GENOR
BIOPHARMA

2023

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

GENOR BIOPHARMA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6998

CONTENTS

01

About this Report

Genor Biopharma Holdings Limited (together with its subsidiaries hereinafter referred to as "the Group", "Genor" or "We") has prepared this 2023 Environmental, Social and Governance ("ESG") Report in accordance with the Environmental, Social and Governance Reporting Guide (the "Reporting Guide"), which is contained in Appendix C2 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited as stipulated by The Stock Exchange of Hong Kong Limited ("HKEX"). This report follows the reporting principles of Materiality, Quantitative and Consistency as well as the Reporting Boundary in respect of collecting relevant materials, analyzing data and reviewing information over the course of its preparation and compilation.

Reporting Period and Boundary

This report focuses on the Group's ESG policies and initiatives from 1 January 2023 to 31 December 2023 (the "Reporting Period"). Unless otherwise specified, the report cover the Group's principal operating entities during the Reporting Period, including Genor Biopharma Co., Ltd. ("Genor Biopharma"), Yuxi Genor Biotechnology Co., Ltd. ("Yuxi Genor") and the San Francisco-based Ab Therapeutics Inc. ("ABT"). The information and data in this report are consistent with the scope of the Group's financial report. To note, the production activities of Yuxi Genor have been suspended since 31 July 2023.

Data and Information Sources

The information in this report comes from the Group's public information, internal policies, statistics, reports and records.

Data Reliability

This report was reviewed by the Group's management and approved by the Board of Directors on 27 March 2023. The Group is responsible for the authenticity, accuracy and completeness of the content in this ESG report.

This report is published in both traditional Chinese and English. Should there be any discrepancy, the traditional Chinese version shall prevail. In case of any conflict or inconsistency between this report and the Group's 2023 Annual Report, the Annual Report shall prevail.

Publish and Access

The Report is published on the HKEXnews website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Company (www.genorbio.com) for reading and downloading.

Message from Chairman of the Board and CEO

Every cloud has a silver lining. In 2023, we seized opportunities amidst challenges.

Genor is an innovation-driven biopharmaceutical company. As our industry has entered a period of revaluation, the Group is also facing the complexity and challenges posted by a combination of market volatility, weakened outlook and global industry cyclicality. Nevertheless, we remain optimistic in the tremendous growth potential of our industry. In practice, we will continue to implement our strategy of *Focusing*, *Optimizing*, *Accelerating and Expanding*, by way of cultivating high-calibre talents and promoting research innovation. We will also strengthen corporate governance and risk management which are the cornerstones of the Group's sustainable development.

During the year, Genor has continued to focus on delivering highly differentiated first-in-class ("FIC") and best-in-class ("BIC") pipelines with our world-leading R&D capability. I am gratified for our R&D achievements and core pipeline progresses that have won a number of global recognitions in our industry.

In early-stage drug discovery, we published research data covering two innovative antibodies, targeting CCR8/CTLA4, BsAb and PD-1/CTLA-4/TIGIT, TsAb respectively, by poster presentation at the 38th Annual Meeting of Society for Immunotherapy of Cancer ("SITC") in the U.S in 2023.

For key pipelines,

- The research results of Phase III randomized study of Lerociclib (GB491) plus Fulvestrant in patients with HR+/HER2- locally advanced or metastatic breast cancer (the LEONARDA-1 clinical trial) that has progressed on prior endocrine therapy, was presented in poster discussion of the Metastatic Breast Cancer session at the 2023 American Society of Clinical Oncology ("ASCO") annual meeting, and covered by the *ASCO Daily Release* column publicly.
- The preliminary clinical safety and efficacy results of Phase I/II study of GB261(CD20/CD3, BsAb) in patients with relapsed/refractory non-hodgkin lymphoma was announced at the 65th annual meeting of America Society of Hematology ("ASH") by way of poster presentation.
- The preliminary dose escalation results from a phase I/II study of GB263T, a novel EGFR/cMET/cMET TsAb, as a treatment of patients with Non-Small Cell Lung Cancer ("NSCLC") was published by *Molecular Cancer Therapeutics*, a journal by the American Association of Cancer Research ("AACR").

Dr. GUO Feng
Chairman of the Board and CEO

Our pipeline products have been recognized internationally for their superior efficacy and safety results in clinical studies. To assure quality, the Group has taken patient safety as the primary consideration in all aspects of our business operations, from the marketing authorization holder ("MAH") quality management system, internal and partner training, to the implementation of the *Quality Manual*.

With the mission of *Providing Innovative Therapeutics Initially for Patients in China and Gradually for Patients Globally*, we strive to bring innovative therapeutics with safety and better efficacy to patients at the soonest possible pace. In March 2023, the China National Medical Products Administration ("NMPA") officially accepted the new drug application ("NDA") for GB491(Lerociclib) in combination with Fluvestran as the treatment of HR+/HER2- locally advanced or metastatic breast cancer patients with disease progression following previous endocrine therapy, and successfully completed the clinical on-site inspection in 2023. In addition, the efficacy data analysis of the phase III clinical trial for the first line breast cancer indication of Lerociclib has reached the primary endpoint. Genor submitted the NDA in February 2024, which has been officially accepted by the NMPA on 13 March 2024.

Based on these performances, the Group was once again certificated as a *High-New Technology Enterprise ("HNTE")* through jointed examinations by Shanghai Science and Technology Commission, Shanghai Municipal Bureau of Finance and Shanghai Municipal Taxation Bureau, recognizing the its R&D capability and growth potentials.

Genor upholds a corporate culture embracing five pillars: *Company Overall Interest, Entrepreneurship, Trust-building, Mutual respect and, Challenge-taking*. In 2024, we will firmly follow the established strategy to realize growth potential through innovation, and deliver on our corporate mission.

Our mission anchored in providing innovative treatments for patients in need.

02

Environmental, Social and Governance Strategy

Group Overview

Genor believe that social well-being encompasses the entitlement of individuals to physical health and access to safe and effective treatments once falling ill. Driven by innovation, we focus on research and promote the development of drugs with safety and curative effectiveness to address substantial unmet medical needs in therapeutic areas such as oncology and immunology.

We set high standards in medical and business ethics to guide our operations. With our capacity in early drug discovery, preclinical research, clinical development and Chemistry Manufacturing and Controls ("CMC"), we remain steadfast in our proposition to deliver highly differentiated FIC and BIC pipelines, while optimizing investment effectiveness to best serve the unmet medical needs in China and globally.

Persisting in the Group's development strategy of *Focusing*, *Optimizing*, *Accelerating and Expanding*, in 2023, we have continued to optimize operational processes and enhance efficiency following a careful business review, in facing the increasingly complex macroeconomic environment and the challenges to the biopharmaceutical industry. Galvanised with tested and resilient partnering models, Genor is committed to sustaining its R&D leadership and efficiency in clinical trials, with our recalibrated team, to ensure robust progresses in key pipelines and business priorities, and press on persistently for business breakthroughs.

Genor has continued to allocate resources for its key pipelines so that a decision was made to cease the manufacturing activity in Yuxi, Yunnan province, following thorough deliberations on the Group's responsibilities and obligations to related stakeholders, including investors, patients and affected employees.

We operate with transparency and respect every employee, sustaining an enterprising morale. Our team is immersed in a culture that encourages breaking new grounds and taking up challenges. It is a place where individuals can integrate their personal aspiration with the prospect of Genor, delivering on potentials and achieving shared growth.

Our Values

Company overall interest

Align decision at all levels with corporate strategy, and actively engage to understand policies, practices, technology and trends that potentially impact both the Group and affiliated individuals.

Entrepreneurship

Dare to take actions, build the courage to achieve results resourcefully by stretching the limit with and alongside colleagues.

Trust-building

Become a trustworthy expert in one's specialised area, communicate clearly and honestly.

Mutual respect

Conduct oneself with equity, fairness and sincerity, encourage constructive but different views.

Challenge-taking

Play to one's full potential to fulfil responsibility, promote and participate in organisational change, energetically and relentlessly.

2023 Highlights

Persisting in the Group's core strategy of *Focusing, Optimizing, Accelerating and Expanding*.

Efficient registration and clinical trails

GB491 (Lerociclib, a differentiated oral CDK4/6 inhibitor)

The China NMPA has officially accepted the NDA on 28 March 2023 for GB491 (Lerociclib) in combination with Fluvestran as the treatment of HR+/HER2- locally advanced or metastatic breast cancer patients with disease progression following previous endocrine therapy, and successfully completed the clinical on-site inspection in 2023.

GB491 has garnered international recognition during the 2023 ASCO annual meeting held in Chicago from 2 June to 6 June 2023:

- Research results of the LEONARDA-1 study titled *Phase III randomized study of lerociclib plus fulvestrant in patients with HR+/HER2-locally advanced or metastatic breast cancer that has progressed on prior endocrine therapy* were published during the poster discussion session on Metastatic Breast Cancer session.
- The data from the Phase III clinical study of LEONARDA-1 were released by the column of *ASCO Daily Release* on the website of the 2023 ASCO on 25 May 2023 (EST), titled *Lerociclib/Fulvestrant May Reduce Risk of Disease Progression in Advanced HR-Positive/HER2-Negative Breast Cancer*.

The efficacy data analysis of the phase III clinical trial of GB491 in combination with Letrozole for the first line breast cancer indication has reached the primary endpoint. The NMPA has officially accepted the related NDA on 13 March 2024.

GB261 (CD20/CD3, bispecific antibody, "BsAb")

At the 65th ASH Annual Meeting held during 9 to 12 December 2023, Genor shared a poster on the preliminary clinical safety and efficacy results of the phase I/II study of GB261.

