康宁杰瑞
ALPHAMAB ONCOLOGY

ALPHAMAB ONCOLOGY
康寧傑瑞生物製藥

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 9966

2023

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Contents

About the Report

Reporting Period

The Environmental, Social and Governance ("ESG") Report (the "Report") covers the period from January 1, 2023 to December 31, 2023, with some of the contents extending forward or backward moderately. The period covered herein is consistent with that in our 2023 Annual Report.

Coverage

The entities covered herein are consistent with that in our 2023 Annual Report, including Alphamab Oncology and its subsidiaries.

Reporting Basis

The Report is prepared in accordance with the ESG Reporting Guide (the "Guide") as set out in Appendix C2 of the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and its major amendments. The Report has been reviewed and approved by the Board of Directors of the Company (the "Board"). Readers may refer to the last chapter of the Report ,"Appendix – HKEX ESG Reporting Guide Content Index" for quick reference.

Sources of Information

The qualitative and quantitative information used in the Report is from public information, internal documents and relevant statistical data of the Company.

Basic Principles

The Report considers the materiality, quantitative, balance and consistency of the key ESG performance indicators.

Materiality: Identify and prioritize issues that are material to stakeholders through analysis of policies and criteria, and communication with stakeholders.

Quantitative: The disclosed Key Performance Indicators ("KPIs") can be measured.

Balance: Objectively present the Company's work on ESG.

Consistency: Adopt the same data disclosure method as previous years, and compare the data from different years, showing the changes of statistical methods and KPIs.

Pronominal Reference

For ease of presentation and reading, "Alphamab Oncology" is also referred to in the Report as "Alphamab", "the Company" or "We". Unless otherwise defined, capitalized terms and definitions used in the Report shall have the same meaning as defined in the 2023 Annual Report.

Form of Release

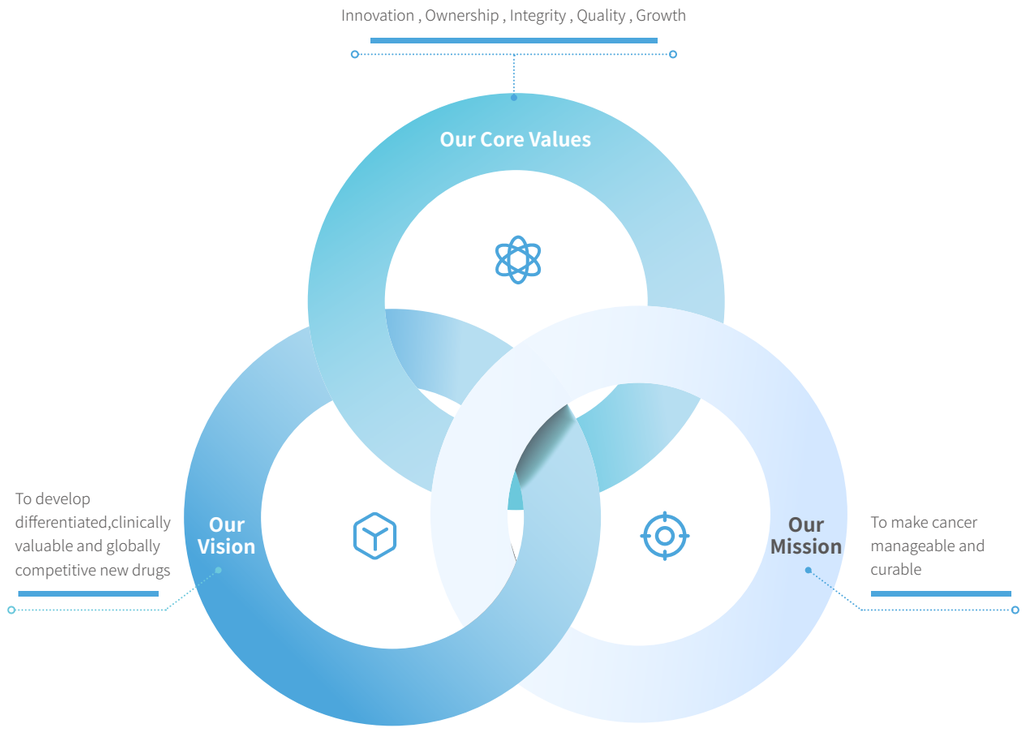
The online version of the Report is available for viewing and downloading from the websites of the Stock Exchange (www.hkex.com.hk) and the official website of Alphamab Oncology (www.alphamabonc.com).

