceutical Co., Ltd.	Grand Beilin (Qinghai)
Nanjing Kainite Medical Technology Co., Ltd.	Nanjing Kainite

Report Disclosure

This Report is disclosed alongside the 2025 Annual Report of Grand Pharmaceutical Group Limited; the financial data involved are consistent with those of the 2025 Annual Report of the Company. Unless otherwise specified, currency mentioned in this Report are denominated in Hong Kong dollars. Other data and cases are mainly sourced from the Company's statistical reports and related documents.

Confirmation and Approval

This Report was approved by the Board of Directors on 26 March 2026, after confirmation by the management.

Report Access

This Report is published in Traditional Chinese and English for readers' reference. In case of discrepancies between the content of different versions, the Traditional Chinese version shall prevail. For environmental protection, we recommend reading the electronic version of this Report, which is available on the Company's website (https://www.grandpharm.com/en/).

Chairman's Message

For Grand Pharma, 2025 was a year of building on the past to forge ahead, and a year rich in achievements. From the comprehensive deployment of our global nuclear medicine strategy, to milestone breakthroughs in critical care, to the intensive launch of innovative ophthalmic products — we have not only sought progress amid stability, but also sought transformation amid progress, accelerating on the international track of pharmaceutical innovation. In the face of profound changes in the global pharmaceutical market, we have used innovation as our engine and pragmatic action to drive development, achieving a series of milestone breakthroughs in key frontier fields including nuclear medicine diagnosis and treatment and respiratory intervention. During the year, the Company's growth drivers underwent a shift, with innovative barrier products accounting for more than 50% of total revenue for the first time. A large number of globally competitive innovative achievements were successively launched, as years of R&D investment entered a period of concentrated returns. With steady and solid steps, we have stridden forward on the path of high-quality development, delivering a substantial annual report card to our shareholders, employees, patients and society.

We firmly believe that strong corporate governance is the foundation for sustained growth. We continued to refine the Board's structure and our ESG governance framework, systematically managing sustainability-related issues and risks, while embedding compliance, internal controls and business ethics into our corporate strategy and day-to-day operations. By improving decision-making transparency and operational resilience, we strive to create long-term, sustainable value for all stakeholders.

We remain committed to our strategic approach of "independent R&D + global expansion". By establishing global R&D centers and technology platforms in frontier therapeutic areas — including nuclear medicine, cerebro-cardiovascular and innovative biotechnology — we have built end-to-end innovation capabilities spanning drug discovery, clinical development and commercialization. During the Year, several globally innovative and domestically developed blockbuster products received regulatory approval, bringing new treatment options to a wider patient population. At the same time, we actively advanced our "Go Global" strategy, leveraging the worldwide rights to our proprietary products and accelerating clinical and commercial expansion through international collaboration, capital deployment and supply chain synergies, as we work towards building an innovative pharmaceutical company with global reach.

Guided by our founding mission — "Benefit both patients and doctors and contribute to the society" — we are committed to translating cutting-edge scientific achievements into health benefits for the wider public. By promoting the inclusion of our products in medical insurance and commercial insurance catalogues and establishing diversified patient assistance programmes, we have meaningfully improved the accessibility and affordability of medicines, easing the financial burden on patients. We remain dedicated to driving industry progress through technological innovation, and through public welfare initiatives such as the "Yttrium Little Red Flower" (钇朵小紅花) programme, we continue to extend our industry influence and social impact, bringing the benefits of scientific advancement to more lives.

Quality is the lifeline of a pharmaceutical enterprise. We place patient safety and product quality at the very core of what we do, strictly adhering to international standards and clinical ethics. We have established a quality management system spanning the entire lifecycle of our pharmaceutical products — from R&D and manufacturing to distribution and clinical use. Through systematic quality risk management, rigorous internal and external quality audits, and the cultivation of a company-wide quality culture, we continue to strengthen our quality and safety safeguards, striving to deliver reliable and effective treatment solutions to patients.

We regard our people as our most valuable asset, and are committed to safeguarding employee rights, supporting their development and ensuring their safety. Through initiatives such as the "Thousand Talents Project" (千人工程), we have systematically built our talent pipeline, while offering diversified training and leadership development programs for employees at all levels. Supported by competitive remuneration and benefits packages and a transparent two-way communication framework, we continue to strengthen employees' sense of belonging and engagement. At the same time, we uphold the principle of "prioritising safety, emphasizing prevention and managing comprehensively", fostering a healthy and safe working environment for all employees. We will continue to stand alongside our people, working together towards a sustainable future for both the individual and the Company.

We are committed to green development and actively support the national "dual carbon" strategy, fully integrating the principles of "prioritising safety, emphasizing prevention and managing comprehensively" into our operations. By systematically optimising our energy mix, advancing distributed photovoltaic installations and green electricity procurement, and implementing energy-saving technology upgrades, we have continued to improve energy efficiency. At the same time, we have strengthened water recycling and waste management, and set targets for greenhouse gas emissions reduction, water intensity reduction and waste minimisation, actively fulfilling our environmental responsibilities. We remain committed to driving low-carbon transformation through technological innovation and management improvement, contributing to the harmonious coexistence of humanity and nature.

Looking ahead, Grand Pharma will continue to leverage its global presence and full industry chain to drive steady growth. Guided by clinical needs and powered by innovation, we will strive to become a technology-driven international pharmaceutical enterprise that is respected by doctors and patients and gives back to society, contributing to the advancement of a healthy China.

Chairman
Dr. Tang Weikun

About Grand Pharma

Company Introduction

Grand Pharmaceutical Group Limited (Stock Code: 00512.HK) ("Grand Pharma") is a technology-driven international pharmaceutical company. Its core businesses span three major areas: pharmaceutical technology; nuclear medicine anti-tumour diagnosis and treatment and cerebro-cardiovascular precision interventional diagnosis and treatment technology; and biotechnology. Grounded in the pharmaceutical and biotechnology industries, the Group places patient needs at its core and technological innovation as its driving force. In response to unmet clinical needs, the Group continues to increase its investment in globally innovative products and advanced technologies, enrich and refine its product pipelines, consolidate and strengthen its industrial chain, and fully leverage its industrial strengths and R&D capabilities to provide patients worldwide with more advanced and diverse treatment solutions.

Centred on meeting patient needs, guided by market developments, and driven by technological innovation, Grand Pharma has in recent years built a portfolio of innovative pharmaceutical and medical device products with broad market potential from countries including the United States, Australia, Germany and Belgium. The Group has established in-depth partnerships with world-leading pharmaceutical companies, universities and research institutions, and has achieved a rich and diversified product pipeline across a range of advanced medical therapeutic fields. To date, the Group has invested in and operates 5 R&D technology platforms and 8 R&D centres worldwide.

"Maintain stable growth, strive in innovation and strategic planning", Grand Pharma will uphold its development philosophy of leveraging comprehensive strengths, innovation leadership and global expansion. Adopting a twin-track approach of proprietary R&D and global expansion, together with a strategy of globalised operations and dual-cycle business development, the Group is building a new model in which its domestic and international operations reinforce and promote each other, with the goal of becoming a pharmaceutical enterprise respected by doctors and patients that gives back to society.

The Group has invested in and operates

5
R&D technology platforms

8
R&D centres worldwide

Mission and Vision

Corporate Vision

Benefit both patients and doctors and contribute to the society

Business Philosophy

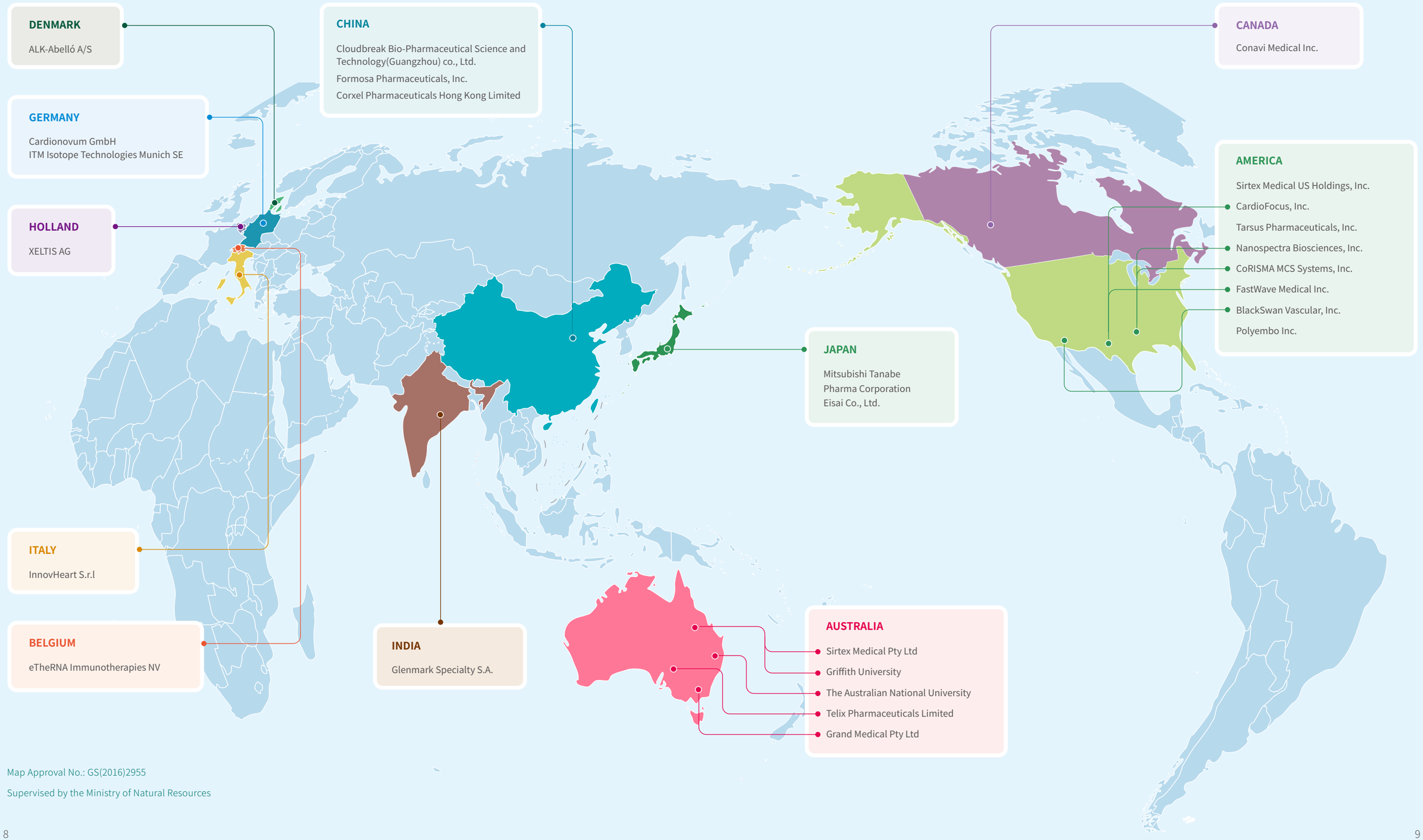
Provide high-quality products with sincerity and integrity

Dare to be the first and share the success

Corporate Spirit

Grand journey for a healthier world

Corporate Slogan



Map Approval No.: GS(2016)2955

Supervised by the Ministry of Natural Resources

2025 Performance Highlights

Governance

- Business ethics-related audits conducted for subsidiaries
  Over **30** times
- Proportion of operational sites covered by business ethics audits
  100%
- Participation rate of training on employee code of business conduct and anti-corruption policy
  100%
- Data breach incident and information and data security-related legal proceedings litigation event
  0

Core Business

Economic Performance

- Dividend
  Approximately **600** million HK$
- Dividend payout ratio
  47.7%
- Cumulative dividends since listing[1]
  Approximately **4.3** billion HK$
- Operating revenue[2]
  12.28 billion HK$
- Year-on-year operating revenue growth
  5.5%

Access to Healthcare

- Number of products included in the National Reimbursement Drug List
  260+

Technologies and Innovation

- Investment in R&D work and projects
  1.46 billion HK$
- Number of projects under development
  131
- Number of innovative projects
  39
- Major milestone developments
  65
- Innovative project developments
  32

Quality Culture Building

- Number of Quality Month events held
  50+
- Number of participants in Quality Month events
  8,000+

Employee

Employment

- Number of new employees
  3,773
- Number of employees recruited through campus recruitment
  715
- Number of management trainees recruited
  126

Diversity

- Percentage of female employees in STEM-related positions
  41.52%

Employee Development

- Total number of training participants
  327,686
- Average training hours per employee
  25.8 hours
- Proportion of trained employees
  100%

Occupational Health and Safety

- Number of subsidiaries that have completed the safety management rating inspection
  33
- Number of subsidiaries that have obtained ISO 45001/ OHSAS 18001 Occupational Health and Safety Systems Certification
  18
- Number of member enterprises that have been certified as Municipal-level Healthy Enterprises
  3
- Number of subsidiaries that have completed safety risk identification
  33
- Safety inspections across all subsidiaries
  4,899 times
- Number of subsidiaries conducting annual environmental incident emergency drills
  100%
- Major employee safety accidents
  0

Environment

- Investment in environmental engineering protection
  RMB **11.57** million
- Number of subsidiaries that have obtained ISO 50001 Energy Management System Certification
  4
- ISO 14001 certification coverage rate of production-oriented subsidiaries
  58%
- Number of energy-saving technological transformation projects
  22
- Green electricity transaction and consumption by subsidiaries
  6,415 MWh
- Completion rate of emergency plan drills for environmental incidents by each subsidiary
  100%

Public Welfare and Charity

- Total amount invested in public welfare activities Approximately
  RMB **63.30** million
- Year-on-year increase
  195%

[1] Includes the proposed 2025 dividend
[2] Excluding the impact of fair value changes in the Telix investment

Accolades

Best Investor Relations Team Award
VBrokers
Grand Pharmaceutical Group Limited — Investor Relations Team

Included in the "HKEX Tech 100" Index
Hong Kong Exchanges and Clearing Limited
Grand Pharmaceutical Group Limited

Best Stock Connect Company
Zhitong Finance, Xinzhi Fund Network
Grand Pharmaceutical Group Limited

Pharmaceutical and Healthcare Innovation Pioneer of the Year
Tencent News, Finet
Grand Pharmaceutical Group Limited

2025 Top 500 Private Enterprises in Invention Patents
All-China Federation of Industry and Commerce & Shaanxi Provincial People's Government
Grand Pharmaceutical Group Limited

Top 20 Chinese Pharmaceutical Listed Companies in ESG Competitiveness
Healthcare Executive
Grand Pharmaceutical Group Limited

"Best Investor Relations Management Award of Hong Kong and US Shares" on the 2025 Listed Company Annual List
Royal Flush Enterprise
Grand Pharmaceutical Group Limited

2nd JDM "Top 100 IRM Companies (Top 20)"
JDM— Listed Company Public Welfare Academic Platform
Grand Pharmaceutical Group Limited

2nd JDM "Top 100 ESG Companies (Top 20)"
JDM— Listed Company Public Welfare Academic Platform
Grand Pharmaceutical Group Limited

2024–2025 Top 10 Marketing Cases Award of China Pharmaceutical
Global CEO Forum Organising Committee
Grand Johamu (Beijing)

2025 Clinical Value Brand in the Respiratory Field
Chinese Thoracic Society
Grand Johamu (Beijing)

Top 10 Pharmaceutical Public Welfare Enterprises
MD WEEKLY
Grand Johamu (Beijing)

7th National Civilised Unit
Central Civilization Office
Grand Johamu (Beijing)

CBPC 2025 Top 30 in China's Biostimulant Industry
CBPC of China Inorganic Salts Industry Association
Kernel Bio

2025 Top 100 Private Enterprises in Huangshi
Huangshi Federation of Industry and Commerce
Fuchi Chemicals

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Governance as Bedrock,

Charting the Course for Enduring Growth

Grand Pharma firmly believes that the creation of long-term value for all stakeholders, together with the advancement of the industry and society towards a sustainable future, requires the strategic integration of corporate strategy with ESG principles. To this end, the Company continues to refine its governance structure and strengthen internal controls, applying high standards of business ethics to drive the enhancement of its overall management framework. The risk management system has been further improved, with a view to systematically strengthening the Company's risk resilience and long-term development capacity.

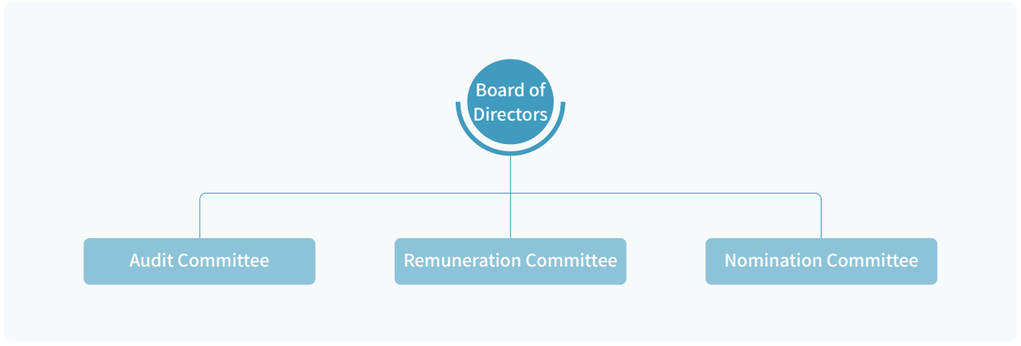
Strengthening the Foundation of Governance

An efficient and well-structured Board governance mechanism constitutes a fundamental element of a company's standing and serves as an important safeguard for maintaining the trust of investors and stakeholders. Grand Pharma attaches great importance to the diversity and effectiveness of the Board in terms of both its composition and operations, ensuring the independence and comprehensiveness of management decision-making, enhancing governance transparency and fulfilling its responsibilities to stakeholders.

Board Governance

In order to ensure the effective implementation and orderly operation of its governance mechanisms, Grand Pharma strictly complies with the laws, regulations and regulatory requirements applicable in each place of operation. The *Memorandum and Articles of Association* have been formulated, and a corporate governance structure with clearly defined powers and responsibilities has been established. The Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee, with clearly defined terms of reference for each committee, to ensure effective oversight of the Group's affairs, sound resource allocation and scientific operational decision-making.

Grand Pharma has continued to strengthen its internal supervisory framework to safeguard the legitimate rights and interests of shareholders and other stakeholders. During the Reporting Period, the decision-making and supervisory bodies of the Company, including the general meetings and the Board of Directors, discharged their respective duties in strict accordance with regulatory operating rules and internal control requirements. Each of the special committees duly performed its designated functions, collectively contributing to the continued enhancement of the Company's standard of corporate governance.



Board Governance Structure

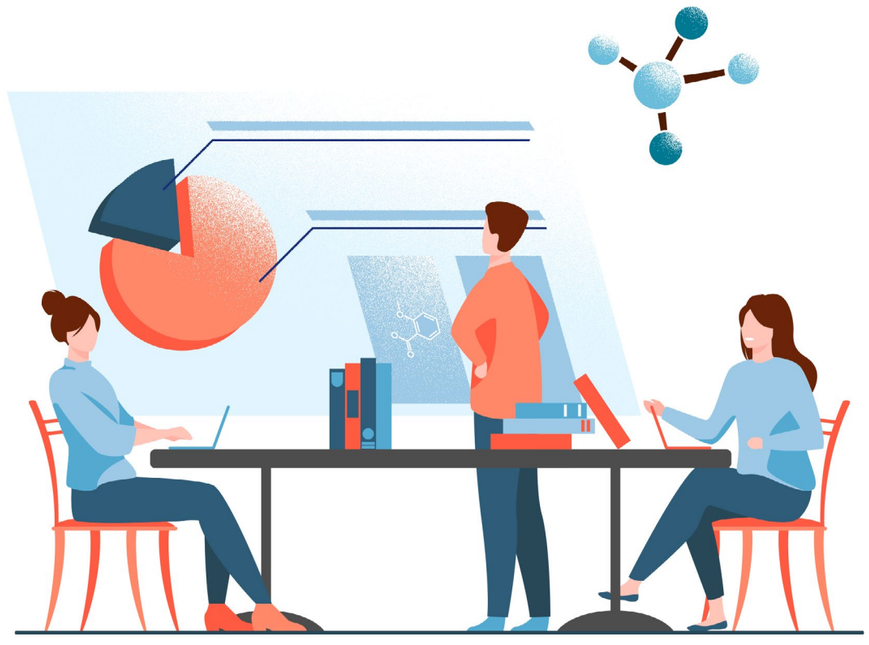
As of 31 December 2025, the Board of Directors of the Group comprises eight directors, including four executive directors, namely, Dr. Tang Weikun (Chairman), Mr. Zhou Chao (executive director and Chief Executive Officer), Mr. Yang Guang and Ms. Lam Chit Yee Jessica, and four independent non-executive directors, namely, Ms. So Tosi Wan, Winnie, Dr. Xing Li Na, Dr. Pei Geng and Mr. Hu Yebi.

Board Diversity and Independence

We attach great importance to the positive contribution that Board diversity makes to corporate development, and regard it as one of the key factors in maintaining the Group's competitive advantage and promoting its sustainable development. To this end, Grand Pharma has formulated a board and senior management diversity policy. The Nomination Committee under the Board is responsible for the regular monitoring and review of the implementation of this policy on an annual basis, so as to ensure its continued effectiveness.

In the nomination of Board members, the principle of diversity is upheld, with consideration given to multiple dimensions including gender, age, cultural and educational background, professional experience, skills and knowledge, and race and ethnicity, in order to maintain a balanced and diverse composition of the Board in terms of background, skills and perspectives. The current Board members possess extensive industry experience and diverse professional backgrounds, encompassing differentiated board management capabilities, cross-regional and cross-industry experience, and expertise in areas such as financial management and risk management, providing forward-looking, well-informed and actionable guidance on corporate governance and major decision-making.

Board Diversity



Strengthening ESG Governance

To ensure full accountability, improve transparency and drive continuous improvement in the Company's ESG performance, Grand Pharma has established a clear ESG governance structure supported by robust management mechanisms, and continues to refine its ESG management framework. Through its production and business practices and the shaping of its corporate culture, Grand Pharma integrates the principles of sustainable development into every aspect of its operations, creating long-term value for all stakeholders.

ESG Governance Strategy

We recognize the important role that sustainable development plays in the Company's strategy formulation and decision-making processes, and comply with the laws and regulations of all jurisdictions in which we operate, and use this as the basis for advancing sustainable practices and cultivating long-term shared value. To this end, we have established a systematic ESG management strategy, actively incorporating the latest ESG trends and regulatory guidance into the Group's governance strategy, and ensuring the standardization of relevant policies, processes and disclosures through an open and transparent communication mechanism. During the Reporting Period, led by the internal controls working group, we completed a comprehensive update of ESG-related policies and systems, establishing 11 new policies and revising 20, effectively embedding ESG management requirements into business processes and strengthening the foundation for compliant operations.

We have established effective ESG management policies and internal monitoring systems to dynamically manage and regularly track ESG risks and key performance indicators, driving the systematic operation and continuous optimization of our ESG efforts. By refining approval processes and authorization mechanisms, we have further improved the efficiency of risk controls and enabled more targeted resource allocation, building a robust internal control framework to support the Company's ESG governance, operational transparency and sustainable development.

ESG Governance Structure

To ensure the effectiveness of ESG management, Grand Pharma has established a three-tier ESG governance structure. The Board of Directors is responsible for strategic decision-making, the Strategy and ESG Committee oversees coordination and supervision, and the ESG working group drives day-to-day execution. We are committed to improving governance effectiveness through clearly defined roles and responsibilities, providing support for the implementation of ESG initiatives. To drive continuous improvement in the Group's ESG performance, we have incorporated sustainable development performance into the management remuneration assessment framework, regularly evaluating ESG-related matters and formulating corresponding improvement plans to ensure that ESG issues are effectively managed.

Board of Directors

- To consider the risks and significance associated with the Group's ESG matters
- To consider and approve the Company's ESG strategies, policies and objectives
- To monitor and review the Group's ESG-related policies, management, performance and progress of related objectives
- To consider and approve the Group's public disclosure of its performance on ESG-related matters
- To consider and review significant negative ESG events

ESG Working Group

- To develop and promote the effective implementation of sustainability strategies, objectives, policies, action paths and daily management
- To review annual ESG reports and ensure effective disclosure of corporate ESG performance
- To assess and identify ESG trends, track negative events, and conduct stakeholder communications
- To report to the Strategy and ESG Committee on a regular basis

Strategy and ESG (Promotion) Committee

- To identify, determine and assess the risks and significance associated with the Group's ESG matters
- To assess and formulate the Group's sustainability strategies and objectives
- To monitor, evaluate and review the Group's ESG-related policies, management, performance and progress of related objectives
- To review and examine the Group's public disclosure of its performance on ESG-related matters
- To provide guidance to the ESG Working Group to ensure that ESG objectives are closely aligned with the Company's business
- To coordinate resources to ensure the implementation of ESG tasks
- Other matters delegated by the Board of Directors
- To regularly report to the Board of Directors on the achievements of ESG tasks and recommendations for decision-making

Grand Pharma ESG Governance Levels and Functions

ESG Capacity Building

We attach great importance to ESG capacity building and are committed to embedding the principles and standards of sustainable development at the core of the organization. In 2025, we focused on key functional areas, delivering specialized policy training and proficiency assessments to the finance team to systematically strengthen their understanding and execution of ESG-related financial standards and compliance requirements, further reinforcing the Company's foundations in information disclosure, risk management and internal governance. At the same time, we continued to strengthen the Board's strategic leadership and decision-making capabilities on ESG matters, advancing ESG from a governance framework into an internal driver of the Company's sustainable growth.

2025 Grand Pharma Board ESG training

In response to increasingly stringent ESG regulatory requirements and rising market expectations in the pharmaceutical industry, Grand Pharma proactively organized its annual Board ESG training session in October 2025, with external experts invited to deliver the program. The training provided a systematic overview of the latest ESG trends in the pharmaceutical industry, key issues among industry peers, and regulatory disclosure requirements, with the aim of strengthening the decision-making level's ESG oversight capabilities. Taking this as an opportunity, the Company's management conducted a comprehensive review of the Group's performance across the environmental, social and governance dimensions, identifying key areas for continuous improvement and driving an overall enhancement of the Company's sustainable development capabilities.

Board Statement

The Board of Directors assumes ultimate responsibility for the Company's ESG governance. As the highest decision-making body, the Board exercises ultimate decision-making authority and oversight over the Company's ESG governance approaches, strategies, formulation of objectives, review of progress and overall performance. To facilitate the smooth execution of ESG matters, the Strategy and ESG (Promotion) Committee is responsible for guiding and overseeing the implementation of ESG-related objectives, strategies, priorities, initiatives and specific plans. The Committee convenes regular meetings to report to the Board on the progress, achievements and related decision-making recommendations of ESG efforts, and provides strategic insights and resource support for ESG initiatives. The ESG Working Group supports the day-to-day operations of sustainability matters and reports regularly to the Strategy and ESG (Promotion) Committee on its progress.

To take a coordinated approach to sustainability risks and opportunities, the Board oversees ESG risk management while also actively leading the exploration of emerging sustainability opportunities. To effectively prevent and control the various potential risks that may affect the Group's sustainable development, the Board oversees the identification and assessment of ESG risks and opportunities, requiring management and functional departments to regularly evaluate their likelihood and potential impact, and to report identified risks and corresponding response plans to the Board on a regular basis. ESG risks have been fully integrated into the enterprise risk management (ERM) framework as a key component of the Company's risk and opportunity management, ensuring the continued effective operation of the Company's ESG risk management and internal monitoring systems.

The Strategy and ESG (Promotion) Committee of Grand Pharma is responsible for monitoring communication channels and methods with stakeholders, keeping abreast of their concerns and expectations, and establishing a transparent and efficient stakeholder communication mechanism. We regularly identify, collect and consolidate stakeholders' key areas of focus in the field of sustainable development. For sustainability issues of higher materiality, we formulate corresponding management strategies and regularly review and evaluate the Group's performance in these areas to effectively respond to stakeholder requirements. In 2025, the results of the Company's materiality assessment were discussed and reviewed by the Strategy and ESG (Promotion) Committee.

Stakeholder Engagement

We attach great importance to the concerns and suggestions raised by all stakeholders, and integrate them into our sustainability strategy as a key driver of continuous improvement. Drawing on the best practices of global peers and taking into account the Company's own characteristics, we will establish a regular communication, feedback and response mechanism to support the Company's sustainable and inclusive growth.

Stakeholder Communication

Accessible and efficient stakeholder feedback channels have been established, through which input is regularly collected from all parties and open dialogue is conducted, with the objective of building relationships of mutual trust with all stakeholders. Taking into account the characteristics of its industry and drawing on global best practices, the Company has systematically identified its key internal and external stakeholders, including shareholders and investors, customers, consumers, employees and suppliers. Through forums, phone calls, emails, on-site visits and other means, stakeholder views and suggestions are proactively sought and incorporated into the Company's ESG strategies and objectives, steadily advancing the orderly implementation of the Group's sustainability initiatives.

Stakeholders	Shared objectives	Communication and feedback
Shareholders and investors	• Steady growth in return on investments • Asset preservation and appreciation • Explore new markets and opportunities • Prevent operational risks • Safeguard information rights	• General meetings • Annual report and announcements • Investor meetings • Press releases
Customers and consumers	• Product quality and safety • Product R&D and innovation • Access to healthcare • Offer refined customer service and communication channels	• Corporate website • Technical training and seminars • Product release conference • On-site visits
Government and regulatory authorities	• Compliance operations • Safe production • Pay tax in accordance with law	• Email and telephone communication • Implementation of national policies • Tax payment
Employees	• Protect employees' benefits and rights • Promote occupational health and safety • Provide equal employment opportunities • Build a platform for growth and diversified development • Work-life balance	• Staff training • Staff care activities • Staff interviews • Internal email
Community and the public	• Facilitate employment • Enhance local economic development • Strengthen environmental protection and reduce pollution on environment	• Provide employment opportunities • Promote local economic development • Voluntary services • Carry out annual environmental rating inspection
Suppliers	• Product quality and safety • Fair and open procurement • Win-win cooperation	• Supplier evaluation • On-site inspection • Daily communication

Grand Pharma's Stakeholder Communication and Response Methods

In 2025

The Group organized
24
on-site company research events

participated in or hosted
60
large-scale investment summits including results presentations and securities company strategy conferences

conducted
352
roadshows

These conferences and events received a positive response from the market. In particular

The 2024 annual results presentation attracted over
300
attendees

while the 2025 interim results presentation and investor open day event was attended by over
100
participants

Grand Pharma 2025 Interim Results Conference and Investor Open Day

On 20 August 2025, Grand Pharma held the 2025 Interim Results Conference and Investor Open Day in Chengdu under the theme "Nuclear Innovation, Critical Breakthroughs, Winning the Future (核智造、重突破、赢未來)". During the event, we presented attending investors with the key operational highlights for the first half of the year and Grand Pharma's innovative strategic positioning in nuclear medicine and critical care. A number of investors were also invited to visit the nuclear medicine R&D and production base in Wenjiang, Chengdu, giving them a firsthand view of the closed-loop advantages Grand Pharma has built across the full nuclear medicine industry chain and the Group's global innovation and R&D strategy.

The Company emphasized during the event that, with the rapid volume ramp-up of a series of innovative, high-barrier products, Grand Pharma's operating results have achieved high-quality sustainable growth, demonstrating the Company's strong strategic execution and risk resilience. Looking ahead, the Group will continue to deepen its "Go Global" strategy, leveraging its globally leading pipelines in nuclear medicine, critical care and other fields to actively participate in international competition, with the aim of becoming a benchmark for Chinese innovation going global.

Matrix of Material Issues

Grand Pharma conducts a materiality assessment on an annual basis, systematically considering the actual and potential impacts of the Company's business activities on the environment and society. In accordance with the principle of double materiality assessment, we evaluate each ESG issue in terms of both impact materiality and financial materiality, further refining and confirming our priorities and key focus areas in support of scientific and comprehensive ESG management and decision-making.

Identification of material issues

The Group identifies and determines material issues by referencing information from social media and industry organizations, consulting with stakeholders, and considering changes in internal and external environments.

Prioritization of material issues

The Group prioritizes the identified material issues based on expert opinions, peer experiences, management, investor and employee feedback. We also weigh the severity of the negative and positive impacts of each issue, the probability of occurrence and the ability to respond to the impacts, to further determine the importance of each issue and generate a materiality matrix.