GB261, a CD20/CD3, BsAb that has Fc functions and affinity adjustment to CD3, demonstrated a highly advantageous safety/efficacy balance in the first-in-human ("FIH") study in patients with relapsed/refractory non-Hodgkin Lymphoma. (Poster #1719)

The phase I/II clinical trial of GB261 completed dose escalation in October 2023, which demonstrated promising efficacy and a favorable safety profile while initial efficacy has also been seen in patients who had failed prior CD20/CD3 (mosunetuzumab), CAR-T, and CD3/CD19 therapies.

GB263T (EGFR/cMET/cMET, tri-specific antibody)

On 1 December 2023, Genor published preliminary dose escalation results from a phase I/II study of GB263T, a novel EGFR/cMET/cMET tri-specific antibody in *Molecular Cancer Therapeutics*, an AACR journal.

Dose escalation results from a FIH, phase I/II study of GB263T, a novel EGFR/cMET/cMET tri-specific antibody, in patients with advanced EGFR-mutated (EGFRm) NSCLC. (Abstract C114)

The phase I/II clinical trial of GB263T completed dose escalations of 1,680mg in August 2023. Radiographic remission was observed in the 1,260mg and 1,680mg dose groups.

FIC drug development

During 1–5 November 2023, Genor participated the 38th STIC Annual Meeting, and shared posters for the latest research results of two drug molecules.

- GBD201(CCR8/CTLA-4, BsAb) is a bispecific antibody targeting CCR8/CTLA-4 developed independently by the Group. This bispecific antibody is equipped with a unique molecular design and highly differentiate functions to maximally reduce the potential toxicity caused by CTLA4 inhibition (such as ipilimumab or tremelimumab). (Abstract #491)
- GBD209(PD-1/CTLA-4/TIGIT, TsAb) is the first tri-specific antibody independently developed by the Group targeting these three immune checkpoints. By simultaneously blocking the PD-1/CTLA-4/TIGIT inhibitory pathways on T cells, it better relieves immune suppression on T effector cells and produces better anti-tumor synergistic effects. (Abstract #492)

Business optimization and improving operational efficiency to tackle complex challenges

In 2023, the Group undertook proactive initiatives to improve operational efficiency, including focusing its resources on highly differentiated pipelines, while reducing non-essential expenses.

- The Group moved into new premises in Beijing and Shanghai, as well as its research laboratory during the year. It has continued adopting work-from-home policy, which also help save office space and energy consumption.
- After due consideration of the responsibilities and obligations to stakeholders, including investors, patients and employees, the Board and the management has decided to suspend the commercial production activities in the Yuxi manufacturing site in Yunnan province.

Honours

On 28 June 2023, Genor was re-elected as **Top 30 Innovative Antibody Drug Companies in China** in the 2022 China Top 100 Biopharmaceutical Enterprise Innovation List series.

In February 2023, the Group was formally recognized as a **High-New Technology Enterprise** with a valid period of three years. The status was jointly approved by Shanghai Science and Technology Commission, Shanghai Municipal Bureau of Finance and Shanghai Municipal Taxation Bureau.

On 27 September 2023, Genor was recognized by Shanghai Intellectual Property Office as a **2023 Shanghai Pilot Unit for Enterprises and Institutions on Patent Work**.

In June 2023, Genor was included in the **2023 Top 100 China Drug R&D Strength Ranking list**, joining the pivotal force to lead the domestic pharmaceutical industry and innovation enterprises in China.

ESG Governance

Materiality Assessment

Stakeholder Engagement

This report is prepared following the principle of identifying and determining material ESG topics. We engage with stakeholders through various means soliciting their views and feedback in the course of daily business activities, and respond as appropriate balancing competing priorities in forging the Group's sustainable strategy. These stakeholders include but not limited to government and regulatory bodies, investors, employees, suppliers and partners.

Stakeholder	Topics of Interest	Communication and Response
Shareholders and Investors	• Economic Efficiency • Compliance • Improve Corporate Governance • Transparency in Information Disclosure • Progress of R&D Pipeline and Clinical Projects • Globalization Strategy	• Shareholder Meetings • Investor Meetings and Roadshows • Industry Summits • Press Releases and Announcements • Company Website Announcements • Annual and Interim Reports
Government and Regulatory Authorities	• Compliance • Transparency in Information Disclosure • Quality and Safety of Medicine and Services • Patient Rights and Privacy Protection • GHG Emissions and Management • Pollutant Emissions and Management	• Government — Enterprise Meetings • Seminars • Compliance Reports • Regular Information Disclosure • Implementation of Relevant Environmental and Emission Management Policies
Customers (Hospitals, Pharmacies and Patients)	• Innovative Discovery and Clinical Pipeline Programs • Drug Indications, Efficacy, Quality and Safety • Intellectual Property Rights Protection • Subject Privacy Protection	• Drug Efficacy Disclosure and Communication • Customer Satisfaction • Customer Grievance Mechanism • Medication Instructions
Employees	• Employee Rights • Occupational Health and Safety • Development and Training • Compensation and Benefits • Code of Conduct	• Cultivation of Corporate Culture • Trade Union and Team-building Activities • Employee Communication Mechanism • Staff Meetings • Employee Training • Employee Equity Incentive Program
Suppliers and Other Partners	• Sustainable Supply Chain Management • Procurement Management • Partner Compliance • Resource Utilisation and Use Efficiency • Intellectual Property Rights Protection	• Supplier Introduction, Evaluation and Audit Mechanism • Procurement Management • Work Meetings • Annual Audit • Industry Summits
Public and Media	• Health Literacy • Hazardous Waste Disposal and Management	• Press Releases and Announcements • Media Activities • Charity and Social Events • Industry Summits
Industry Associations and other NGOs	• Quality and Safety of Products and Services • Compliance • Hazardous Waste Disposal and Management • Industry Collaboration and Development	• Industry Exhibition and Discussion • Company Website Information Releases • Company Reports

Materiality Determination and Prioritisation

In the reporting period, the Group continued its communication with stakeholders on identified material topics referencing: the material topics of the Biotechnology and Pharmaceuticals Sector under Sustainability Accounting Standards Board ("SASB"), the Group's materiality matrix in 2022, the Group's business restructuring in 2023, as well as industry best practices and trend in ESG disclosure. Genor's refreshed significant impact encompass 14 topics — a result arrived at with removal of 2 environmental topics and 1 additional social topic of "Lab safety management". "Climate change related risk and response" was acknowledged as a governance topic following a review.

ENVIRONMENT

- Hazardous Waste Disposal and Management

SOCIAL

- Drug Accessibility
- Sustainable R&D
- Intellectual Property Rights ("IPR") Protection
- Clinical Trial Patient Safety
- Drug Safety
- Affordability
- Employment and Development
- Industry Collaboration and Development
- Supply Chain Management
- Lab Safety Management

GOVERNANCE

- Marketing Ethics
- Business Ethics
- Climate Change Risk Identification and Response

In accordance with the relevant requirements and recommendations of Appendix C2 to the Listing Rules, Genor mapped out all identified topics in a matrix, drawing from both their importance to the stakeholders and significance to economic, environmental and social impacts. The prioritised topics in 2023 are drug accessibility, sustainable R&D, clinical trial patient safety, drug safety and affordability.

GENOR BIOPHARMA 2023 MATERIALITY MATRIX

The materiality matrix and prioritisation above were submitted to the Board with an approval made on 27 March 2023. This report will be presented based on the priorities among other disclosures.

Board Statement

The Board understands that sustainability is of profound importance to the development of our business and the industry we are in, as well as the well-being of humankind. Good corporate governance is at the heart of the Group's sustainable development and value creation. We will, therefore, continue to elevate our governance standards, including the framework and policies, to ensure that sustainability is integrated in our management and action plans whereby the expectations and concerns of the stakeholders are duly addressed.

As the highest decision-making body on sustainability, the Board holds the ultimate responsibility on the Group's strategy, risk management and disclosure on sustainability. It is also charged with the oversight on ESG targets setting and progress monitoring, as well as the identification and determination of material topics. Over the past two years, the Group had leveraged its resources to improve operating efficiency consistently, by way of transitioning from owned production to a model that embraces Contact Development and Manufacturing Organization ("CDMO") partnership with redefined roles in areas such as CMC, quality assurance and supply chain management. This agility has enabled swift adaptability of the business to address the challenging external environment and internal changes.

Acknowledging the uncertainties to people's livelihood and to business' development induced by climate change, the Board incorporates sustainability in relevant decision-making processes. Due to the undergoing transition of the Group and the limited impacts of events caused by climate change on our business activities, such as extreme weather, we did not conduct a thorough and systematic assessment with targeted actions in this regard during the Reporting Period. Nevertheless, the Group will continue optimising methods of integrating climate change related risks into its overall risk assessment and management system, and will move forward with the implementation and disclosure of relevant work at the earliest possible time in the future. As our business is primarily focusing on medicine discovery R&D and clinical trials, the operational risk framework from our owned businesses mostly overlaps with the ESG-specific risk items, hence the Board is comfortable with the integrated risk landscape, which are monitored in the course of our daily operations.

Following the business restructuring in the Reporting Period, the intensity indicators of several ESG KPIs, that calculated with a further year-on-year reduced annual average number of staff as the denominator, can hardly be useful for comparison purpose. Nevertheless, we are exploring meaningful method for intensity calculation and sensible sustainability goals[1] that suit our stage of development and the nature of our business.

[1] Once the new sustainability goals is set, a mechanism to review the progress will be developed accordingly.