About Alphamab Oncology

Company Overview

Founded in 2015, Alphamab Oncology is a biopharmaceutical company dedicated to the discovery, development, manufacturing and commercialization of innovative biotherapeutics for cancer treatment. On December 12, 2019, Alphamab Oncology was listed on the Main Board of the Stock Exchange (Stock Code: HK.9966).

Alphamab Oncology has always adhered to the corporate philosophy of "Innovative Medicine for a Better Life", is committed to solving the unmet clinical needs of cancer patients, and strives to develop the next generation of innovative drugs to make cancer controllable and curable.



To date, we have established proprietary biomacromolecule platforms for drug development, research, and manufacturing. These platforms enable us to engage in protein/antibody engineering, antibody screening, and multi-module/multi-functional antibody modification. Leveraging advanced technology platforms, Alphamab Oncology has built globally competitive and differentiated pipeline that focus on addressing unmet clinical needs. We are dedicated to development of safe, affordable, and globally competitive anti-tumor drugs, thereby bringing benefits to patients.

Independent intellectual property technology platform with sustainable innovation capability

By fully understanding the structure and function of proteins and combining with the analysis and prediction of bioinformatics, the Research and Development (R&D) team of Alphamab Oncology has successfully developed the R&D technology platform for biomacromolecule anti-tumor drugs, namely the Proprietary Bispecific Platform, Proprietary antibody-drug conjugates (ADC) Platform, and Proprietary Mix-mAb Platform. These innovative platforms facilitate focused multi-dimensional antibody modification technology and enable independent development of product pipeline with significant differentiation advantages.

Innovative product pipeline with differentiated advantages and global competitiveness

Relying on our advanced technology platform, we have developed a product pipeline with significant differentiation and strong international competitiveness, covering innovative anti-tumor drugs such as single domain antibodies/monoclonal antibodies, multi-functional antibodies, and ADC. Notably, KN035 (Envafolimab Injection, the world's first subcutaneously injectable programmed cell death-ligand 1 (PD-L1) inhibitor, brand name: ENWEIDA, 恩维达®) was approved for marketing in China in 2021; 3 products are currently in the advanced stages of clinical development; 2 products were selected as the national "Major New Drug Development and Manufacturing" special project; 3 products were granted 4 Orphan Drug Designations (ODD) by the Food and Drug Administration (FDA) of the U.S.; 1 product was granted breakthrough therapy designation by the China National Medical Products Administration (the NMPA); Furthermore, 2 new drug molecules have entered phase I clinical development.

The following chart outlines our product pipeline as of the date of this Report:

1 Product
KN035 (Envafolimab Injection, the world's first subcutaneously injectable programmed cell death-ligand 1 (PD-L1) inhibitor) was approved for marketing in China in 2021

3 Products
are currently in the advanced stages of clinical development

2 Products
were selected as the national "Major New Drug Development and Manufacturing" special project

3 Products
were granted 4 Orphan Drug Designations (ODD) by the Food and Drug Administration (FDA) of the U.S.

1 Product
was granted breakthrough therapy designation by the China National Medical Products Administration (the NMPA)

2 New Drug Molecules
have entered phase I clinical development

Drug Candidate	Indications	Combination Therapies	IND / Proof of Concept / Pivotal / NDA
KN046 (PD-L1/CTLA-4 bispecific antibody)	1L Sq NSCLC	+ chemotherapy	Pre-NDA
	1L pancreatic cancer	+ chemotherapy	
	1L NSCLC	+ axitinib	
	PD-(L)1 refractory NSCLC	+ axitinib	
KN026 (HER2/HER2 bispecific antibody	1L BC	+ nab-docetaxel	
	⩾2L GC/GEJ	+ chemotherapy	
	Neoadjuvant BC	+ docetaxel	
	Late-line colorectal cancer	+KN046	
KN035 (SubQ PD-L1)	⩾2L MSI-H/dMMR advanced solid tumors	monotherapy	already come to market in China in November 2021
	1L biliary track cancer	+ chemotherapy	
	⩾2L soft tissue sarcoma	monotherapy	Global
	Neoadjuvant/adjuvant therapy NSCLC	+ chemotherapy	
JSKN003 (HER2 biparatopic ADC)	HER2-expressing solid tumors	monotherapy	China and Australia
JSKN033 (subcutaneous combination of JSKN003 and KN035)	HER2-expressing solid tumors	monotherapy	Australia
JSKN016 (HER3/TROP2 bispecific antibody ADC)	Solid tumors	monotherapy	