Approval of material issues

The Board of Directors of the Group is responsible for regularly reviewing and approving the matrix of material issues.

Management of material issues

To avoid and mitigate negative impacts and expand positive impacts, the Group regularly reviews and improves its internal operating systems to ensure management effectiveness. The Group integrates and draws on the opinions of internal and external stakeholders when formulating response measures, to improve the effectiveness and scientific basis of decision-making and to safeguard the interests of all parties.

During the Reporting Period, we conducted a materiality analysis of ESG issues based on the characteristics of our business and changes in the internal and external environment, with reference to regulatory requirements, industry standards and other relevant information. The analysis assessed the extent of the impact that each issue may have on the Company's operations, as well as the environmental and social impacts on external stakeholders such as customers, consumers, doctors, suppliers and members of the public in the community. We conducted impact analysis and prioritization for 21 material issues, defining the Group's materiality matrix. In 2025, Grand Pharma's ESG materiality matrix was reviewed and approved by the Board of Directors.

Grand Pharma's 2025 Matrix of Material Issues

Environmental issues Social issues Governance issues

Grand Pharma uses the results of its materiality assessment as an important guide for improving internal management and strengthening external communication, so as to effectively respond to stakeholder concerns. Based on the materiality assessment results for the Year, we conducted an in-depth analysis of the highly material issues identified, systematically identifying and managing issues that may have positive or negative impacts on external stakeholders such as the environment and society.

Product quality and safety: Product quality and safety are fundamental to the pharmaceutical industry and represent its core responsibility. Quality issues with pharmaceutical products may lead to adverse reaction events, harming patient health and affecting the course of treatment. To this end, we have established a quality risk control system spanning the entire lifecycle of our pharmaceutical products, upholding high standards to meet the expectations of customers, patients and medical practitioners worldwide regarding product quality, generating a positive impact on society and creating sustained value across the value chain.

Addressing climate change: Addressing climate change has become a core issue of significant public concern. Companies need to control greenhouse gas emissions during the production process to mitigate the trend of global warming. Grand Pharma is actively building a green supply chain, optimizing its energy mix, advancing photovoltaic installations and green electricity procurement, and working to reduce the carbon footprint of its products across their entire lifecycle, driving low-carbon transformation of the value chain and fulfilling its corporate environmental responsibilities.

Business Ethics

Grand Pharma is committed to building a corporate culture of integrity, honesty and fairness, and consistently applies strict business ethics standards to regulate the conduct of the Company and its business partners. The compliance management system has been continuously improved, with sound policies and procedures established to effectively prevent business ethics risks in management and operations. Through regular audits and risk assessments, ongoing evaluation and follow-up of compliance in day-to-day operations is conducted. Relevant feedback is received through multiple channels including a reporting hotline and dedicated email addresses, with business ethics and compliance requirements integrated into all of the Group's business activities.

Standardization of Corporate Practices

Grand Pharma strictly complies with the *Anti-Unfair Competition Law of the People's Republic of China,* the *Anti-Money Laundering Law of the People's Republic of China* and other relevant laws and regulations, and has continued to improve its compliance management system and institutional framework. To standardize business ethics requirements across the Group and its subsidiaries, the *Code of Business Ethics of Grand Pharmaceutical Group Limited* has been published. During the Reporting Period, the *Grand Pharma Guidelines on Cooperation with Government Investigations* and the *Grand Pharma Administrative Measures for Marketing Service Supplier Management (Trial)* were also formulated, further clarifying the Company's procedures for cooperating with government investigations and setting out anti-commercial bribery requirements for marketing service suppliers. The Company is firmly committed to maintaining a transparent and fair business environment, providing clear business ethics requirements and conduct guidelines for all employees, Board members, suppliers, contractors and other partners of the Group and its subsidiaries, to ensure that all personnel conduct business in accordance with applicable laws, industry standards and Company policies.

We have established a sound business ethics management system comprising a three-tier management structure of the Board of Directors, the Audit Committee and the Supervision and Audit Department, with clearly defined responsibilities at each level to ensure the effective implementation and continued improvement of the Company's business ethics compliance system. We focus on strengthening policies and systems in key areas including anti-corruption, marketing compliance, anti-monopoly, labor, and safety and environmental protection, requiring all subsidiaries to continue strengthening their compliance frameworks to raise the overall standard of compliance governance across the Group. During the Reporting Period, the Group was not involved in any material litigation cases relating to corruption or unfair competition, nor any conduct in breach of business ethics or applicable laws and regulations.

Board of Directors	Approve business ethics and compliance policies and monitor their implementation.
Audit Committee	With the support of the Supervision and Audit Department of the Group, the Audit Committee under the Board of Directors of Grand Pharma is responsible for monitoring the effectiveness of the compliance management system and related policies.
Supervision and Audit Department	The Supervision and Audit Department of the Group is responsible for continuously monitoring the implementation of the compliance management system and policies, and directly reporting to the Audit Committee and the President on anti-corruption and business ethics related issues.

Business Ethics Governance Framework of Grand Pharma

Business Ethics-Related Risk Management

To strengthen the accountability of the Group's employees in the area of business ethics and implement a closed-loop management system in which authority entails responsibility, responsibility requires commitment, and accountability is ensured, Grand Pharma has formulated internal policies including the *Grand Pharma Supervision and Management System* (《遠大醫藥監察管理制度》), and established an audit and supervision system that operates independently from the business units. Under the leadership of the Company's chief auditor, the Supervision and Audit Department takes the lead in supervision and audit work, integrity awareness campaigns, inspection audits, ethics audits and resignation audit work, while exercising ongoing oversight of the implementation and management of business ethics and related policies. This ensures the effective supervision of compliance matters including anti-corruption, anti-bribery and anti-monopoly, the prevention of all forms of improper, illegal and non-compliant conduct, and the strengthening of the Company's business ethics risk management capabilities. The Supervision and Audit Department conducts at least one compliance audit annually for all operational locations and business units, systematically assessing the effectiveness of policy implementation and internal controls, and monitoring all subsidiaries through to the completion of corresponding rectification measures.

During the Reporting Period, Grand Pharma conducted business ethics audits covering the implementation of the Group's code of business ethics and anti-corruption policies, as well as the compliance of all employees' conduct. In 2025, we completed over 30 business ethics-related inspection audits across the Group's subsidiaries, covering more than 30 subsidiaries, achieving a 100% coverage rate of operational sites for business ethics audits, with no major compliance management issues identified. Based on the audit findings, the Company continues to improve its compliance management mechanisms and policies, and reports the relevant progress and outcomes to the Audit Committee.

In 2025

Achieving a

100%

coverage rate of operational sites for business ethics audits

Construction of Ethical Business Culture

Building a culture of business ethics is an effective means of ensuring compliant operations. Through systematic and regular integrity and compliance culture-building activities, the values of honesty, integrity and compliance are instilled in every employee. Through daily communication and cultural awareness initiatives, the Company's business ethics requirements are conveyed to all employees, ensuring that all personnel are able to clearly identify improper conduct and strictly guard against specific compliance violations in their daily work, collectively building the Grand Pharma culture of "Loyalty, Simplicity, Diligence, and Innovation". Compliance training on the code of business conduct, anti-corruption policies and related topics is regularly provided to all employees of the Group (including full-time and part-time employees) and contract personnel. In 2025, the participation and pass rates for the training both reached 100%.

We are committed to normalizing the dissemination of business ethics knowledge and continuously raising employees' compliance awareness through diverse communication channels. In 2025, we continued to develop the compliance column *Compliance in Progress* (《合規進行時》), communicating key compliance topics in the pharmaceutical industry through a combination of case studies and practical guidance. Drawing on current affairs, legal developments and enforcement cases, the column regularly publishes compliance articles covering anti-monopoly, anti-unfair competition, commercial bribery risk prevention, internet pharmaceutical advertising compliance and the interpretation of the Group's internal policies. At the same time, the Group organized multiple cross-company compliance training sessions and assessments in response to policy updates and legislative changes, and launched an interactive Q&A feature to promptly address employees' compliance queries in their day-to-day work, forming a closed-loop mechanism of "learning – feedback – Q&A" to continuously strengthen compliance awareness and practical capabilities across the workforce. In addition, Grand Pharma organized compliance training sessions by business group, with a focus on marketing compliance and anti-monopoly compliance, helping subsidiaries clarify the key regulatory requirements and practical guidelines on commercial bribery prevention and pharmaceutical compliance, and building awareness of anti-corruption and anti-unfair competition from the perspective of core business scenarios.

In 2025

The participation and pass rates for the training both reached

100%

Anti-corruption

Grand Pharma has established a systematic anti-corruption governance framework grounded in policy, centered on accountability, and integrating internal and external mechanisms. Through a combination of internal controls, partner management and regular awareness initiatives, the Group continues to strengthen its line of defense for integrity and compliance. Internal policies including the *Grand Pharma Integrity Practice Management Regulations* (《遠大醫藥廉潔從業管理規定》) have been formulated and implemented, requiring employees in key positions to sign compliance undertakings and incorporating ethical compliance performance into the employee performance evaluation system. At the same time, to strengthen the accountability of the Group's employees and implement the closed-loop management system in which authority entails responsibility, responsibility requires commitment, and accountability is ensured, a revised version of the *Grand Pharma Accountability Management Measures* (《遠大醫藥問責管理辦法》) has been published, to maintain a work environment in which rewards and penalties are clearly defined.

In terms of business partner management, business partners are required to jointly adhere to the Company's integrity management requirements. During the Reporting Period, new compliance management measures were introduced specifically for marketing service suppliers, standardizing anti-commercial bribery clauses in written contracts and establishing compliance monitoring, audit and complaint feedback mechanisms. Suppliers are also required to comply with the *Supplier Code of Conduct of Grand Pharmaceutical Group Limited* (《遠大醫藥供應商行為準則》), prohibiting all forms of commercial corruption and bribery, and to actively participate in integrity training and related activities organized by the Company, with a view to building a fair and transparent business environment.

Grand Pharma continues to advance anti-corruption awareness and education, targeting all employees, Board members and personnel in key positions such as procurement, through a range of methods including "going out" awareness education activities, study seminars, visits to integrity culture museums and specialized training sessions, to promote anti-corruption awareness and the concept of integrity in professional conduct.

2025 Grand Pharma "Integrity and Dedication" Themed Reflection Activity

In August 2025, led by the Supervision and Audit Department of Grand Pharma, all subsidiaries were organized to conduct a comprehensive integrity reflection exercise in accordance with the *Notice on Conducting the 2025 "Integrity and Dedication" Themed Reflection Activity*. Centered on awareness education, the activity organized personnel in key positions to study past internal corruption cases, and to engage in in-depth discussion and collective reflection on prominent issues, experiences and lessons in compliance, quality and safety exposed in corporate management.

The activity covered key positions across the Group. Each secondary-level group and subsidiary held its sessions chaired by the top executive, with the participation of all deputy general managers and above, as well as directors and heads of departments. The sessions were themed around "Integrity and Dedication" and used the analysis of negative cases to reinforce the sense of discipline and accountability among management. All subsidiaries were required to complete at least one themed session within a specified timeframe, with the aim of normalizing and institutionalizing integrity culture-building, systematically strengthening the ideological commitment to resisting corruption, and fostering a clean and upright internal environment conducive to the Company's healthy and sustainable development.

Reporting and Investigation Mechanism

Grand Pharma has formulated internal policies including the *Management of Complaints and Reports of Grand Pharma* (《遠大醫藥投訴舉報管理辦法》), effectively safeguarding the rights of employees, business partners and the public to monitor and make reports, and encouraging all stakeholders to actively report any improper conduct in breach of business ethics. The policy specifies the circumstances that require reporting, the responsibilities of each department and the procedures to be followed after a report is received, and provides rewards for employees who proactively monitor and report corrupt conduct. To promote organizational transparency, information on reporting channels is regularly communicated to employees through compliance training and awareness activities, strengthening risk awareness and employees' accountability for compliance. During the Reporting Period, the Supervision and Audit Department promptly verified, investigated, provided feedback on and addressed all internal and external complaints and reports received concerning potential non-compliant conduct, and drove the implementation of corresponding solutions.

Reporting Channel

- Hotline: 027-83565610
- Email: ts@grandpharma.cn
- Mail Address: Supervision and Audit Department, 21st Floor, Grand Pharma Technology Center Office Building, No.17 Guannan Garden Road, Jiangxia District, Wuhan)
- Independent third-party reporting platform: EthicsPoint (including reporting hotline and online reporting)

Report Handling Mechanism

- After a report is accepted, the *Report and Complaint Information Registration Form* will be filled, and then preliminary handling opinions (investigation procedures, filing procedures) will be drafted, and submitted to the head of the Supervision and Audit Department for approval
- If the investigation procedure is initiated, the case handler completes the *Case Clues Registration Form*, establishes a supervision project team, and conducts the investigation through the supervision and audit procedure
- The investigation findings are communicated to the reported party, who may apply for reconsideration if they have objections

Whistleblower Protection Mechanism

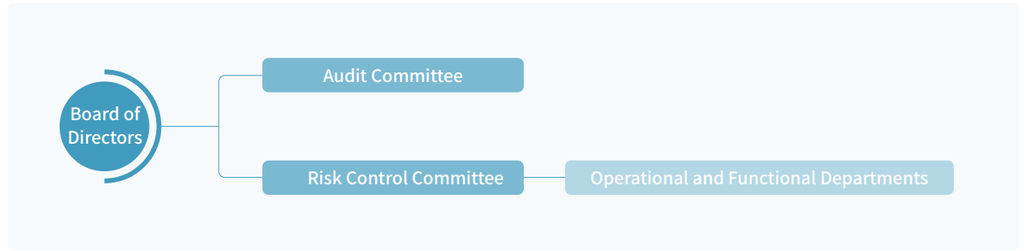
- Reported information is handled exclusively by designated personnel, with the circle of insiders strictly controlled to protect the whistleblower
- Anonymous and confidential reporting of any non-compliant conduct in the course of business is accepted
- A strict "zero tolerance for retaliation" principle has been established, prohibiting discrimination, harassment and retaliation against whistleblowers

Reporting and Investigation Mechanism of Grand Pharma

Risk Management

Underpinned by a risk management system with comprehensive coverage and stringent controls, Grand Pharma continues to advance closed-loop risk management, integrating risk management processes into day-to-day operations to effectively mitigate potential risks and support the Group's sustainable and healthy development.

To strengthen its risk management framework and fully incorporate enterprise risk management into strategies and operational processes at all levels, Grand Pharma has formulated the *Grand Pharma Risk Management Measures* (《遠大醫藥風險管理辦法》) and other policies. The risk management system is led by the Board of Directors, ensuring alignment between risk strategy and the Company's strategic objectives. The Audit Committee oversees the implementation of risk management to ensure the appropriateness and effectiveness of the management system and structure. The Risk Control Committee has been established as the highest decision-making body for compliance risk management, with overall responsibility for coordinating risk management work including risk identification and assessment and resource allocation. At the execution level, the Supervision and Audit Department reports regularly to the Audit Committee, conducting independent oversight and review of the implementation of risk management measures and the effectiveness of related work, continuously strengthening the Company's risk prevention and control capabilities.



Risk Management Structure of Grand Pharma

To ensure the effective operation of the risk management system, we have established a comprehensive risk management and control framework centered on "three lines of defense", enabling the Company to proactively address internal and external risks. A full set of supporting management measures has been put in place to underpin the efficient operation of this framework.

First Line of Defense

Core Business Departments

- Risk control measures are developed in accordance with risk management standards and integrated into daily risk management and control

Second Line of Defense

Functional Administrative Departments

- Assist and oversee the implementation of the risk management system by various departments, and identify risk loopholes in a timely manner

Third line of Defense

Supervision and Audit Department

- Independent from other business units; carry out risk control and audit, evaluate the effectiveness of risk management and control measures, and thereby improve the Company's risk management, internal control and governance procedures

Risk Review

To assess the likelihood and potential impact of enterprise risks and to formulate and implement corresponding response measures, Grand Pharma conducts systematic risk identification across key areas and major business activities on an annual basis. In 2025, the Supervision and Audit Department carried out internal control evaluation and risk assessment in key business areas—including production and inventory, safety and environmental protection, procurement, engineering equipment and marketing—across more than 30 subsidiaries. Targeted rectification plans were formulated in respect of identified risk management issues and followed up on a regular basis.

Risk Identification	• Determine the scope of risks and identify risks to create a list of risks
Risk Assessment	• Carry out risk assessment on the impacts brought by possible financial losses due to risks on operating efficiency, sustainability, and reputation with reference to possible occurrence of various potential risks and the attention drawn from the management of the Group, based on which the priority of the risks was determined
Risk Response	• Identify risk management measures for significant risks, conduct internal control assessment over the design and implementation of risk management measures, and develop improvement initiatives to address weaknesses
Risk Monitoring	• Regularly review and assess the Group's risk management and internal monitoring system to ensure the effectiveness and continuous improvement of risk management

Risk Review Procedures of Grand Pharma

Risk Management Culture

Grand Pharma has fully incorporated risk management-related key performance indicators into the performance appraisal system of employees, covering multiple dimensions including compliance conduct, business ethics, and occupational health and safety. Through institutionalized constraints and incentives, risk management requirements are effectively implemented across all levels of the organization and all roles. To continuously strengthen the ability to identify, prevent and control various material risks, the Company continues to refine its risk management and internal control system across strategy, operations and oversight, and systematically strengthens employees' risk awareness and response capabilities through measures including legal risk prevention initiatives, regular compliance awareness and training programs, and employee risk feedback and improvement mechanisms.

Grand Pharma Specialized Risk Management Training

In 2025, the Group's Internal Control Department continued to deepen its risk management culture-building efforts, conducting targeted training programs for different business scenarios and management audiences to drive the effective adoption of risk management principles across the organization.

In May, focusing on the newly acquired subsidiary Grand Beilin (Qinghai), the Group's Internal Control Department jointly organized an onboarding training program with the Information Management Department and relevant business units. The training covered systems, policies, processes and access rights, to help Grand Beilin (Qinghai) integrate into the Group's internal control framework. By strengthening the internal control and risk awareness of all staff, the subsidiary successfully completed the post-acquisition management transition, achieving a smooth handover and compliant operations, and providing solid support for the Group's merger integration and risk management efforts.

In August, a specialized process management training program was conducted for second-level process owners across headquarters functional departments. The training focused on methods for process risk identification, assessment and control, effectively strengthening process managers' risk awareness and practical skills, driving the implementation of rectification measures for process-related risk points, and materially improving process execution efficiency and compliance.

Internal control onboarding training session for newly acquired subsidiary

Specialized risk management training for headquarters process owners

Through the development of a well-structured risk list and systematic response measures, Grand Pharma has established a solid foundation for risk prevention and control. On the basis of analysis of the internal and external environment and historical risk data, scientific risk assessment models are employed to classify and grade various risks, with key processes in key business areas selected for review. Taking into account cost-effectiveness and practical operability, and following multiple rounds of discussion and optimization, risk control points, control methods and supervision mechanisms at each stage are identified and clarified. Systematic response measures are formulated, including strengthening market research, optimizing capital budgets and improving talent reserve plans, providing a solid foundation for risk prevention and control.

Risk Management for Daily Contract Review	• Provide legal advice to contractors in the daily contract execution and alteration process, mainly focusing on: deficiencies in contract structure and content; reviewing the qualifications of the counterparty's business subject; and contract performance reminders
Legal Risk Prevention for Investment Projects	• In investment transactions, provide legal risk assessment reports and revise investment agreements to highlight critical risks to business units, including: legal risks associated with investment entities; legal risks within contractual terms of investment-related agreements; and government approval risks linked to the agreements
Risk Management for Dispute Resolution	• Prevent disputes that have not yet arisen; monitor disputes that are about to arise and avoid their materialization; control disputes that have already arisen; manage the risk of dispute resolution; control the scope of disputes; and maximize the rights and interests of the Group

Legal Risk Prevention Measures of Grand Pharma

Information Security and Privacy Protection

The comprehensive protection of the information security and privacy of employees, consumers, customers, suppliers and other stakeholders constitutes the fundamental objective of Grand Pharma's approach in this area. The Company is committed to strengthening the information security awareness of all employees through ongoing awareness initiatives and training, and to systematically building a data security framework covering all business scenarios.

Grand Pharma strictly complies with the *Data Security Law of the People's Republic of China,* the *Personal Information Protection Law of the People's Republic of China* and other applicable laws, regulations and regulatory requirements. A series of policies have been formulated and implemented, including the *Grand Pharma Information Security Management System* (《遠大醫藥信息安全管理制度》), the *Grand Pharma Information Security Operation and Maintenance Management Measures* (《遠大醫藥信息安全運維管理辦法》) and the *Data Management and Disaster Recovery Management Measures of Grand Pharma (China) Co., Ltd.* (《遠大醫藥（中國）有限公司數據管理及災難恢復管理辦法》), laying a solid foundation for the Group's risk prevention and control through a robust information security and privacy protection system. To ensure the rigor and responsiveness of the information security and privacy protection framework, the *Information Security Emergency Response Plan* (《信息安全應急預案》) and the *Information Security Incident Management Procedure* (《信息安全事件管理流程》) have been formulated and an information leakage emergency response mechanism established. During the Reporting Period, the *Information Security and Privacy Protection Policy of Grand Pharmaceutical Group Limited* (《遠大醫藥集團有限公司信息安全與隱私保護政策》) was formulated and published, with the aim of further safeguarding the Group's information security and privacy protection, ensuring the confidentiality, integrity and availability of data, and guarding against risks of information leakage, tampering and loss.

A Data Protection Officer (DPO) has been appointed to provide overall oversight and ongoing improvement of the data protection compliance framework. In the event of an information leakage incident, the security administrator of the Information Department will initiate the response in strict accordance with the emergency plan, using security equipment monitoring and alert information to quickly identify the cause of the incident and promptly address the threat. A post-incident analysis report is subsequently prepared and submitted to management in accordance with the established procedure.

During the Reporting Period, the Group's ability to respond to internal and external security incidents and its overall risk resilience were systematically strengthened through third-party asset inspection and vulnerability analysis, special internal IT audits and security emergency drills, with a view to continuously improving the protection capabilities of the network and business systems.

In 2025

The Group

did not experience

any data leakage incidents or legal proceedings related to information and data security

Third-party Asset Inspection and Vulnerability Analysis

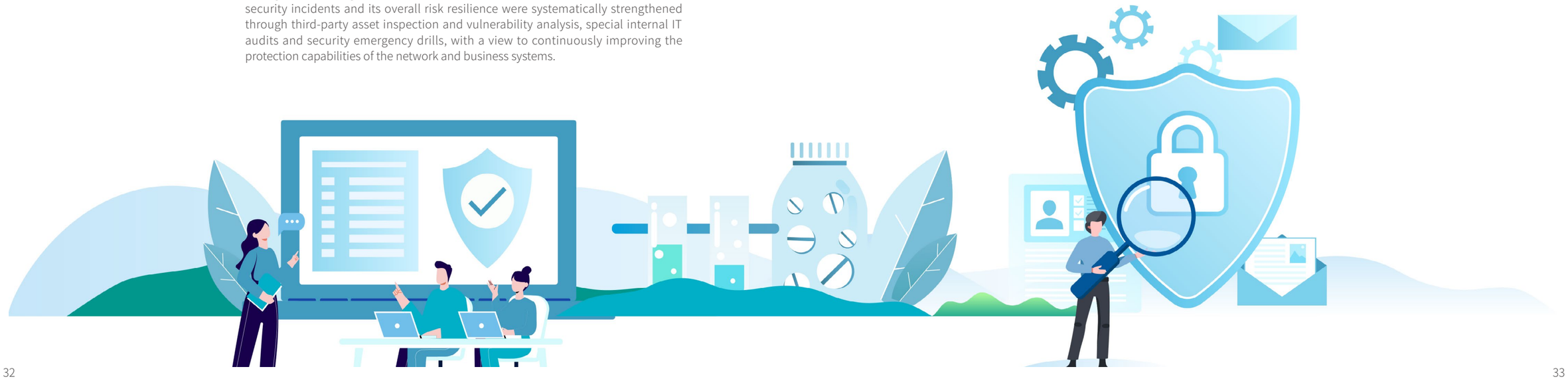
- A third-party organization was engaged to conduct internet asset exposure inspection and vulnerability scanning for the Group, and 5 confirmed vulnerabilities identified were remediated and hardened
- Based on the inspection findings and recommendations from security vendors, and taking into account the Group's actual IT development environment, follow-up information security development work has been actively carried out

Special Internal IT Audits

- A comprehensive internal audit of the Group's information systems was conducted, identifying issues including risks to log integrity and tamper-resistance, inadequate implementation of backup and disaster recovery management policies, and relatively weak information security risk prevention measures
- Rectification plans have been formulated based on the audit report for all identified findings, and the relevant rectification measures have been implemented on schedule to eliminate and mitigate related information security risks

Information Security Emergency Drills

- Specialized recovery drills were organized for critical information systems including the financial information system and financial shared system databases, simulating scenarios in which a database outage or corruption causes business interruption, and conducting recovery verification using backup data
- The financial information system and financial shared system completed 2 and 4 recovery drills respectively, all of which successfully restored production data to the test environment and completed functional verification, effectively confirming the integrity and reliability of backup data and strengthening the team's emergency response and data recovery capabilities in real fault scenarios



02

Inclusive Healthcare, Illuminating Lives

Grand Pharma continuously addresses unmet clinical needs worldwide, with the aim of providing patients globally with high-quality medical solutions that are advanced, accessible and affordable. We drive the translation and application of frontier medical technologies, actively put the principles of inclusive healthcare into practice, work to improve the accessibility and affordability of medicines, and strive to extend the benefits of high-quality medical resources to a broader population.

R&D and Innovation

Grand Pharma upholds its development philosophy of "comprehensive advantages, innovation-oriented and global expansion", and is committed to becoming an international pharmaceutical company of technological innovation, respected by doctors and patients that gives back to society. The Company continues to increase its investment in R&D, strengthen its R&D management framework, and expand its collaborative network of innovative products and advanced technologies through in-depth strategic partnerships with world-leading companies, with the aim of providing patients worldwide with more outstanding, effective and innovative medical solutions.

The Group continues to focus on the fields of respiratory and anti-infection small molecule innovative drugs, anti-tumor innovative nuclear medicine, innovative traditional Chinese medicine, ophthalmic innovative drugs, cerebro-cardiovascular interventional devices, tumor interventional devices and innovative biotechnology products. With adherence to a research-based approach, registration-oriented direction and patient-centered focus, the Group continues to incubate high-quality innovative products, efficiently drives product commercialization, and comprehensively advances the implementation of its innovation strategy. In continuation of its strategy of "proprietary R&D + global expansion", the Group has participated in and established multiple R&D technology platforms and R&D centers worldwide:

Pharmaceutical Technology

- **Nanjing R&D Center, China (mRNA technology platform)**

  focused on the development of mRNA drugs for oncology and infectious disease treatment

- **Australia R&D Center (Glycomics technology platform)**

  focused on antiviral drug development focused on antiviral drug development

- **Wuhan Optics Valley International R&D Center, China**

  the Group's primary R&D entity in China, providing technical support for the development of high-end formulation products

Nuclear Medicine Anti-tumor Diagnosis and Treatment

- **Boston R&D Center, USA (Tumor intervention technology platform)**
- **Radiopharmaceutical R&D Center, Chengdu, China**

  Radionuclide conjugated drug (RDC) technology platform

- **Nuclear medicine diagnosis and treatment platform**

Cerebro-cardiovascular Precision Intervention

- **Wuhan Optics Valley Medical Device R&D Center, China**
- **Changzhou Medical Device R&D Center, China**
- **Shanghai Medical Device R&D Center, China**

Innovative R&D Centers and technology platforms of Grand Pharma

Improving R&D Capability

To ensure the orderly progress of its R&D activities, Grand Pharma has established an R&D management system covering the entire product development lifecycle, ensuring the optimal allocation of R&D resources and the continuous generation of project outcomes.

Group level

- Establishes an R&D Management Center encompassing functions including project initiation management, performance management, project management, regulatory affairs management, patent management and clinical management
- Responsible for formulating R&D innovation policies, standardizing processes and approving R&D management matters, as well as coordinating resources across R&D institutions to ensure the realization of the Group's innovation and R&D strategy

At the level of each R&D business unit

- Establishes 11 R&D business units across different product categories, including innovative drugs, generic drugs, medical devices and biological raw materials
- Each R&D business unit is responsible for innovation and R&D work in its respective field and drives the execution of R&D projects

R&D Management System of Grand Pharma

In terms of management policies, Grand Pharma has established a comprehensive R&D policy framework covering the entire product development lifecycle. During the Reporting Period, a number of R&D management policies *were optimized, including R&D Progress Management, R&D Data Management, Allocation and Management of R&D Codes, Measures and Procedures for Dynamic Evaluation of R&D Projects, and Measures* and *Procedures for R&D Project Initiation Management.*

Summary of R&D Data Highlights for 2025

Investment in R&D work and projects:

1.46 billion HK$

Over **510** R&D personnel

covering the entire life cycle of product research and development in various fields such as innovative drugs, generic drugs, medical devices and biological raw materials

131 projects under research

including

39 innovative projects[3]

65 major milestone developments

32 innovative project developments

31 marketing authorizations obtained in total

including

5 innovative products

20 generic products

6 raw material products

[3] Innovative projects: the percentage of medical products or drugs in the Company's R&D pipeline with a "first-in-class mechanism" (defined as products considered "first-in-class" in the scientific community) that are at the Phase III clinical trial or regulatory approval stage.

Substantial Clinical Development

Nuclear Medicine Anti-tumor Diagnosis

- The early detection product for urinary system tumors, UI-SEEK® achieves its first commercial prescription in Mainland China. It marks that the only urothelial carcinoma early detection product with dual mechanism of methylation + gene mutation currently approved for commercialization in China has officially entered clinical application;
- Based on the breakthrough interim data from the DOORwaY90 clinical trial, globally innovative radioactive product SIR-Spheres® Y-90 resin microsphere injection received early FDA approval for a new indication for the treatment of unresectable hepatocellular carcinoma ("HCC"); simultaneously, it obtained CE certification in Europe, expanding the scope of this treatment from the original indications of unresectable HCC and unresectable colorectal cancer liver metastases ("mCRC") to multiple indications including unresectable intrahepatic cholangiocarcinoma ("ICC"), liver metastases caused by neuroendocrine tumors ("mNET") and other liver metastases;
- Globally innovative radiopharmaceutical TLX591-CDx for the diagnosis of prostate cancer successfully achieved the clinical endpoint in its Phase III clinical study in China; the New Drug Application ("NDA") has been formally submitted to and accepted by the NMPA;
- Globally innovative temperature-sensitive embolization agent GPN00289 completed all patient enrollment in its registrational clinical study in China;
- The Phase III clinical trial ("COMPOSE study") of innovative radiopharmaceutical ITM-11 for the treatment of well-differentiated, invasive Grade 2 and 3, somatostatin receptor-positive (SSTR+) gastroenteropancreatic neuroendocrine tumors ("GEP-NETs") completed first patient enrollment and administration in China;
- Globally innovative radiopharmaceutical TLX591 for the treatment of prostate cancer submitted an application to the NMPA to join an international multi-center Phase III clinical trial and received approval;
- Globally innovative radiopharmaceutical YiGanTai® Yttrium-90 microsphere injection received NMPA approval for a Phase II clinical trial for the treatment of HCC and completed first patient enrollment and administration;
- Independently developed blockbuster globally innovative radionuclide-drug conjugate GPN01530 submitted an application to the FDA to conduct a Phase I/II clinical study for the diagnosis of solid tumors and received approval;
- Innovative radiopharmaceutical GPN02006 achieved breakthrough clinical results in an investigator-initiated clinical study ("IIT clinical study") conducted in China for the diagnosis of hepatocellular carcinoma ("HCC").

Respiratory and Critical and Severe Disease

- Globally innovative combination product Ryaltris® Compound Nasal Spray for the treatment of allergic rhinitis received marketing approval in China;
- Globally innovative drug STC3141 for the treatment of sepsis successfully reached the clinical endpoint in its Phase II clinical trial in China;
- Innovative drug GPN00204 for the treatment of respiratory diseases completed its Phase I clinical study in China and achieved clinical endpoints;
- Innovative drug GPN00187 for the treatment of respiratory diseases completed its Phase I clinical study in China and achieved clinical endpoints.