Compliance Management

Genor complies with the Listing Rules, and the applicable laws and regulations in areas where it operates. We continue to strengthen corporate governance and seek to conduct ourselves with standards higher than regulations. With a firm belief in business integrity, we remain vigilant on compliance and risk management.

The Group strictly complies with applicable laws and regulations in the People's Republic of China, such as the *Company Law, the Securities Law, the Fair Competition Law, the Anti-money Laundering Law*, and has employed internal policies and management system to ensure compliance. Both our Internal Controls and Compliance Departments conduct regular reviews assessing the effectiveness of policy implementation and risk management, and offer on-boarding and refreshment training on code of conduct and compliance. During the Reporting Period, no prosecution against the Group or its employees on corruption or other misconduct were received and there were no related on-going lawsuits.

Business Ethics Training

To deepen employees' understanding on compliance and anti-corruption policies, the Group requires all staff members to attend trainings via on-line means and organises special online trainings on anti-corruption for new joiners. At the same time, board directors are required to attend routine anti-corruption trainings. In 2023, training sessions offered were anti-corruption and anti-bribery, information security and intellectual property rights protection.

In November 2023, the Group conducted a business ethics and compliance training for board directors and all employees. The training focused on risk assessment with case studies of corruptions that are likely encountered in the business functions of product development and production, sales and marketing, and distribution management. The training also emphasised on the identification and management of conflicts of interest.

General Employees

- Stay vigilant on different forms of corruption
- Enhance awareness and understanding of relevant laws
- Make ethical choices

Managers

- Understand management roles in corruption prevention
- Identify and manage corruption risks
- Provide practical guidance to building code of conduct

Senior Executives

- Understand leaders' roles in integrity building
- Enhance detection system on corruption
- Establish effective prevention system by way of corporate culture

Genor requires all staff to sign an *Anti-bribery and Anti-corruption Pledge*, each acknowledging that he or she is aware of and would comply with relevant laws and regulations. Anti-bribery and anti-corruption are set as key performance indicators and are included in performance appraisals to regulate and guide compliant behaviour. We also require our suppliers, distributors and other business partners to follow the same principles.

Whistleblowing Policy

The Group has laid down a *Whistleblowing Management Policy* to build awareness and related mechanism against corruptive activities, and ensure that reported incidents are handled with independence and impartiality. We have a hotline in place facilitating employees and other stakeholders to report suspected misconducts including but not limited to direct or indirect fraud, extortion, bribery and corruption, as well as violations of corporate policies, rules and ethics guidelines. Staff members are also encouraged to raise concern on controversial behaviours through additional channels as appropriate, such as their supervisors and the Human Resources Department.

The Group's Compliance Department screens and dissects all issues reported, and proceeds to conduct independent investigations for eligible cases and produces investigation reports. We respect the confidentiality of whistleblowing process, and keep the reported matter, the identities of the whistle blower and the person being reported strictly confidential. We assess potential situations that may cause a conflict of interest in the process and make avoidance arrangement as necessary. With regard to confirmed violation, the Group takes action based on relevant internal policies, and is obligated to hand over suspected criminal offence to law enforcement agencies as appropriate.

03

Deliver Innovation

Genor has been strategically focusing on therapeutic areas in oncology and immunology that present substantial unmet medical needs. We have centered our resources on potential global FIC and BIC products through in-house capacity covering new molecular targets discovery, cell line development ("CLD") acceleration and clinical trial protocol development. Genor focuses on differentiated early-stage drug discovery and strives for key pipelines advancement aiming to deliver optimal research efficiency supported by both owned and outsourced capabilities.

- Innovative Discovery
- Robust Clinical Trials
- Intellectual Property Protection

Innovative Discovery

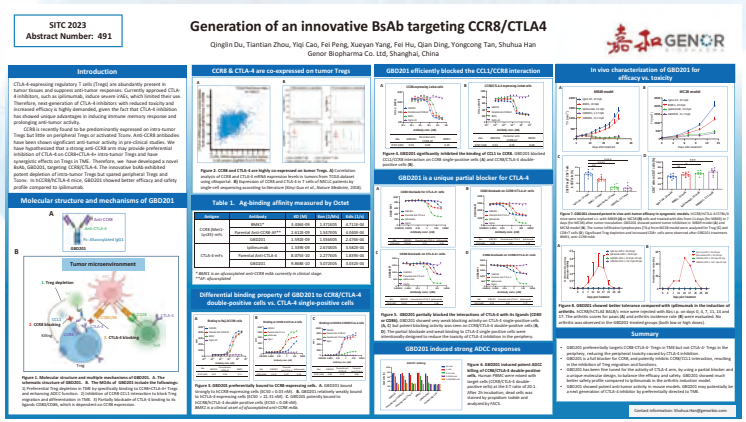
Genor consistently takes potential global competitiveness as a primary consideration in evaluating the importance of its research projects, as well as in resource prioritization. In 2023, we have completed five bispecific/multi-specific antibody molecule development for preclinical candidate compounds ("PCC") with FIC/BIC potentials, two of which have been accepted for publication at the 2024 Annual Meeting of AACR.

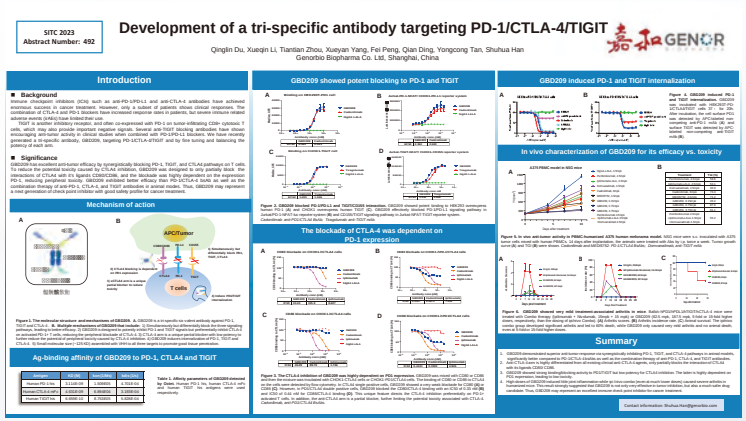
Genor's early discovery team identifies potential targets through extensive data analysis and delivers innovation marked by differentiated efficacy and safety.

Early Discovery Process

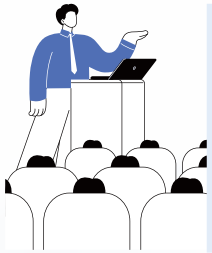
1. Target research
2. Proof of concept
3. Antibody discovery
4. Antibody engineering
5. Bioactivity assessment
6. Safety evaluation

At the 2023 Annual Meeting of SITC, Genor published research data covering two innovative drug molecules, targeting CCR8/CTLA4, BsAb (#491) and PD-1/CTLA-4/TIGIT, TsAB (#492) respectively, by poster presentation.





Genor's research results of **GB265, GB266 and GB266T** were released by way of oral presentation at the 4th Immuno-Oncology 2023 Congress, and at the 14th World Bispecific Summit by poster.



In 2023, Genor's Chief Scientist Officer, Dr. HAN Shuhua, was invited to speak and share the Group's research findings and development experiences in several major industry conferences in the field of antibody, including 2023 Asia Pharma R&D Leaders, the 5th Asia Biopharma Innovation Conference, 2023 New Antibody Drugs and ADC Conference, and BIONNOVA Antibody Therapeutics Conference.

Our early discovery team consists of 23 researchers (excluding employees located in the U.S.), 45% of whom hold Ph.D. degrees, 40% with master's degrees, and 15% with bachelor's degrees.

Robust Clinical Trials

The Group centers our resources on promoting strategic targets with efficient collaborations. We combined internal capabilities with external collaborations to manufacture clinical medicines and leverages CROs' network of hospitals and investigators within China and abroad. The Group focuses on executing on agreed objectives robustly and professionally including clinical trial planning, subject enrollment, data cleaning, and clinical study reports ("CSR"), while protecting the safety of subjects and treatment benefits to ensure the quality of NDA submissions.

On 28 March 2023, the NMPA has officially accepted our NDA submission for Lerociclib in combination with Fluvestran as the treatment of HR+/HER2- locally advanced or metastatic breast cancer patients with disease progression following previous endocrine therapy, and completed the clinical on-site inspection in 2023. Phase III clinical trial for the first line breast cancer indication of Lerociclib has also completed patient enrolment, and the efficacy data analysis has reached the primary endpoint. Genor submitted the NDA on 28 February 2024, which has been officially accepted by the NMPA on 13 March 2024.

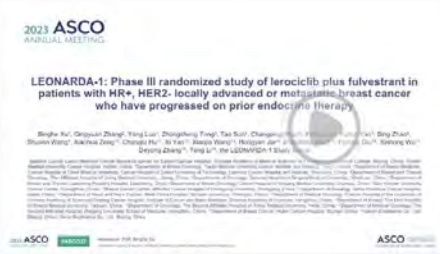
Lerociclib is a differentiated oral CDK4/6 inhibitor which is developed for breast cancer patients with better safety and excellent efficacy.

— Lerociclib showed excellent efficacy, safety, and better tolerability for patients as the treatment of HR+/HER2- locally advanced or metastatic breast cancer patients with disease progression following previous endocrine therapy.