Events of 2023

March 2023

- The first patient was successfully dosed in a phase I clinical trial conducted in China of JSKN003 for the treatment of advanced solid tumors.
- The pre-clinical research results of KN052 (an innovative PD-L1/OX40 bispecific antibody) were presented for the first time as the Late-Breaking Research at the Annual Meeting of the American Association for Cancer Research (AACR).

April 2023

May 2023

- The investigational new drug (IND) approval for a phase III clinical trial of KN026 in combination with chemotherapy in the first-line treatment for HER2-positive breast cancer was granted by NMPA.

June 2023

- The data from a phase II clinical trial of KN026 in combination with KN046 in the treatment of locally advanced unresectable or metastatic HER2-positive solid tumors other than breast cancer (BC) or gastric cancer (GC)/ gastroesophageal junction adenocarcinoma (GEJ) were presented at the 2023 Annual Conference of the American Society of Clinical Oncology (ASCO).
- The phase I clinical study results of KN046 in the treatment of advanced solid tumor were published online in the world-renown *Journal for ImmunoTherapy of Cancer* (JITC).

July 2023

- The phase II study results of KN046-based monotherapy in the treatment of advanced Non-small Cell Lung Cancer (NSCLC) were published online in the world-renown *European Journal of Cancer* (EJC).
- The first patient was successfully dosed in a phase III clinical trial of KN026 in combination with HB1801, a kind of docetaxel for injection (albumin binding) as the first-line treatment for HER2-positive recurrent or metastatic BC.

August 2023

- The IND approval for a phase III clinical trial of KN035(ENWEIDA) was granted by NMPA for the neoadjuvant/ adjuvant therapy in patients with resectable NSCLC.

October 2023

- Research data from 6 studies of KN046 and KN026 were presented at the European Society for Medical Oncology (ESMO) Congress 2023
  - Data of the efficacy and safety of KN046 in patients with metastatic NSCLC who have failed prior EGFR-TKI(s) treatment.
  - Data of the efficacy and safety of KN046 in patients with NSCLC who have failed prior immune checkpoint inhibitor(s) therapy.
  - Preliminary data from a single-arm, open-label, multi-center phase II clinical trial of KN046 in combination with axitinib as the first-line treatment for advanced NSCLC.
  - Data from a multi-center, single-arm phase II clinical trial of KN046 in patients with recurrent or metastatic thymic carcinoma who have failed in prior first-line chemotherapy.
  - Two-year follow-up data on the efficacy and safety of KN026 in combination with docetaxel as first-line treatment for HER2-positive recurrent or metastatic BC.
  - Data of KN026 in combination with docetaxel as neoadjuvant treatment for HER2-positive early or locally advanced BC.
- The IND approval for a phase III clinical trial of ENWEIDA in combination with chemotherapy for the first-line treatment of patients with advanced or recurrent endometrial cancer with pMMR was granted by the FDA.

November 2023

- KN026 in combination with chemotherapy for the treatment of patients with HER2-positive locally advanced, recurrent or metastatic GC/ GEJ who have failed first-line standard treatment, was granted breakthrough therapy designation by the Center for Drug Evaluation (CDE) .
- ENWEIDA in combination with Lenvatinib for the treatment of non-MSI-H/non-dMMR advanced endometrial cancer, was granted breakthrough therapy designation by the CDE.