Major Clinical Progress

Cardiovascular Emergency care

- Neffy®, adrenaline nasal spray for the treatment of severe allergic reactions, received marketing approval from the NMPA.

ENT

- Globally pioneering innovative product tartaric acid varenicline nasal spray ("OC-01") for the treatment of dry eye syndrome completed its first batch of commercial prescriptions following formal approval in mainland China;
- Globally innovative ophthalmic drug GPN01768(TP-03), lotilaner ophthalmic solution, 0.25%) for the treatment of demodicosis blepharitis received marketing approval from the ISAF and the NMPA;
- Innovative ophthalmic device GPN00646 received marketing approval from the NMPA;
- Innovative improved new drug CBT-001 for the treatment of pterygium completed all patient enrollment in the international multi-center Phase III clinical trial conducted in China;
- The Phase II clinical trial in China of class 1.1 innovative traditional Chinese medicine GPN01360 successfully reached the clinical endpoint;
- Globally innovative ophthalmic drug GPN00884 for delaying myopia progression in children completed its Phase I clinical study in China and progressed into Phase IIa, completing first patient enrollment and administration;
- An application of class 1.1 innovative traditional Chinese medicine GPN01020 for a Phase II clinical trial was submitted to the NMPA and received approval.

Respiratory Segment - Innovative Drug Ryaltris®

Ryaltris® is a novel antihistamine and corticosteroid combination nasal spray for the treatment of allergic rhinitis ("AR") in adult and pediatric patients. As a combination formulation, Ryaltris® Compound Nasal Spray offers patients a more convenient and effective treatment option, improves patient adherence and provides a new therapeutic option for AR patients in China. The product has been approved for commercialization in the United States, Australia, South Korea, Russia, the United Kingdom and the European Union; the NMPA approved its commercialization in China in November 2025.

Ophthalmology Segment - Ophthalmic Drug GPN01768

GPN01768 is a selective non-competitive antagonist of gamma-aminobutyric acid-gated chloride channels (GABA-Cl) in insects and arachnids. It selectively inhibits GABA-Cl in *Demodex* mites, causing paralysis and death of the parasites and thereby treating *Demodex* blepharitis. In addition, GPN01768 is highly lipophilic, facilitating its absorption into the sebum of the eyelash follicles where the mites reside.

GPN01768 was approved for marketing by the U.S. Food and Drug Administration (FDA) in July 2023. Prior to that, GPN01768 had been approved for marketing in the Macao Special Administrative Region of China in May 2025. In March 2026, the globally innovative ophthalmic drug GPN01768 [TP-03, (lotilaner ophthalmic solution) 0.25%] in-licensed by Grand Pharma for the treatment of *Demodex* blepharitis officially received its Drug Registration Certificate from the National Medical Products Administration (NMPA), with no supplementary data requests issued during the drug review process, achieving approval with "zero deficiency notices". This approval by the NMPA represents a key step towards the full commercialization of this product in the Greater China region.

Innovation Capability Expansion

Grand Pharma drives the high-quality development of the industry and the advancement of its own global strategy through open innovation and collaboration. During the Reporting Period, the Group expanded its innovative product pipeline, introduced frontier technologies and strengthened its commercialization capabilities through in-depth strategic partnerships with a number of leading domestic and overseas companies in their respective segments.

Strategic Partnership between Grand Pharma and Zhenyi Medical to Jointly Advance the Cardiovascular Sector

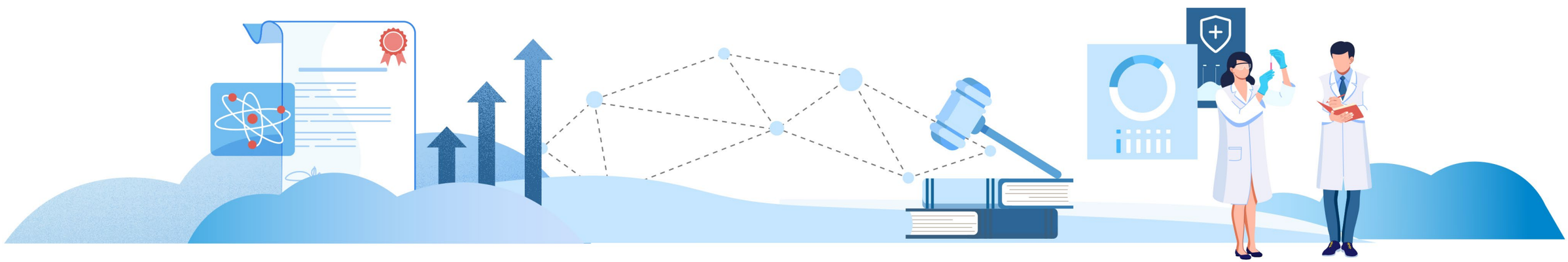
During the Reporting Period, Grand Pharma signed a strategic cooperation agreement with Jiangsu Zhenyi Medical Technology Co., Ltd., under which both parties will engage in in-depth cooperation in areas including the R&D and production of innovative products and the sharing of distribution channels, with the aim of jointly driving the high-quality development of the cardiovascular intervention industry. The signing of this agreement marks the beginning of a new phase of resource integration and complementary strengths between the two parties, and injects fresh momentum into innovation and development in the industry.

Strategic Partnership between Grand Pharma and Youer Pharmaceutical to Strengthen the Cardiovascular Emergency Care Segment

In December 2025, the Group entered into a product cooperation agreement with You'er Pharmaceutical Technology (Shanghai) Co., Ltd. ("Youer Pharmaceutical"). The Group will obtain the exclusive commercialization rights within cooperative channels in the Chinese mainland and non-exclusive commercialization rights in the Hong Kong Special Administrative Region of China for Neffy®, the world's first epinephrine nasal spray indicated for the emergency treatment of Type I hypersensitivity reactions (including anaphylaxis) in adults and pediatric patients weighing 30 kg or more (2 mg specification), as well as pediatric patients weighing 15 to 30 kg (1 mg specification). Neffy® is the first non-injectable therapeutic product approved by the FDA for Type I hypersensitivity reactions in 35 years. It is expected to improve the accessibility of epinephrine therapeutic products for patients with anaphylaxis in China, and fill the gap in out-of-hospital emergency medications for anaphylaxis. Leveraging its extensive departmental resources and mature channel system accumulated in the emergency medicine field, the Group will accelerate the academic promotion and market education of the product to facilitate its rapid market penetration. With its unique portability and user-friendly operation, Neffy® is expected to rapidly penetrate into various out-of-hospital scenarios such as households, schools and travel, and become a new growth engine for the Group's cardiovascular and cerebrovascular emergency care segment.

In-depth Strategic Partnership between Grand Pharma and International Radioisotope Technology Leader IRE ELiT of Belgium

During the Reporting Period, Grand Pharma entered into an in-depth strategic partnership with IRE ELiT (Institut National des Radioéléments / IRE ELiT), an international leader in radioisotope technology based in Belgium, becoming the sole supplier and service provider of IRE ELiT's pharmaceutical-grade germanium-gallium generators in China. Both parties will leverage their respective strengths in R&D, production, market access and commercialization to jointly introduce IRE's globally leading germanium-68/gallium-68 (^{68}Ge/^{68}Ga) generator technology and accompanying regulatory filing materials into the Chinese market and promote their widespread adoption. This marks a milestone for China's nuclear medicine sector in aligning the supply of critical raw materials for precision diagnosis and treatment with the standards of major international regulatory authorities such as the FDA and EMA, and will bring pharmaceutical-grade germanium-gallium generators that meet both international pharmaceutical standards and Chinese regulatory requirements to patients in China.



Intellectual Property Rights Protection

While continuing to advance innovation and R&D, Grand Pharma has strengthened its intellectual property management system. The Company strictly complies with *the Patent Law of the People's Republic of China,* the *Trademark Law of the People's Republic of China* and other relevant laws and regulations, and has established internal management policies including *the Patent Administrative Regulations*. A comprehensive patent risk identification and prevention process has also been established, covering key areas such as R&D projects, marketed products and the supply chain, to promptly identify and address potential patent infringement risks.

Identification of Patent Risks in Marketed Products

- The Group has completed full coverage of patent early warning for marketed products in accordance with patent management requirements. Through patent early warning analyses, we identify, monitor and intervene in advance on risks associated with currently marketed products, to avoid patent infringement risks.

R&D Project Patent Work

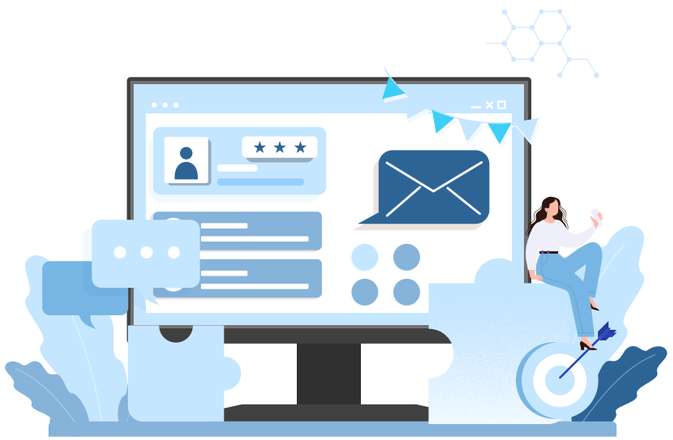
- The patent investigation and research of proprietary R&D projects is conducted at two levels: enterprise patent personnel issue the *R&D Project Patent Opinion*, after which the IP Department at headquarters reviews the project patent opinion to ensure that patent layout opportunities and potential patent infringement risks are identified in the project, and develops a risk response plan.

Investigation and Research related to Supplier Patents

- An intellectual property audit is conducted on all alternative suppliers, requiring proof of non-infringement. At the same time, patent infringement risks are identified for the products and synthesis routes provided by the supplier, and non-infringing suppliers are selected to avoid patent infringement risks. We specify the rights and obligations relating to patent risks in the relevant contracts, and also determine the ownership of subsequent patent applications.

Patent Risk Identification and Control Process

The Group attaches great importance to the intellectual property protection of its proprietary innovation projects. Patent protection strategies are tailored to the specific needs of each project, building high-quality patent portfolios to provide solid legal support for the Company's technological innovation. For in-licensed projects, core patent licensing issues for introduced products are actively addressed and patent protection periods extended, ensuring that the Company maintains its competitive edge in the market.



To fully safeguard the internationalization strategy, the Group continues to strengthen its international intellectual property management capabilities. During the Reporting Period, intellectual property protection for the Group's products going global was supported through forward-looking risk management, proactive defense of core rights and the strengthening of team capabilities.

Risk Defense

- Forward-looking US patent risk management was initiated for the oncology segment. Through the engagement of a US law firm to conduct comprehensive patent searches and analyses, the Company proactively identified and mitigated potential infringement risks while actively filing US patents, building a solid intellectual property defense for the smooth commercialization of projects in the United States.

Defense of Rights

- In response to patent challenges initiated by competitors in South Korea, Japan, the United States and other jurisdictions, the Company actively responded and successfully defended its core patent rights, effectively safeguarding the Company's intellectual property interests and laying the foundation for overseas market expansion.

Capability Building

- US attorneys were invited to conduct specialized intellectual property training covering overseas patent filing and enforcement strategies, strengthening the team's ability to respond to overseas patent challenges.

International Intellectual Property Management Initiatives

Training on Latest Developments in Patent Invalidation (PTAB IPR/PGR) Delivered by External US Counsel

During the Reporting Period, to strengthen the team's ability to respond to overseas patent challenges, Grand Pharma engaged US attorneys to deliver training on "Latest Developments in Patent Invalidation (PTAB IPR/PGR)". Through systematic learning, the team gained a deeper understanding of US PTAB procedures and the latest trends, and studied overseas patent filing and enforcement strategies, supporting the Company's products going global.

As a member of the Pharmaceutical Committee of the Patent Protection Association of China, the Company has extended its intellectual property protection efforts across the industry chain, actively working with industry partners through upstream and downstream enterprise collaboration and industry exchange activities to help the industry build a robust intellectual property defense. During the Reporting Period, strategic collaboration with upstream and downstream enterprises was actively promoted, with training provided on patent filing strategies and related topics. Intellectual property cooperation mechanisms have been established with a number of key product partners, with technology foresight and risk information shared and complementary patent planning and filing conducted. This has not only strengthened the patent protection network across the full product chain but also improved competitive advantage and risk resilience.

Annual Academic Conference on "Intellectual Property Empowering Precision Medicine"

During the Reporting Period, Grand Pharma joined with industry partners to hold an annual academic conference under the theme of "Intellectual Property Empowering Precision Medicine". The Company delivered a presentation on "Patent Protection for Pharmaceutical Uses", providing an in-depth discussion from the perspectives of the technical characteristics of use patents, the scope of their protection, and the challenges they face. The exchange built industry consensus and provided clear guidance to participating enterprises on use patent filing strategies and risk mitigation.

During the Reporting Period

- The Group filed **124** new patent applications, including **98** new invention patent applications, accounting for **79.0%**, **13** new overseas patent applications
- A total of **87** new patents were granted, including **46** invention patents, accounting for **53%**, **5** new overseas patents
- The Group held a cumulative total of **1,017** valid patents, **585** valid invention patents
- The Group held **262** patents in the field of innovation, A total of **64** new patent applications were filed in the field of innovation including anti-infection, oncology, medical devices and the mRNA technology platform, accounting for **52%** of the Group's total new patent applications
- Core patents in the anti-infection field have been granted in **China, the United States, Europe, Japan, South Korea, Israel, Singapore, Australia** and other jurisdictions

Access to Healthcare

While pursuing innovation breakthroughs, Grand Pharma remains committed to improving the accessibility and affordability of medicines, striving to enable more patients worldwide to access high-quality innovative treatment options at reasonable prices. We actively work with government bodies, medical insurance authorities and industry partners to explore diversified payment mechanisms and market access strategies, jointly promoting the broader availability of innovative medical advances, fulfilling our corporate social responsibility and contributing to a more equitable and sustainable healthcare system.

Governance Structure

The Board of Grand Pharma is the highest responsible body for access to healthcare, overseeing the implementation of various tasks related to access to healthcare. The Strategy and ESG (Promotion) Committee is responsible for carrying out the work related to access to healthcare.

Product Accessibility

Grand Pharma actively advances the global deployment of its products, promoting the expansion and adoption of high-quality products in emerging markets and bringing safe and effective medicines to different regions to meet primary healthcare needs and improve patient well-being worldwide. During the Reporting Period, the Group's polyvinyl alcohol eye drops, gentamicin sulfate eye drops, tobramycin eye drops, xylometazoline hydrochloride nasal drops and xylometazoline hydrochloride nasal spray received regulatory approval for registration in the Philippines, further expanding the accessibility of ophthalmic and ENT medicines in the Southeast Asian market. Pirenoxine sodium eye drops were also successfully registered and approved in Indonesia and Mongolia, benefiting more patients in developing countries.

By empowering frontline healthcare workers, the Company continues to improve the accessibility of safe, effective medicines and evidence-based healthcare services for patients in remote areas. Targeted professional training is provided to grassroots medical representatives and physicians in underdeveloped regions, helping to improve their professional capabilities and standards of rational drug use, and driving quality medical resources closer to the communities that need them.

Training for Grassroots Medical Representatives in Remote Areas

In 2025, Grand Beilin Xi'an, a subsidiary of Grand Pharma, conducted 17 product knowledge training sessions for medical representatives, focused on improving the professional capabilities of medical representatives and strengthening physicians' confidence in products. The product knowledge training covered grassroots representatives in remote areas including Qinghai, Tibet and Xinjiang. After the training, the representatives are able to convey the latest disease treatment guidelines, pharmaceutical research findings and clinical medication regimens to grassroots physicians, strengthening primary-level healthcare development and improving the accessibility of standardized treatment for patients in remote areas.

Product Affordability

The Company actively promotes the inclusion of its products in the National Reimbursement Drug List, significantly reducing patients' medication costs through medical insurance coverage. A diversified patient assistance program has been established, providing targeted support to vulnerable groups and practical assistance to patients facing financial hardship through charitable drug donations and patient assistance initiatives, fulfilling the Company's corporate social responsibility and ensuring that more patients have equitable access to quality medical resources.

As at the end of the Reporting Period, the Group had

Over
130
products included in the National Essential Drug List (2018 Edition)

over
260
products included in the National Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance Drug Catalog (2025 Edition)

Strategic Partnership with Six Health Technology Companies to Jointly Explore New Pathways for Commercial Health Insurance Innovation

During the Reporting Period, Grand Pharma formally signed strategic cooperation agreements with six leading domestic health technology companies — Chenxi Health, MediTrust Health, Ruize Health, Sipai Health, Yibao Technology and Yuanxin Huibao (listed in alphabetical order of Chinese names, in no particular order of priority). Grand Pharma and its partners will engage in strategic cooperation in areas including inclusive commercial insurance, commercial health insurance, innovative payment solutions, instant retail and health management services, achieving resource sharing and complementary strengths. The aim is to jointly drive the in-depth development of commercial insurance products, improve patient accessibility to innovative and high-quality pharmaceuticals and medical devices, and inject fresh momentum into China's healthcare security system.

"Yttrium Little Red Flower" Patient Assistance Program — Phase III

In 2025, Grand Pharma provided strong support for the "Yttrium Little Red Flower Health Fund — Patient Assistance Program (Phase III)" hosted by the Henan Sunshine Medical Health Development Foundation. The program targets low-income patients aged 18 and above with hepatocellular carcinoma or colorectal cancer liver metastases, providing financial assistance to patients in need who are receiving Yttrium-90 (90Y) microsphere selective internal radiation therapy. Phases I and II of the "Yttrium Little Red Flower" program have assisted thousands of patients, and Phase III further expands its coverage. Against the backdrop of over 50 regions across the country having included this treatment in "Huiminbao" (inclusive commercial health insurance) programs, a dual "medical insurance + public welfare" support system has been established. Experts from over 50 tertiary hospitals including the First Affiliated Hospital of Zhengzhou University and Beijing Tsinghua Changgung Hospital have provided technical support, with a cumulative total of over 1,500 surgical physicians trained.

Coenzyme Q10 Charitable Drug Donation Initiative

During the Reporting Period, Grand Pharma continued to advance the "Hand in Hand, Caring for DMD" Coenzyme Q10 drug donation program, donating Nengqilang Coenzyme Q10 tablets to patients with Duchenne muscular dystrophy ("DMD") to help slow disease progression.

In 2025

A total of **6,000** boxes of medication are planned for donation

covering **400** patients nationwide

From 2024 to 2025

239 patient families have benefited

A total of **3,583** boxes of donated medication received

with donations reaching

20 provinces, municipalities and autonomous regions including Liaoning, Sichuan, Yunnan, Ningxia, Guangxi, Xinjiang and Inner Mongolia.

Investment in Treatment for Rare Diseases

Leveraging its strong research capabilities, Grand Pharma continues to deepen its commitment to rare disease drug development. The Company is dedicated to providing more safe and effective treatment options for rare disease patients through ongoing innovation and exploration, working to ease the treatment burden on patients and meet unmet clinical needs in the rare disease field.

As of the end of the Reporting Period, the Group's orphan drug pipeline includes:

6 commercialized products

6 orphan drugs under research

Grand Pharma's orphan drugs for rare diseases	Indication	Status
Treprostinil Injection (Runmodelin®)	Pulmonary Arterial Hypertension	Commercialized
Macitentan Tablets	Pulmonary Arterial Hypertension	Commercialized
Eltrombopag Olamine Tablets	Idiopathic Thrombocytopenic Purpura	Commercialized
Carglumic Acid Dispersible Tablets (Anvid)	Hyperammonemia	Commercialized
Vigabatrin Oral Solution Powder	Infantile Epileptic Spasms Syndrome	Commercialized
Pasireotide Diaspartate Injection	Cushing's Disease	Commercialized
Icatibant Acetate Injection	Hereditary Angioedema	Under Development
Thiotepa for Injection	Grade 3 β-thalassemia	Under Development
ITM-11 (COMPETE)	GEP-NETs G1/G2	Under Development
ITM-11 (COMPOSE)	GEP-NETs G2/G3	Under Development
TOCscan®	Diagnosis of GEP-NETs	Under Development
TLX-101	Glioblastoma Multiforme	Under Development

Grand Pharma's Commercialized Rare Disease Drugs and Rare Disease Drugs Under Development

03

Quality as the Helm,
Steering Steady Growth

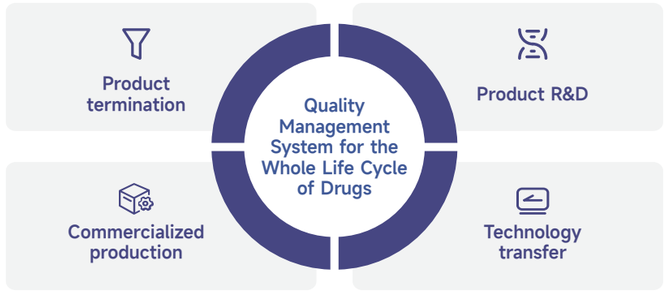
Grand Pharma places patient safety and product quality at its core, continuously strengthening its quality management system across the full product lifecycle, strictly adhering to clinical ethics, and building a comprehensive line of defense for pharmaceutical quality and safety, to deliver advanced and diverse high-quality treatment solutions to patients.

Quality Management

Grand Pharma is committed to providing patients with stable, reliable and high-quality pharmaceuticals, building a solid quality foundation through high standards and strict requirements. A quality management system spanning the entire product lifecycle has been established, with great emphasis placed on the safety management of clinical drug use and strict control exercised over product quality and safety.

Quality Management System

The Group has established a management and control system spanning the full product lifecycle, covering the stages of product development, technology transfer, commercial production and product termination. The system is compliant with international quality standards including GMP and ISO 9001, ensuring that pharmaceutical quality and safety are controllable throughout the entire lifecycle with high standards and strict requirements. The Group strictly complies with laws and regulations including *the Drug Administration Law of the People's Republic of China, the Implementation Regulations of the Drug Administration Law of the People's Republic of China, the Measures for Quality Supervision and Management of Drug Operation and Use, the Measures for the Administration of Drug Registration* and *the Measures for the Supervision over and Administration of Drug Production.* Internal policies have been formulated, including *the Product Compliance Management System, the Whole Process Quality Management Regulations* and *the Quality Management Regular Meeting System*, driving the Group and its subsidiaries to implement quality responsibilities at every stage of pharmaceutical R&D, production and distribution, and to strictly control product quality and safety throughout the full lifecycle.



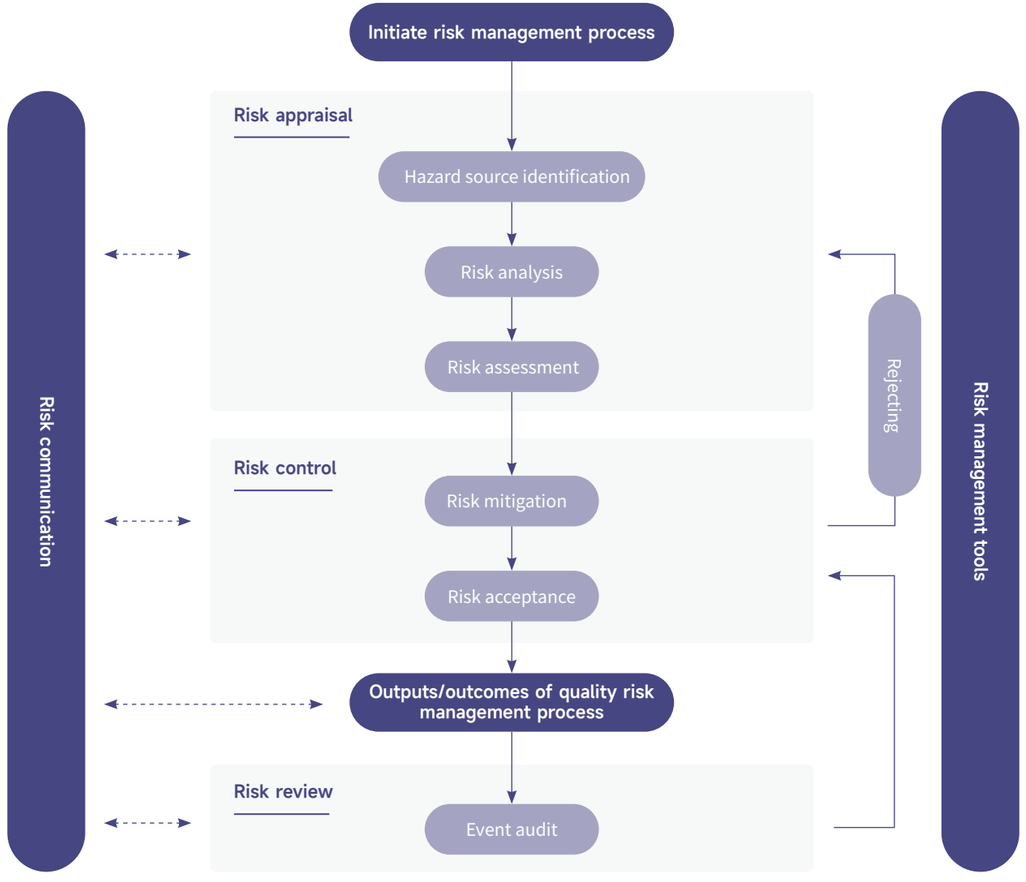
In 2025, the Group's quality management system certification and quality inspections covered all production enterprises/bases, with inspection conclusions meeting the requirements.

Quality management system certification and inspection	Quality certification compliance of subsidiaries in 2025
ISO 9001	5 drug companies and 10 pharmaceutical raw materials intermediates /chemical companies obtained certification.
ISO 22000	4 food additive companies obtained certification.
ISO 13485	3 medical device companies obtained certification.
GMP	23 companies passed 65 GMP official inspections and production license inspections (including domestic GMP certification, routine supervisory inspections, production license inspections, FDA inspections, Brazil GMP certification and Turkey GMP certification).
Other quality certification inspections	10 companies obtained 25 certifications including FSSC 22000, IP, ARA HALAL, organic certification and green certification.

At the same time, the Group continues to optimize its drug marketing authorization holder ("MAH") management system to strengthen quality and safety management throughout the full drug lifecycle. In 2025, the primary responsibilities of marketing authorization holders were further implemented in accordance with *the Announcement by the National Medical Products Administration on Strengthening the Supervision and Management of Drug Marketing Authorization Holder's Entrusted Production*, with the MAH system and institutional requirements further improved. Quality agreements were revised, the division of responsibilities between entrusting and entrusted enterprises clarified, and the communication and handling of process issues such as deviations and changes strengthened. Grand Pharma also actively guided and assisted newly added enterprises and those with Certificate B and Certificate C in successfully obtaining production licenses in accordance with relevant regulatory requirements, and supervised the entire process of both proprietary and entrusted drug production to ensure ongoing compliance, thereby safeguarding pharmaceutical quality and safety throughout the full lifecycle.

Quality Risk Management

Grand Pharma has established a quality risk control process spanning the full drug lifecycle, enabling the forward-looking identification of risks and their management throughout the entire process. Through scientific, systematic and traceable quality risk management practices, the Company continuously strengthens its quality assurance capabilities, providing solid support for product safety, stability and clinical accessibility.



Quality Risk Control Process for the Whole Life Cycle of Drugs

During the Reporting Period, we strengthened our quality risk identification, assessment and control capabilities through quality issue remediation, product labeling revisions and quality improvement initiatives, further ensuring product safety.

Quality issue remediation

In 2025, 12 systematic improvement measures were implemented to address key issues relating to outer packaging quality, product characteristics and customer standards.

Product labeling revisions

In 2025, comprehensive revisions were completed for the product labeling of 15 formulation products, ensuring accuracy, compliance and alignment with the latest regulatory requirements and clinical use needs.

Quality standards improvement

In 2025, 60 quality improvement projects were implemented, covering product quality, process control standards, process technology levels, quality management standards and quality processes.

Quality Risk Management Measures

Product Testing

Grand Pharma has established a comprehensive quality inspection and monitoring system. Supported by internal quality control laboratories, the Company systematically conducts quality testing across the full product lifecycle, covering the entire process from raw and auxiliary packaging materials inspection, intermediate product testing and in-process control, through to final product release testing, ensuring that every stage meets strict quality standards.

Laboratory configuration

Quality control laboratories, including physical and chemical laboratories, microbiological laboratories and animal laboratories, have been set up in all manufacturing enterprises of Grand Pharma. These laboratories are equipped with the required professional technical personnel and necessary equipment and facilities for compliance with regulations and product inspection to meet the needs of product testing.

Management system

We have established a complete laboratory management system and document management system to guide the laboratories to conduct regular precautionary testing of all products and services for possible emerging quality or safety concerns.

Testing execution

We conduct inspections on raw and auxiliary packaging materials, intermediate products, process control, and products required for production on a batch/regular basis according to relevant regulations and standards for pharmaceuticals or products, the Company's systems and customer requirements, achieving an internal product testing rate of 100%.

Quality Inspection and Monitoring System

Quality Audit

To ensure the effectiveness of quality risk management, the Group formulates and implements a comprehensive quality audit plan on an annual basis, covering all product lines and key processes. Audit activities include Group-level inspections of pharmaceutical enterprises, internal audits conducted independently by subsidiaries, and active cooperation with inspections by external regulatory authorities and domestic and international clients, to promptly identify potential risks, drive closed-loop rectification management and continuously verify the effectiveness and adaptability of the quality system.

Internal quality inspections and audits

Group-level comprehensive inspections of pharmaceutical enterprises	guidance inspections and follow-up inspections	Internal self-inspections by subsidiaries	Major defects
18 in total	10 in total	over 40	0

External quality inspections and audits

Inspections by external regulatory authorities:	Inspections by domestic and international clients	Major defects
70 in total, including domestic GMP certification, routine supervisory inspections, production license inspections, FDA inspections, Brazil GMP certification and Turkey GMP certification	over 200	0

Internal and External Quality Audits in 2025

Supplier quality management is regarded as an important component of ensuring product quality. A tiered management approach is applied to suppliers, with data audits, on-site audits and remote audits conducted based on management level and supplier criticality. An annual supplier quality audit plan is formulated, and audits are conducted in accordance with the plan and the quality of supplier deliveries. When auditing key material suppliers, the quality management and quality audit practices of their upstream suppliers are reviewed, and material suppliers are promptly required to carry out rectification on any issues identified during the audit.

Supplier Category	Audit Method
Material suppliers	Formulate the annual audit plan based on management level and criticality, including methods such as data audit, on-site audit and remote audit
Indirect suppliers	Direct suppliers are required to audit the quality management status of their suppliers (that is, the indirect suppliers of Grand Pharma) and confirm the completion of the audit

During the Reporting Period

Grand Pharma conducted a total of **550** supplier audits

of which **356** were on-site audits

Indirect supplier quality audit — Traditional Chinese Medicine traceability

We also attach great importance to the quality management of indirect suppliers (i.e. the upstream suppliers of our suppliers). During the Reporting Period, the Group focused on advancing traditional Chinese medicine traceability within its indirect supplier management framework, with the aim of safeguarding the quality of TCM raw materials and medication safety at the source. We conducted quality audits on second-tier suppliers of TCM raw materials, and through botanical origin identification, market research and quality-in-use assessments of core medicinal materials with multiple botanical origins, defined the specific botanical origin and place-of-origin requirements for each material, incorporating these into the TCM raw material quality standards for unified management.

Grand Pharma has established 8 proprietary TCM raw material cultivation bases covering varieties including Danshen (Salvia miltiorrhiza), chrysanthemum and ginseng, and has co-established 11 bases with external partners covering medicinal materials including chrysanthemum, gentian and Ophiopogon. Starting from the cultivation stage, the Group has built a full-chain quality control system, providing solid assurance for the safety, quality stability and therapeutic consistency of its proprietary Chinese medicine products.

Quality Culture Building

Grand Pharma actively promotes a quality culture based on "full employee participation", conducting quality training for all employees on an annual basis to continuously raise quality awareness across the workforce. In 2025, the Group organized a total of 4,178 quality-related training sessions, covering topics including GMP regulatory requirements, quality risk prevention and control, and operational technical standards, systematically strengthening employees' quality management capabilities. During the Year, the Company delivered a cumulative total of over 25,000 learning hours of quality training, with over 65,000 participants.