— Lerociclib has garnered international recognition in the 2023 ASCO annual meeting held in Chicago from 2 to 6 June 2023:

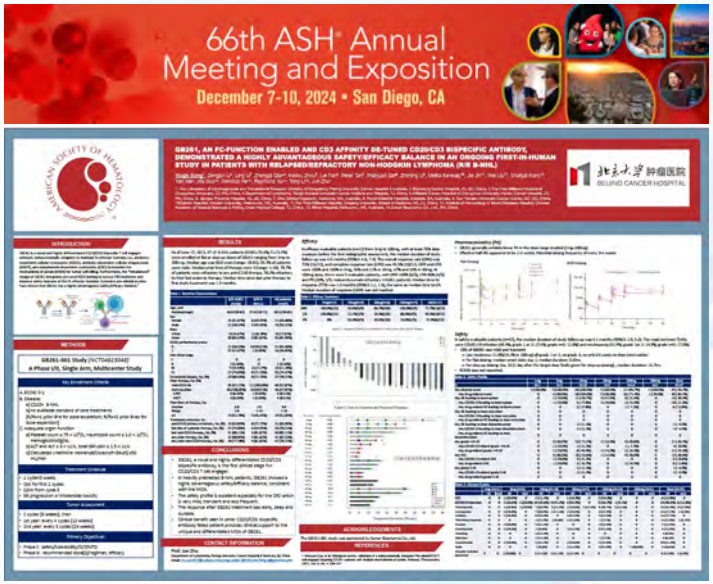
✓ The research results of the LEONARDA-1 clinical trial, titled *Phase III randomized study of lerociclib plus fulvestrant in patients with HR+/HER2- locally advanced or metastatic breast cancer that has progressed on prior endocrine therapy* (Abstract 1017), was presented in poster discussion of the Metastatic Breast Cancer session at the 2023 ASCO annual meeting.

✓ *Lerociclib/Fulvestrant May Reduce Risk of Disease Progression in Advanced HR-Positive/HER2-Negative Breast Cancer* covered by the *ASCO Daily Release* column publicly, quoting the lead author, Prof. Binghe Xu, MD, PhD, the academician of the Chinese Academy of Engineering, the Head of Medical Oncology at Cancer Hospital affiliated with Chinese Academy of Medical Sciences



GB261, a highly differentiated CD20/CD3 bispecific antibody for treating patients with B cell malignancies

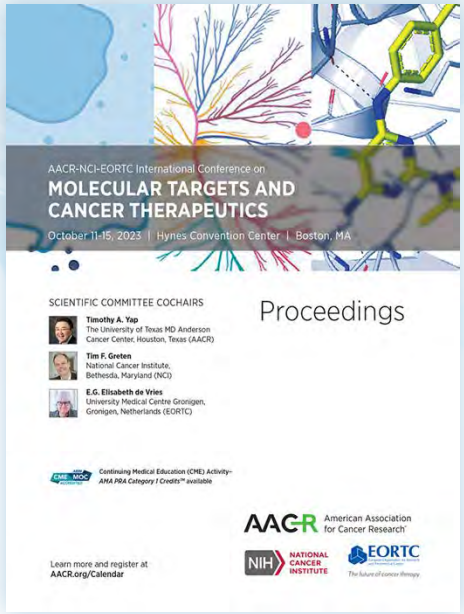
At the 65th ASH annual meeting on 9–12 December 2023, Genor presented the preliminary clinical safety and efficacy results of phase I/II study of GB261 led by Beijing Cancer Hospital, by way of poster presentation.



GB261, a CD20/CD3, BsAb that has Fc functions and affinity adjustment to CD3, demonstrated a highly advantageous safety/efficacy balance in the FIH study in patients with relapsed/refractory non-Hodgkin Lymphoma (Poster #1719)

GB253T, a novel EGFR/cMET/cMET trispecific antibody as a treatment of patients with NSCLC

Genor Biopharma has published preliminary dose escalation results from a phase I/II study of GB263T, a novel EGFR/cMET/cMET trispecific antibody, in the 1 December 2023 issue of *Molecular Cancer Therapeutics*, an AACR journal.



Dose escalation results from a first-in-human, phase I/II study of GB263T, a novel EGFR/cMET/cMET trispecific antibody, in patients with advanced EGFR-mutated (EGFRm) NSCLC. (Abstract C114)

Intellectual Property Protection

Genor emphasizes information security and intellectual property protection and strictly compliant with applicable laws and regulations, such as *the Patent Law, the Trademark Law and the Copyright Law of the PRC*. The Group has employed policies of *Confidentiality and IP Management, Invention Submission and Patent Evaluation, Report and Paper Publication, the Trademark Management Code and the Trademark Use Code*.

The Group has established confidentiality levels, scope of access and authorization protocols over different types of confidential business information. For confidential information publication, a review process is required and authorization duly completed, and where a third party is involved in the process, a non-disclosure agreement is required.

Our strength and achievements in new drug development have produced a considerable amount of intellectual property. During the Reporting Period, the Group made 7 invention applications and received 1 approval, leading to a total number of invention patent application to over 80[1] and valid patent to above 40. The Group obtained the *Certification of the Intellectual Property Management System* in May 2023.


知识产权管理体系认证证书

森和生物药业有限公司

中规认证

中规（北京）认证有限公司

[1] Excluding patents through the *Patent Cooperation Treaty* ("PCT")

04

Ensure Quality Management

The Group is committed to providing effective and safe clinical drug treatments for investigators and patients, whereby we respect industry practice codes and strictly adhere to the applicable laws and regulations in areas where it operates including *the Declaration of Helsinki by the World Medical Association, China's Drug Administration Law, the Measures for the Administration of Drug Registration, the Good Manufacturing Practices, the Measures for the Supervision and Administration of Drug Production, and the Measures for the Reporting and Monitoring of Adverse Drug Reactions.* The labels of Genor's investigational medicine and registered drug are regulated by *Provisions on the Administration of Pharmaceutical Directions and Labels and approved* by NMPA[1]. According to *the Advertising Law of the PRC,* advertising for prescription drugs is prohibited. The Group's clinical drugs and approved drugs are prescription drugs and therefore are not involved in such activities.

Reflecting on its evolving business model, the Group has adopted a quality management system, encompassing each stage of its operations from drug discovery, clinical research to technology transfer, to ensure that its investigational treatments fully satisfy relevant quality requirements including the ICH Q10 Guidelines. The Group also requires associated CDMOs and suppliers to fulfill respective duties and take shared responsibility for the efficacy and safety of clinical drug products. During the Reporting Period, the Group has not received any complaints in relation to its products.

- Quality Control of Clinical Research
- Quality Assurance of Outsourced Production
- New Priority of Supply Chain Management
- Adverse Events Analysis and Reporting

[1] During the Reporting Period, the Group did not receive any complaints regarding its products.

Quality Control of Clinical Research

The Group's clinical research, including its labelling practice on investigational drugs, meets the requirements of *the Good Clinical Practice* ("GCP"). We develop our clinical trial study protocols with uncompromising principle of safeguarding patient safety and wellbeing, and scale such programs through a mature collaboration model with qualified CRO partners.

Genor's quality management system covers all aspects and phases of clinical trials, assessing protocols adherence and results reliability, and most importantly the protection of patient's interest. We integrate our own standard operating procedures (SOPs) with SOPs of partner CROs, based on which we formulate project management plans that encompass activities such as monitoring, data validation, risk management, data analysis and synthesis. We do not own or have direct access to private data of the subjects while performing our duty monitoring CROs' operational compliance and data accuracy and validity, and we emphasize the area of privacy protection and informed consent process for the subjects.

We have achieved optimal efficiency in resource management and project advancement supported by an operating model that seamlessly integrates our owned system with those of partners'. At the same time, the Group constantly enhance quality management capabilities to eventually cover the full spectrum of clinical research, including clinical operations, medical surveillance, data management, and pharmacovigilance.

Genor has established labelling quality management processes, and the label of investigational medicinal products is required to indicate the words "only for clinical trial" or similar instructions.

Genor provides guaranteed insurance and arrangement proportionate to their associated potential risk profiles to protect the interests of the subjects. Once an adverse event occurs, we communicate with and support the investigator in a timely manner in his/her immediate and follow-up treatment to the impacted subject.

Quality Management of Clinical Trials

1. Routine Quality Control ("QC"), including regular data review, data quality monitoring, and error identification and correction
2. On site QC visits and Quality Assurance ("QA") inspections, to perform routine risk audits
3. Supplier Quality Management, through robust supplier management to assure the quality of clinical research projects

In 2023, the GB491-008 project recorded over 30 on site QC visits joined by CRO line managers and Genor's project managers, including on site QA inspections to 11 investigation centers and data integrity audits to 25 investigation centers.

To ensure our clinical research is carried out in accordance with GCP and applicable laws and regulations in every aspect of project execution

CRO Service

Onboard quality Clinical Research Associates for project execution and routine audits to ensure data authenticity.

Team selection

Project Manager and Clinical Data Manager.

Training

Provide trainings for investigators on GCP, clinical study protocol, study procedures and subject's financial assistance program.

Site Management Organization Selection

Provide qualified clinical research coordinator to assist the investigator in the administrative follow-ups post patient visits.

Center Selection

Evaluate the qualifications of candidate investigators and the license / certifications and relevant track record of designated investigation centers.

Quality Assurance of Outsourced Production

Genor provides investigators and patients with safe and effective investigational drugs, and assesses the feasibility of respective commercial production in due course. Our collaborations with CDMOs have been further consolidated yielding visible efficiency over the past year or so. We continue performing our role as the sponsor, in overseeing the conformity of the CDMOs' development methodology and respective manufacturing and testing processes, as well as releasing ex-factory drugs as required by our *GMP-compliant Quality Manual.*

We aim to forge long-term partnerships with CDMOs and all other suppliers, and seek synergies on the following areas in the processes of selection, due diligence and cooperation.