December 2023

- The first patient was successfully dosed in the pivotal clinical trial of JSKN003 for the treatment of advanced HER2-low expression BC.
- Long-term follow-up data from a clinical trial of KN026 in combination with docetaxel as the first-line treatment for HER2-positive recurrent or metastatic BC were presented at the San Antonio Breast Cancer Symposium (SABCS).
- A phase I/II clinical trial of JSKN033, a novel subcutaneous injection compound, for the treatment of HER2 expression advanced or metastatic solid tumors, was approved in Australia.

2023 Awards

Embracing the mission of "Making cancer manageable and curable", we remain steadfast in our dedication to discovery, developing, manufacturing and commercializing innovative biotherapeutics for cancer treatment. Throughout the years, we have prioritized scientific and technological innovation as the driving force behind our high-quality development, achieving industry-renowned results. In 2023, we won the following awards:

Alphamab Oncology Listed as One of the "2023 Top 100 Chinese Pharmaceutical Innovative Enterprises"

Jointly launched by Healthcare Executive (E 藥經理人) and Clarivate Analytics, taking the four indications (the number of authorized patents, total number of patent citations, the number of clinical trials and the number of innovative drugs approved and commercialized) as the basis for evaluation, the award selected the "Top 100 Chinese Pharmaceutical Innovative Enterprises" representing China's pharmaceutical innovation strength every year.

Alphamab Oncology has been selected as one of the top 100 for five consecutive years, which ranks among the top pharmaceutical innovators in China, demonstrating its major contribution to the transformation and upgrading of China's pharmaceutical industry and the creation of industrial competitiveness.

2023 Top 100 Chinese Pharmaceutical Innovative Enterprises

Alphamab Oncology Awarded the Title of "2023 Top 20 Chinese Pharmaceutical Listed Companies in ESG Competitiveness"

The enterprises on the list are jointly selected by Healthcare Executive and SynTao, with ESG transparency and ESG management performance as the core indicators.

Alphamab Oncology won the "2023 Top 20 Chinese Pharmaceutical Listed Companies in ESG Competitiveness", which indicates that the Company is one of the most representative listed pharmaceutical companies in terms of ESG management practices in China, and is an example and benchmark for the transformation and upgrading of China's pharmaceutical industry and the creation of sustainable industrial competitiveness.

2023 Top 20 Chinese Pharmaceutical Listed Companies in ESG Competitiveness

Going forward, Alphamab Oncology will continue to develop differentiated, clinically valuable and globally competitive new drugs. We are committed to serving as a participant in the "Healthy China 2030" initiative, contributing to the high-quality development of the biopharmaceutical industry, and acting as guardians for cancer patients globally. Through these efforts, we aim to comprehensively enhance economic, social, and ecological progress.

Sustainable Development Governance

Alphamab Oncology remains steadfast in its commitment to the corporate values of "Innovation, Ownership, Integrity, Quality, and Growth," actively fulfilling its social responsibilities while focusing on the development, manufacturing, and commercialization of innovative anti-tumor drugs. We have consistently pursued a robust and sustainable development strategy, underpinned by a comprehensive ESG governance system. Through the establishment of diverse communication channels and a keen attention to the feedback of all stakeholders, we strive to enhance the Company's ESG performance across the environmental, social, and governance dimensions. These efforts are aimed at supporting the Company's sustainable development objectives.

01

1.1 ESG Governance Structure

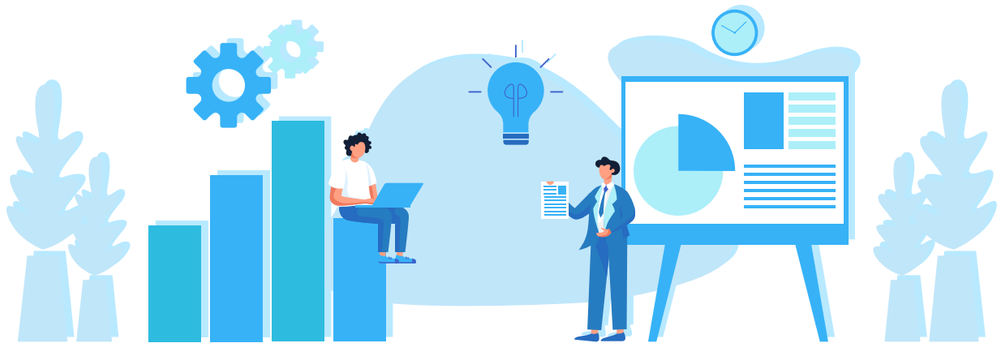
We incorporate the concept of sustainable development into the Company's daily operations and exert continuous efforts to implement ESG management practices. In order to realize the effective implementation of ESG work, the Company has established and continuously improved the three-level management structure, which is overall coordinated by the Board, daily management by the ESG Working Committee, and support by the ESG Working Group, with clear division of responsibilities at all levels and coordination. The Board, as the supreme responsible body for ESG governance, guides the Company's ESG development direction. Under the Board, the ESG Working Committee is responsible for guiding and promoting the Company's ESG matters, reviewing ESG related risks and opportunities, proposing ESG systems, strategies and objectives, and regularly reporting the Company's ESG status to the Board. The ESG Working Group, as the main coordination and implementation body for the ESG strategy, is responsible for the specific implementation of ESG related policies and action plans.