In 2025

The Group organized a total of **4,178** quality-related training sessions

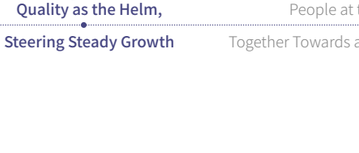
During the Year,

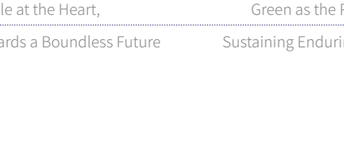
The Company delivered a cumulative total of over **25,000** learning hours of quality training

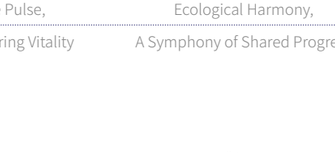
with over **65,000** participants

"Quality Month" Events

In September 2025, the Group organized its subsidiaries to participate in "Quality Month" events, conducting quality awareness and practical activities in diverse and engaging formats to strengthen the quality knowledge base of all employees. A total of 20 enterprises participated. During Quality Month, subsidiaries of Grand Pharma organized over 50 quality activities including quality team standardization evaluations and quality competitions, with over 8,000 participants.







In 2025

The Group conducted quality training for all high-risk suppliers, delivering over **70** supplier training sessions in total

Grand Pharma is committed to working with suppliers to strengthen quality culture building and promote alignment of quality awareness across the value chain. We enter into quality agreements with suppliers, setting out the Company's quality standards and requirements, and conduct targeted training on-site or online to ensure that suppliers fully understand and implement quality requirements. When issues arise during the course of cooperation, we promptly issue notification letters and organize online or on-site communication meetings, guiding suppliers in formulating and implementing improvement measures to continuously strengthen their quality assurance capabilities. In 2025, the Group conducted quality training for all high-risk suppliers, delivering over 70 supplier training sessions in total.

Clinical Ethics

Grand Pharma practices a "patient-centered" approach, with the protection of subjects' rights and clinical drug safety integrated throughout the entire R&D process for investigational products. Every clinical trial undergoes rigorous ethical review and supervision, with the safety and credibility of clinical research continuously improved.

Protection of Subjects' Privacy

Clinical trials are conducted in strict accordance with ICH-GCP[2], *the Declaration of Helsinki, the Good Clinical Practice, the Measures for the Administration of Drug Registration* and other relevant laws and regulations of the PRC, with great importance attached to the protection of patient privacy and patient safety. An ethics committee for clinical trials has been established by the Group, responsible for comprehensively overseeing the implementation of ethical reviews and privacy protection measures. All subjects are required to sign the Informed Consent Form for Clinical Study prior to participating in clinical research, ensuring that their right to be informed, freedom of choice and privacy are effectively protected. All medical information of the subjects is kept strictly confidential.

Measures for the Protection of Subjects' Rights

Informed consent process controls	• Subjects are fully informed of the purpose, methods, potential risks and benefits of the study, their questions are answered, and written consent is given on the basis of full understanding. • Informed consent forms are written in language and text that subjects can understand, and contain all necessary information. • Clinical research screening procedures may only commence after the informed consent form has been signed.
Personal information and privacy protection	• Subjects' personal information is kept confidential and may not be disclosed to third parties without authorization. • Research data is anonymized using subject identification numbers to protect subjects' identity information from disclosure. • Subjects' identity information is protected when research results are published to avoid privacy breaches. • For research involving biological samples and related data, subjects are informed of the security and confidentiality measures adopted and any potential limitations.
Strengthened risk controls	• Research prioritizes the safety and health of subjects, with safety-related protective measures designed into the research protocol to prevent harm to subjects. • An appropriate risk assessment and management system is established, with remedial measures formulated in advance for foreseeable adverse events ("AE") to ensure the safety of subjects.
Free participation and compensation mechanisms	• Subjects are not charged any fees for participating in research, and appropriate compensation is provided to cover their reasonable expenses incurred during the study. • Clinical trial insurance is purchased before the commencement of clinical research, with clearly defined claims and settlement procedures. • If subjects are harmed during the course of research, they receive timely free treatment and compensation in accordance with applicable laws and regulations and the terms agreed between the parties.
Protection of vulnerable populations	• Special protections are afforded to subjects from vulnerable groups, including children, pregnant women, individuals with intellectual disabilities and patients with mental disorders.
Research personnel management and training	• Researchers and relevant staff receive confidentiality education and training to strengthen awareness of privacy protection.

Clinical Drug Safety

Grand Pharma places the medication safety of patients and clinical trial subjects as its foremost priority. Strict compliance is maintained with operational procedures and internal standards including the *Regulations for the Release of Drug for Clinical Trial Use* and the *Procedures for Clinical Quality Management*, to ensure medication compliance and safety. Full-process medication safety controls have been established from clinical trial protocol design through to execution, with efficient multi-departmental collaboration ensuring the safety and compliance of every stage of clinical research and striving to reduce the safety risks associated with drug use.

Clinical pharmacology team	• Responsible for protocol design for early-phase trials (Phase I healthy subjects); other functional teams participate in refining the protocol from the perspectives of scientific rigor, safety and operability
Clinical medicine team	• Takes the lead in designing clinical trial protocols involving patients, collaborating with the data and statistics, clinical operations and pharmacovigilance teams to complete the protocol design • From a practical standpoint, develops safety management plans to guide researchers in identifying and handling significant safety events that may arise during trials
Medical staff	• Conduct ongoing medical data review to ensure data accuracy, consistency and subject safety
Medical supervisors	• Based on the pace of trial enrollment, the safety characteristics of the drug and the requirements of the study, develop a review plan prior to subject enrollment and conduct real-time reviews accordingly, identifying issues in a timely manner and working with the project team to resolve them
Data Safety Monitoring Board ("DSMB")	• Data Safety Monitoring Boards with different functions are established based on product characteristics and indication requirements to strengthen safety oversight

Clinical Drug Safety Control System

Innovative Drug Safety Control Measures Implemented by Grand Pharma's Ophthalmic Innovation Team

In 2025, in a Phase IIa clinical study conducted on pediatric subjects aged 6 to 12, the ophthalmic innovation team implemented a number of innovative drug safety control measures, further strengthening the Company's clinical safety management standards. The team established a Safety Review Committee ("SRC"), dividing subject enrollment into two stages. After subjects in the first stage completed 4 weeks of medication, the SRC independently reviewed safety data to assess and determine the subsequent study dosage. During the assessment period, subjects continued on the original protocol to ensure data continuity and reliability. In addition, the project adopted an electronic data collection system, replacing traditional paper-based subject diary cards with an eCOA (electronic Clinical Outcome Assessment) system. Subjects recorded medication use, concomitant medications and adverse symptoms in a timely manner through eCOA, enabling investigators to track medication adherence and symptoms in real time, achieving dynamic and efficient monitoring of drug safety in pediatric subjects.

To promptly identify, assess, control and track potential risks across all aspects of clinical research, oversight measures have been implemented including clinical supplier audits, research center inspections, TMF[4] reviews, quality control ("QC") inspections and collaborative monitoring. For issues identified, corrective actions are promptly taken and targeted preventive strategies formulated. Through continuous follow-up on rectification implementation, clinical risks have been effectively controlled and the reliability of research data and the safety of subjects safeguarded.

[4] The Trial Master File (TMF) — the master file for clinical trials.

Pharmacovigilance

Grand Pharma takes a scientific and rigorous approach to safeguarding post-marketing medication safety, attaching great importance to pharmacovigilance as an important line of defense for patient medication safety. Comprehensive customer service management and product recall mechanisms have also been established to fully protect patient safety and maintain brand trust.

Pharmacovigilance Management

Grand Pharma strictly complies with pharmacovigilance-related laws and regulations including *the Drug Administration Law of the People's Republic of China, the Good Pharmacovigilance Practice* and *the Guidelines for Pharmacovigilance Inspections*. A robust pharmacovigilance ("PV") system has been established based on the Company's operational needs, ensuring that pharmacovigilance is integrated throughout the entire drug lifecycle. The Drug Safety Committee has been established by the Group, responsible for the emergency handling of major safety incidents, risk control decisions and other significant matters related to pharmacovigilance. Designated specialists collect adverse reaction incident information through multiple channels including telephone, public mailboxes, official accounts and the direct reporting system on the Company's website, ensuring comprehensive awareness of drug safety issues. A comprehensive incident investigation and handling process has been established to ensure that every adverse drug reaction incident is handled in a timely and professional manner.

Receiving and Classification

- The original case classifiers of the pharmacovigilance department are responsible for receiving and categorizing the original case reports for the safety information received. The data entry clerk conducts retrieval and re-checking based on the contents of the original data, creates a new report or adds a new version of the report, makes a new entry of the data, and carries out a preliminary evaluation of the seriousness and predictability of the data.

Report Audit

- Data quality controllers review the quality of the report, check the completeness and accuracy of the report entry, conduct data quality control, and review the causality assessment, severity judgment, predictability judgment, case description, etc., and may challenge the completeness and accuracy of the report content.
- The medical assessment may, as necessary, carry out review of the report's medical assessment, causality assessment and autopsy descriptions. If the report data cannot support an accurate and reasonable medical assessment, the report content may be challenged.

Report Submission

- The report submitter generates the final version of the report and determines whether it needs to be submitted to the regulatory authority based on its content and submits the reviewed report to the regulatory authority.
- If the report information received is incomplete, the missing information should be followed up. The data entry clerk or designated personnel summarize the queries and follow up with the reporter.

Adverse Reaction Incident Handling Process

At the same time, we actively organize specialized pharmacovigilance training activities for all employees, continuously raising employees' awareness and professional skills in pharmacovigilance.

Specialized Pharmacovigilance Training

In 2025, we launched a customized specialized training course on Safety Information Collection and Reporting for Innovative Ophthalmic Drugs on the online training platform, ensuring that personnel in R&D, medical and marketing roles have a comprehensive understanding of adverse event identification and reporting obligations. To address the platform's limitation of being unable to send automatic email reminders, we proactively coordinated with the marketing department and HR to obtain accurate trainee lists, manually distributed study guides and dynamically tracked completion progress, effectively improving training coverage and compliance execution, and laying a solid foundation for medication safety monitoring before and after the launch of innovative ophthalmic drugs.

Product Recall

To safeguard patient safety and medication rights, Grand Pharma has established a systematic product recall management framework covering every stage from process design to policy implementation. Ongoing monitoring of marketed products is conducted, and upon identification of any potential safety hazard, the response mechanism is promptly activated in strict accordance with the *Protocol to Manage Product Recall*, ensuring that recall actions are precise and efficient in the protection of patient health and trust.

Formulation of Recall Plan

- After the decision to recall a product, the Company immediately forms a recall team to prepare a specific recall plan and carry out the recall action.

Initiation of Recall

- Product recalls are categorized into Level I, II and III based on the level of health hazard involved. Customers are notified of the product recall within the timeframe required by the relevant recall level, and the incident is reported to the local drug regulatory authority.

Handling of Recalled Products

- The recall team is responsible for promptly summarizing the status of recalled products and assessing whether the quality of the recalled products has been affected.
- Where the safety concern can be eliminated through measures such as label replacement, amendment and improvement of product labeling, or repackaging, and the issue can be addressed through rework or similar means, the products may be relaunched after appropriate handling.

Recall Overview and Corrective and Preventive Measures

- A root cause investigation is conducted on the quality incident, and corrective and preventive measures are carried out in accordance with the *Protocol to Manage Corrective and Preventive Measures*.

Product Recall Procedure

To ensure the effectiveness of the product recall mechanism, simulated recall drills and drug safety emergency drills were conducted, with reviews and assessments carried out on recall and drug safety emergency operations to ensure that the product recall and drug safety emergency systems operate effectively. In 2025, a combined approach of tabletop exercises and live drills was adopted, covering key stages including production, sales, logistics and end-use. With the full participation of all relevant departments, recall and safety incident emergency response procedures were realistically simulated. A total of 23 product recall drills and 6 drug safety emergency drills were completed, comprehensively strengthening personnel emergency response capabilities.

In 2025

A total of

23
product recall drills

6
drug safety emergency drills were completed

During the Reporting Period, the Group

did not experience
any recall incidents of sold or delivered products for health and safety reasons

Customer Communication and Satisfaction

While ensuring product quality and safety, the Group continuously improves customer satisfaction and drives the ongoing improvement of products and services through an institutionalized, digitalized and full-process customer service management system. Each business segment strictly complies with relevant laws and regulations, with comprehensive customer complaint management mechanisms established. Customer communication channels have been continuously optimized, including a 24-hour customer service hotline, an online complaint platform and direct channels through sales teams, achieving rapid response to customer feedback and closed-loop management.

Customer complaint handling mechanism — Biotechnology segment

- Diversified and accessible complaint channels have been established, including sales representative telephone, email, and WeChat and official account messaging. These channels have been made available to customers, ensuring that they can conveniently provide feedback on issues encountered in product sales, delivery and other processes.
- A full-process customer complaint handling mechanism has been established covering acceptance, investigation, execution, feedback and follow-up visits. From the point of complaint acceptance, investigations and solution approvals are completed within clearly defined timeframes through cross-departmental collaboration, ensuring effective resolution of issues. Ongoing communication with customers is maintained throughout the process, and follow-up visits are conducted promptly after resolution to confirm satisfaction.

Customer complaint handling mechanism — Nuclear medicine anti-tumor diagnosis and treatment and cerebro-cardiovascular precision interventional diagnosis and treatment technology segment

- The sales companies under the nuclear medicine anti-tumor diagnosis and treatment and cerebro-cardiovascular precision interventional diagnosis and treatment technology segment have set up a customer service hotline (400-990-9697) for receiving customer complaints. The formulation companies handle all complaints in strict accordance with the *Protocol to Manage User Complaints*, ensuring that issues are properly resolved.

Customer complaint handling mechanism — Pharmaceutical technology segment

- Multi-channel customer complaint and feedback channels have been established, including a live consultation hotline, after-sales dedicated line, the Company's official website, WeChat official account, and communication through marketing personnel.
- Upon receipt, complaints are classified according to severity: Level I complaints must be resolved by the receiving staff on the same day; Level II complaints must be reported to the supervising manager and resolved within 48 hours; and Level III complaints trigger the formation of a dedicated emergency response unit for real-time follow-up.

Complaint Handling Mechanisms of Grand Pharma's Business Segments

The Group attaches great importance to customer satisfaction, which is regarded as an important benchmark for measuring service quality and driving continuous improvement. To gain a comprehensive understanding of customer needs and experience, systematic and multi-dimensional customer satisfaction surveys are regularly conducted by each business segment, covering key areas including product performance, delivery timeliness, after-sales service and communication responsiveness. Targeted optimization measures are implemented based on the survey results.

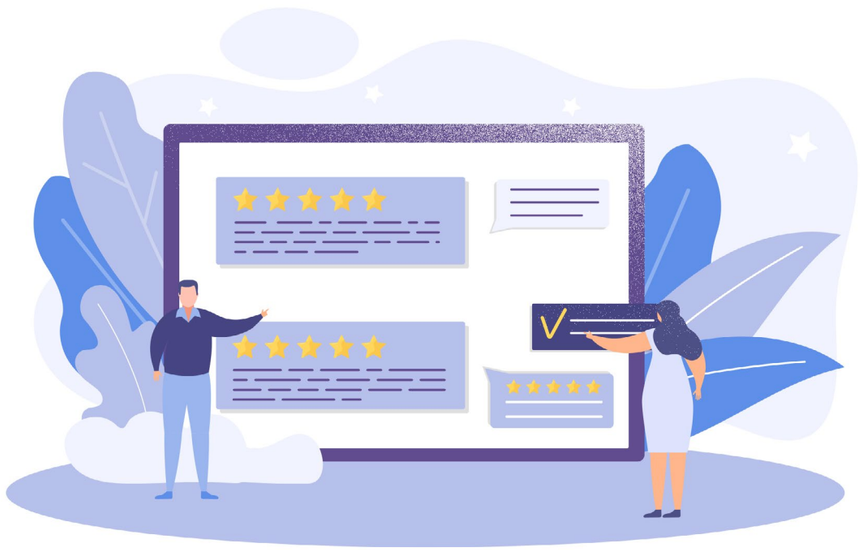
Customer Satisfaction Survey Conducted by Grand Beilin Xi'an

In 2025, Grand Beilin Xi'an, a subsidiary of Grand Pharma, leveraged the 22nd Academic Conference of the Chinese Medical Association Otorhinolaryngology Head and Neck Surgery Society held in Chongqing to conduct a clinical satisfaction survey on its Jinsang series of products, covering otorhinolaryngology and head and neck surgery specialists attending from across the country. Through guided QR code scanning at the exhibition booth for questionnaire completion, a total of 570 valid questionnaires were collected, with product efficacy satisfaction at 95% and safety satisfaction at 97%. To further improve product satisfaction, the Company organized departmental meetings, product salon sessions and other initiatives to precisely reach front-line clinical healthcare professionals and improve clinicians' recognition of and experience with the products.

A total of **570** valid questionnaires were collected

with product efficacy satisfaction at **95%**

safety satisfaction at **97%**



Responsible Marketing

Grand Pharma strictly conducts its marketing activities in compliance with *the Advertising Law of the People's Republic of China, the Administrative Measures for Medical Advertisements, the Measures for Drug Advertisements Review* and other relevant laws and regulations. *The Responsible Marketing Policy* (《負責任營銷政策》) has been formulated and publicly released, applicable to all employees of the Group, to standardize communications with stakeholders and the promotion of products and services, ensuring that all marketing activities are conducted on a lawful and compliant basis, with information that is accurate, scientific and rigorously expressed.

The Company attaches great importance to putting responsible marketing principles into practice, requiring all marketing personnel to sign compliance undertakings. Annual responsible marketing training is organized for all employees, raising legal awareness, ethical judgment and practical capabilities and ensuring that marketing conduct always complies with applicable laws, regulations and corporate values. During the Reporting Period, a total of 60 hours of marketing compliance training was delivered, with over 10,000 participants, covering over 80% of employees.

During the Reporting Period

A total of **60 hours** of marketing compliance training was delivered

with over **10,000** participants

covering over **80%** of employees

At the same time, a regular responsible marketing review and supervision mechanism has been established, with periodic compliance reviews conducted of marketing and promotional activities, promotional materials and external communications. A responsible marketing audit is conducted annually, covering all business divisions, product lines and support departments. The audit focuses on reviewing the implementation of the Group's responsible marketing policy, including market operations management, sales business conduct, marketing expense management and personnel management, continuously identifying risk points and optimizing management processes to drive the ongoing improvement of marketing practices.

In 2025, Grand Pharma's marketing compliance efforts progressed from an institutionalized and process-driven approach towards digitalization. The digitalization of marketing compliance systems was advanced across both proprietary operations and third-party collaborations, further strengthening the management of marketing compliance risks.

Proprietary operations

- Working with external vendors, self-assessment diagnostics and IT system configuration for marketing compliance were carried out at four core formulation enterprises. A two-month system trial plan was conducted in conjunction with business practices, covering a cumulative total of over 160 business scenarios.

Third-party collaborations

- Corresponding systems were deployed to improve partner admission, risk early warning and partner supervision capabilities, with a pilot launched at a core formulation enterprise.

04

People at the Heart,
Together Towards a Boundless Future

Talents are the most valuable asset of Grand Pharma. We consistently adhered to the principle of people-oriented management, placing the protection of employees' lawful rights and interests as a top priority. Through the establishment of fair and transparent recruitment and promotion mechanisms, we ensure that every individual's talents are fully utilized. We value the contributions of every employee and are committed to building a harmonious, inclusive and equitable working environment, standing alongside our people as we work together towards a sustainable future.

Employees' Rights and Interests

We are committed to safeguarding employees' rights and interests in accordance with the law, and to building and continuously optimizing an open, fair and impartial talent selection and employment mechanism. We respect and recognize the contributions of every employee, and are dedicated to building an inclusive, equitable and positive working environment, growing together with our employees as we work towards a brighter future for both the Company and its people.

Safeguarding Employees' Rights and Interests

Grand Pharma strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China, the Regulations on the Prohibition of the Use of Child Labor* and other relevant laws and regulations of the places where it operates. Various employee management systems have been formulated and continuously optimized, including the *Employee Handbook and the Labor Contract Management Regulations of Grand Pharma (China) Co., Ltd.,* to comprehensively safeguard the lawful rights and interests of employees. The Company strictly adheres to the employment principle of "never recruiting child labor, strictly prohibiting any form of forced labor, and firmly opposing employee discrimination and unfair competition", ensuring that employment practices are fully compliant.

During the onboarding of new employees, strict background checks and age verification procedures are implemented, and all new hires are required to sign formal labor contracts with clear terms and transparent procedures. Open communication is maintained with regulatory authorities, customers and other stakeholders in the places where the Company operates, with active cooperation in relevant audits and assessments. Systematic labor rights risk assessments and audits are conducted on a regular basis, ensuring that the entire process from recruitment to employment complies with applicable laws, regulations and international standards, achieving responsible human resources management. During the Reporting Period, the *Human Rights and Diversity Policy of Grand Pharmaceutical Group Limited* was further updated and improved, setting out the Company's commitments in areas including ensuring reasonable working hours, equal pay for equal work and the protection of annual leave entitlements.

Annual Human Resources Compliance Audit

To continuously improve the compliance and operational efficiency of human resources management, Grand Pharma systematically advanced the development of its human resources compliance management framework in 2025. Subsidiaries were organized to conduct comprehensive compliance self-inspections, cross-checks and specialized on-site audits, covering areas including talent recruitment, prohibition of forced labor or child labor, employee development, compensation incentives, equal pay for equal work, welfare protection, anti-discrimination and anti-harassment, and the development of personnel management systems. Follow-up inspections on the rectification of issues identified in the 2024 audit were also conducted.

During the Reporting Period, a comprehensive review covering all subsidiaries was completed, with on-site audits conducted at 7 enterprises and audit reports issued. The audit results indicated that the Group's overall human resources management practices comply with relevant national laws, regulations and regulatory requirements. In terms of human rights protection, no non-compliant human rights incidents such as forced labor or employment of child labor occurred or were reported during the Reporting Period.

We safeguard the lawful rights and interests of every employee through a range of concrete measures.

Measures for Safeguarding Labor Rights and Interests

Group compensation compliance self-inspection

- In 2025, the Group comprehensively advanced a specialized compensation compliance self-inspection and audit, further ensuring that the compensation structure complies with labor and tax regulations, that employee compensation meets local living wage standards, and that the basic needs of employees and their families are safeguarded.
- Building on the self-inspection, we implemented an optimized compensation system design for selected key functional job families, drawing on the results of the annual talent review. The new compensation system places greater emphasis on the linkage between position value, individual capability and performance contribution. Through the introduction of market compensation data benchmarking and the optimization of fixed-to-variable pay ratios, we seek to significantly improve both the internal fairness and external market competitiveness of the compensation system.

Group personnel compliance audit

- In 2025, the Company conducted a comprehensive Group-wide audit of attendance policies and their implementation, with a focus on the compliance of overtime approval, record-keeping and remuneration payment. The aim was to systematically identify and improve weaknesses in policy implementation, safeguard employees' rights to rest and leave, and ensure the accurate and timely payment of overtime remuneration, providing a basis for the subsequent establishment of a more rigorous and practicable attendance management system.

Measures for Safeguarding Labor Rights and Interests

Overtime management

- Overtime is subject to an approval system. Employees are required to submit applications in advance through the Company's OA system, specifying the reason and estimated duration. Overtime may only proceed after approval by the direct supervisor and department head, eliminating unapproved ad hoc overtime. The principle of "no overtime unless necessary, and as little as possible when it is" is followed, with priority given to ensuring work progress through process optimization and resource reallocation. Where overtime is genuinely required, it may not exceed 3 hours per session or the statutory monthly cap. Overtime compensation is provided in strict accordance with national regulations and generally includes compensatory time off or salary compensation, safeguarding employees' lawful rights.

Annual leave management

- The Group strictly complies with the *Labor Law* and fully implements employees' entitlement to paid annual leave, with annual leave standards defined according to length of service. Employees may submit leave applications through the system at least 5 working days in advance, and the Company respects individual leave arrangements to the greatest extent possible without affecting normal operations. Where annual leave cannot be fully used within the year due to work requirements, it may be carried forward for use by March 30 of the following year upon approval through the prescribed procedures, ensuring that employees' leave entitlements are effectively safeguarded.

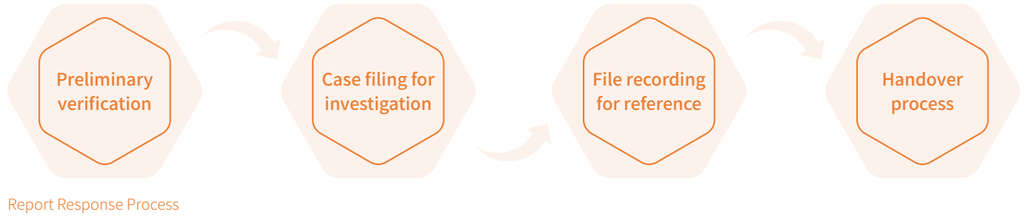
Strictly confidential internal employee grievance procedures have been clearly defined in the *Measures for the Management of Reports and Complaints of Grand Pharma*. Based on a clear reporting process and an efficiently operated reporting system, and under the premise of fully protecting the safety and privacy of employees, all employees are encouraged to file complaints and provide feedback via email and corporate WeChat regarding any form of workplace discrimination, sexual harassment, unfair treatment and similar matters. The Company attaches great importance to all complaints and feedback raised by employees and conducts rigorous investigations. Once the situation is confirmed through investigation, the Company upholds a firm "zero tolerance" position, takes serious disciplinary measures against the individuals involved, and promptly informs the relevant employees of the investigation results and handling status, ensuring the fairness and transparency of the Company's management.

The identity of complainants is kept strictly confidential. It is strictly prohibited to disclose the complainant's name, employer, address or other personal information, or the specific content of the complaint/report, to the person being reported (where applicable) or any other relevant parties.

Identity confidentiality

Prohibition of retaliation

Any form of retaliation by any organization or individual against a complainant is expressly prohibited.



Report Response Process

Email	Corporate WeChat
ts@grandpharma.cn	Worktop — Daily Office — Audit Complaint Reporting

Whistle-blowing channels

Grand Pharma is committed to building a diverse, inclusive and dynamic working environment, with employees' lawful rights to freedom of association and collective bargaining fully respected, and employees firmly protected from any form of discrimination, harassment or unfair treatment. During the Reporting Period, the *Human Rights and Diversity Policy of Grand Pharma* continued to be implemented, with a clear commitment to continuously improving employee diversity performance, systematically building an inclusive workplace environment with nil discrimination, nil harassment and nil bullying, and establishing transparent, accessible and confidential diversity grievance and feedback mechanisms. This further demonstrates the Company's firm commitment to promoting workplace equality, diversity and inclusion. To deepen the cultural practice of diversity and inclusion, the employee rights protection and diversity awareness modules within the new employee induction training system have been strengthened, and through diverse awareness-raising activities throughout the year, all employees' recognition of diversity values and behavioral consensus has been continuously raised, effectively preventing workplace discrimination and harassment.

Training on Employees' Rights and Diversity

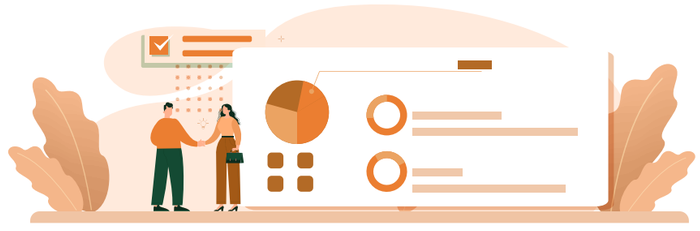
In 2025, we systematically conducted training related to employees' rights and diversity. The "Grand Pharma First Lesson" program was delivered to manager-level and below employees, while GPC 2.0 training was organized for general manager teams and project directors. Over the course of the year, hundreds of diversity-focused activities were completed in diverse formats and with distinct themes. Training was delivered through a combination of online and offline channels, ensuring that employees could conveniently participate regardless of their location or role, ultimately achieving full employee coverage.

Training content was systematically structured around employees' concerns and the Company's development needs. Through new employee induction training, we provided in-depth communication of the *Company Policies* and personal career development policies, ensuring that every employee has a clear understanding of their rights, responsibilities and promotion pathways, safeguarding employees' lawful rights at the source. In addition, with a focus on the continuous development of employees' individual capabilities, we designed and organized a range of practical courses on communication and collaboration, innovative thinking, project management and role-specific skills development, effectively strengthening employees' sense of belonging and engagement, significantly improving overall team effectiveness and the Company's sustainable development capabilities, and laying a solid foundation for building an internal culture of respect, equality and diversity.

Attracting Diverse Talents

During the Reporting Period, Grand Pharma continued to implement the "2030 Talent Strategic Plan". Through the three dimensions of organizational building, talent building and mechanism building, the competency of incumbent personnel in key positions and the status of their succession pipelines were assessed, recruitment needs and talent gaps forecast, the strengths, weaknesses, development positioning and future talent utilization plans of assessed individuals identified, and the Company's plans for talent recruitment, development and upgrading defined. Adhering to the core philosophy of "focusing on key minorities and building a key talent pipeline", the "Thousand Talents Project" was launched during the Reporting Period. The program focuses on future talent development and is committed to the identification, cultivation and deployment of a key talent pipeline to meet the Group's long-term staffing needs.

The "Thousand Talents Project"



Talent Assessment

During the Reporting Period, a systematic talent assessment of management personnel and succession pipelines across 31 subsidiaries was organized, covering senior and middle management as well as selected high-potential talents, totaling 427 individuals. Through 360-degree comprehensive evaluation surveys, one-on-one interviews and performance appraisals, a comprehensive assessment of the overall capabilities and performance of all assessed personnel was completed, producing overall capability analysis reports for each business unit as well as professional assessment results on the performance effectiveness and contribution of each manager. The talent assessment work not only provides solid data support for the Group's selection of management personnel, pipeline development and talent growth, but also further strengthens the organization's strategic talent insight and the scientific basis of talent-related decision-making through systematic evaluation, laying a solid foundation for Grand Pharma to continue building a high-caliber, professional and accountable management team and providing strong support for the achievement of the Company's strategic objectives and sustainable development.

Talent Recruitment

Drawing on the results of the talent assessment, outstanding talents are attracted and developed through diversified channels including social recruitment, internal recruitment, online platform recruitment and campus recruitment, strengthening the Group's talent reserves. In terms of recruitment channel building, the Company continues to broaden its recruitment channels, actively introducing third-party recruitment platforms and conducting professional searches for functional talents and international talents.

During the Reporting Period, in the autumn 2026 campus recruitment cycle, over 4,000 resumes from master's and doctoral graduates meeting the Group's management trainee criteria were collected through online promotion, offline campus presentations and job fairs. To address the challenges of large-scale resume screening and talent matching, an AI recruitment system was introduced, leveraging intelligent tools to improve the precision of talent identification and the efficiency of the recruitment process, driving recruitment towards greater accuracy, rigor and sustainability while maintaining fairness. The Company continues to implement a "mentorship" development program for new employees recruited from campus, systematically planning their career development paths to support their rapid integration and steady professional growth.

As of the end of the Reporting Period

Grand Pharma had a total of
12,614
full-time employees

253
part-time employees

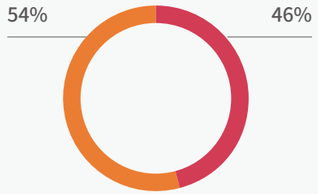
3,773
new employees

Grand Pharma remains committed to promoting the reasonable flow of talent within the Group. Through a systematic cross-company rotation mechanism, employees are supported in expanding their professional capabilities and enriching their career experience across different business scenarios. During the Reporting Period, internal competitive selection covering 82 positions was organized in areas including marketing, legal and compliance, and human resources. The competitive selection adhered to the principles of "capability first, open competition", adopting a combined approach of peer review and comprehensive assessment with the aim of breaking seniority-based constraints and stimulating the organization's internal dynamism. The mechanism achieved positive results in areas such as frontline production and marketing. A total of 21 employees born in the 1990s were appointed as regional marketing heads for various product lines through the competitive selection process, demonstrating strong capabilities in market development and business growth. In addition, systematic induction training was organized for 53 mid-to-senior level managers recruited through social recruitment to facilitate cultural integration and team collaboration, comprehensively safeguarding the Company's talent reserves.