Cultural Fit

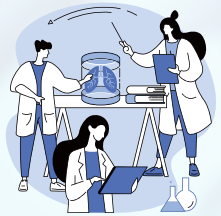
Consistent positions with proven track record on medical ethics, patient interest protection, and employee development

Technical Capability

Quality audit on quality system, process, and operation management, and product evaluation on facilities, instruments, and material management

Financial Stability

Robust financial control, sustainable funding and cash flow



Team Capability

Stability of the assigned core team from the partner/CDMO

During the Reporting Period, Genor's CMC quality management function conducted risk assessment over a number of aspects in the quality management system that were identified during technology transfer to CDMOs, for instance deviation and change controls. The Group also reviewed its *Quality Manual* to redefine connecting processes that require clarity on responsibility following the transition.

We implemented internal quality training programmes during the year in accordance with the *Staff Quality Training Management Policy*, covering subjects such as technology transfer management, quality reporting system, electronic data management, etc. We also carried out training for the CDMO partners on quality management and requirements, to align on product process and quality standards, quality communication protocol, project documentation practices.

The Group monitors regulatory updates closely. We organized dedicated sessions to ensure thorough understanding and compliance of the new or revised regulations issued in 2023, where appropriate internal policies and processes were revised accordingly. For example, we have made amendments to related internal policies and conducted trainings, to address updates in the MAH management system prior to their being effective.

New Priority of Supply Chain Management

Genor has three types of suppliers namely service providers, materials suppliers, and equipment producers. Under the overarching principle in the *Management Procedures for Procurement*, corresponding management approaches are developed, including the *Audit Procedures for Materials Suppliers, the Procurement Management Rules for Non-GMP Materials Suppliers, the Management Procedures for General Suppliers, and the Policy on the Management of Clinical Investigators.*

Genor emphasizes service and production quality and delivery capability in its procurement activity, assessing the potential to deliver value-added and after-sales service, as well as reviewing relevant track records. Our service providers typically CRO, CSO, logistic providers, testing and validation services, and audit agency. All collaborations are grounded on a satisfactory outcome from our evaluation on quality standards, compliance performance, data and system reliability, medical ethics, as well as risk assessment. We require formal pledge and encourage active practice from suppliers to counter corruptions[1] in line with our internal policy, namely the *Special Provisions on Anti-bribery and Anti-corruption.*

Genor operates a set of processes for supplier management from screening, due diligence, entry, to quality tracking, annual review and audit, delivered by a cross-functional taskforce including procurement, quality assurance, legal affairs, contract management and internal audit. The assessment covers various areas but mainly on scarcity, traceability, quality, delivery capability, pricing and responsiveness. A supplier annual audit plan, with both onsite and external third-party audits, is developed to proactively monitor and mitigate risks. In the Reporting Period, all of our suppliers were selected in accordance with these policies and procedures.

The number of service providers has increased while the materials suppliers and equipment producers shrunk following the Group's transition to production outsourcing. Such transition also requires us to step-up our procurement management to include the way we set standards for CDMOs' procurement activities for our drug products.

Participation of clinical research team in standard procurement procedures

• Assessment of clinical service providers

• Quality assessment during service delivery

• Regular supplier inspections/audits

As of the end of 2023, the Group had a total of 385 active suppliers who are mostly service providers[2], including 95 newly admitted ones.

1 The Group has a phased approach to assess supply chain environmental and social risks. At current stage, no plan to assess the suppliers' environmental risks is considered due to the judgement of low relevancy.

2 From the 2023 report onwards, the disclosure scope will cover contracted suppliers with the Group during the reporting period only.

Adverse Events Analysis and Reporting

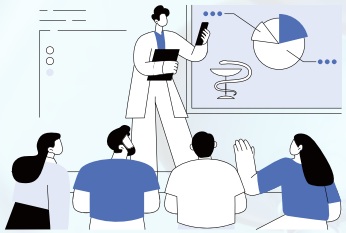
Genor's Drug Safety Committee observes its *Drug Safety Committee Charter* and is responsible for the deliberation of major risks, material or emergent drug incidents and related handling, decisions on risk control and management, as well as pharmacovigilance-related material decisions. Genor is committed to delivering good pharmacovigilance practices, a joint effort performed with investigators, investigation centers and CROs. In line with regulatory requirements and industry regulations, such as the *Specifications for Pharmacovigilance Quality Management, the Guiding Principles for Pharmacovigilance Inspections, and the Measures for the Reporting and Monitoring of Adverse Drug Reactions,* we have set policies and process of *Complaint Management on Drugs and Drug Recall Management* in addition to multiple adverse event ("AE") reporting channels, ensuring consistent approach in responsiveness. During the Reporting Period, Genor reinforced our responsibility as a MAH in related internal policies, and we have not initiated any recall and have not received any adverse event report in relation to our commercialized products.

AE Reporting Channels

To ensure the effectiveness of AE reporting, Genor conducts regular QA reviews on clinical pharmacovigilance reports and exams report submission compliance, coupled with relevant training programs and service provider AE audits.

AE reporting controls	Quality indicators of individual adverse reaction report
Timeliness of each AE reporting	Data quality
Quality indicators of reported AE	Coding quality of AEs
Timeliness of periodic safety updates	Quality of event description
Quality indicators of periodic safety updates and related documentation filing	Quality of predictive judgment and relevance assessment

Internal Training on AE Reporting



Genor has an internal control system in place and emphasized that all employees have shared responsibility for identifying and reporting identified adverse events and adverse drug reactions within 24 hours. We conduct full staff training on regulatory requirements, definitions of drug safety information, reporting sources, reporting requirements and channels, as well as the responsibility for privacy and confidentiality involving personal information of patients/investigative subjects. During the year, we also conducted an online test on AE reporting exercises, to examine employees' responses under various scenarios and improve the internal awareness and quality of AEs reporting.

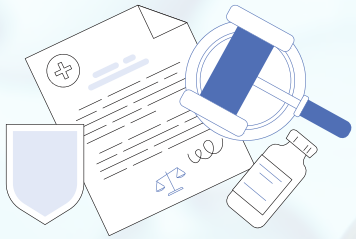
During the Reporting Period, we updated and implemented internal measures in accordance with various regulatory updates issued by the Center for Drug Evaluation under NMPA of the PRC.

Updated Guidelines

- Principles for Identification, Managing, and Assessment of Drug-Oncologic Liver Injury in Clinical Trials
- Technical Guidelines for Benefit-Risk Assessment of New Drugs
- Technical Guidelines on the Applicability of Single-Arm Clinical Trials in Support of Marketing Applications of Anti-tumor Drugs
- Frequently Asked Questions on Safety Data Reporting During Clinical Trials (Version 2.0)
- Guidelines for Analysis and Reporting of Safety Information during Clinical Trials (for Trial Implementation)

Corresponding compliant work

1. Ensure AE assessment and relevant data presentation in NDA submission is in accordance with *the Principles for Identification, Managing, and Assessment of Drug-Oncologic Liver Injury in Clinical Trials*.
2. Summarize trial safety analysis in the Group's semi-monthly or monthly data review meetings.
3. Hold regular data review meetings and SRT meetings, generate Drug Safety Update Report ("DSUR") and Risk Management Report ("RMP") adhering to *the Technical Guidelines for Benefit-Risk Assessment of New Drugs*.



05

Build a Forward-looking Team

The Group undertook further organizational changes in line with its strategic restructuring, but has maintained an agile organization with ample capacity to tackle challenges from increasingly complex macroenvironment and the evermore competitive biotech sector. We have marshalled resources to advance our promising core pipeline and business milestones, through optimized processes and improved operational efficiency and delivered by a re-energized team.

- Allocating Resource to Priorities
- Hiring with Interests Protection
- Aligned for Transformation
- Training for the Future-proof Organization
- Safeguarding Occupational Health
- Community Building

Allocating Resource to Priorities

In light of the Group's medium to long term development goals, Genor has persisted in its strategy of *Focusing*, *Optimizing*, *Accelerating and Expanding* in 2023 by devoting more resources to the research and development of its highly differentiated pipelines. In addition, the Group also decided to cease the manufacturing activity in Yuxi, Yunnan province from the end of July 2023, after much deliberation and thoroughly consideration of its responsibilities and obligations to stakeholders, such as investors, patients and affected employees, by the board and management team. The decision was arrived at reflecting a further shift towards strategic business priorities, in an effort to achieve sound and sustaining long term growth.

The board and management thoroughly considered the likely impact of such decision to the stakeholders, in particular the following three groups:

- Investors: in view of business and commercial prospects, the suspension allows improvement in overall investment returns
- Patients: alternative medicine with similar effects is available in the market for continued treatment
- Employees: open and honest communications with fair severance terms and transition support

Communication with employees is an imperative part of our work. We set up a working group led by the Group's Chairman and CEO, as well as an on-site working team ("OWT") headed by the Group's CTO and supported by all functional departments. Following some earnest communications with the local government and labor union, the OWT, in an open and honest manner, explained the background of such decision and due considerations given in forming the severance plan. We approached individual employees with special health conditions and those during pregnancy, childbirth, and breastfeeding to ensure clarity on the message and consent to respective arrangement which abides by applicable national regulations. We also offered practical assistance to departing employees as much as legally permissible, such as referrals to peer companies, and make every effort for an orderly transition as possible.

To address concerns and expectations from current workforce regarding the Group's future prospects given the organizational changes, our senior management team and department leaders have actively engaged in communications through channels including group online meetings and face-to-face dialogues.

Hiring with Interests Protection

The Group is dedicated to building a employment relationship featuring a sense of belonging and recognition. We strictly complies with relevant laws and regulations, including *the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, the Social Insurance Law of the People's Republic of China, the Provisions on the Prohibition of Using Child Labor and the Law of the People's Republic of China on the Protection of Women's Rights and Interests*. By referencing the aforesaid laws and regulations, the Group has in place internal policies such as *the Regulations on Employment, Labor Contracts, and Probation Periods* to standardize its human resource related practices.