- Making decisions on ESG-related risks and importance
- Managing and overseeing the handling of ESG issues
- Providing guidance, suggestions and support to realize ESG goals

- Reviewing ESG policies
- Supervising and inspecting ESG performance and progress of goal attainment
- Identifying and analyzing ESG risks
- Reviewing ESG-related reports
- Regularly reporting ESG performance to the Board of Directors

- Drafting ESG related policies and action plans
- Coordinating and promoting the handling of various ESG matters
- Managing ESG-related risks and matters in routine operation process
- Collecting, sorting and preparing public disclosure information on ESG-related matters

Alphamab Oncology's ESG Governance Structure



Statement of the Board

Responsibilities of the Board

The Board, as the supreme organization for ESG governance, is responsible for overall overseeing Alphamab Oncology's ESG strategy development and ESG information disclosure. In addition, the Board regularly reviews and approves ESG strategies and objectives, evaluates ESG-related risks and material ESG issues, reviews and discloses ESG information, and sums up experience and lessons from major negative ESG events.

ESG Work Execution

In terms of business operations, the Company reviews major ESG-related issues at regular meetings of the Board and has established the ESG Working Committee which is responsible for reviewing and overseeing the work related to the Company's ESG strategic goals, ESG risks and importance of issues, timely tracking the progress of goal attainment, and providing strategic insights and resource support for the disclosure of ESG-related performance information. In addition, the Company has established the ESG Working Group which is responsible for coordinating various work of ESG related communication and collaborating the implementation of ESG matters.

Material ESG Issues

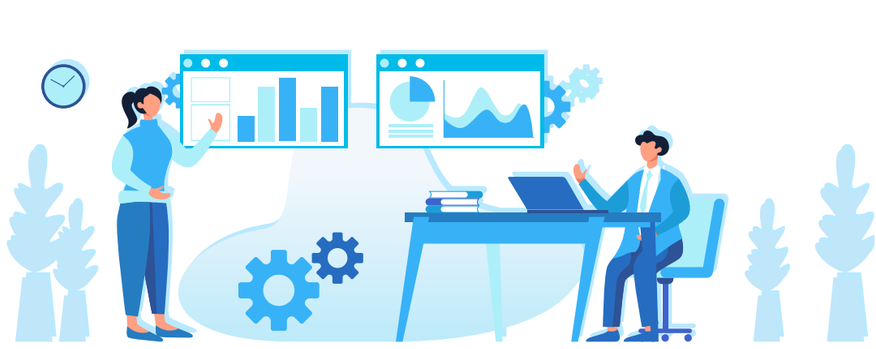
We attach great importance to the identification of material ESG issues. We evaluate material ESG issues through diversified communication channels, normalized communication mechanisms, and analysis of relevant policies and industry trends. The Company determines material ESG issues mainly according to the materiality evaluation by independent third parties. The final evaluation results are drafted upon discussion and approval by the ESG Working Committee and the Board.

ESG Risk Governance

Keeping an eye on ESG-related risks and opportunities, the Board makes resolutions on ESG-related risks and their importance in the routine operation process of the Company and develops appropriate risk response strategies to deal with ESG risks in a timely and effective manner, and to reduce the negative impact of ESG risks on the Company.