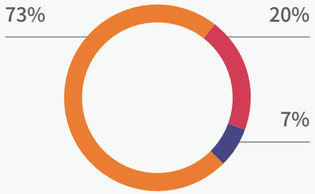
Internal competitive selection in progress

The breakdown of our staff data is as follows:

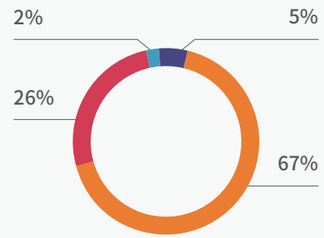
By gender



By age



By rank



Training and Development

Grand Pharma is committed to building a talent development system that covers all employees and spans the entire career development cycle, systematically identifying, nurturing and unlocking employee potential. Focusing on key stages including onboarding integration, career planning, skills development and leadership development, diversified learning platforms and personalized growth paths have been built to drive the continuous advancement of employees' individual capabilities, achieving mutual success between personal growth and organizational development.

Cultivating Talent with Care

We continuously optimize our talent development mechanisms, striving to provide systematic development support for employees across all job families and levels, driving both talent and the organization towards high-quality, sustainable development. In accordance with the Training Management System of Grand Pharma and other internal policies, we have defined clear training objectives and management responsibilities, achieving standardized and systematic training operations. During the Reporting Period, we further optimized the tiered and categorized talent development plan, designing targeted training programs for employees at different levels and career stages to promote the comprehensive improvement of their professional skills and overall quality.

New talents

We have upgraded the curriculum around the theme of the "pharmaceutical industry spirit", focusing on communicating the Company's corporate culture, sharing strategic thinking and introducing development incentive mechanisms through a combination of centralized lectures and centralized site visits. At the same time, the training audience has been broadened in line with the Company's marketing strategy to include regional marketing managers, helping new talents gain an in-depth understanding of the Company, build a sense of belonging and rapidly complete the transition from "integration" to "output".

Middle management team

The Company identifies talent gaps and selects high-potential reserve talents through organizational capability assessments, while continuously developing the succession pipeline through various specialized development programs. Through "learning by doing and refining through practice", practical experience is built among middle management talents, enabling outstanding talents to stand out rapidly.

Senior management team

For core senior management successors, we continue to carry out the "Grand Pharma Camp (GPC) Cultivation Project", with the curriculum upgraded through a format combining team collaboration and real-world simulation exercises to bridge gaps in the cross-functional practical experience of senior management successors. At the same time, for newly appointed subsidiary general managers, "General Manager Essentials" training has been launched covering topics including the pharmaceutical industry, human resources, financial management and operations management, systematically building up senior management knowledge.

Tiered Talent Cultivation Plan

Leadership Training across All Levels

To systematically raise the leadership capabilities of management personnel at all levels, the Company continues to operate a tiered and categorized leadership development system. Based on position requirements and individual development paths, differentiated development programs are designed for young high-potential employees, junior managers and middle managers respectively. The system integrates the professional expertise of internal senior instructors with the forward-looking perspectives of external experts, forming an internally and externally coordinated empowerment mechanism that provides ongoing support for the development of the management talent pipeline and the comprehensive improvement of leadership capabilities.

Grand Pharma's Management Trainee Project in 2025

For the high-potential management trainee cohort, the Company has built a multi-dimensional development system to help management trainees rapidly adapt to their roles and achieve sustained growth. A dedicated mentor is assigned to each management trainee, providing ongoing personalized guidance. Through centralized systematic training combined with practical teaching methods such as business simulation exercises, their commercial understanding and decision-making capabilities are effectively developed. In addition, the Company invites Group executives to participate in regularly held management trainee showcase events, building a bridge for direct dialogue between senior management and the next generation of talent, enabling management trainees' innovative thinking to reach senior leadership directly and receive timely attention and guidance.

Management trainee training in progress

Leadership development project for core management

For the core management pipeline, the Company has designed a systematic leadership development project for newly appointed general managers. Through inviting core executives to share their experience, the project helps newly appointed managers gain an in-depth understanding of the Company's strategy and cultural philosophy. The project also includes the "Grand Pharma First Lesson" series of training courses, which systematically explain the Company's strategic direction, leadership model and core business philosophy, supporting newly appointed managers in effectively integrating at the level of organizational culture and values.

To effectively respond to policy changes in the pharmaceutical industry, a business simulation module has been introduced into the GPC training program. The simulation is structured around real-world scenarios such as centralized drug procurement and innovative drug market access, with participants organized to conduct exercises and discussions. Through training closely aligned with actual business operations, the market strategy development and risk assessment capabilities of key business teams in the context of policy changes have been strengthened, supporting business teams in better adapting to changes in the industry environment.

Core management training in progress

Academic Advancement and Professional Qualification Support

Building on the continuous improvement of the training system and the strengthening of internal development, the Company has further promoted the building of a learning organization, extending support for employee growth from on-the-job training to the field of lifelong learning. To put into practice the strategic principle of developing the enterprise through talent and to build a well-structured and high-caliber corporate talent team, the Guidelines on the Management of In-service Continuing Education for Grand Pharma Employees has been actively implemented, encouraging all employees to participate in in-service study and education. In 2025, an in-service continuing education subsidy scheme was established for full-time employees. During the Reporting Period, a total of 11 employees received funding, with total subsidies amounting to RMB 435,000, including 2 employees pursuing doctoral studies and 4 employees pursuing professional qualification certifications (with a funding amount of RMB 20,000). The scheme reflects the Company's support for the continued growth of its employees, and demonstrates the deep alignment between employees' personal development and organizational values.

During the Reporting Period

A total of **11** employees received funding

with total subsidies amounting to RMB **435,000**

including **2** employees pursuing doctoral studies

4 employees pursuing professional qualification certifications

Valuing Talent Reserves

Talent Promotion Mechanism

Grand Pharma consistently upholds the core principles of "appointing people on merit and capability". A systematic talent development framework has been established, covering multiple job families including management, technology, R&D and operations. Development pathways between job families have been opened up, supporting employees in choosing growth paths suited to their individual expertise and career plans. Through a dual-track development model encompassing both the professional track and the management track, clear promotion standards and pathways have been defined at each level, providing employees with a clear and diversified career development platform.

New employee → Specialist → Backbone → Authority

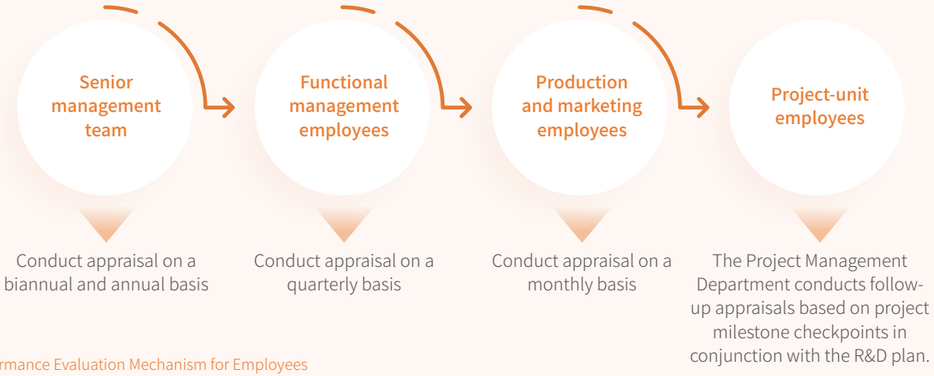
Technical Route Promotion Mechanism

New employee → Junior Manager → Middle Manager → Senior Manager

Management Track Promotion Mechanism

Performance Appraisal Mechanism

Grand Pharma conducts its performance management through the dual dimensions of performance appraisal and comprehensive assessment. At the performance appraisal level, differentiated appraisal cycles are set for all employees based on the characteristics of their positions, including semi-annual, quarterly, monthly and milestone evaluations, ensuring that the evaluation process is open, transparent, fair and standardized. At the comprehensive assessment level, a 360-degree evaluation mechanism is implemented in conjunction with the talent development plan, serving as an important basis for employees' personal development plans. Employees first conduct a self-assessment of their goal completion status and submit supporting materials. Direct supervisors then conduct one-on-one feedback sessions, affirming performance contributions while listening to employees' summaries and reflections, and proposing improvement directions and resource support. The Human Resources Department works with the assessment management department to carry out a comprehensive evaluation, forming talent development recommendations and targeted development plans to promote a virtuous cycle between employee growth and organizational performance.



Performance Evaluation Mechanism for Employees

Care and Communication

Grand Pharma is committed to improving the employee experience, striving to create a sense of value, achievement, well-being and belonging for every employee. Employee retention programs are systematically implemented through a market-competitive compensation and benefits system. Open and transparent two-way communication mechanisms have been established to proactively listen to and promptly respond to the voice of employees. Diverse employee care activities are regularly conducted to actively promote the cultural philosophy of "work joyfully, live healthily", continuously strengthening employees' sense of belonging and identification with the Company.

Scientific Incentive Mechanisms

In accordance with policies including the *Grand Pharma Salary Management Regulations, R&D Innovation Work Incentives and Management Measures (Trial), Incentive Measures for Business Expansion Projects and Reward Measures for the Cultivation Project of Major Marketing Products*, and guided by the compensation management objectives of "driving organizational development, motivating individual value, maintaining external competitiveness and ensuring internal balance", a scientific and rational compensation and benefits system has been established. The fundamental principle of equal pay for equal work is upheld, ensuring that male and female employees in the same positions with the same experience and work performance receive equal remuneration. Compensation metrics are regularly analyzed and managed to ensure that all employees are treated fairly and equitably. Grand Pharma's current compensation structure comprises direct compensation and indirect compensation, with all statutory benefits administered in compliance with relevant national policies. Direct compensation covers three major components: base salary, cash allowances and performance-based rewards, of which performance-based rewards generally include outperformance bonuses and other project-based rewards. Indirect compensation is shaped by the nature of the business, management culture and regional characteristics of each business segment, forming a diversified range of benefits and allowances.

Our employee compensation comprises the following five components:

Base salary

- We adhere to the principle of "fixing salary based on position, matching people with positions, and adjusting salary when positions change", comprehensively considering the Company's internal salary standards for positions of the same level, the salary levels of similar positions in the external market, the employee's educational background, skills proficiency, work experience and future development potential to determine their fixed remuneration. We will continue to make timely adjustments to remuneration based on the Company's operating conditions, employees' individual performance output and the Company's labor cost budget.

Performance bonuses

- Each business segment and enterprise adopts an assessment method matched to the relevant level for employees at different levels, ensuring that bonuses fully reflect performance.

Outperformance rewards

- In order to motivate each business segment and enterprise to actively innovate and achieve significant results in their operations and management, the Company has formulated an outperformance rewards policy for enterprises of a sales nature.

Special incentive rewards

- While focusing on achieving short-term revenue and profit targets, the Company also looks towards future development directions, guiding each business segment and enterprise to continuously carry out various professional and management projects. To this end, the Company has designed a range of targeted special incentive policies covering areas such as sales, R&D and innovation, investment and M&A, technological improvement, engineering projects and management enhancement.

Benefits and allowances

- The Company provides statutory benefits including five kinds of insurance and one pension, as well as additional allowances such as transportation subsidies, off-site subsidies, telephone subsidies, housing subsidies, children's education subsidies, supplementary insurance, professional title subsidies, and cash gifts for holidays and major events in employees' lives. In addition, the Company also provides employees with benefits such as annual health examinations and employee canteens.

During the Reporting Period, drawing on the results of the annual compensation audit and talent assessment, the compensation system for key job families was optimized, with the linkage between position value, capability contribution and performance strengthened. Through the introduction of market benchmarking and the optimization of fixed-to-variable pay ratios, the internal and external fairness and competitiveness of compensation was improved, responding to regulatory requirements for the penetrative management of compensation data, further stimulating the vitality of core talent and driving the coordinated development of the organization and its people. A comprehensive long-term incentive framework has also been established, continuously safeguarding employees' rights and interests and driving the Group's long-term performance through measures such as employee share ownership plans.

Strengthening Employees' Sense of Belonging

To continuously attract high-quality talent aligned with the Company's strategy, Grand Pharma maintains a balanced approach of equal emphasis on "attracting" and "retaining" talent. In terms of talent attraction, employees whose aspirations are aligned with the Company's development direction are actively recruited, with a broad development platform and rich learning resources provided. In terms of talent retention, employee care and communication are strengthened through multi-dimensional measures including improving compensation competitiveness, broadening career development pathways, actively expanding diversified employee communication channels and deepening identification with the corporate culture.

Employee Benefits

Grand Pharma has established a comprehensive benefits system covering all employees, encompassing both cash and non-cash dimensions. The system provides not only cash subsidies such as housing allowances and holiday cash gifts, but also a range of non-cash benefits including health and wellness programs, supplementary commercial insurance and cultural and recreational activities, striving to create an environment in which employees can work with peace of mind and develop to their full potential.

Cash benefits

Housing allowance	Cash housing allowance provided to employees
Holiday cash gifts	Cash gifts covering holidays including New Year's Day, Dragon Boat Festival, Chinese New Year, National Day, Women's Day, Mid-Autumn Festival and May Day
Condolence cash gifts	Cash gifts covering events such as employee birthdays, marriages, childbirth and bereavement of family members
Miscellaneous allowances	Daily expense allowances distributed by level, including communication and transportation allowances

Non-cash benefits

Five kinds of insurance and one pension	Five types of social insurance and a housing provident fund provided to employees
Supplementary insurance	Additional critical illness insurance, accident insurance and employer's liability insurance provided to employees
Maternal and infant rooms	Maternal and infant rooms provided for female employees
Annual health examinations	Systematic annual health examination services provided to employees
Staff canteens	Affordable and healthy canteen facilities provided to employees

Employee Holiday Activities

During the Reporting Period, a diverse range of employee activities centered on team building and cultural integration was organized, including team outings, holiday celebrations, health promotion events and family care activities, actively creating an open, inclusive and vibrant organizational atmosphere and continuously strengthening team cohesion and employees' sense of belonging.

Grand Pharma's New Year Fun Fair in 2025

To carry forward the corporate spirit of "dare to be the first and share the success", realize the Company's vision of "benefit both patients and doctors and contribute to the society", enrich employees' cultural lives and create a happy and warm working environment, the Company held a "Celebrating the New Year Together, Sharing Team Joy" employee New Year fun fair in January 2025. The event featured a variety of team collaboration activities and cultural exchange sessions, strengthening bonds between colleagues and reinforcing organizational cohesion in a joyful atmosphere, demonstrating the Company's people-first cultural philosophy.

Grand Pharma's Employee Parent-Child Activity in 2025

To deepen employee care and put a harmonious corporate culture into practice, in May 2025 we organized a parent-child themed activity at Hubei Grand EBE under the banner of "Young Hearts Exploring the Skies, a Colorful Grand Pharma Building the Future". The activity was centered on drone education and hands-on experience, featuring sessions including a popular science lecture, parent-child drone assembly and flight experience, with the aim of promoting emotional bonding between employees and their children and sparking their interest in and spirit of exploration for science and technology. The event was held in a lively atmosphere, with children experiencing the appeal of technology through hands-on activities and teamwork, while employee families strengthened their bonds through the interactive sessions. The activity not only enriched the cultural and recreational lives of employees, but also reflected the Company's emphasis on the well-being of employees' families, further strengthening employees' sense of belonging and the appeal of the corporate culture.

Employee Communication System

Grand Pharma has always valued employees' expression of their views and is committed to building an open and diverse communication environment, making the voice of employees an important force in the organization's development. Through the establishment of flexible and smooth communication mechanisms, multi-level and multi-format dialogue channels have been continuously expanded to promote two-way communication between employees and management. During the Reporting Period, dedicated activities such as "Management Reception Day" and "Mentor Face-to-face " continued to be held, with the Employee Committee supported in actively fulfilling its role, effectively reducing the distance between employees and management and strengthening employees' sense of identification and organizational cohesion.

Management Reception Day	• To further strengthen internal communication and improve problem-solving efficiency, our "Management Reception Day" platform continues to operate on an ongoing basis, providing employees with an opportunity to directly communicate with management.
Employee Committee	• The functional departments of the Company recommend outstanding employee representatives to join the Employee Committee, conduct policy discussions related to employees' interests, extensively solicit employee opinions and provide timely feedback. This not only promotes communication and interaction between the Company and employees, but also encourages employees to actively participate in the development of corporate culture and systems, further strengthening employees' sense of unity, cohesion and belonging.
Mentor Face-to-face	• The Company continues to operate the management trainee mentor system, matching each management trainee with an executive mentor for monthly communication and guidance, listening to debriefings on a quarterly basis, promptly addressing questions and concerns, and proposing development suggestions. This measure has effectively strengthened the sense of belonging among management trainees, facilitated the rapid improvement of their work capabilities and overall qualities, and provided strong support for their career growth.

During the Reporting Period, the "R&D Division Forum for Employees with Master's and Doctoral Degrees" was introduced, focusing on the professional insights and development aspirations of highly educated talent and providing a channel for direct dialogue with senior management to further stimulate innovative thinking. The "Group Exchange Employee Forum" is also held on a regular basis, covering all business units and encouraging cross-departmental and cross-level communication to jointly explore organizational optimization and process improvement. For newly joined employees, the "New Employee Forum" is regularly held, effectively helping them quickly integrate into the Company's culture and strengthening their sense of belonging.

Regular Communication with Employee Representatives

We have always placed the protection of employees' lawful rights and interests at the core of the Company's development, respecting and supporting employees' right to join labor unions in accordance with the law and actively building harmonious and stable labor relations. Employees have the right to participate in collective bargaining and labor contract negotiations in accordance with the law, and their personal dignity and privacy are strictly protected. The Company strictly prohibits any illegal use or disclosure of personal information.

To continuously optimize employees' working conditions, we have established and improved a regular communication and consultation mechanism, conducting equal consultations with employee representatives on a regular basis on matters including labor remuneration, working hours, rest and leave, occupational health and safety, and insurance and benefits, and entering into collective labor contracts to promote a standardized, orderly and mutually beneficial employment environment.

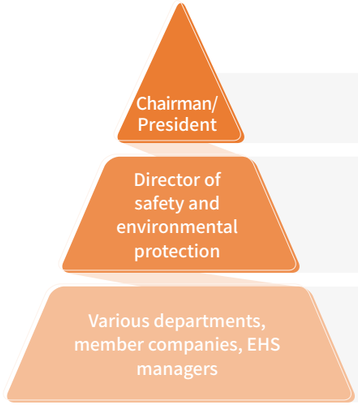
Occupational Health and Safety

Grand Pharma steadfastly implements the production safety principles of "prioritizing safety, emphasizing prevention and managing comprehensively", deeply integrating lawful and compliant operations with the core concept of "people-oriented and life-first". The life safety and health of employees is regarded as a fundamental cornerstone of the Company's development. Production safety and occupational health management systems are fully implemented, with a risk identification, prevention and control, and emergency response system systematically built. Safety defenses are continuously strengthened, effectively preventing safety incidents and occupational health risks.

Maintaining a Safe Production Environment

Grand Pharma strictly complies with relevant laws and regulations including the *Production Safety Law of the People's Republic of China*, the *Fire Control Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, the *Regulations on Reporting, Investigation and Disposition of Work Safety Accidents and the Provisions on the Supervision and Administration of Occupational Health at Work Sites*. Internal regulatory management systems have been formulated, including the *Employee Occupational Health and Safety Policy of Grand Pharmaceutical Group Limited*, the *EHS (Safety, Environmental Protection, Occupational Health) Responsibility System*, the *Production Safety Supervision and Management Regulations, the Fire Safety Management Regulations and the Production Safety Accident Investigation and Handling Management Regulations*, with safety management conducted in accordance with the law. During the Reporting Period, the EHS Inspection Management Regulations of Grand Pharma was formulated, setting out the responsibilities of the Group's EHS Management Committee, the Group's EHS management departments, the EHS management departments of business groups and business segments, and subsidiaries in EHS hazard identification and investigation, and establishing standardized requirements and procedures for the entire process from inspection plan formulation, inspection preparation, inspection implementation and inspection reporting through to the tracking of hazard rectification.

The Group has established a top-to-bottom safety supervision and management structure and a comprehensive safety supervision and safeguard system, fully coordinated by the EHS Management Committee for production safety. The EHS Management Committee is responsible for formulating the Group's occupational health and safety strategic policies and objectives, guiding and coordinating the safety work of subsidiaries, and strengthening compliance with safety standards and procedures. The Group strictly enforces the full-staff production safety responsibility system. Production safety responsibility documents have been signed by all personnel, from the Group President, heads of business groups and general managers of the enterprises to management personnel at all levels and all frontline employees, and regular assessments are conducted to urge management personnel at all levels of the Group to fulfill their production safety responsibilities.



Grand Pharma's occupational health and safety management structure

During the Reporting Period

18
subsidiaries[5] of Grand Pharma obtained ISO 45001 certification

3
subsidiaries were awarded the title of municipal-level healthy enterprise

Occupational Health and Safety Targets

During the Reporting Period, based on current safety management conditions and business development needs, short-term production safety targets were refined with the aim of improving their executability and the precision of process controls. The Company's medium- and long-term production safety targets remain unchanged, ensuring the consistency of strategic direction and the stability of management requirements. The EHS Management Committee regularly tracks, reviews and assesses the achievement of OHS targets. Indicators with underperformance are investigated to identify root causes and implement follow-up improvement measures, ensuring the smooth achievement of overall targets.

Short-term targets: 2025 — All targets achieved

- Rectification rate for general hazards: 100%; rectification rate for major hazards: not less than 95% (with effective safety preventive measures adopted pending rectification)
- Number of comprehensive and specialized emergency response drills conducted by each enterprise per year: not less than 2
- Certification rate for special operations personnel and special equipment management and operating personnel: 100%
- Liability-related minor injuries (disability Grades 8–10): controlled within 0.5%
- Collective poisoning incidents involving 3 or more persons, occupational injury incidents, liability-related serious injuries, fatalities, major fires and explosions: 0

Medium-term targets: 2025–2026 — In progress

- EHS management benchmark enterprises within each business segment to achieve zero liability incidents and zero new cases of occupational disease

Long-term targets: 2025–2030 — In progress

- All enterprises to achieve zero liability incidents

During the Reporting Period, the Group effectively achieved its annual safety targets. No work-related injuries or fatalities occurred at any of its subsidiaries, including serious injuries, fatalities, poisoning incidents, fires or explosions.

[5] Including Wuyao Pharmaceutical Fuchi Branch, Wuyao Pharmaceutical Xiantao Branch, Wuyao Jiangsu, Kernel Bio, Grand Hoyo Gedian Factory, Grand Hoyo Xiantao Branch, Zhejiang Bio, Bafeng Pharmaceutical Chemicals, Grand Beilin Xi'an, Huachen Bio, Fuchi Chemicals, Beijing Jiuhe, Beijing Huajin, Grand EBE, Hubei Wellness, Xudong Haipu Zhongyuan Company, Grand Life Technology, and the Formulation Branch.

Production Safety Hazard Inspection

Grand Pharma adheres to the safety policy of "putting prevention first", with safety prevention work placed as a top priority in its operations. Based on the annual inspection plan, a series of occupational health and safety ("OHS") risk identification assessments and hazard investigations covering the entire business process were conducted to comprehensively ensure production safety. During the Reporting Period, all subsidiaries of the Group collectively underwent a total of 4,899 safety inspections, including but not limited to Group safety inspections, government safety inspections, third-party agency safety inspections, intercompany cross safety inspections and internal self-inspections. The construction of the dual prevention mechanism continued to be advanced during the Reporting Period, with 18 subsidiaries organized to conduct cross safety and environmental protection inspections to strengthen the Group's overall risk prevention and control capabilities.

The Group's EHS management department continued to advance the annual safety rating inspections as planned. As of the end of the Reporting Period, on-site inspections and assessments had been completed for 23 subsidiaries. The implementation of a three-tier safety inspection mechanism at the enterprise level continued to be promoted, comprising safety inspections led by on-duty management, on-site patrols by safety management personnel, and workshop-level self-inspections for safety hazards, consolidating the foundation of day-to-day safety management and control through a tiered approach. A number of specialized safety inspections were also organized by the Group, covering areas including extreme weather response, electrical safety, seasonal risk prevention and pre-holiday safety checks for major holidays, systematically identifying and addressing potential risks across different scenarios and improving overall production safety resilience. All identified risks are assigned a risk rating (major hazard, significant hazard or general hazard), with recommended rectification measures clearly defined, ensuring that subsidiaries and responsible departments are aware of the severity and priority of hazards and how to rectify them, reducing the risk of injuries and the recurrence of incidents.

As of the end of the Reporting Period

On-site inspections and assessments had been completed for

23 subsidiaries

During the Reporting Period, AED (automated external defibrillator) equipment was installed at the Group's headquarters, Fuchi Industrial Park and all subsidiaries, with AED equipment usage training organized accordingly. The first batch of 44 AED units began to be deployed across 35 subsidiaries from March 2025, covering core areas including office areas, production workshops and park entrances, and is expected to benefit over 12,000 employees and visitors. Grand Pharma has always regarded its employees as a core asset of the Company's development. By deeply integrating ESG principles into its strategic planning and actively improving its workplace first-aid system, a strong line of defense for the protection of employees' lives and health is being built.

AED training in progress

Enhancing Safety Awareness

We actively conduct safety awareness communication and training to improve employees' capabilities in both proactive prevention and real-time response. During the Reporting Period, all subsidiaries of Grand Pharma conducted training in accordance with their safety and environmental protection training plans. The Group's EHS management department carried out a series of systematic training programs and specialized activities focused on safety capability building, continuously raising the safety expertise and awareness of personnel at all levels.

Specialized training for safety management personnel

Two specialized training sessions were organized for safety management personnel at member enterprises, covering the *Communication of the Group's Annual Safety Rating Inspection Standards* and *Production Safety Accident and Incident Management*. A follow-up specialized training session on *How to Conduct In-depth Safety Hazard Investigations* is planned to continuously improve the professional analytical and management capabilities of the safety team.

Specialized training for hazardous chemicals enterprises

For safety management personnel and other professional technical personnel at 4 hazardous chemicals enterprises, training on *Process Hazard Analysis* and *Identification of Abnormal Operating Conditions and Analysis of Response Measures* was organized, strengthening process safety management and emergency response capabilities.

Foundation training for position-level safety competency

Position Safety "Four-Know Card" Training was conducted at 5 hazardous chemicals enterprises outside Hubei Province, guiding enterprises in establishing and implementing the "Position Safety Four-Know Card" mechanism to improve frontline personnel's safe operating practices and risk identification capabilities.

Safety culture and cautionary education for all employees

All subsidiaries were organized to carry out "Safety Cautionary Education Month" and "Production Safety Month" activities, during which company-wide safety examinations and other initiatives were used to promote learning through assessment, continuously strengthening overall safety awareness.

Development of safety management reserve talent

The safety management reserve talent development program continued to be advanced, with two rounds of specialized training conducted during the year covering topics including hazardous chemicals management, high-risk operations management, chemical instrumentation and SIS (safety instrumented systems), and the fundamentals of chemical processes and equipment, systematically building the professional knowledge framework of reserve talent.

Specialized training for hazardous chemicals enterprises

Safety culture and cautionary education for all employees

During the Reporting Period, annual safety incident emergency drills were conducted at all subsidiaries of Grand Pharma that have completed construction. Annual occupational health examinations were provided for employees in positions exposed to occupational disease hazard factors, and annual welfare health examinations for other employees. All subsidiaries carry out occupational health management in accordance with national laws, regulations and standards, including the establishment and improvement of occupational health management systems, the improvement of occupational disease hazard protection facilities, the establishment of employee occupational health surveillance records, the provision of occupational health management training, the conduct of employee occupational health examinations, and the regular monitoring of occupational disease hazard factors.

05

Green as the Pulse, Sustaining Enduring Vitality

Environmental protection is an important area of Grand Pharma's ESG management and a foundation for the Company's sustainable development. Taking green innovation as its starting point, the Company is firmly anchored to the long-term goal of low-carbon emission reduction and committed to advancing green emission reduction across the entire value chain. The national "dual carbon" strategy and global climate action initiatives are actively responded to, with the corporate environmental protection policy of "prioritizing environment, emphasizing prevention, managing comprehensively, saving energy and reducing emissions" deeply implemented and consistently upheld, striving to protect the environment through development and to develop through environmental protection, building an industrial future in which humanity and nature coexist in harmony.

Addressing Climate Change

To systematically raise the standard of sustainability management, Grand Pharma continues to refine its ESG governance framework, with addressing climate change as a strategic priority. In accordance with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), climate issues have been fully integrated into the four core dimensions of governance, strategy, risk management, and metrics and targets, with a climate risk management system progressively established covering identification, assessment, response and disclosure. Within this framework, climate-related risks and opportunities are systematically identified and assessed, with attention to their potential quantitative impact on the Company's operations and financial performance. The exploration of emission reduction pathways and low-carbon transition practices is actively advanced, with the Company's commitments and responsibilities in respect of climate change steadily fulfilled through the implementation of concrete actions.

Governance

Grand Pharma attaches great importance to climate change governance, continuously refining its internal management systems and methodologies, and actively advancing and improving climate-related work. Climate change governance has been fully integrated into the Group's overall ESG management framework. A climate change governance structure comprising the Board, the Strategy and ESG (Promotion) Committee and the ESG Working Group has been established. On this basis, the Board of Directors conducts a dedicated review of climate-related issues at least once a year to continuously improve the effectiveness of climate governance. In 2025, to strengthen the climate change governance capabilities of Board members, ESG and climate change training was conducted for management, covering topics including external regulatory trends related to climate change, with the aim of strengthening management's strategic awareness and decision-making capabilities on climate-related issues. Key performance indicators for climate and environmental management have been incorporated into the appraisal systems of relevant core managers, ensuring the effective achievement of environmental and climate targets through performance-based incentives.

The Board

- Takes overall responsibility for matters related to climate change risks and opportunities, and authorizes the Strategy and ESG (Promotion) Committee to comprehensively supervise related work, including the identification, assessment and management of climate risks and opportunities

Strategy and ESG (Promotion) Committee

- Steers the development of Grand Pharma's climate change-related visions, objectives, strategies and policies, and reviews and examines major climate-related risks and opportunities

ESG Working Group

- Coordinates and implements the daily management and execution of climate-related risks and opportunities, carries out the identification and assessment of climate-related risks and opportunities, and implements climate change-related mitigation strategies and response measures

Climate Change Governance Structure of Grand Pharma

Strategy

Grand Pharma is committed to fully integrating climate-related risks and opportunities into its strategic planning, governance framework and day-to-day operational decision-making, ensuring that climate resilience becomes a component of the Company's core competitiveness and driving the coordinated development of low-carbon transition and business growth. In accordance with the requirements of *IFRS S2 — Climate-related Disclosures* and the *Consultation Conclusions on Climate-related Disclosure Requirements*, and taking into account the macro environment, industry practices and the Company's business operations, the risks and opportunities with the greatest impact on the Company have been identified based on the principles of relevance and materiality, and the climate risk and opportunity register has been updated. Using scenario analysis models, the potential impact of climate risks and opportunities on the Group's current and future operations across different climate scenarios and time horizons was analyzed. The identified climate risks and opportunities were prioritized, and the climate transition plan formulated and implemented in a phased and targeted manner.

Climate scenario selection: We use the International Energy Agency ("IEA") 2050 Net Zero Emissions Scenario ("NZE") and the Stated Policies Scenario ("STEPS") to analyze transition risks and opportunities. For physical risks, we use the SSP1-2.6 and SSP5-8.5 scenarios from the IPCC Sixth Assessment Report ("AR6") to comprehensively assess the risks and opportunities faced by the Company under different climate pathways.