Our hiring practices follow the principles of fairness and impartiality, and takes a merit-based and freewill approach regardless of ethnicity, race, age, gender, religion and political position. We adhere to gender equity, with equal pay for the same role and responsibilities. We strictly prohibit any form of forced labor or child labor, and require all new joiners to provide valid identification documents for verification. Any violations, if found, will be handled without delay according to the regulations concerned.

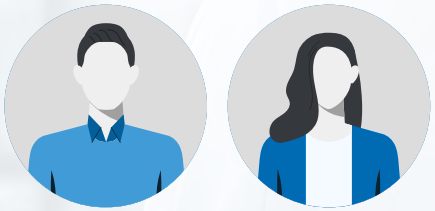
The Group provides employees with competitive compensation and welfare packages. Our remuneration primarily encompasses basic salary, various bonuses and allowances, with a portion of variables based on performance. On top of the existing employee stock option plan, during the Reporting Period, we expanded the stick incentive plan to include mid-to senior-level employees and front-line employees in key positions. We conducted annual performance appraisal for all employees, and related results were applied as critical inputs for the calculation of annual performance bonuses, salary increments, promotions, and career development.

All employees of Genor are eligible for leaves such as paid holidays, statutory holidays, annual leave, marriage leave, compassionate leave, maternity leave, and paternity leave. We also make full and timely payments of the pension, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident fund for employees in accordance with national and local laws and regulations. Moreover, various extra benefits are provided, such as annual health check-ups and supplementary commercial healthcare insurance. When an overtime request occurs, an approval from the department supervisor is required.

As of 31 December 2023, Genor had a total of 104 full-time employees and 1 part-time employee. The average annual employee turnover rate was 85%. The Group had a total of 57 R&D staff members in 2 countries, and those holding master's and doctoral degrees constituted 53% of the total number of employees.

Information on Full-time Employee Distribution by Gender, Age Group, Geographical Region, and Employee Category

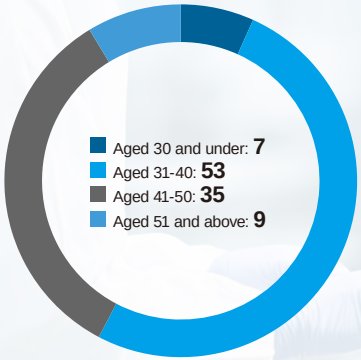
Employee by Gender



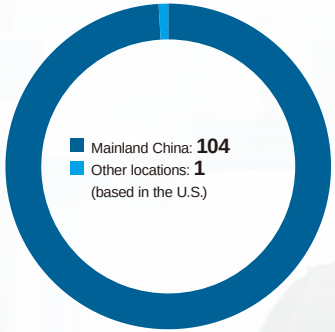
Male
24

Female
80

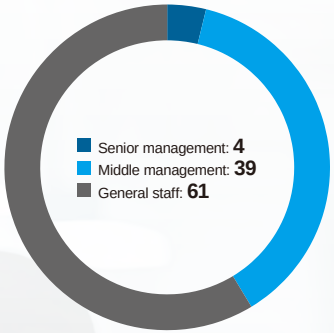
Employees by Age Group



Employees by Geographical Region

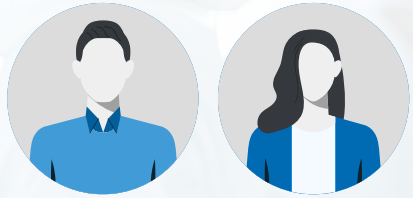


Employees by Employee Category



In 2023, the Group's employee turnover rates by category were as follows:

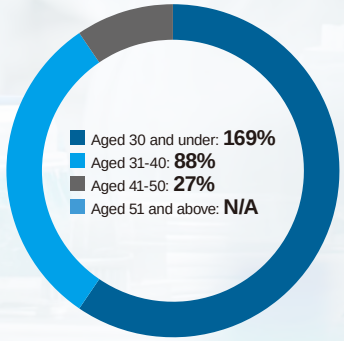
Employee Turnover Rate by Gender



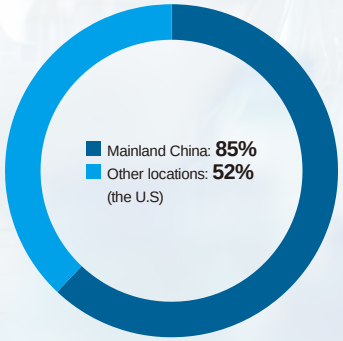
Male
119%

Female
67%

Employee Turnover Rate by Age Group



Employee Turnover Rate by Geographical Region



Aligned for Transformation

Genor maintains sound employee relationship underpinned by effective communication. We encourage our employees to express their honest views and have in place multiple channels for transparent and timely interaction with employees keeping them abreast of the Group's major development. Suggestions or questions are encouraged through emails, telephone calls and face-to-face meetings so that their access to higher management and cross-departmental teams are facilitated effectively.

Along the way of business growth, we care the well-being of employees and has adopted flexible working policy company-wide, allowing employees to work remotely as long as team efficiency and work quality is ensured. This has been much applauded by the staff in their building of work-life balance. It also helps reduce the energy involved in staff commuting. During the year, Genor moved to new office premises in Beijing and Shanghai, with refreshing ambience and fittings and a layout of work stations that features energy-saving and optimal space use.

On 28 August, 2023, Genor held a townhall meeting connecting Beijing Office, Shanghai Office, and the Early Drug Discovery Laboratory in Shanghai. Dr. GUO Feng, Chairman of the Board and CEO, delivering a speech to all staff.

Training for the Future-proof Organization

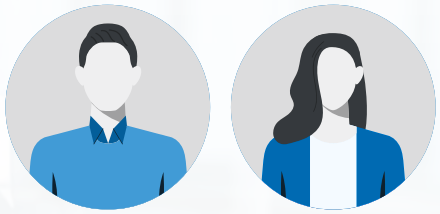
Genor places great value on the development of employees, especially the training and motivation of talents. The Group has in place comprehensive training programs which take into consideration of employees' individual career planning, as such that each achieves personal goals through delivering best performance at work in Genor.

To adapt to the increasingly regulated industry environment, the Group conducts annual professional training for certain professional positions such as pharmacovigilance, legal affairs, compliance, and human resources, to accomplish systematic knowledge advancement. We also fully support employees in relevant positions to duly participate in professional programmes provided by regulators and external experts. In addition, all serving employees have completed the trainings on *Business Ethics for Listed Companies* and *Adverse Event Reporting* in 2023, with a 100% pass rate on the tests attached to those trainings.

During the Reporting Period, Genor recorded a total of 1,607 training hours, with an average training hours per employee stood at 8.7 hours.

Information on Staff Training

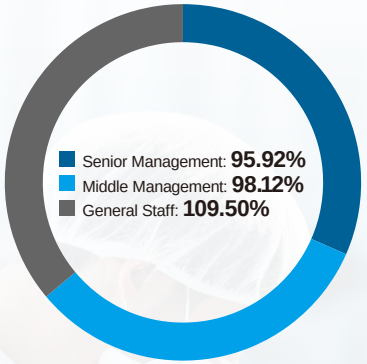
Number of Employees Trained by Gender



Male
114.51%

Female
101.85%

Number of Employees Trained by Employee Category



Safeguarding Occupational Health

Genor never takes the occupational health and production safety related to its laboratory and manufacturing site lightly. Its environment, health and safety ("EHS") management has established standards with cascaded management procedures at different levels for the betterment of the overall health of employees.

Operation Safety

Genor adheres strictly to relevant laws and regulations, such as the *Work Safety Law of the People's Republic of China, the Emergency Response Law of the People's Republic of China*, and has employed internal policies including the *EHS Manual, the Operating Procedures for Laboratory Safety Management, the Operating Procedures for Occupational Health Management, the Operating Procedures for Emergency Responses to Safety Incidents/ Accidents* and *the Emergency Response Plan for Production Safety Accidents.*

In 2023, we moved to the new R&D Laboratory in Shanghai, which was certified of meeting the requirements of relevant laws and regulations such as *the Air Pollution Prevention and Control Law and the Water Pollution Prevention and Control Law*. We follow the standard operating procedures in using instruments for routine tests, and operate a customized *Emergency Response Plan for Environmental Emergencies*.

We engaged a third-party Environment Inspection Agency (EIA) to identify risk units, determine risk materials and define risk levels for the R&D processes and relevant instruments. The new lab has established measures and methodology on the prediction, control and disposal of one of the most likely risk areas relates to the storage, use and leakage of hazardous chemical reagents. Safety measures taken include labelling the risk units, regular equipment inspections, as well as a tiered response system developed on emergency scenarios of potential environment disasters. We have also recruited full-time security service to provide 7X24 safety surveillance.

Our emergency response plan includes on-site drills Group-wide to enhance everyone's awareness on workplace safety, as well as team's ability to react and organize rescue in the event of a chemical spill, mitigating environmental impacts.

Emergency Drill for Chemical Spill Incidents

In terms of the storage and management of hazardous chemicals at the new lab and the Yuxi site prior to its suspension, the Group enforces and strictly complies with internal procedures, including *the Operating Procedures for the Management of Hazardous Chemicals, the Operating Procedures for the Management of Highly Toxic Chemicals, the Operating Procedures for the Management of Precursor Chemicals, the Procedures for the Management of Hazard Source Identification, Evaluation and Control, the Procedures for Equipment Repair and Preventive Maintenance Management, the Operating Procedures for Fire Facilities/ Equipment Management, the Operating Procedures for Special Equipment Management,* and *the Procedures for Special Gas and Gas Cylinder Management.*

In preparing the suspension of the Yuxi site, we disposed all hazardous chemicals and waste in accordance with relevant local regulations.