Review of Goals

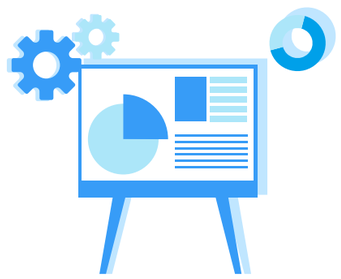
We set the environmental management goals of reducing energy consumption density, water consumption intensity, and emissions (greenhouse gases, exhaust gases, hazardous and non-hazardous wastes) intensity by 5% by 2023, with 2020 as the base year. We set goals and action directions, and regularly review progress towards achieving them. In 2023, the greenhouse gas emission intensity, energy consumption intensity, and water consumption intensity of Alphamab Oncology decreased by 76.04%, 72.46%, and 71.42% respectively than those in 2020.



1.2 Communication with Stakeholders

Alphamab Oncology is committed to establishing a standardized mechanism for listening to stakeholder opinions, engaging in communication with them, and addressing their needs. Through these efforts, we aim to formulate more effective management decisions and enhance our ESG management practices. Drawing on our unique business and operational characteristics, as well as insights from domestic and international industry experiences and best practices, we have identified the primary stakeholders who wield decision-making power and influence over the Company. Additionally, we have implemented diverse communication channels to solicit feedback from all stakeholders, ensuring that the Company fulfills its responsibilities to all parties:

Stakeholders	Expectations and Requirements	Company Response	Main Communication Channels
Customers/ potential customers	Ensure product quality R&D and innovation Protect customer privacy and rights	Quality management R&D and innovation Compliance in operation Responsible publicity Protection of customers' rights and privacy	Customer services Daily operations/communications Company website Academic conference Industry forum
Shareholders and investors	Protection of shareholders' rights and interests R&D and innovation R&D progress Commercialization Information disclosure and transparency Effective risk control system Compliance in operation Intellectual property protection	Quality management R&D and innovation Intellectual property protection Business cooperation Compliance in operation Supply chain management Emissions management Resource management	General Meeting of Shareholders Investor roadshow Interim and annual results conference Business progress conference call Brokerage investment strategy conference or forum Company website Results announcements Interim and annual financial reports Other information disclosure
Employees	Employee rights and benefits Employee training and development Occupational health and safety	Employee rights Employee health and safety Employee training and development Compliance in employment Employee equality and diversity Employee communication and care	Team building activities Employee training Performance evaluation Employee suggestion box Exit interview Other communications
Suppliers	Fair procurement Standardized procurement management	Supply chain management	Daily operations Supplier access and evaluation Supplier audit
Competitors	Fair competition Cooperative development	Business cooperation Compliance in operation Intellectual property protection	Industry communication Strategic cooperation Professional forums
Government and regulators	Compliance in operation Corporate governance Industry development promotion Community development support Environmental protection Energy saving and emission reduction	Compliance in operation Emissions management Resource management Public and community contribution Anti-corruption and business ethics	Regulatory communication Professional forum Compliance report Meetings and visits Communication with the medical administrators
Communities	Environmental protection Public and community contribution	Public and community contribution Climate change and response Emissions management Resource management Universal healthcare	Community activities Public benefit activities Seminars Open Day for Science Popularization Receive research on employment and science from universities and institutions



Communication with Investors

In communicating with our investors, we utilize various communication strategies and channels including on-site visits, roadshows, reverse roadshows, investment strategy conferences, and performance briefings. Through these channels, we strive to establish timely, transparent, and precise communication with our investors, fostering long-term, stable relationships built on mutual trust. This approach lays a solid foundation for the Company's sustained development. During the Reporting period, the Company carried out more than 240 communication activities with investors.