Scenario category		• Green scenario	• Brown scenario
Scenario description		Ambitious, coordinated global climate action begins, with global temperature rise controlled to below 1.5° C by 2100 (consistent with the *Paris Agreement)*.	Global climate action is not strengthened, extreme climate events continue to worsen, leading to significant economic and health losses, with global temperature rise exceeding 2° C by 2100.
Transition risks and opportunities — Climate scenario selection	Climate scenario	Low-emission pathway: NZE (IEA)	High-emission pathway: STEPS (IEA)
	Scenario description	A pathway scenario in which the global energy sector achieves net zero emissions by 2050. The achievement of targets under this scenario does not rely on emission reductions from sectors outside the energy industry.	This scenario models the future trends in energy and emissions without changes to the current policy framework. Global temperatures are likely to exceed 1.5°C around 2030, with emissions of approximately 32 Gt CO_2 by 2050.
	Estimated temperature rise by 2100	1.4°C (50% probability)	2.4°C (50% probability)
	Analytical approach	Analysis of the Company's adaptation to and mitigation of the impacts of short-term, medium-term and long-term climate transition under transition risks and climate opportunities.	
Physical risks — Climate scenario selection	Climate scenario	Low-emission pathway: SSP1-RCP2.6	High-emission pathway: SSP5-RCP8.5
	Scenario description	Future temperature rise is controlled to within 2°C , with socioeconomic development moving towards a sustainable and low-carbon direction.	Future temperature rise may exceed 4°C , with socioeconomic development moving towards a high-carbon-emission direction with heavy reliance on fossil fuels.
	Estimated temperature rise by 2100	1.9°C	6°C
	Analytical approach	With reference to climate change risk assessment databases such as the World Resources Institute ("WRI"), the annualized fixed asset loss ratio or annualized productivity loss ratio at operating locations attributable to climate physical risks is calculated, analyzing the tangible impact of physical risks from climate change on the Company's fixed assets over the short, medium and long term.	

Time horizon parameters: Taking into account the Company's development strategy and emission reduction plans, we have defined the following time horizon parameters: short-term as within 1 year; medium-term as 1 to 5 years; and long-term as over 5 years.

The updated risk and opportunity register currently covers three physical risks, three transition risks and two opportunities. To further clarify the prioritization of climate change response measures, the degree of impact of each risk and opportunity was assessed to form a ranking of risk and opportunity impacts, thereby identifying the key climate-related risks and opportunities. By integrating external climate parameter databases, quantitative risk analysis was conducted across Grand Pharma's operating locations, including assessments of risk probability and impact magnitude, to comprehensively evaluate risk exposure levels in the absence of mitigation measures. The table below sets out the Company's principal climate change risks and opportunities in detail, including their scope of impact, risk rating, estimated impact on the Group's operations and the Company's response measures.

Climate risk type		Risk item	Risk description	Financial impact	Response measures	Climate scenario	Degree of impact across time horizons		
							Short-term	Medium-term	Long-term
Physical risks	Acute risks	Typhoons	Where company assets (such as office buildings, production bases, facilities and equipment, laboratories and warehouses) are located in high-risk areas susceptible to typhoons, under scenarios in which the severity and frequency of climate disasters increase, the Company would need to incur additional capital expenditure (such as maintenance, repair, relocation and insurance costs) to maintain its own assets	• Increased operating costs; • Fixed asset losses	• Consider the impact of extreme weather in the site selection, planning and design of new projects • Formulate typhoon emergency response plans and strengthen flood prevention and control • Continuously monitor flood prevention information in procurement regions to minimize supply disruptions from typhoons • Prepare typhoon prevention materials, inspect the fastening of equipment foundations, wall-mounted devices, etc., and maintain clear drainage at equipment foundations	SSP1-RCP2.6	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)
						SSP5-RCP8.5	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)
		Flooding	Increased frequency of flooding or heavy rainfall may lead to disruptions or delays in production processes (such as damage to or repair of production equipment, freshwater supply shortages, etc.) and interruptions to product supply and distribution (such as delays in the delivery of raw materials or products to production bases). Extreme rainfall may also affect employee commuting and delay production schedules	• Increased operating costs; • Fixed asset losses • Increased default costs	• Establish and improve flood prevention mechanisms, set up a flood prevention leadership team, monitor weather forecasts at all times, and activate emergency response plans according to risk levels • Conduct flood hazard identification and remediation, focusing on drainage facilities, power distribution rooms, warehouses, etc., to ensure emergency facilities are in good condition • Prepare flood prevention materials such as sandbags and water pumps, and relocate goods and equipment from low-lying areas in advance • Strengthen the inspection and maintenance of equipment and facilities, reinforce buildings, and conduct regular comprehensive inspections of power supply and distribution systems and electrical circuits	SSP1-RCP2.6	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)
						SSP5-RCP8.5	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)
	Chronic risks	Rising average temperatures	Increased frequency of prolonged high-temperature weather may lead to illnesses such as heatstroke, reducing labor productivity. Extreme weather reduces the efficiency of existing cold chain transportation and cooling systems in production processes, increasing the Company's cooling energy consumption requirements in production and transportation and raising operating costs	• Increased operating costs; • Increased employee health risks • Reduced operational efficiency	• Improve the energy efficiency of facilities, including improving temperature control capabilities and increasing the efficiency of air conditioning and cooling systems • Adjust working hours during high-temperature periods to safeguard employees' occupational health and safety	SSP1-RCP2.6	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)
						SSP5-RCP8.5	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)

Climate risk type	Risk item	Risk description	Financial impact	Response measures	Climate scenario	Degree of impact across time horizons		
						Short-term	Medium-term	Long-term
Transition risks	Policy and regulatory risks	Impact of carbon pricing mechanisms and carbon tax policies	In many countries where Grand Pharma currently or plans to operate, there is uncertainty regarding future environmental and carbon emission policies. The Company may be affected by carbon emission trading, and regulation related to border adjustment taxes and broader environmental taxes is also expected to intensify	• Increased operating costs	• Grand Pharma has set a greenhouse gas emission target of " Using 2023 as the base year, reducing greenhouse gas emission intensity by 10% by 2030 ". We will progressively implement refined management of greenhouse gas emissions to reduce the impact of carbon pricing policies	NZE	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)
						STEPS	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)
	Technology risks	Cost of low-carbon technology transition	To respond to market and regulatory requirements, pharmaceutical enterprises need to extensively develop and apply green technologies (including green design, automated production, energy-efficient equipment and green process applications) to replace the current high-energy-consumption and high-emission production and operating model and reduce environmental impact. The uncertainty in the timing and outcomes of technology development and deployment will affect the returns on the Company's technology investments and may increase capital expenditure	• Increased operating costs	• Actively pursue green factory certification to reduce production energy consumption and greenhouse gas emissions, lower operating costs and increase asset value • Replace high-energy-consumption, low-efficiency equipment with low-energy-consumption, high-efficiency equipment, and encourage the use of variable-frequency equipment, green energy-saving equipment and energy-efficient lighting • Promote the use of clean energy and deploy new energy facilities such as solar panels and photovoltaic power stations at subsidiaries where conditions permit	NZE	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)
						STEPS	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)
	Market risks	Rising raw material costs	The Group's raw materials span a wide range of types including chemical raw materials, biological materials and active pharmaceutical ingredients. Extreme weather events not only directly affect the production activities of raw material suppliers, with increased occurrences of production cuts and shutdowns, leading to instability in raw material costs and driving up procurement costs In addition, many packaging materials (particularly plastics) face additional costs from increased regulation aimed at reducing waste, pollution and energy consumption	• Increased operating costs • Increased administrative expenses	• Build a green supply chain and strengthen research on upstream suppliers • Actively develop green suppliers to reduce the impact of related policies on the stability and pricing of the Company's raw material procurement	NZE	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)
						STEPS	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)

Opportunity type	Opportunity description	Response measures	Climate scenario	Degree of impact across time horizons		
				Short-term	Medium-term	Long-term
Resource utilization	Prioritize eco-friendly design principles and use digital tools to simulate and optimize spatial design to ensure optimal production efficiency. During construction, prioritize the use of low-carbon and environmentally friendly materials and coating methods. During operations, utilize a visual resource and energy central control platform to continuously optimize resource management practices.	• Improve energy efficiency through measures such as process optimization, facility and equipment upgrades and technology optimization • Reduce the use of water resources, packaging materials and other inputs, and strengthen the recycling of resources	NZE	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)
			STEPS	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)
Energy sources	Adopt more efficient energy management approaches (such as digital energy management systems, online energy consumption monitoring and waste heat recovery) to improve the precision of real-time energy monitoring, reduce energy conversion losses, effectively control costs and improve overall energy utilization efficiency. Increasing the proportion of clean energy used can strengthen the Company's resilience to energy and fuel price volatility.	• Gradually transition to low-carbon energy sources and expand the application of clean energy such as solar and wind power; increase the proportion of renewable energy procurement and application, including green electricity and green energy certificates	NZE	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)
			STEPS	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)	Low (estimated financial impact: <1% of total assets)

During the Reporting Period, we compiled and consolidated data on the financial impact of identified climate change-related risks and opportunities, and conducted quantitative analysis of financial impacts that can be separately identified and disaggregated. Based on our assessment, climate change-related risks did not have a material impact on financial performance for the current reporting period. Provided that no extreme climate disasters occur and no significant changes take place in policies or markets, no material risks are expected that would result in significant adjustments to the carrying amounts of assets and liabilities in the financial statements for the next reporting year. For financial impacts that cannot be separately identified and disaggregated, the financial impact exemption provisions apply.

Risk Management

Grand Pharma has established a comprehensive climate risk management mechanism that is fully integrated into the Company's overall risk management framework. Through processes including the identification of risks and opportunities, register compilation, evaluation and analysis, and the formulation of response measures, a full-process climate risk management mechanism spanning identification, assessment and response has been established and implemented, ensuring that related work is advanced in an orderly manner and continuously improved.

Identifying and developing a list

- Identify the types of significant physical and transition risks and opportunities that may impact the Company's business operations

Information compilation

- For each risk, conduct a preliminary assessment and compile information based on industry research reports, relevant policies issued by regulatory authorities, peer benchmarking and external information retrieval

Evaluation and analysis

- Define the scope of scenario analysis and conduct quantitative assessment of physical risks by combining the Company's actual operational data with authoritative external databases such as WWF and CLIMADA
- Conduct transition risk and opportunity assessments through desktop analysis, external expert consultation and management interviews to examine the nature and likelihood of the impacts of risks and opportunities, and estimate their quantitative financial impact on the Company's current and future operations

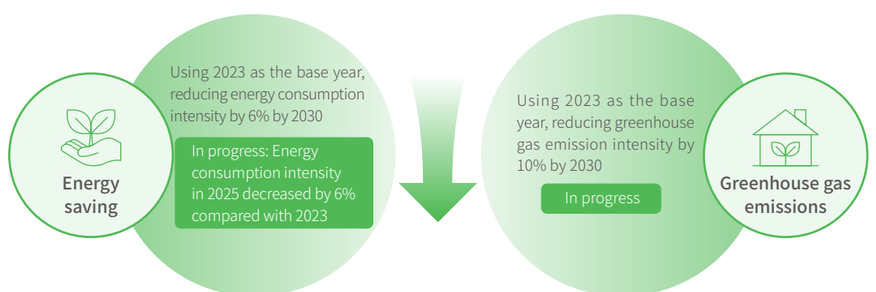
Formulating response measures

- Rank risks by materiality and compile a register of climate-related risks and opportunities, and jointly discuss and formulate response measures with the relevant business departments based on the results of the climate risk assessment

Climate Change Risk Identification Process of Grand Pharma

Metrics and Targets

To ensure the orderly implementation of climate change strategies and actions, Grand Pharma has set climate change-related energy conservation and emission reduction targets, continuously tracking energy consumption, greenhouse gas emissions and progress towards targets.



During the Reporting Period, in accordance with the Greenhouse Gas (GHG) Protocol, we completed carbon inventory work covering Scope 1, 2 and 3, systematically collating greenhouse gas emission data across the entire value chain and continuously tracking progress towards emission reduction targets.

Metric		Unit	2025
Total GHG emissions (Scope 1 & Scope 2 & Scope 3)		tonnes of CO_2 equivalent	1,188,103.57
Total GHG emissions (Scope 1 & Scope 2)		tonnes of CO_2 equivalent	400,551.34
Direct GHG emissions (Scope 1)		tonnes of CO_2 equivalent	67,325.18
Energy indirect GHG emissions (Scope 2)		tonnes of CO_2 equivalent	333,226.16
GHG emission intensity (Scope 1 & Scope 2)		tonnes of CO_2 equivalent / HK$ million	32.62
GHG emissions (Scope 3)[6]	Total Indirect GHG emissions (Scope 3)	tonnes of CO_2 equivalent	787,552.23
	Category 1: Purchased goods and services	tonnes of CO_2 equivalent	631,181.44
	Category 2: Capital goods	tonnes of CO_2 equivalent	4,664.89
	Category 3: Fuel- and energy-related activities	tonnes of CO_2 equivalent	54,408.08
	Category 4: Upstream transportation and distribution	tonnes of CO_2 equivalent	26,557.37
	Category 5: Waste generated in operations	tonnes of CO_2 equivalent	56,378.71
	Category 6: Business travel	tonnes of CO_2 equivalent	8,557.38
	Category 7: Employee commuting	tonnes of CO_2 equivalent	5,798.67
	Category 11: Use of sold products	tonnes of CO_2 equivalent	5.68

Climate Change Risk Response and Energy Management

Grand Pharma is actively advancing its climate change response efforts and the development of its energy management system. Through the application of energy management systems, the optimization of energy efficiency structures and the promotion of clean energy use, energy conservation and carbon reduction have been fully integrated into every stage of production and operations, continuously improving operational resilience. Specialized climate risk training is also actively conducted to strengthen the capabilities of management and relevant personnel in identifying, assessing and responding to climate risks, systematically building a climate change adaptation framework encompassing both governance improvement and operational optimization.

[6] Scope 3 GHG emissions were calculated in accordance with the *GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition)* and the *Technical Guidance for Calculating Scope 3 Emissions* (collectively referred to as the "GHG Protocol"). Our Scope 3 carbon emission accounting primarily covers Category 1 (purchased goods and services), Category 2 (capital goods), Category 3 (fuel- and energy-related activities), Category 4 (upstream transportation and distribution), Category 5 (waste generated in operations), Category 6 (business travel), Category 7 (employee commuting) and Category 11 (use of sold products). The remaining categories were excluded from the accounting as they are either not applicable or were not included based on the materiality principle.

Responding to Climate Risks

To systematically strengthen the Group's resilience to climate physical risks, a multi-layered prevention and control mechanism has been established by Grand Pharma. The Group's EHS management department has developed specialized safety inspection checklists for extreme weather events including typhoons, heavy rainfall and high temperatures, guiding subsidiaries in conducting comprehensive hazard investigations from the perspectives of management requirements, buildings and structures, equipment and electrical systems, and process safety. The aim is to deeply integrate climate risk prevention and control into day-to-day operations and emergency management systems, safeguarding production safety and stable operations. During the Reporting Period, subsidiaries were organized to conduct risk identification and management training in the context of climate change, systematically building employees' awareness of climate risk response.

Post-incident Review of Extreme Weather-induced Production Shutdown at Fuchi Chemicals

In April 2025, Fuchi Chemicals experienced the collapse of a chimney at its sulfuric acid workshop due to strong winds, which impacted production operations. Following the incident, the enterprise immediately conducted a comprehensive review of the equipment and processes in the sulfuric acid workshop, systematically examining the major overhaul records for this section from 2019 to 2025. For large equipment with higher maintenance frequencies, the company formulated more refined daily operation and preventive maintenance strategies to reduce the risk of unplanned production shutdowns and improve the climate resilience of the production system.

Specialized Climate Risk Training at Kernel Xiantao

In 2025, Kernel Xiantao conducted specialized training on the prevention of climate physical risks under the theme of "Emergency Response to External Power Outages Caused by Thunderstorms". The training was delivered to all employees of the utilities workshop and is conducted twice a year. It focuses on training employees in the rapid activation of backup power facilities to ensure gas supply in the event of an external power outage caused by lightning, thereby effectively reducing the risk of microbial contamination during the production process.

Energy Management

Grand Pharma has formulated the *Grand Pharma's Equipment and Energy Management System* (《遠大醫藥設備能源管理制度》), standardizing and guiding energy conservation and carbon reduction work. We are actively implementing energy conservation and carbon reduction through a number of measures including the upgrading and renovation of key energy-consuming equipment, the deployment of energy information management systems, and the development and application of renewable energy.

Energy Information System

To improve the precision of energy management, strengthen data-driven decision-making and optimize energy dispatch efficiency, Grand Pharma deployed a Power and Energy Management System ("PEMS") at the Fuchi production park, establishing a park-level integrated management and control model that enables full-process digitalized management of metering data collection, energy statistics and steam dispatch. Leveraging this system, the Company has achieved automatic collection of energy consumption data, intelligent analysis of energy use trends and coordinated dispatch of the steam system, providing a scientific basis for energy conservation and technological renovation projects.

In 2025, under the coordinated deployment of the Group, a proprietary energy management platform — "Energy Treasure" — was independently developed, enabling the standardized input, real-time transmission and intelligent analysis of energy data. The platform has been launched at 3 subsidiaries, with Group-wide rollout to be progressively advanced.

The Equipment Management Department, leveraging its annual inspection and specialized audit mechanisms, continues to drive subsidiaries to improve their three-tier metering system configurations, increase investment in energy management system development, and has explicitly required that new plants and projects incorporate the planning and construction of intelligent energy management systems from the outset, comprehensively strengthening the foundation of digitalized energy management.

In 2025

A total of
22
key energy projects were carried out

with projected annual energy cost savings of RMB
34.73 million

Energy Management Certification

The Group continuously improves its energy management standards and actively pursues energy management system certification. As of the end of the Reporting Period, 4 manufacturing subsidiaries of Grand Pharma, including Grand EBE, Grand Johamu (Beijing), Wuyao Pharmaceutical and Kernel Bio, have obtained ISO 50001 energy management system certification.

Energy Efficiency Improvement

In 2025, Grand Pharma continued to advance refined energy management and energy-saving technological renovation, with a series of highly effective specialized projects implemented across areas including steam system optimization, improvement of electricity use efficiency, production process improvement, clean energy application and management optimization. A total of 22 key energy projects were carried out, actively optimizing energy efficiency, with projected annual energy cost savings of RMB 34.73 million. Selected examples of completed or ongoing energy-saving projects are shown below.

Project Type	Project Name	Project Effectiveness
Power saving	Fermentation tank agitator motor renovation project	The Phase II fermentation tank agitator motors were converted from gearbox-driven to permanent magnetic direct drive. Under equivalent loads, maximum operating power decreased by 23% and routine operating power decreased by 33%, saving an average of 65 kWh per hour, with annual electricity cost savings of several hundred thousand RMB.
	Fermentation industrial strain purification process improvement project	By retrofitting centrifuges and refrigeration units to reduce equipment power, annual electricity savings of 891,000 kWh were achieved, while also reducing labor costs by several hundred thousand RMB per year.
	High-energy-consumption equipment energy-saving renovation project	Through the installation of intelligent sensor and variable-frequency control systems on fume hoods, optimization of HVAC system operations, addition of independent compressed air equipment and deployment of a digitalized monitoring platform, energy savings of over 30% for fume hoods, over 20% for HVAC systems and over 20% for compressed air systems were achieved.
	Analgin workshop equipment renovation project	The cooling method for the ammonium sulfate crystallizer was optimized from 7 °C chilled water cooling to recirculating water cooling, saving approximately 470,000 kWh of electricity per year.
Steam saving	Fermentation high-temperature water reuse project	High-temperature water at 60°C from post-sterilization in the fermentation workshop is collected for use in tank water preparation, reducing sterilization steam consumption and saving several hundred thousand RMB in annual steam costs.
	Methanol heat pump distillation energy-saving project	A new 75 m^3/h methanol distillation column and supporting heat pump compressor unit were constructed, using heat pump distillation technology to recover the latent heat of overhead vapor to replace raw steam, reducing steam consumption by over 95%, with projected annual energy savings of tens of millions of RMB.
	Steam pipeline steam trap replacement project	Replacement of steam traps on the main steam pipelines across the plant, improving drainage capacity and preventing steam waste, with projected annual steam savings of 288 tonnes and cost savings of tens of thousands of RMB.
	Pipeline residual heat utilization project	Steam is shut off half an hour early based on the production schedule, with pipeline residual heat used for heating, with projected annual steam savings of 20 tonnes.
	Steam condensate recovery project	Steam condensate is collected in hot water tanks for secondary use, including reactor heating and cleaning, improving energy utilization efficiency.
	Steam condensate reuse project — Health and nutrition product line	Steam condensate is collected for use in process equipment or as makeup water for the recirculating water pool, achieving the recycling of water resources and thermal energy.
Gas saving	Concentration equipment replacement project	Replacement of 4 old double-effect concentration units in Workshop 6, with projected heat loss reduction of 5%–10% and annual natural gas cost savings of several hundred thousand RMB.

Energy-saving Technological Renovation Projects in 2025

Optimization of Energy Structure

Grand Pharma continues to optimize its energy structure, actively expanding the application of clean energy and increasing the proportion of renewable energy and clean electricity used. The green energy transition is being systematically advanced through a combined approach of procuring green electricity and developing proprietary photovoltaic projects.

In terms of green electricity procurement, a number of subsidiaries have established stable procurement and application plans, continuously advancing green electricity transactions through means including purchasing green electricity, entering into direct power supply procurement agreements and procuring through third-party power sales companies. In 2025, green electricity transaction certificates were obtained by Grand Life Technology, Grand Beilin Xi'an and Kernel Xiantao for 1,752 MWh, 4,563 MWh and 100 MWh respectively, effectively reducing indirect carbon emissions in the production process.

In terms of photovoltaic construction, the Group's distributed photovoltaic deployment is progressing steadily, with a number of subsidiaries actively undertaking photovoltaic project planning and construction. The rooftop photovoltaic project at Grand Tianjin was connected to the grid in July 2025, expected to provide 1.5 million kWh of green electricity for the full year, meeting approximately 29.67% of its electricity requirements. A photovoltaic system with an installed capacity of 0.46 MW has been planned for Grand Life Technology's health and nutrition product line, with commissioning expected in December 2025. Kernel Bio has converted 43 street lights at its plant to photovoltaic-powered street lights, achieving annual electricity savings of approximately 62,000 kWh. Going forward, green electricity procurement and proprietary photovoltaic development will continue to be expanded, driving the transformation of production bases across China towards green and low-carbon factories and continuously reducing the operational carbon footprint.

Enhancement of Energy Saving and Carbon Reduction Awareness

To systematically raise the professionalism of energy management and strengthen energy conservation awareness across the workforce, Grand Pharma organized relevant personnel at its subsidiaries to participate in a diverse series of training programs in 2025, covering policy communication, professional knowledge instruction and emergency drills, with the aim of deeply integrating energy conservation principles into daily operations and supporting the Group's energy efficiency improvement and emission reduction targets.

Systematic Energy Training at Grand Beilin (Xi'an)

To raise the professionalism of energy management, Grand Beilin (Xi'an) organized two systematic energy conservation training sessions in 2025.

In July, the company conducted a communication session on the *Energy and Resource Conservation Management System*, systematically explaining the management rules and position-specific responsibilities, and distributed handbooks to all personnel in the Energy and Equipment Management Department to strengthen awareness of the system. In September, the company further held a specialized training session on "Energy and Energy Conservation", providing an in-depth analysis of energy consumption structures, production scheduling optimization and specific energy-saving solutions, with interactive Q&A sessions to reinforce learning outcomes. The two training sessions progressed from policy to practice, effectively raising energy conservation awareness and professional capabilities in key departments and laying a solid foundation for the achievement of energy-saving targets.

Environmental Management

Grand Pharma adheres to the environmental management principles of "Legal compliance, Disease prevention, Process control, Terminal management, Technology upgrade", with environmental protection and sustainable development deeply integrated into the corporate strategy. The environmental management system is continuously improved, with efforts focused on reducing environmental risks and ecological burdens in operations and fulfilling ecological and environmental protection responsibilities.

During the Reporting Period

The Group further increased its investment in environmental protection, with a total of RMB

11.57 million

invested in the implementation of a number of environmental protection projects including energy conservation, consumption reduction and pollutant control

Environmental Management System

Environmental Management Mechanism

Grand Pharma strictly complies with the *Environmental Protection Law of the People's Republic of China* and other laws and regulations, as well as the requirements of the environmental management system (ISO 14001). A comprehensive environmental management system has been established based on the Company's operational circumstances, including internal management documents such as the *Grand Pharmaceutical Environmental Protection Management Regulations*, the *Grand Pharmaceutical Environmental Protection Management Standardization Guidelines and the Grand Pharmaceutical EHS (Safety, Environmental Protection, Occupational Health) Responsibility System*. The *Environmental Management Policy* has also been publicly released on the Group's official website, establishing energy conservation and emission reduction, resource management, waste management and environmental protection training as regular management requirements, demonstrating the Company's public commitment to environmental protection. These systems and policies collectively ensure the compliance and standardization of the Company's business activities and continuously improve the overall effectiveness of environmental management.

Environmental Management Structure

Grand Pharma has established a governance structure with clearly defined levels to ensure the effective operation of the environmental management system. By assigning management tasks level by level and defining clear responsibilities and appraisal mechanisms, the structure supports the continuous improvement of environmental performance. The Group has linked environmental performance to the remuneration of executive management to ensure the effective fulfillment of environmental management responsibilities. The heads of each functional department and business segment sign safety and environmental protection target responsibility letters on an annual basis, and business segments are further required to sign corresponding responsibility letters with the heads of their respective subsidiaries and carry out related appraisals, cascading environmental protection responsibilities to individuals at every level. On this basis, the Company implements a safety and environmental protection one-vote veto system, fundamentally strengthening the fulfillment of environmental and safety responsibilities and driving the efficient operation of the environmental management system.

To further strengthen environmental governance, in 2025 Grand Pharma established a regular management meeting mechanism. Through the introduction of monthly safety and environmental protection meetings, the latest national regulations are communicated to all subsidiaries, Group-level requirements are deployed and specific work tasks are defined, thereby strengthening the coordination and guidance of subsidiaries' work and improving efficiency. At the same time, we established a support meeting mechanism for underperforming enterprises, organizing specialized meetings every two months for newly acquired enterprises and those with relatively weaker EHS foundations, assisting them in resolving major risk hazards and providing targeted guidance on the rectification process to systematically raise EHS management capabilities across the Group.

Strategy and ESG (Promotion) Committee
- Responsible for formulating environmental policies and environmental management strategies, and monitoring the Group's environmental performance and the achievement of environmental targets

EHS Management Committee
- Coordinates and guides subsidiaries in conducting full-process environmental management in an orderly manner; formulates environmental protection plans, rules and regulations; and is responsible for the formulation, supervision, assessment and information management of relevant indicators
- Regularly conducts environmental supervision and inspection of subsidiaries, urging them to improve the development of environmental emergency systems

Safety and Environmental Protection Center
- Responsible for formulating the Group's environmental management targets and urging enterprises to implement them, and monitoring the implementation of environmental policies and the improvement of environmental performance

Environmental Management Structure of Grand Pharma

Environmental Risk Management

In terms of environmental risk management, the Group strictly follows the *Measures for the Emergency Administration of Environmental Contingencies* and the *Measures for the Administration of Emergency Plans for Environmental Emergencies in Enterprises and Institutions (Trial)* and other relevant requirements, with subsidiaries organized to regularly conduct investigations of potential environmental emergency risks. Subsidiaries are systematically guided in preparing and filing *Emergency Plans for Environmental Emergencies*, with each enterprise required to conduct emergency plan drills annually to achieve effective management of environmental risks. In 2025, the completion rate of environmental emergency plan drills across all subsidiaries reached 100%. During the Reporting Period, no major environmental pollution incidents or environmental administrative penalties occurred, and no environmental incidents such as excessive pollutant discharge or illegal discharge took place.

Environmental Compliance Audit

Grand Pharma has established a comprehensive environmental compliance internal control and audit system, monitoring the environmental management performance and compliance of subsidiaries through a combination of internal audits and external reviews, with a focus on dimensions including compliance, environmental system development, "three wastes" treatment and on-site management.

We conduct internal environmental compliance audits of all operating locations on an annual basis, carrying out comprehensive audits of subsidiaries through multiple formats including Group rating inspections, specialized inspections, routine inspections, baseline inspections and intercompany cross inspections. Rating inspections and cross inspections are conducted once a year, while routine inspections and specialized inspections are carried out on an as-needed basis, to continuously ensure the standardized operation of the Group's environmental management system and the effectiveness of risk management. In terms of external reviews, we are subject to regular parent group inspections, cross inspections between second-tier groups, ISO environmental management system audits and ad hoc client audits, providing multi-dimensional assessments of environmental management and continuously driving improvements in environmental governance capabilities.

Grand Pharma strictly complies with the national environmental impact assessment system, with environmental impact assessment requirements implemented for all new construction projects and all subsidiaries. In 2025, all projects that completed environmental impact assessments successfully passed approval or acceptance by the competent authorities. The assessments confirmed that, with the implementation of pollution prevention and control measures, the impact on surrounding environmental elements including water sources and biodiversity is controllable, with all projects complying with environmental protection regulatory requirements. During the Reporting Period, independent third-party institutions continued to be engaged to conduct environmental impact assessments, clean production audits and EHS audits, with work advanced on online operations and maintenance, environmental monitoring and leak detection and repair ("LDAR") testing.

In 2025

The completion rate of environmental emergency plan drills across all subsidiaries reached

100%

Environmental System Certification

Grand Pharma actively pursues environmental management system certification, with unified environmental management requirements established in accordance with the ISO 14001 standard and their implementation supervised across subsidiaries. As of the end of the Reporting Period, the ISO 14001 certification coverage rate across all production-oriented subsidiaries of the Group reached 58%. Certification coverage will continue to be extended, progressively achieving full coverage of all production-oriented subsidiaries. Clean production and green factory certification are simultaneously pursued by the Group. As of the end of the Reporting Period, 17 subsidiaries have passed clean production certification, and 7 subsidiaries have been awarded the national or provincial-level green factory.

Certification Name	Number of Certification
Green factory certification/review	7
Environmental management system (ISO 14001) certification/review	22
Clean production certification	17

As of the end of the Reporting Period

The ISO 14001 certification coverage rate across all production-oriented subsidiaries of the Group reached

58%

17

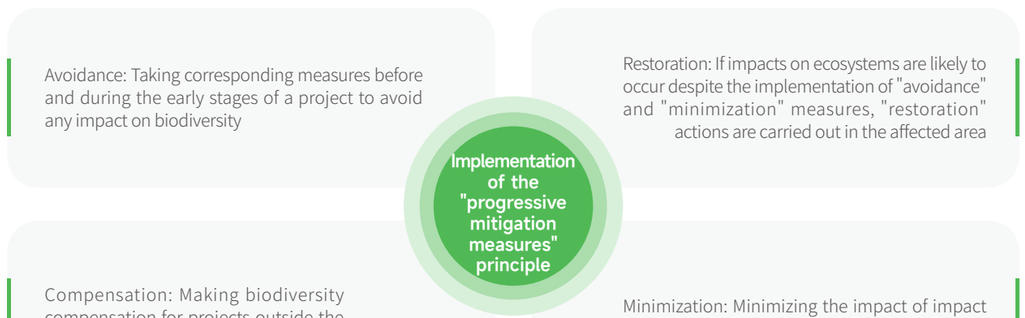
subsidiaries have passed clean production certification

7

subsidiaries have been awarded the national or provincial-level green factory title

Biodiversity Conservation

The Group places great importance on the protection of biodiversity, closely monitoring and responding to relevant policies in the places where it operates. The *Biodiversity and Forest Protection Commitment* has been published on its website. The "progressive mitigation measures" principle is strictly adhered to, ensuring that all business activities, products and services do not have a significant impact on biodiversity. All office locations, operational sites and industrial plants are not situated within nature reserves or biodiversity-sensitive areas outside protected zones. The Company is committed to not destroying original vegetation and ecosystems, and to not using any protected animals for animal testing.



The Company strictly complies with the *Forestry Law of the People's Republic of China*, the *Regulation on the Implementation of the Forestry Law of the People's Republic of China*, the *Regulations on Restoring Farmland to Forest*, the *Measures for the Administration of Regenerative Felling of Forests*, the *Water Law of the People's Republic of China* and other relevant laws and regulations, actively fulfilling its responsibility for the protection of forest resources and implementing sustainable management of natural resources and raw materials in the supply chain. The use of office supplies and equipment made from wood materials is proactively reduced, with paperless office practices promoted, greening of factory areas continued and afforestation advocated, fulfilling the Company's commitment to protecting forests and safeguarding biodiversity.