During the Reporting Period and two prior periods, the Group had recorded no material safety accidents or fatalities, and the number of days lost due to work-related injuries for 2023 was nil.

Workplace Safety

Strictly abiding by *the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Provisions on the Supervision and Administration of Occupational Health at Work Sites and other relevant laws and regulations*, Genor has formulated management policies in this respect, including the *Policy on the Management of Occupational Hazard Monitoring and Evaluation, the Policy on Occupational Hazard Warning and Notification, the Policy on Emergency Response, Rescue and Management of Occupational Hazardous Accidents, the Policy on Emergency Handling and Reporting of Occupational Hazardous Accidents, the Policy on the Declaration of Occupational Hazard Items and the Policy on the Management of Personal Protective Equipment for Occupational Hazards.*

Having in place the *Occupational Hazard Pre-evaluation Report* and *the Special Chapter on Occupational Health*, the Group holds a firm grip on the supervision and administration of occupational health, and conducts thorough annual screening on occupational hazard factors in key operational processes, minimizing potential risks of occupational diseases caused by improper protection, excessive operation hours, etc. We also engaged a professional third party every 12 months to evaluate the effectiveness of occupational hazard control in designated high-risk processes.

We provide occupational disease verification, assessment, and protection according to the nature of the positions, and conduct pre-onboarding, annual and pre-exit occupational health check-ups. Occupational protection measures and equipment such as face masks, protective clothing and protective gloves have been adopted and provided as required by such positions. As an important procedure in the suspension of the Yuxi site, we acted responsibly and completed occupational health check for all employees prior to their termination.

To raise awareness, occupational health is included into the onboarding training for new employees and annual refreshing safety training for all employees on the payroll, by so doing we act with due care and in full compliance.

The Group places its stress on occupational health and safety and keeps its communication channels open at all times. It encourages each employee to report safety-related issues through various channels, such as telephone calls, in-person discussion, WeChat, department heads and trade unions.

Community Building

We had to temporarily suspend our participation in volunteer services for local communities and charities due to the undergoing of our organizational transformation during 2023. Nevertheless, we plan to resume our community programs in the foreseeable future.

06

Achieve Green Operation

Human health will bear the brunt of climate change, which may even reverse decades of global progress in improving people's health and well-being. To address this looming challenge, governments, businesses and social sectors are working together to adopt greater measures to achieve energy efficiency and emission reduction.

As a player in the healthcare industry, Genor is fully aware of its role in conserving the environment. We are closely monitoring the emerging trends of climate change and relevant regulatory policies, and continuously evaluate the impact on environment from our business activities, as well as explore our options in energy efficiency and emission reduction.

- Reshape Environmental Strategy
- Comply in Operations

Reshape Environmental Strategy

As a biotech company, the Group's operation consumes electricity, steam and water in the process of R&D and manufacturing, involves biological activities and the use of hazardous chemicals, and generates waste gas, solid and hazardous waste as well as discharge wastewater. We ensure efficient use of resources with tightly monitored and controlled procedures and dispose of harmful factors appropriately before discharge. In view of the further consolidation of the Group's strategic focus during the Reporting Period, we are still in the process of reviewing and evaluating the energy consumption, environmental risks, and resource efficiency post owned production facility suspension at the Yuxi manufacturing site. Consequently, we'll have to withhold the environmental targets announced in 2021.

Greenhouse Emissions	Unit	2023	2022	2021
Direct GHG Emissions (Scope 1)	tCO_2e	**19.82**	17.95	20.51
Indirect GHG Emissions (Scope 2)	tCO_2e	**2,467.34**	6,173.53	7,928.42
Total GHG Emission (Scope 1&2)	tCO_2e	**2,487.16**	6,191.48	7,948.57
Total GHG Emission Intensity	tCO_2e/Average Number of Employees	**13.41**	14.47	12.40

Note: GHG emissions are calculated according to "How to Prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs" issued by the SEHK.

Due to the suspension of the Yuxi site since 31 July 2023, the Group's total energy consumption and emissions for the Reporting Period was significantly reduced year-on-year. Our subsequent environmental initiatives had been focused on reducing energy consumption, emissions and waste in Group's offices and labs.

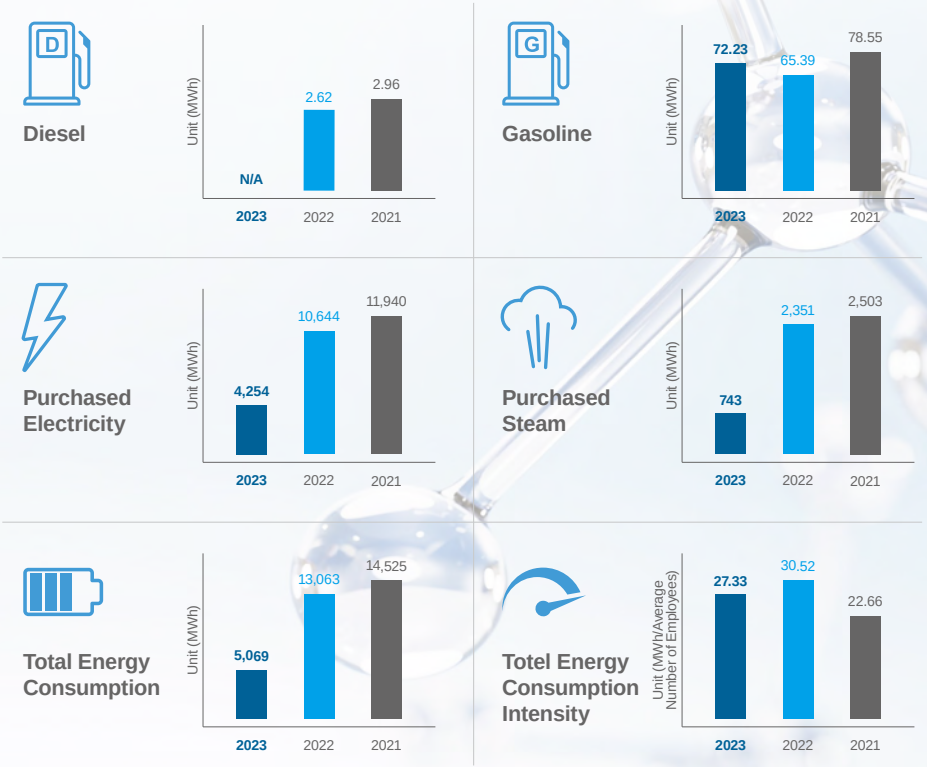
Energy Types and Usage

Our manufacturing activities in Yuxi primarily required electricity for the production of drugs during January to July of 2023. Our R&D laboratories in Shanghai and San Francisco use various instruments powered by electricity, while the heating, ventilation and air conditioning equipment in the laboratories need to operate all day long to meet environmental requirements such as temperature and humidity. Our own warehouses are compliant with the storage requirements and conditions for drugs and materials, where the refrigerators and air conditioning systems are powered by electricity. During the Reporting Period, we have taken energy efficiency and environmental protection into account in the relocation programs of Shanghai lab, including the design, construction, equipment selection.

The Group abides by the applicable laws and regulations in environmental protection, such as the *Energy Conservation Law of the People's Republic of China*. We followed the *Operating Procedures for Production Planning* at Yuxi site, before its suspension, to make energy planning which includes relevant assessment on efficiency and regular monitoring on consumption.

During the Reporting Period, the Group's Beijing and Shanghai teams have moved into new offices respectively. Our new office designs were seen to have benefited from the adoption of flexible working hours whereby space and facility efficiencies were improved. We always advocate for conservation on office supplies, and monitor resource usage such as electricity and water. Our energy consumption from offices were reduced by approximately 61% year-on-year.

Type of Energy



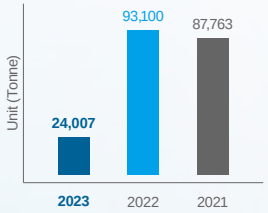
Note: Energy consumption is calculated according to "How to Prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs" issued by the SEHK, and the "Energy Statistics Manual" issued by the International Energy Agency ("IEA").

Water Usage

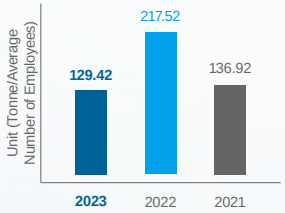
The water required by the Group's business activities is from the municipal water supply[1] at respective operating sites or office locations, and is mainly used for cleansing of manufacturing equipment and laboratory instruments, but we also produce purified water and water for injection (WFI) for preparations used in the pharmaceutical process. Since the suspension of the Yuxi site on 31 July 2023, the Group's water usage has significantly reduced. The total water consumption was 24,007 tonnes in 2023, a decrease of 74% compared to 2022.

Water Resource Management

Total Water Consumption



Total Water Consumption Intensity



Packaging

The production of medical products requires proper and safe packaging. As the Group's production base in Yuxi had suspended operation, the Group's overall consumption of consumables such as boxes, glass bottles and stoppers originally used for the packaging had been significantly reduced. As such, the disclosure of packaging consumption may not provide a meaningful comparison with that from the last Reporting Period. We do not disclose the packaging consumption in this Reporting Period, until there is a resumption schedule.