From Products to Habitats: Kernel Bio Drives the Coordinated Development of Agriculture and Ecology Through Green Innovation

In the R&D and promotion of its innovative product "Qingyezi", Kernel Bio has actively integrated the concept of biodiversity protection. The product has obtained dual certification for organic and green agricultural inputs, with high-purity spores and an inert calcium-based carrier at its core, ensuring safety for non-target organisms such as bees and birds, and without affecting crop flower and fruit development. The enterprise has simultaneously planted nectar-producing plants in the vicinity of its production base to create habitats for beneficial insects, and has established an enterprise-level biodiversity monitoring system to regularly assess the ecological impact of its production activities. By combining green product design with habitat conservation, Kernel Bio is driving the green transformation of agriculture while providing a best-practice example for local biodiversity conservation.

Use of Resources

Grand Pharma deeply integrates the concept of sustainable development into the entire production and operations process, continuously promoting the harmonious coexistence of the enterprise and the environment through strengthening resource management, reducing resource consumption and improving the overall efficiency of resource utilization.

Water Resources Management

Target metric	Target	Progress
Water conservation	With 2023 as the base year, 6% reduction in water intensity by 2030	In progress

Grand Pharma's water resources are primarily sourced from municipal water supply. The *Water Law of the People's Republic of China* and other relevant regulations of the places where the Company operates are strictly complied with, and the national water governance policy of "prioritizing water conservation, spatial balance, systematic management and two-pronged approach" is actively implemented. Water resource management is carried out systematically through measures including the recycling of water resources and the improvement of water use efficiency, with water conservation indicators incorporated into the daily energy statistics and appraisal system.

To implement the Group's water conservation target of "with 2023 as the base year, 6% reduction in water intensity by 2030", water use data and progress towards targets are continuously monitored, with water conservation management and technological renovation actively promoted. During the Reporting Period, the Company focused on areas including process water reuse, condensate recovery and wastewater recycling, continuously investing in and implementing various water conservation projects with the aim of reducing freshwater intake and improving the overall efficiency of water resource utilization.

Process water reuse

- Kernel Bio: Recovers 60° C high-temperature water from the fermentation workshop for use as fermentation tank water, with 70 tonnes of high-temperature water recovered daily, saving tens of thousands of RMB.
- Grand Bio: Converted the cooling method for MVR evaporation system pumps to recirculating sump water, saving approximately 46 tonnes of water per day while reducing wastewater treatment volumes by an equivalent amount.
- Wuyao Pharmaceutical: Converted the cooling water for environmental protection front-line equipment from once-through flow to recirculating water, saving nearly 10,000 tonnes of water per year.

Condensate recovery

- Grand Bio: Collects steam condensate from each workshop into hot water tanks for use in reactor heating and cleaning, achieving secondary utilization of hot water.
- Grand Life Technology: Recovers steam condensate, with priority given to reuse in process equipment. The remaining recovered water is used to replenish the cooling water recirculation pool, reducing freshwater intake and wastewater discharge.
- Grand Beilin (Xi'an): Recovers condensate into the boiler makeup water tank, and in conjunction with pipeline network leak detection, has achieved a 13.23% reduction in water use intensity compared with the base year.

Wastewater recycling

- Wuyao Pharmaceutical: Reuses concentrate water produced by the purified water system in the recirculating water pool, saving approximately 8,400 tonnes of water per year.
- Grand Pharma (Xiantao) : Reuses backwash wastewater and RO concentrate from the purified water pretreatment system in cooling towers, with projected annual water savings of 660 tonnes.
- Grand Pharma (Xiantao) : Uses treated wastewater for green belt irrigation and restroom flushing, saving approximately 500 tonnes of water per year.
- Grand Beilin (Xi'an): Reuses reclaimed water for factory area greening and irrigation.

Water Resource Management Initiatives of Subsidiaries in 2025

To strengthen water conservation awareness across the workforce, the Company also conducts water resource conservation training and awareness campaigns, integrating water-saving principles into day-to-day management and cultural development, and encouraging all employees to practice water conservation and strengthen water resource protection.

Packaging Material Management

To fulfill its social responsibility and reduce the environmental impact of product packaging, Grand Pharma strictly complies with the laws and regulations of the places where it operates. Through the formulation of policies including the *Grand Pharma Production Material Supplier Management Measures* (《遠大醫藥生產用物料供應商管理辦法》) and the *Grand Pharma Production Material Procurement Operation Guide* (《遠大醫藥生產用物料採購操作指南》), strict control is exercised over the packaging material procurement process, with the lightweighting and recycling of packaging materials continuously advanced. In 2025, the Group continued to advance packaging material improvement initiatives, with qualitative and quantitative usage targets set in areas including technical specifications, personnel and production efficiency, and policy development to continuously raise packaging material management capabilities.

In 2025, subsidiaries set and implemented packaging material reduction targets in line with their respective production and operating conditions, achieving significant results. Across the Group, inner packaging material procurement costs were reduced by a total of RMB6.41 million, a year-on-year decrease of 6%; outer packaging material costs were reduced by a total of RMB19.19 million, a decrease of 18%. Both reductions exceeded the industry Producer Price Index (PPI) level.

In 2025

Inner packaging material procurement costs were reduced by a total of RMB **6.41** million

a year-on-year decrease of **6** %

outer packaging material costs were reduced by a total of RMB **19.19** million

a decrease of **18** %

R&D and design stage

- Incorporate environmental performance into the selection criteria for packaging materials, and explore suitable solutions based on pharmaceutical product characteristics and packaging requirements
- Actively develop biodegradable and easily recyclable packaging materials to reduce environmental pollution
- Improve packaging design and structure to reduce material usage while ensuring functionality and aesthetics, avoiding unnecessary waste

Production and collaboration stage

- Implement refined management of packaging materials during the production process
- Ensure packaging material usage precisely matches product requirements by optimizing production processes and improving production efficiency, reducing waste during the production stage

Inventory management stage

- Actively reduce packaging material waste caused by inventory overstocking
- Deploy inventory management systems in newly built factories to enable real-time monitoring of inventory levels, ensuring timely supply and rational utilization of packaging materials

Grand Pharma's Pharmaceutical Packaging Reduction and Recycling Initiatives

Grand Pharma actively encourages its subsidiaries to carry out packaging material reduction and recycling initiatives, fulfilling the Company's environmental responsibility commitments. Jiangsu Xianle recovers the drums used for purchased raw materials such as tetrahydrofuran and triethylamine for reuse in containing recovered solvents, achieving direct reuse of packaging materials. Huachen Bio adjusted the packaging specification for the raw material hexamethylenetetramine from 500 kg to 1,000 kg, and after use, the empty packaging bags are reused for filling the by-product ammonium chloride, thereby reducing the procurement of new packaging and generating projected annual packaging material procurement cost savings of tens of thousands of RMB.

Pollutant Prevention and Control

Grand Pharma strictly complies with the Law of the *People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and other laws and regulations of the places where it operates. Subsidiaries are required to establish and improve pollutant prevention and control systems including the *Soil Pollution Potential Hazards Inspection System* and the *Automatic Monitoring System for Pollution Sources*. The full-process control principle of "source reduction, in-process emission reduction and end-of-pipe treatment" is systematically implemented, with strict management exercised over waste, exhaust gas, wastewater and other pollutants to ensure that all pollutants are treated in compliance and discharged within permitted limits. During the Reporting Period, 2 production enterprises under Grand Pharma obtained Zero Waste Factory Certification.

Waste Management

Target metric	Target	Progress
Hazardous waste emissions intensity	With 2023 as the base year, 5% reduction in hazardous waste emissions intensity by 2030	In progress: Hazardous waste emissions intensity in 2025 decreased by 29% compared with 2023

Grand Pharma strictly complies with the Law of the *People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Standards on Storage and Pollution Control of Hazardous Wastes (GB 18597-2001)*, the *Technical Specifications for Collection, Storage, Transportation of Hazardous Waste (HJ 2025-2012)*, the *Standard for Pollution Control on the Storage and Disposal Site for General Industrial Solid Waste (GB 18599-2001)* and other national and regional waste management regulations. Subsidiaries are systematically driven to actively identify waste reduction potential, set reduction targets, comprehensively investigate the types, sources and volumes of waste, and identify potential environmental risks.

A waste reduction target of "with 2023 as the base year, 5% reduction in hazardous waste emissions intensity by 2030" has been set, with progress towards this target and related performance continuously tracked. Through environmental rating inspections and specialized waste audits, targets are systematically monitored and their implementation driven. Annual audits cover key indicators including hazardous waste management plan filings, the execution of annual hazardous waste emergency drills, the compliance of storage facilities and labeling, the completeness of transfer manifest records, compliance reviews of disposal units, and the daily management of waste.

Non-hazardous Waste

Non-hazardous waste generated by the Group in its daily operations primarily includes non-recyclable waste such as domestic waste and food waste, as well as recyclable waste such as scrap metal, waste packaging and waste paper. The management principles of reduction, resource recovery and safe disposal are systematically implemented, with waste managed through classified storage and targeted disposal. Recyclable waste is directed to resource recovery, while non-recyclable waste is handled by qualified disposal units selected through a tendering process.

Source reduction of solid waste continues to be carried out, with externally commissioned disposal volumes reduced through measures including the reasonable control of sludge loading in wastewater treatment and capacity expansion and renovation of wastewater treatment stations. In terms of internal recycling, the composting of TCM residues, the comprehensive utilization of sulfuric acid slag and coal cinder from industrial parks are actively promoted, with triple-effect evaporation and counter-current evaporation equipment added to effectively improve the recovery efficiency of non-hazardous waste. Non-hazardous waste ledger records have been established and improved, with separate file management implemented to ensure the traceability and compliance of waste from generation through to disposal.

Hazardous Waste

The Group's hazardous waste primarily originates from the R&D and production processes, including waste activated carbon, waste organic solvents, waste mother liquor, laboratory waste liquids and waste pharmaceuticals. All subsidiaries are required to strictly comply with local regulations and the hazardous waste management requirements of environmental management systems such as ISO 14001, with the temporary storage of solid waste, ledger record-keeping and other practices standardized to minimize the environmental impact of hazardous waste.

Each enterprise is required to establish dedicated hazardous waste temporary storage facilities that have passed environmental facility acceptance, implement classified storage with clear and accurate on-site labeling, and strictly comply with national requirements for hazardous waste management plans, generation and disposal ledgers, and transfer manifests. Qualified disposal units are engaged through a tendering process to ensure that commissioned treatment is professional and compliant. In terms of hazardous waste treatment and reduction, management capabilities are continuously optimized and resource recovery practices promoted, with waste liquids concentrated through measures including improving hazardous waste treatment processes, reasonably scheduling distillation procedures and extending distillation times to reduce hazardous waste generation at the source.

Specialized training for environmental protection and hazardous waste management personnel is regularly organized, continuously raising their professional capabilities in the compliant disposal of hazardous waste.

Compliance Management Training on Hazardous and Solid Waste and By-products at Grand Pharma

To raise the compliance standards and risk prevention and control capabilities of hazardous and solid waste and by-product management, Grand Pharma organized a training session on the theme of *Compliance Management of Hazardous and Solid Waste and By-products* in December 2025. The training covered environmental protection officers, hazardous waste management personnel and relevant waste-generating department personnel at all subsidiaries, and provided a systematic interpretation of laws and regulations, management requirements for general industrial solid waste and hazardous waste, and by-product management standards, with practical case studies used for illustration. The training emphasized the implementation of standardized full-process management from generation, storage and transfer through to disposal, the elimination of illegal disposal practices, and the prevention of environmental and legal risks, providing clear guidance for subsidiaries to systematically advance related management work.

Emission Management

To reduce emissions during operations, the Group systematically advances emission treatment, selecting the best available emission reduction technologies based on the nature of different pollutants and continuously increasing environmental protection investment. Four major specialized emission treatment campaigns have been launched, focusing on the investigation of issues including uncollected organized emissions, non-compliant online monitoring, ineffective or low-efficiency emission treatment facilities and ledger record-keeping, with effective improvement of the air environment achieved through self-inspection and rectification, ensuring the effective operation of facilities and the compliance of monitoring records.

Emphasis is placed on raising the standard of emission treatment through technology upgrades and resource recovery. Membrane treatment technology has been adopted to recover ethanol exhaust gas, achieving raw material reuse while reducing emission concentrations. Treatment facility renovation continues to be advanced, including replacing low-efficiency UV photolysis equipment, upgrading single-stage scrubbing processes to combined processes, and replacing aging RTO units, comprehensively improving treatment efficiency. Through these multi-faceted measures, emission management effectiveness has been systematically improved, with pollutant emission reductions continuously driven while maintaining stable compliance with emission standards.

Target metric	Target	Progress
Volatile organic compounds (VOC)	With 2023 as the base year, 10% reduction in volatile organic compounds (VOC) emission intensity by 2030	In progress
Particulate matter (PM)	With 2023 as the base year, 10% reduction in particulate matter (PM) emission intensity by 2030	In progress
Sulfur oxides (SOx)	With 2023 as the base year, 10% reduction in sulphur oxide (SO_x) emission intensity by 2030	In progress

During the Reporting Period, a total of 10 subsidiaries of Grand Pharma had online exhaust gas monitoring facilities installed. The remaining enterprises regularly commission qualified third-party testing institutions to monitor exhaust gas emissions. The compliance discharge rate across all enterprises was 100%.

During the Reporting Period

Grand Pharma had
10
subsidiaries with online exhaust gas monitoring facilities installed

The compliance discharge rate across all enterprises was
100%

Waste Water Management

The *Integrated Wastewater Discharge Standard (DB31/199-2018)* and other laws, regulations and industry standards of the places where the Company operates are strictly complied with. All subsidiaries are required to follow the principle of "clean water and sewage separation for separate treatment" to reduce the environmental impact of wastewater discharge. During the Reporting Period, the compliance discharge rate for wastewater pollutants across all enterprises was 100%.

During the Reporting Period

The compliance discharge rate for wastewater pollutants across all enterprises was
100%

New project management

- In accordance with national wastewater discharge standards, the Group strictly establishes and implements wastewater discharge targets for new projects to ensure the stable operation of wastewater treatment facilities.

Daily management

- Professional personnel are assigned to conduct regular full-process supervision and inspection of environmental protection facilities, ensuring that all identified hazards are rectified. Experts are engaged to optimize wastewater treatment station management and provide technical support.
- Wastewater discharge is monitored in real time through online wastewater monitoring facilities or by commissioning qualified third-party institutions to conduct discharge testing. Water quality and volume changes are monitored and recorded to eliminate leaks, drips and spills during the production process.
- Leak points are identified by comparing production freshwater and drainage flow meter data and conducting routine inspections. When identified, they are promptly addressed to reduce water resource losses and wastewater treatment costs.

Equipment and technology management

- Wastewater treatment facilities are optimized, renovated and maintained, and the management of water pollution prevention and control facilities is strengthened to effectively manage various water-related risks. Wastewater recovery and reuse is carried out, with discharged water used in process stages including coagulation reactor chemical dosing, alkali preparation makeup water, and the regulation of absorption tower temperatures and absorption liquid concentrations.
- Steam condensate recovery and reuse is implemented, with recovered condensate returned to the recirculating cooling water system to reduce freshwater makeup volumes. In winter, steam condensate is added to low-temperature incoming water to raise its temperature, meeting the operating temperature requirements of anaerobic towers while reducing steam consumption and achieving energy savings and cost reductions.

Waste Water Management Measures in 2025

06

Ecological Harmony,
A Symphony of Shared Progress

Grand Pharma has always upheld the mission of "benefit both patients and doctors and contribute to the society", actively fulfilling its corporate social responsibilities. Sustainable supply chain management continues to be deepened, with the coordinated development of the industry chain driven forward and extensive cooperation with industry partners undertaken to promote the overall progress of the industry. Public welfare initiatives are steadily carried out, with attention paid to societal needs and the community given back to through concrete actions, working with all stakeholders to co-create a sustainable future.

Supply Chain Management and Development

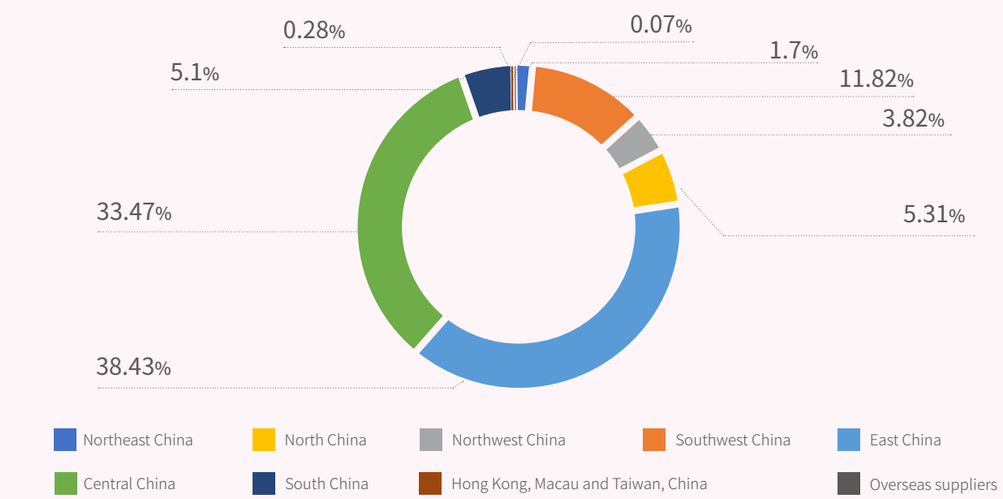
A stable and reliable supply chain is an important cornerstone for ensuring product quality and serving customers. The Company is committed to building long-term, fair and transparent cooperative relationships with suppliers, improving the resilience and sustainability of the supply chain through the continuous optimization of the supplier management system. Green procurement practices are actively promoted, with suppliers engaged to explore environmentally friendly and efficient cooperation models, jointly driving the sustainable development of the industry chain and achieving mutual benefit and long-term progress.

Strengthening Supplier Management

Grand Pharma strictly conducts its procurement activities in compliance with the Bidding Law of the People's Republic of China and other relevant laws and regulations. *The Supplier Code of Conduct of Grand Pharma Co., Ltd.* has been formulated and implemented, stipulating that contracts may not be entered into with suppliers that are unable to meet the Group's ESG requirements. During the Reporting Period, the official edition of the *Procurement Management System of Grand Pharma* and the respective specialized management measures were officially released, with the aim of further standardizing the conduct of Group headquarters, business groups and subsidiaries in procurement activities for works, goods and services, improving the transparency and traceability of the procurement process, and strengthening systematic risk prevention and control. To strengthen the procurement oversight function, the *Procurement Audit Management Measures of Grand Pharma* was concurrently released, defining the audit responsibilities of Group headquarters in tendering and procurement management. The *Blacklist Management Measures of Grand Pharma* was also established to improve the suppliers' conduct restraint mechanism and drive the continuous optimization of the procurement management system towards greater standardization and efficiency.

As of the end of the Reporting Period, Grand Pharma had a total of 1,413 suppliers.

The breakdown is as follows:



Percentage of suppliers by region

Supplier Access Management

At the supplier admission stage, all subsidiaries are explicitly required to establish dedicated supplier development teams, with the general manager of the subsidiary as team leader, the quality or technical director as executive team leader, and team members comprising the heads of relevant functional departments including production, quality inspection and procurement. The supplier recommendation management mechanism continues to be improved, with recommender identity registration and responsibility traceability implemented to ensure that the recommendation process is standardized, transparent and auditable.

Grand Pharma strictly complies with the *Supplier Management Regulations for Production Materials of Grand Pharma (China) Co., Ltd.*, with comprehensive assessments conducted from the dimensions of corporate financial status, supply chain stability and long-term cooperation potential, integrating sustainable procurement principles into the entire supplier selection process. Systematic and comprehensive assessments of suppliers are conducted covering legal qualifications, professional capabilities, commercial reputation, financial status, business track record, performance capability, credit history and legal risks, with classified and tiered management implemented. For state-owned enterprises (including state-owned holding enterprises) and pharmaceutical material suppliers holding professional qualifications such as GMP/GSP, given that they typically possess more robust compliance systems and quality assurance capabilities, corresponding recognition is accorded in the assessment process and risk management-based trust mechanisms established in cooperation.

During the Reporting Period, Grand Pharma further strengthened its supplier management system, with supplier admission standards upgraded around the core principles of "direct sourcing from origin, compliance-based risk control and sustainable development". In terms of cooperation models, the Company focuses on the production input requirements for TCM raw materials, firmly implementing a source supplier cooperation mechanism under which only proprietary base suppliers and co-established base suppliers in direct cooperation with cooperatives are eligible for shortlisting. For TCM raw material varieties not yet meeting the required conditions, a proprietary base supplier development plan has been launched, aiming to achieve a tendering condition of at least three qualified suppliers for each variety. In terms of admission review, particular emphasis has been placed on strengthening legal risk verification and credit assessment of suppliers, with comprehensive reviews conducted of suppliers' environmental management systems, labor rights protections and business ethics standards with reference to industry compliance standards to ensure that partners meet sustainable procurement requirements. A management system covering the full lifecycle of base suppliers has been established, encompassing the stages of development, certification, cultivation and phase-out. Related work plans are rationally planned and advanced based on project priority, contract value and supplier resource availability, effectively managing risks.

Supplier Performance Management

After completion of the supplier admission process, regular audits and performance assessments are conducted for all suppliers, with training provided based on supplier needs. The supplier performance assessment system covers five dimensions: procurement, production, quality, finance and warehousing. Led by the procurement department, comprehensive assessments are conducted through a combination of subjective evaluation and objective scoring. Based on the scoring results, suppliers are classified into four levels: A, B, C and D, with Level A suppliers in principle capped at no more than 20% of the total number of qualified suppliers. For Level B and Level C suppliers, coaching and communication are provided to support their continuous improvement to meet cooperation requirements. Suppliers engaging in non-compliant conduct during the tendering and bidding process, or failing to fulfill their obligations after winning a bid for reasons not attributable to the purchaser, are classified as Level D suppliers. Where performance difficulties arise due to uncontrollable market factors, a risk assessment is conducted by the enterprise's procurement leadership team to determine whether to hold the supplier accountable. Level D suppliers wishing to resume cooperation must undergo a fresh investigation, assessment and on-site audit in accordance with the new supplier admission standards, and may only be reinstated for cooperation after passing such review.

Level A

- Priority is given to participating in procurement projects as a quality supplier; incentives include preferential payment of goods in accordance with contract terms and the establishment of strategic partnerships are provided

Level B

- Training and communication are required for areas of inadequacy; the procurement strategy remains unchanged

Level C

- Purchase volume is reduced and rectification of areas of inadequacy is required, whether to resume normal procurement is determined after confirmation of corrective measures and outcomes

Level D

- Upon approval by the quality manager, procurement and supply relationships with non-qualifying suppliers are terminated and they are removed from the "qualified supplier list"

Tiered supplier management

Supplier Audit

Supply chain quality management is regarded as a core component of quality management. Suppliers' quality and ESG compliance are audited and supervised through document reviews and on-site inspections, ensuring full compliance with the Group's standards and GMP (Good Manufacturing Practice) requirements. During the Reporting Period, a total of 550 supplier quality audits were conducted, comprising 356 on-site audits and 194 online audits, covering multiple fields including formulations, chemicals, medical devices and biological pesticides.

During the Reporting Period

A total of **550** supplier quality audits were conducted

comprising **356** on-site audits

194 online audits

Material supplier audits are primarily conducted across the following six dimensions: qualification compliance, quality system integrity, production process control, materials management capability, laboratory control standards and business ethics.

Qualification compliance

- Verify the validity of suppliers' business licenses, production licenses, GMP certificates and other qualifications, confirm that their production scope matches the materials supplied, and ensure that their past compliance records (such as regulatory inspections and recall history) are free of major issues.

Quality system integrity

- Assess whether quality manuals and procedure documents are comprehensive, including the implementation of key processes such as deviation handling, change control, corrective and preventive actions ("CAPA"), internal audits and management reviews.

Production process control

- Inspect the production environment (cleanroom classification, temperature and humidity control), equipment validation and maintenance, process parameter monitoring and the completeness of batch production records to ensure that production processes comply with predetermined process requirements.

Materials management capability

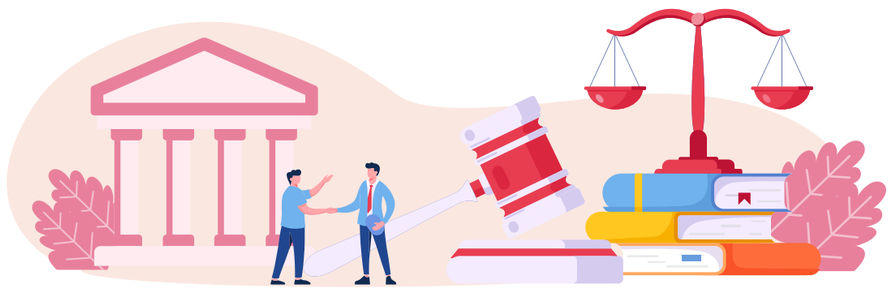
- Cover materials procurement (supplier screening and evaluation), incoming inspection, storage conditions (temperature and humidity, segregated storage), inventory turnover and traceability, as well as the process for segregation and handling of non-conforming materials.

Laboratory control standards

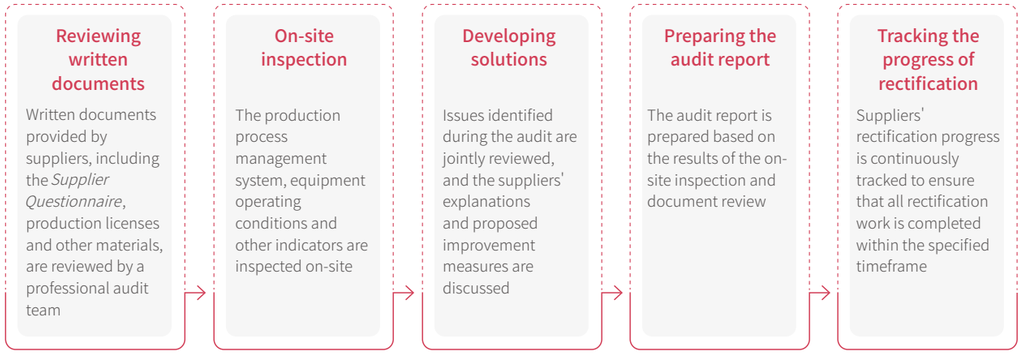
- Verify the calibration and validation of testing equipment, the compliance of testing methods, the integrity of raw data, and whether sample retention management and stability testing meet regulatory requirements.

Business ethics

- Verify supplier qualifications and conduct full-process oversight of procurement contracts, including but not limited to whether affiliated relationships exist between suppliers, qualification compliance and pricing reasonableness.



Our supplier audit procedure primarily covers the following five steps:



Supplier audit process

Based on audit results, clear rectification requirements are set out for non-compliant suppliers, who are required to formulate targeted rectification plans according to the nature of the issues identified (such as quality system deficiencies, non-compliant production processes or failure to meet environmental standards), specifying rectification objectives, specific measures, responsible parties and completion deadlines to prevent rectification efforts from becoming a formality. Drawing on its professional expertise in the pharmaceutical field, the Company assists suppliers in conducting in-depth root cause analysis. For example, if laboratory testing methods are found to be non-compliant, the supplier is clearly advised of the applicable GMP provisions and industry standards that must be followed, providing clear technical and management guidance for rectification.

Building a Sustainable Supply Chain

Grand Pharma continues to deepen the development of its responsible supply chain framework, systematically managing suppliers' environmental and social responsibility performance and potential risks. Through the establishment of transparent and collaborative partnerships with suppliers, a fair and trustworthy business environment is jointly built, driving procurement management towards greater sustainability and responsibility.

Integrity in the Supply Chain

During the Reporting Period, a full-chain management and control system for supplier anti-corruption was established by Grand Pharma, with integrity-based procurement systematically advanced through a combination of institutional constraints, process standardization and awareness building. The signing of *Compliance Cooperation Agreements* has been comprehensively implemented, incorporating provisions on anti-commercial bribery, the prohibition of improper benefit transfers and other requirements as conditions of cooperation, specifying audit and supervision rights and conflict of interest declaration obligations, and ensuring that the cooperation process is traceable and subject to oversight. The Group's *Supplier Integrity Code of Conduct* sets out standards for conduct in business dealings including gifts and hospitality, with integrity in contract performance incorporated into the annual supplier performance assessment.

In specific procurement projects, the Group requires all cooperating supplier to *sign Supplier Anti-Bribery Code of Conduct*, ensuring them to comply with domestic and international anti-corruption laws and regulations, uphold the principle of integrity in business operations, prohibit any form of bribery, and cooperate with compliance oversight. Suppliers found to be in violation are subject to measures including blacklisting, termination of cooperation or the pursuit of legal liability, depending on the severity of the circumstances. Anti-bribery training is also provided to suppliers, with mechanisms established for the reporting and investigation of non-compliant conduct. Through its information management platform, integrity reminders are issued ahead of public holidays, such as the *Notice on Strictly Implementing the Spirit of the Central Committee's Eight-Point Regulations and Rigorously Rectifying the "Four Undesirable Work Styles"*. During the National Day and Mid-Autumn Festival Period, guiding all employees to consciously resist unhealthy practices and strictly observe disciplinary requirements.

Sustainable Risk Management

In 2025, the Group continued to deepen supplier sustainability and social responsibility efforts. ESG factors and risks such as supplier credit and legal issues have been incorporated into the supplier admission process, with priority given to suppliers with stronger ESG performance. The *2024–2030 Production Material Procurement Supply Chain Construction Schedule* continues to be utilized to formulate the medium- and long-term strategic plan for the procurement supply chain, defining objectives, pathways and key milestones, encouraging subsidiaries to innovate in supply chain management and explore new procurement models and supply chain management approaches, and examining suppliers' sustainable procurement and social responsibility practices. Through a comprehensive assessment of the potential negative impacts on sustainability arising from factors including the actual conditions of suppliers' operating locations, the characteristics of their respective industries, and the supply chain structure of products and services, a thorough evaluation of suppliers' environmental and social risks is conducted to ensure the economic viability and sustainability of procurement activities. Green procurement practices are also actively explored, assessing whether suppliers' use of raw materials complies with environmental protection requirements and reducing the environmental impact of procurement activities through measures such as green packaging and green transportation.

Business dimension	Environmental dimension	Social dimension	Governance dimension
• Procurement cost • Corporate financial status • Brand reputation and assurance	• Environmental compliance • Carbon emission management	• Quality management • Labor rights • Occupational health and safety	• Compliance management • Business ethics

Supplier risk assessment dimensions

Supplier Localization

During the Reporting Period, the degree of supplier localization continued to be enhanced, proactively mitigating the risks of over-reliance on single suppliers and overseas suppliers and strengthening supply chain resilience. Steady progress has been made on two fronts: the localization of imported materials and the organization of regional joint procurement. Through the implementation of regional joint procurement, economies of scale have been achieved by consolidating volumes, effectively reducing procurement costs. Regional resource sharing has improved procurement efficiency, with procurement requirements, bid evaluation criteria and procurement cycles unified to further improve the standardization of the Group's procurement work. The localization of imported materials has also been actively and continuously advanced. As of the end of the Reporting Period, subsidiaries had initiated a total of 26 supplier localization projects.

As of the end of the Reporting Period

Subsidiaries had initiated a total of

24

supplier localization projects

Supplier Engagement

In 2025, subsidiaries of Grand Pharma conducted systematic quality-focused training for suppliers based on their actual production and operational needs, centered on the three core dimensions of "compliance, collaboration and capability". Training covered the interpretation of quality standards, the explanation of environmental protection regulations and the clarification of safe operating procedures, with the aim of helping suppliers fully understand and implement compliance requirements and effectively prevent and control non-compliance risks. The technical parameters, quality acceptance criteria and packaging specifications for supplied products were further defined, promoting consensus between supply and demand parties on key quality elements, reducing misunderstandings and improving collaborative efficiency. During the Reporting Period, to support the implementation of the new edition of the Pharmacopoeia of the People's Republic of China, the updating and signing of quality technical agreements was initiated with excipient suppliers with whom the Company has cooperated over the past two years. As of the end of the Reporting Period, training had been completed with 13 suppliers.

As of the end of the Reporting Period

Training had been completed with

13

suppliers

Supplier Training at Jiangsu Xianle

During the Reporting Period, to comprehensively raise the standard of supply chain management, Jiangsu Xianle organized specialized training on the theme of "full-process supplier management". The training adopted a combined "theory plus case study" approach, systematically explaining the complete closed-loop process from supplier sourcing and evaluation, admission review and onboarding verification through to performance and relationship management. Specific topics covered included the construction of supplier mapping and scientific screening models, standardized on-site audits and qualification certification, key milestone controls from sample approval to volume delivery, and the use of quarterly performance reviews to drive continuous improvement and develop strategic partnerships. Through the training, the systematic understanding and practical capabilities of relevant personnel in supplier management were significantly strengthened, laying a solid foundation for subsequent supplier collaboration and supply chain capability improvement.