Comply in Operations

The Group is in strict compliance with the applicable laws and regulations of PRC with a view to minimize our impacts on the environment and natural resources, including *the Environmental Protection Law, the Biological Safety Law, the Work Safety Law, the Special Equipment Safety Law, the Air Pollution Prevention and Control Law, the Water Pollution Prevention and Control Law, the Solid Waste Pollution Prevention and Control Law, the Regulations on the Safe Management of Hazardous Chemicals,* and other relevant local and industry regulations in conducting its business activities. During our production and recent suspension of the Yuxi site, we followed an EHS management system, including *the EHS Manual, the Procedures for Environmental Protection Management Control* among other internal policies and operating procedures, to ensure the proper application of technologies and methods for the discharge of exhaust gas, wastewater and waste. Exhaust gas, wastewater and waste generated by our laboratory during the research and development process were monitored and discharged in accordance with the requirements of the applicable laws and regulations.

Cooperating with the regulator for routine GMP inspections

[1] The Group does not foresee any problem in sourcing water for its operations now and going forward.

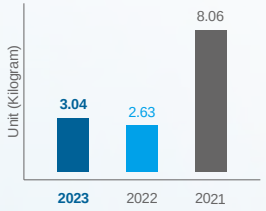
Pollutant Management and Emissions

The Group's production workshops and laboratories are equipped with air conditioning purification systems for air exchange and exhaust to maintain the air quality of the working environment. In addition to our own monitoring and management of emissions, we also engage third-party professional environmental assessment organizations to measure and report on pollutant emissions on a regular basis. During the Reporting Period, the Group's laboratories and production site did not spot any exhaust emissions that were in violation or non-compliant.

Exhaust Gas Emissions

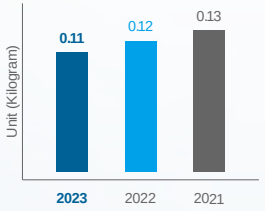
NOx

Nitrogen Oxides (NOx)

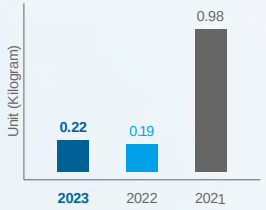


SOx

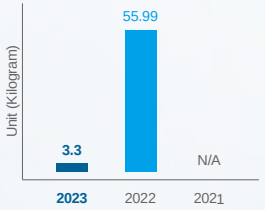
Sulphur Oxides (SOx)



Particulate Matter



Volatile Organic Compound (VOC)



Waste Management

The waste generated by the Group is categorized as hazardous waste and non-hazardous waste. Hazardous waste mainly includes laboratory waste liquids, end-of-life reagents, and waste reagent glass bottles. Non-hazardous waste includes packaging bags, cartons, glass bottles, external packaging cartons and office waste generated from production and laboratories.

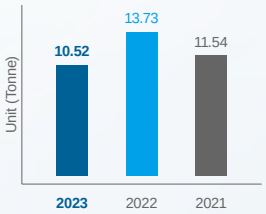
The Group has formulated policies and operation procedures such as *the Procedures for the Management of Hazard Source Identification, Evaluation and Control, the Hazard Waste Operating Procedures for Liquid and Solid Waste, the Standards for the Treatment and Disposal of Hazardous Waste, and the Operating Procedures for the Management of Hazardous Chemicals*, to identify and prevent safety hazards caused by waste timely and dispose waste properly.

Hazardous Waste

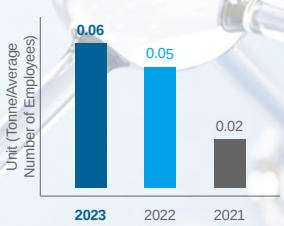
We refine the classification of hazardous waste and require all relevant departments to transport, use and store them closely following required procedures. The departments in charge perform regular inventory, monitoring and inspection. Hazardous waste generated from production and laboratories was collected by qualified third-party professional service providers for harmless treatment on a regular basis. In 2023, the total amount of hazardous waste was 10.52 tonnes.

Hazardous Waste

Total Hazardous Waste



Total Hazardous Waste Intensity

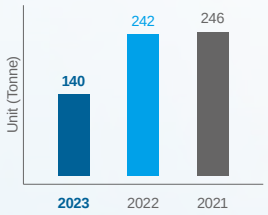


Non-Hazardous Waste

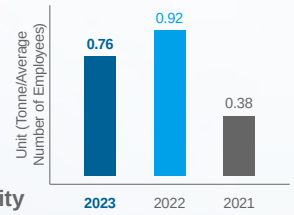
We sort, store and dispose of non-hazardous waste following the administrative requirements of local government, which involved waste processing companies' scheduled collection. We encourage all departments to take actions to reduce waste, and reuse and recycle where possible, to help release the hike of waste generation and secondary pollution caused from processing or landfill. During the reporting period, we took initiatives to reduce the consumption of non-hazardous waste, but the density of non-hazardous waste per capita increased modestly as a result of the reduction in the average number of employees.

Non-hazardous Waste

Total Non-hazardous Waste



Total Non-hazardous Waste Intensity

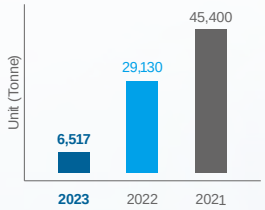


Wastewater Discharge

In the Reporting Period, the Group's wastewater was mainly generated from manufacturing process and cleaning of equipment in the Yuxi site before 31 July 2023. A total of 6,517 tonnes of wastewater was discharged in 2023, representing a decrease of 78% year-on-year due to the suspension.

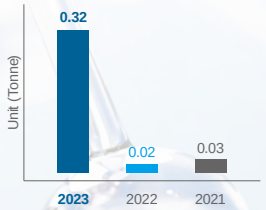
Wastewater Discharge

Wastewater Discharge



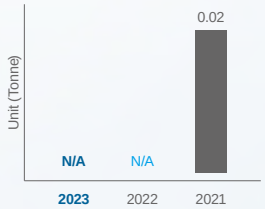
COD

Chemical Oxygen Demand (COD)

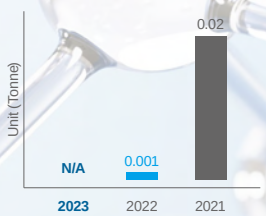


BOD

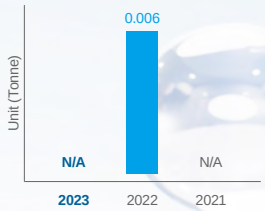
Biochemical Oxygen Demand (BOD)



Ammonia Nitrogen



Total Nitrogen



APPENDIX

HKEX ESG Reporting Guide Content Index

Subject Areas, Aspects, Disclosures and KPIs	Description	Sections
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to exhaust gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Part 6 Achieve Green Operation
KPI A1.1	The types of emissions and respective emissions data.	Part 6 > Comply with Operations
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Part 6 > Reshape Environmental Strategy
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Part 6 > Comply with Operations
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Part 6 > Comply with Operations
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Part 6 > Reshape Environmental Strategy
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken.	Part 6 > Reshape Environmental Strategy, Comply with Operations
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Part 6 > Reshape Environmental Strategy
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in ’000s) and intensity (e.g., per unit of production volume, per facility).	Part 6 > Reshape Environmental Strategy
KPI A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	Part 6 > Reshape Environmental Strategy
KPI A2.3	Description of energy use efficiency target(s) and steps taken to achieve them.	Part 6 > Reshape Environmental Strategy
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.	Part 6 > Reshape Environmental Strategy
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Part 6 > Reshape Environmental Strategy

Subject Areas, Aspects, Disclosures and KPIs	Description	Sections
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Part 6 > Comply with Operations
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Part 6 > Comply with Operations
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Part 2 > ESG Governance Part 6 Achieve Green Operation
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Part 6 > Reshape Environmental Strategy
Aspect 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.	Part 5 > Allocating Resource to Priorities, Hiring with Interests Protection, Aligned for Transformation
KPI B1.1	Total workforce by gender, employment type (e.g. full-or part-time), age group and geographical region.	Part 5 > Hiring with Interests Protection
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Part 5 > Hiring with Interests Protection
Aspect 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.	Part 5 > Safeguarding Occupational Health
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years, including the reporting year.	Part 5 > Safeguarding Occupational Health
KPI B2.2	Lost days due to work injury.	Part 5 > Safeguarding Occupational Health
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Part 5 > Safeguarding Occupational Health
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Part 5 > Training for Future-proof Organization
KPI B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Part 5 > Training for Future-proof Organization
KPI B3.2	The average training hours completed per employee by gender and employee category.	Part 5 > Training for Future-proof Organization

Subject Areas, Aspects, Disclosures and KPIs	Description	Sections
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Part 5 > Hiring with Interests Protection
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Part 5 > Hiring with Interests Protection
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Part 5 > Hiring with Interests Protection
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Part 4 > New Priority of Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Part 4 > New Priority of Supply Chain Management
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.	Part 4 > New Priority of Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Part 4 > New Priority of Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Not Applicable
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Part 4 > Ensure Quality Management, Quality Control of Clinical Research
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Part 4 > Adverse Events Analysis and Reporting
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Part 4 > Ensure Quality Management
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Part 3 > Protect Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	Part 4 > Adverse Events Analysis and Reporting
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Part 4 > Quality Control of Clinical Research, Adverse Events Analysis and Reporting

Subject Areas, Aspects, Disclosures and KPIs	Description	Sections
Aspect 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.	Part 2 > ESG Governance > Compliance Management
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.	Part 2 > ESG Governance > Compliance Management
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Part 2 > ESG Governance > Compliance Management
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Part 2 > ESG Governance > Compliance Management
Aspect 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.	Part 5 > Community Building
KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	Not applicable
KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	Not applicable