To continuously expand supply chain resources and strengthen industry collaboration, the Company's procurement department regularly participates in national exhibitions related to pharmaceutical APIs, intermediates, packaging and pharmaceutical equipment each year. In 2025, the department participated in industry exhibitions in Guangzhou and Chongqing in the first and second halves of the year respectively. Through a series of professional forums jointly organized with industry associations, a systematic understanding was gained of policy directions, new drug R&D developments, quality control requirements and overseas market trends, providing information support for supply chain planning.

Leveraging these exhibition platforms, supplier resources in the fields of APIs, excipients, packaging materials and pharmaceutical equipment are precisely connected with, quality partners meeting quality and compliance requirements actively screened, the supply chain structure continuously optimized and focused support provided for the implementation of localized supplier development and import substitution strategies.

Industry Development and Social Welfare

Grand Pharma firmly believes that its own development benefits from the prosperity of the industry, and that the development of the industry in turn requires the collective strength of enterprises. Upholding the philosophy of "daring to lead, sharing success", the Company continues to promote industry development and progress together with peers across the sector. The Company also pays close attention to community development and actively participates in social welfare activities, working continuously to improve the well-being of all sectors of society and striving to contribute to the building of a healthier and more harmonious social environment.

Industry Capacity Building

External exchange channels are actively expanded and industry-academia-research collaboration deepened, bringing together the wisdom and resources of all sectors of society to jointly improve research capabilities with partners, accelerate technological advancement and build an open, sharing and mutually beneficial innovation ecosystem. The Company also actively participates in major industry summits and related standard-setting initiatives, supporting the healthy and well-regulated development of the industry.

Grand Pharma Invited to Attend the 2025 Hong Kong International Biotech Forum and Exhibition

Grand Pharma was invited to participate in the 2025 Hong Kong International Biotech Forum and Exhibition (BIOHK) held in Hong Kong, and shared its views on the future development of the global radiopharmaceutical industry during the "Biotech Leaders Forum: Global Leaders Dialogue on the Future of Biomedicine" session, presenting the Group's strategic planning for the globalized development of its full radiopharmaceutical industry chain. The Company stated that, building on its existing global R&D, production and sales infrastructure, it will firmly pursue the "Go Global" model to build its own global pharmaceutical brand. With global rights to multiple products including SIR-Spheres®, STC3141 and GPN02006, the Group will fully leverage its overseas clinical research and sales experience to independently operate international multi-center clinical trials, and explore more diversified forms of international cooperation to connect with established market channels, improving the global market penetration and influence of its products and ensuring that the Group's innovative achievements truly benefit patients worldwide.

Grand Pharma Invited to Participate in the Radiopharmaceutical Clinical Research and Application Salon

On 28 August 2025, the Shanghai Institute of Clinical Innovation and Translation (the "Institute") held the inaugural session of its "Clinical Translation Science and Innovation Exchange" series in Shanghai — the "Converging Nuclear Innovation, Driving Value Transformation" Radiopharmaceutical Clinical Research and Application Salon. The event brought together representatives from nearly 60 organizations spanning the clinical, industrial, investment and research sectors for in-depth exchanges on the clinical translation and industrialization pathways of radiopharmaceuticals, promoting collaborative innovation across "medicine, industry and investment". As a representative enterprise in the radiopharmaceutical field, Grand Pharma was invited to attend and deliver a topical presentation.

With the goal of building a professional exchange platform with key nuclear medicine institutions in Shanghai, the Company actively facilitated dialogue between its Oncology Business Group and the Institute to explore replicable clinical cooperation and commercialization pathways. At the event, Grand Pharma engaged in discussions with all parties on the innovative application and industrialization of radiopharmaceuticals, demonstrating its technological expertise and translational capabilities in the field.

Putting Patients' Needs at the Heart

citizen, fully leveraging the Company's technological and channel advantages in the pharmaceutical field to actively carry out and participate in community activities and public services, translating technological achievements into improvements in people's well-being.

During the Reporting Period, Grand Pharma Group made donations totaling approximately RMB63.30 million to all sectors of society.

Sharing Health Education

In our exploration of digital health communication, we have built a dedicated public education platform focused on renal denervation (RDN) therapy and hypertension management. This social media account was created with the goal of breaking down information barriers, transforming complex technical principles and knowledge of hypertension prevention and treatment into information that is accessible and easy for the general public to understand through clear and engaging content. Going forward, we will continue to deepen our content efforts to help more people affected by hypertension see hope and embrace a more independent and healthier life.

Charitable Donation of Epidemic Prevention Products in Support of Foshan

On August 2025, during the response to the chikungunya fever outbreak in Guangdong Province, Wuhan Kernel Bio, a subsidiary of Grand Pharma, urgently mobilized 1 tonne of its independently developed "Kernel Bti Biological Agent" for donation to Gaoming District, Foshan. The core active ingredient of this product is Bacillus thuringiensis subsp. israelensis, which is environmentally friendly and less prone to inducing resistance. The donation was accompanied by on-site technical guidance from experts, forming an integrated "product + technology + service" charitable support model.

In response to the urgent need, the Kernel Xiantao production base responded rapidly, completing production and delivery within one week. The Company also reached a cooperation intent with the Foshan Municipal Health Commission and the Center for Disease Control and Prevention for a regional prevention and control pilot, jointly promoting the establishment of a long-term coordinated prevention and control mechanism for mosquito-borne infectious diseases.

Charitable deeds benefiting the community

Upholding the corporate spirit of "sharing success", Grand Pharma brings together goodwill and resources from within and outside the enterprise, working with government, communities and charitable organizations to build an open, inclusive and sustainable charitable ecosystem, expanding the reach of charitable initiatives and improving people's livelihoods through acts of goodwill.

Distant Mountains Hope Project — "You Are in the Mountains, Grand Pharma Has Love"

At Sewurong Village Primary School in Gongga Mountain Town, Kangding City, Ganzi Prefecture, Sichuan Province, a donation event named the "Distant Mountains Hope Project—You Are in the Mountains, Grand Pharma Has Love" brought warmth and hope to the school campus in winter. Grand Pharma brought charitable supplies with a total value of RMB39,152 into the mountains, providing the children with 129 study packs, 26 sets of teacher clothing, two desktop computers, two printers and two laptops. We believe that this collective goodwill from all sectors of society is injecting new vitality into rural education, and that the children of Sewurong Village Primary School will use knowledge to write their own bright futures.

Grand Pharma's Farm Support Orange Picking Event

During the Reporting Period, to enrich the recreational and cultural lives of employees while actively fulfilling social responsibilities and supporting local agricultural development, the labor unions of Grand Life Technology and Fuchi Chemicals organized a jelly orange picking event in November, attracting over 150 employees. Through hands-on experience of agricultural work, employees gained first-hand knowledge of orange cultivation and were able to relieve work stress and strengthen team collaboration during the picking process. Under the event rules, each participant was allowed to pick 15 jin (approximately 7.5 kg) of jelly oranges. This arrangement provided employees with tangible agricultural produce while also broadening sales channels for local farmers, achieving the dual goals of employee care and charitable support for agriculture.

Community Care — Chinese New Year Labor Union Comfort Visit

During the Reporting Period, the Company's labor union carried out a "Sending Warmth" series of activities for the Chinese New Year. The initiative focused on employees facing family hardship and elderly employees, benefiting a total of 34 employees in difficulty within the industrial park, as well as 16 serving elderly employees and nearby retired employees. The Company distributed comfort supplies to employees in difficulty on a centralized basis. At the same time, labor union leaders personally led home visits to elderly employees, delivering daily necessities and festive greetings, attentively inquiring about their health conditions and daily needs, and conveying the Company's sincere concern. Going forward, the Company will continue to carry out such initiatives, proactively attending to employees' needs and striving to create a warmer and more caring corporate environment.

Appendix I: Key Performance Information

Environmental Performance Information[7]

Indicators	Unit	2023	2024	2025
Greenhouse gas (GHG) emissions[8]				
Direct GHGs (Scope 1)	tCO_2e	59,245.45	64,474.91	67,325.18
Indirect GHGs (Scope 2)	tCO_2e	319,288.94	440,826.20	333,226.16
Total GHG emissions (Scope 1 & 2)	tCO_2e	378,534.39	505,301.12	400,551.34
GHG emissions intensity (Scope 1 & 2)	tCO_2e/HK$ million	35.95	43.39	32.62
Indirect GHGs (Scope 3)	tCO_2e	\	\	787,552.23
C1 Purchased goods and services	tCO_2e	\	\	631,181.44
C2 Capital goods	tCO_2e	\	\	4,664.89
C3 Fuel- and energy-related activities	tCO_2e	\	\	54,408.08
C4 Upstream transportation and distribution	tCO_2e	\	\	26,557.37
C5 Waste generated in operations	tCO_2e	\	\	56,378.71
C6 Business travel	tCO_2e	\	\	8,557.38
C7 Employee commuting	tCO_2e	\	\	5,798.67
C11 Use of sold products	tCO_2e	\	\	5.68
Total GHG emissions (Scope 1 & Scope 2 & Scope 3)	tCO_2e	\	\	1,188,103.57
Air emissions				
Total air emissions	m^3	5,458,574,359.59	7,099,853,208.82	7,465,171,021.11
Sulfur oxides (SO_X) emissions	tonnes	45.12	54.87	65.29
SO_X emission intensity	kg/HK$ million	4.29	4.71	5.32
Nitrogen oxides (NO_X) emissions	tonnes	88.14	79.25	80.75

[7] The scope of environmental statistics mainly covered our production-oriented companies.

[8] The Group's main sources of greenhouse gas emissions are purchased electricity, purchased steam, natural gas consumption, and the use of diesel and coal. The calculation methodology for Scope 1 greenhouse gas emission data references the *Greenhouse Gas Emissions Accounting Methods and Reporting Guidelines for Land Transportation Enterprises (Trial)* issued by the Ministry of Ecology and Environment of the People's Republic of China, and the *Greenhouse Gas Inventory Guidance — Direct Emissions from Mobile Combustion Sources*. Scope 2 greenhouse gas emission data for this reporting year is calculated based on the 2023 national average electricity CO_2 emission factor published in the *Notice on the Release of the 2023 Power Carbon Dioxide Emission Factors* issued by the Ministry of Ecology and Environment of the People's Republic of China.

Indicators	Unit	2023	2024	2025
NO_X emission intensity	kg/HK$ million	8.37	6.81	6.58
Volatile organic compound (VOC) emissions	tonnes	17.98	23.08	37.32
VOC emissions intensity	kg/HK$ million	1.71	1.98	3.04
Particulate matter (PM) emissions	tonnes	11.08	10.04	12.25
Particulate matter (PM) emission intensity	kg/HK$ million	1.05	0.86	1.00
Air emissions intensity	m^3/HK$ million	518,403.31	609,696.89	607,912.95
Wastewater discharge				
Total wastewater discharge	tonnes	2,049,078.42	3,803,851.17	3,669,698.34
Chemical Oxygen Demand (COD)	tonnes	106.03	2,103.53	144.74
NH_3-N	tonnes	7.81	131.60	5.62
Wastewater discharge intensity	tonnes/HK$ million	194.60	326.65	298.84
Waste				
Hazardous waste				
Total hazardous waste	tonnes	14,987.27	15,882.98	12,328.85
Amount of hazardous waste recycled	tonnes	146.55	170.57	31.84
Amount of hazardous waste incinerated	tonnes	14,510.95	14,721.37	11,826.81
Amount of hazardous waste	tonnes	16.50	661.83	228.36
Amount of hazardous waste disposed with other means	tonnes	312.10	329.21	241.84
Hazardous waste intensity	tonnes/HK$ million	1.42	1.36	1.00
Non-hazardous waste				
Total non-hazardous waste[9]	tonnes	11,287.52	4463.79	11,184.29
Amount of non-hazardous waste recycled[10]	tonnes	746.84	1,185.67	2,423.43
Amount of non-hazardous waste incinerated[11]	tonnes	\	\	5,916.86
Amount of non-hazardous waste landfilled[11]	tonnes	\	\	25.10
Amount of non-hazardous waste disposed with other means[11]	tonnes	\	\	2,818.90
Non-hazardous waste intensity	tonnes/HK$ million	1.07	0.38	0.91

[9] The "total non-hazardous waste" figure above represents the data after unification of the statistical methodology, and its value is the sum of the "non-hazardous waste disposed (non-recyclable)" and "non-hazardous waste recycled/ reused" figures as disclosed for 2023 and 2024.

[10] i.e. the value of the "non-hazardous waste recycled/ reused" figure as disclosed for 2023 and 2024.

[11] This is a new sub-category added this year.

Indicators	Unit	2023	2024	2025
Water consumption				
Total water consumption	tonnes	3,329,608.77	4,940,439.00	3,749,392.00
Domestic/municipal water consumption	tonnes	3,329,608.77	4,940,439.00	3,749,392.00
Water consumption intensity	tonnes/HK$ million	316.21	424.26	305.33
Energy consumption[12]				
Direct energy consumption				
Diesel consumption	tonnes	0.19	46.63	13.68
Gasoline consumption	tonnes	84.90	142.86	0
Coal consumption	tonnes	19,694.53	19,500.00	19,481.64
Natural gas consumption	m^3	6,123,743.77	8,602,208.00	10,189,128.10
Indirect energy consumption				
Purchased electricity	10,000 kWh	23,546.49	28,352.44	29,886.98
Purchased steam	tonnes	624,465.55	927,548.77	600,993.96
Renewable energy consumption				
Renewable energy	10,000 kWh	/	149.50	835.67
Total energy consumption				
Energy consumption (direct)	tonnes of standard coal equivalent	27,964.32	31,219.09	33,053.11
Energy consumption (indirect)	tonnes of standard coal equivalent	87,825.74	122,313.00	93,404.83
Total energy consumption	tonnes of standard coal equivalent	115,790.06	153,532.09	126,457.94
Total energy consumption intensity	tonnes of standard coal equivalent/HK$ million	11.00	13.18	10.30
Packaging material consumption				
Total packaging material consumption	tonnes	9,171.98	10,567.23	18,464.07
Plastics	tonnes	3,143.95	4,372.45	10,560.23
Paper	tonnes	4,582.69	4,764.11	6,337.68
Glass	tonnes	1,119.36	434.49	533.59
Metals	tonnes	318.22	380.80	440.22
Others	tonnes	7.76	615.40	592.36
Packaging material consumption intensity	tonnes/HK$ million	0.87	0.91	1.50

[12] Energy consumption at operating locations in China is calculated in accordance with the General Rules for Calculating Comprehensive Energy Consumption (GB2589-2020) issued by the State Administration for Market Regulation and the Standardization Administration of People's Republic of China.

Social Performance Information

Indicators	Unit	2023	2024	2025
Supply chain management				
Total number of suppliers	company	1,687	1,537	1,413
Number of suppliers by geographical location				
Mainland China	company	1,686	1,535	1,408
Northeast China	company	20	19	24
North China	company	204	172	167
Northwest China	company	77	36	54
Southwest China	company	58	79	75
East China	company	640	547	543
Central China	company	593	591	473
South China	company	95	91	72
Hong Kong, Macau and Taiwan, China	company	1	0	1
Overseas	company	0	2	4
Number of suppliers by supplier rank				
Non-tier 1 suppliers	company	440	475	437
Number of key suppliers by supplier rank				
Key suppliers	company	338	411	530
Share of total spend	%	76	89	78
Non-tier 1 key suppliers	company	115	130	158
Other supply chain indicators				
Number of suppliers covered by training on the code of business conduct	company	1,687	1,537	1,435
Number of local suppliers	company	874	581	418
Percentage of local suppliers	%	52	38	29
Employment [13]				
Total number of employees	person	10,534	12,455	12,614
Number of employees by employment category				
Total number of full-time employees	person	10,534	11,987	12,614
Total number of part-time employees	person	302	468	253
Number of employees by geographical location				
Number of employees in Mainland China	person	10,522	11,968	12,604
Number of employees in Hong Kong, Macau and Taiwan, China	person	6	16	6
Number of overseas employees	person	6	3	4
Number of employees by gender				
Male	person	5,732	6,443	6,790
Female	person	4,802	5,544	5,824
Number of employees by age				
< 30	person	2,080	2,470	2,508
30 - 50	person	7,396	8,592	9,188
> 50	person	1,058	925	918
Number of employees by rank				
Senior management	person	196	203	209
Middle management	person	537	622	614
Junior management	person	842	2,340	3,289
General staff	person	8,959	8,822	8,502
Number of employees by ethnicity				
Number of minority employees	person	489	642	624
Zhuang	person	20	45	51
Manchu	person	34	68	78
Hui	person	47	64	74
Miao	person	26	46	33
Uyghurs	person	2	1	2
Other ethnicities	person	360	418	386
Other categories				
Number of disabled employees	person	/	4	35
Gender diversity indicators				
Percentage of female employees	%	45.59	46.25	46.17
Percentage of female employees in management positions (including junior, middle and senior)	%	36.00	40.38	39.96

[13] The number of employees by region, gender, age and rank only counts full-time employees.

Indicators	Unit	2023	2024	2025
Percentage of female employees in junior management	%	40.02	42.86	41.59
Percentage of female employees in middle management	%	32.96	35.69	35.18
Percentage of female employees in senior management	%	28.06	26.11	28.23
Percentage of female management in revenue-generating functions	%	31.52	32.47	39.44
Percentage of female employees in STEM-related positions	%	51.40	51.90	41.52
Internal promotions				
Percentage of vacant positions filled by internal candidates[14]	%	12	12	10.1
Number of new employees				
Total number of new employees	person	3,001	2,654	3,773
By gender				
Number of new male employees	person	1,708	1,420	2,235
Number of new female employees	person	1,293	1,234	1,538
By age				
< 30	person	1,294	1,165	2,427
30 - 50	person	1,681	1,459	1,337
> 50	person	26	30	9
Employee turnover rate				
Overall turnover rate	%	15.40	17.57	18.30
By gender				
Turnover rate of male employees	%	13.36	18.30	19.60
Turnover rate of female employees	%	17.75	15.75	16.78
By age				
Turnover rate of employees aged <30	%	19.83	30.33	26.43
Turnover rate of employees aged 30-50	%	15.07	13.42	16.48
Turnover rate of employees aged >50	%	7.92	16.64	14.27
By geographical location				
Mainland China	%	15.40	17.56	18.26
Hong Kong, Macau and Taiwan, China	%	0.00	0.00	0.00
Overseas	%	11.80	66.67	0.00

[14] The statistics here refers to the percentage of middle and senior positions (excluding junior positions) filled by internal candidates.

Indicators	Unit	2023	2024	2025
Length of employment				
Average female length of employment	year	5.2	5.05	4.80
Average male length of employment	year	6.4	6.03	5.70
Health and Safety				
Number of work-related fatalities	person	0	0	0
Rate of work-related fatalities	%	0	0	0
Number of working days lost due to work-related injuries	day	879	1,195	1,014
Number of lost time injuries	case	14	18	13
Lost time injury rate (LTIR)	case/ 200,000 hours	0.21	0.15	0.10
Number of work-related injuries of contractors	case	0	0	0
Number of deaths due to work-related injuries of contractors	person	0	0	0
Rate of deaths due to work-related injuries of contractors	%	0	0	0
Lost time injury rate (LTIR) of contractors	case/ 200,000 hours	0	0	0
Training and development				
Total number of full-time employees trained	person	220,235	267,920	327,686
Percentage of employees trained	%	100	100	100
Trained percentage by gender				
Male	%	54	54	57
Female	%	46	46	43
Trained percentage by rank				
Senior management	%	2	1.69	2.00
Middle management	%	5	5.19	5.00
General management	%	8	19.52	15.00
General staff	%	85	73.60	78.00
Average training hours per employee	hour	34.57	22.35	25.80
Average training hours by gender				
Male	hour	37.17	22.61	25.80
Female	hour	31.46	22.04	25.60

Indicators	Unit	2023	2024	2025
Average training hours by rank				
Senior management	hour	68.79	42.94	33.80
Middle management	hour	50.81	28.36	33.98
General management	hour	46.50	10.18	14.48
General staff	hour	30.48	21.69	28.90
Union and collective agreement				
Labor union employee coverage rate	%	83.7	83.7	97.6
Coverage of employees with collective bargaining agreements	%	83.7	100	97.6
Child and forced labor				
Incidents relating to the employment of child labor or forced labor	case	0	0	0
Product quality and service				
Number of product batch recalled	case	0	0	0
Percentage of product recall	%	0	0	0
Number of customer complaints	case	100	241	766
Complaint handling rate	%	100	100	100
Intellectual property rights				
Number of registered trademarks owned	case	1,185	1,355	1,557
Number of active patents owned	case	722	741	1,017
Social welfare				
Charitable donations	RMB million	6.43	21.43	63.30

Governance Performance Information

Indicators	Unit	2023	2024	2025
Proceedings				
Number of infringement lawsuits initiated for counterfeits and bogus	case	0	0	0
Number of infringement lawsuits regarding counterfeits and bogus being subjected to	case	0	0	0
Infringement compensation paid	HK$ 10 thousand	0	0	0
Infringement compensation received	HK$ 10 thousand	0	0	0
Number of corruption and bribery cases during the Reporting Period	case	0	0	0
Business ethics and anti-corruption				
Total hours of anti-corruption training attended by directors	hour	7	9	8
Number of directors attended anti-corruption training	person	9	9	8
Total hours of anti-corruption training attended by management	hour	13.5	13.5	12.0
Number of managements attended anti-corruption training	person	9	9	8
Total hours of anti-corruption training attended by employees	hour	4,157	947	1,001
Number of employees attended anti-corruption training	person	3,617	895	949
Coverage of employee ethical standards training	%	100	100	100
Coverage of code of business ethics audit across all operating locations	%	75	100	100
Number of internal non-compliances related to corruption or bribery	case	16	6	5
Number of internal non-compliances related to discrimination or harassment	case	0	0	1
Amount of fines relating to corruption and bribery incidents	RMB million	\	\	0
Number of internal non-compliances related to breaches of customer privacy data	case	0	0	0
Number of internal non-compliances related to conflict of interest	case	0	0	0
Number of internal non-compliances related to money-laundering or insider trading	case	0	0	0
Environmental non-compliances				
Number of administrative penalties being imposed/ prosecutions being initiated against for non-compliance of laws/regulations related to environmental or ecological issues	case	0	0	0
Amount of fines for non-compliance of laws/regulations relating to the environment or ecology	HK$ 10 thousand	0	0	0

Appendix II: Index to the Environmental, Social and Governance Reporting Code of Hong Kong Stock Exchange

Environmental, Social and Governance Aspect and General Disclosures and Key Performance Indicators (KPIs)		Relevant Section
A. Environmental		
A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. *Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.*	Pollutant Prevention and Control
KPI A1.1	The types of emissions and respective emissions data.	Appendix I: Key Performance Information
KPI A1.2	[Repealed 1 January 2025]	\
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I: Key Performance Information
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I: Key Performance Information
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Pollutant Prevention and Control
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.	Pollutant Prevention and Control
A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. *Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.*	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix I: Key Performance Information
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources
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
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Appendix I: Key Performance Information
A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Environmental Management
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management
Aspect A4: Climate Change		
[Repealed 1 January 2025]		\
KPI A4.1	[Repealed 1 January 2025]	\

Environmental, Social and Governance Aspect and General Disclosures and Key Performance Indicators (KPIs)		Relevant Section
B. Social		
Employment and Labour Practices		
B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employee's Rights and Interests
KPI B1.1	Total workforce by gender, employment type (for example, e.g. full- or part-time), age group and geographical region.	Employee's Rights and Interests Appendix I: Key Performance Information
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I: Key Performance Information
B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix I: Key Performance Information
KPI B2.2	Lost days due to work injury.	Appendix I: Key Performance Information
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety
B3: Development and Training		
General Disclosure:	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. *Note: Training refers to vocational training. It may include internal and external courses paid by the employer.*	Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix I: Key Performance Information
KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix I: Key Performance Information
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 issuer relating to preventing child and forced labour.	Employee's Rights and Interests
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee's Rights and Interests
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employee's Rights and Interests
Operating Practices		
B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management and Development
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management and Development Appendix I: Key Performance Information
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 and Development

Environmental, Social and Governance Aspect and General Disclosures and Key Performance Indicators (KPIs)		Relevant Section
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 and Development
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 and Development
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 issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Pharmacovigilance Responsible Marketing
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Pharmacovigilance Appendix I: Key Performance Information
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Pharmacovigilance Appendix I: Key Performance Information
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	R&D and Innovation
KPI B6.4	Description of quality assurance process and recall procedures.	Pharmacovigilance
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Security and Privacy Protection Clinical Ethics
B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Appendix I: Key Performance Information
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics
Community		
B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Industry Development and Social Welfare
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Industry Development and Social Welfare
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Industry Development and Social Welfare Appendix I: Key Performance Information

Part D of Appendix C2

Climate-Related Disclosures		Section
(I) Governance	1. An issuer shall disclose information about: the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
	(i) How the body(ies) or individual(s) determine(s) whether appropriate skills and competencies are available or will be available to oversee strategies designed to respond to climate-related risks and opportunities	Addressing Climate Change
	(ii) How and how often the body(ies) or individual(s) is (are) informed about climate-related risks and opportunities	Addressing Climate Change
	(iii) How the body(ies) or individual(s) take(s) into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(ies) or individual(s) have considered trade-offs associated with those climate-related risks and opportunities	Addressing Climate Change
	(iv) How the body(ies) or individual(s) oversee(s) the setting of targets related to climate-related risks and opportunities and monitor(s) progress towards those targets (see paragraphs 19–22), including whether and how related performance metrics are included in remuneration policies (see paragraph 17); and	Addressing Climate Change
	(b) The role of management in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities:	
	(i) Whether that role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Addressing Climate Change
	(ii) Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities; and if so, how these are integrated with other internal functions	Addressing Climate Change
(II)Strategy	Climate-related risks and opportunities 2. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
	(a) Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, access to finance or cost of capital over the short, medium or long term;	Addressing Climate Change
	(b) Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	Addressing Climate Change
	(c) Specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Addressing Climate Change
	(d) Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Addressing Climate Change
	Business model and value chain 3. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
	(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Addressing Climate Change
	(b) Describe where in the issuer's business model and value chain climate-related risks and opportunities are concentrated	Addressing Climate Change

Climate-Related Disclosures		Section
	Strategy and decision-making	
	4. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
	(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
	(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	Addressing Climate Change
	(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	Addressing Climate Change
	(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	Addressing Climate Change
	(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 19to 22.	Addressing Climate Change
	(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 4(a).	Addressing Climate Change
	5. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 4 (a).	Addressing Climate Change
	Financial position, financial performance and cash flows	
	Current financial effect	
	6. An issuer shall disclose qualitative and quantitative information about:	
	(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	Addressing Climate Change
(II)Strategy	(b) the climate-related risks and opportunities identified in paragraph 6(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Addressing Climate Change
	Financial position, financial performance and cash flows	
	Anticipated financial effect	
	7. The issuer shall provide qualitative and quantitative disclosures about:	
	(a)how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	
	(i) its investment and disposal plans; and	Addressing Climate Change
	(ii) its planned sources of funding to implement its strategy; and	Addressing Climate Change
	(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Addressing Climate Change
	Climate resilience	
	8. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
	(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
	(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	Addressing Climate Change
	(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	Addressing Climate Change

Climate-Related Disclosures		Section
	(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	Addressing Climate Change
	(b) how and when the climate-related scenario analysis was carried out, including:	
	(i) information about the inputs used, including:	
	(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	
	(2) whether the analysis included a diverse range of climate-related scenarios;	
	(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	
(II)Strategy	(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	Addressing Climate Change
	(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	
	(6) time horizons the issuer used in the analysis; and	
	(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	
	(ii) the key assumptions the issuer made in the analysis; and	Addressing Climate Change
	(iii) the reporting period in which the climate-related scenario analysis was carried out.	Addressing Climate Change
	9. An issuer shall disclose information about:	
	(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
	(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	Addressing Climate Change
	(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	Addressing Climate Change
	(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	Addressing Climate Change
(III)Risk Management	(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	Addressing Climate Change
	(v) how the issuer monitors climate-related risks; and	Addressing Climate Change
	(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	Not applicable
	(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	
	Greenhouse gas emissions	
	10. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as:	
	(a) Scope 1 greenhouse gas emissions;	Appendix I: Key Performance Information
(IV)Metrics and Targets	(b) Scope 2 greenhouse gas emissions; and	Appendix I: Key Performance Information
	(c) Scope 3 greenhouse gas emissions.	Appendix I: Key Performance Information
	11. An issuer shall:(a)measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	

Climate-Related Disclosures		Section
	(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
	(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	Addressing Climate Change
	(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	Addressing Climate Change
	(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	Appendix I: Key Performance Information
	(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 10(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	Appendix I: Key Performance Information
	(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 10(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Appendix I: Key Performance Information
	Climate-related transition risks 12. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Addressing Climate Change
	Climate-related physical risks 13. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Addressing Climate Change
	Climate-related opportunities 14. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Addressing Climate Change
(IV)Metrics and Targets	Capital deployment 15. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Not applicable
	Internal carbon prices 16. An issuer shall disclose:	
	(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	Not applicable
	(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	Not applicable
	Remuneration 17. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 1(a)(iv).	Addressing Climate Change
	Industry-based metrics 18. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular *business models*, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with *disclosure topics* described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Not applicable
	Climate-related targets 19. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
	(a) the metric used to set the target;	
	(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	Addressing Climate Change

Climate-Related Disclosures		Section
	(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	Addressing Climate Change
	(d) the period over which the target applies;	Addressing Climate Change
	(e) the base period from which progress is measur	Addressing Climate Change
	(f) milestones or interim targets (if any);	Addressing Climate Change
	(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	Addressing Climate Change
	(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Addressing Climate Change
	20. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
	(a) whether the target and the methodology for setting the target has been validated by a third party;	Addressing Climate Change
	(b) the issuer's processes for reviewing the target;	Addressing Climate Change
	(c) the metrics used to monitor progress towards reaching the target; and	Addressing Climate Change
	(d) any revisions to the target and an explanation for those revisions.	Not applicable
	21. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Addressing Climate Change
(IV)Metrics and Targets	22. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
	(a) which greenhouse gases are covered by the target;	Addressing Climate Change
	(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	Addressing Climate Change
	(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	Addressing Climate Change
	(d) whether the target was derived using a sectoral decarbonisation approach; and	Addressing Climate Change
	(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	Not applicable
	(ii) which third-party scheme(s) will verify or certify the carbon credits;	Not applicable
	(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	Not applicable
	(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	Not applicable
	Applicability of cross-industry metrics and industry-based metrics 23. In preparing disclosures to meet the requirements in paragraphs 3 to 8 and 19 to 20, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 10 to 17) and (ii) industry-based metrics (see paragraph 18).	Not applicable

Appendix III: Feedback

To continuously improve Grand Pharma's sustainability management, we welcome your feedback, which will serve as an important basis for raising our standards of work. We sincerely thank you for taking the time out of your busy schedule to offer your valuable suggestions on this report.

Personal Information:

Name: Company:

Phone no.: E-mail:

Your Opinions

1. How would you rate the 2025 Grand Pharma Environmental, Social and Governance Report overall?

☐ Very good ☐ Good ☐ Average ☐ Poor ☐ Very poor

2. How would you rate the information disclosed in the 2025 Environmental, Social and Governance Report?

☐ Very comprehensive ☐ Fairly comprehensive ☐ Average ☐ Relatively limited ☐ Very limited

3. How would you rate the quality of the information disclosed in the 2025 Environmental, Social and Governance Report?

☐ Very high ☐ Fairly high ☐ Average ☐ Relatively low ☐ Very low

4. What presentation formats would you like to see enriched in the 2026 Grand Pharma Environmental, Social and Governance Report?

☐ Management approach narratives ☐ Data and charts ☐ Case studies ☐ Special topics ☐ Images

5. What topics would you like to see added in the 2026 Grand Pharma Environmental, Social and Governance Report?

☐ Corporate governance, specifically:

☐ Environmental protection, specifically:

☐ Social progress, specifically:

☐ Other, specifically:

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