Communicate directly with investors or participate in investor conferences organized by brokers:	More than **120** times
Daily investor communication such as investor phone calls and online consultations:	More than **120** times
Release of the Company's daily information, voluntary announcements, inside information announcements:	A total of **46** times

Alphamab Oncology's communication with investors

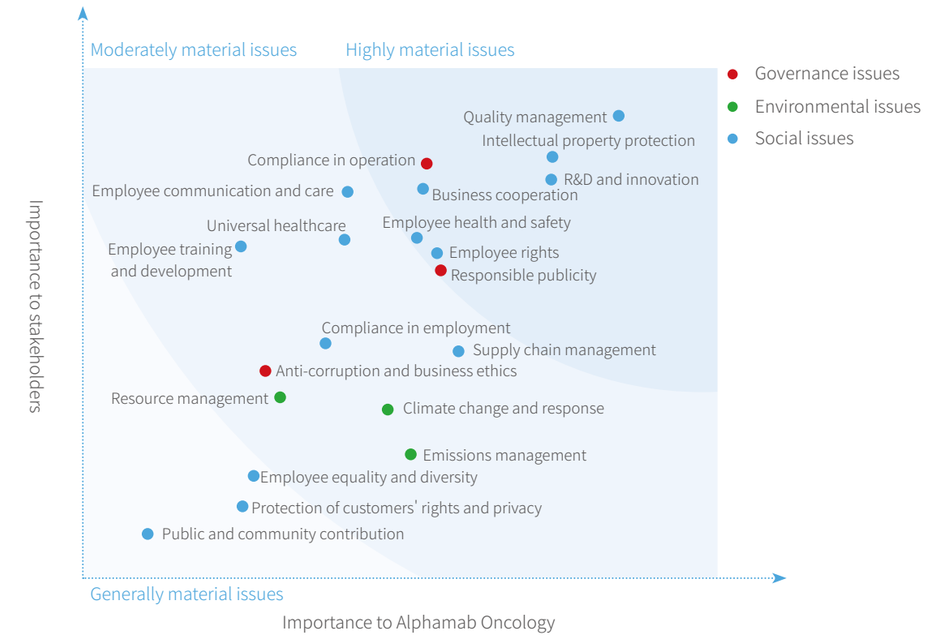
Spring Industry Strategy Conference

In 2023, Alphamab Oncology participated in the Spring Industrial Strategy Conferences organized by TF Securities, CITIC Securities and CICC Securities respectively in Shanghai. At the conferences, the Company shared its understanding of differentiated innovation, and demonstrated its technological innovation and upgrading in the field of bispecific antibody and bispecific antibody ADC through Roche's product upgrading cases in HER2 and CD20. This has enhanced the confidence and interest of investors and the industry in the Company's technology platform and pipeline.

Spring Industry Strategy Conference

1.3 Analysis of Material Issues

Alphamab Oncology regularly distributes questionnaires to stakeholders to gather their opinions and expectations regarding the Company's ESG issues. Utilizing the feedback received, we update our issue matrix and prioritize issues with significant impacts on the Company's sustainable development. These prioritized issues are elaborated upon in our ESG reports. During the Reporting Period, we identified 8 highly material issues, 9 moderately material issues, and 3 generally material issues.



Matrix of ESG-Related Material Issues in 2023

Highly material issues	Moderately material issues	Generally material issues
Quality management	Employee communication and care	Employee equality and diversity
Intellectual property protection	Universal healthcare	Protection of customers' rights and privacy
R&D and innovation	Supply chain management	Public and community contribution
Compliance in operation	Climate change and response	
Business cooperation	Compliance in employment	
Employee rights	Employee training and development	
Employee health and safety	Anti-corruption and business ethics	
Responsible publicity	Resource management	
	Emissions management	

Innovation for Shared Development

Product and technological innovation serve as inexhaustible driving forces propelling the advancement of pharmaceutical companies.
We consistently dedicate ourselves to leveraging our extensive R&D expertise to deliver a broader array of high-quality innovative biopharmaceuticals.
Through our strong drug R&D capabilities, advanced technology platforms, and industry-leading R&D facilities, along with comprehensive manufacturing bases,
we collaborate with our partners to spearhead the development and commercialization of cancer drugs, benefiting patients and improving their quality of life.

02

2.1 Important Innovation Breakthroughs

Major advancements in immunotherapy have led to historic breakthroughs in tumor treatment. Drawing upon our proprietary innovative technology platforms, Alphamab Oncology has developed product pipeline with significant differentiation and strong global competitiveness, covering single-domain antibodies, multifunctional antibodies, ADCs and other anti-tumor innovative drugs. Throughout the Reporting Period, the Company's R&D projects progressed smoothly, with several product pipeline achieving significant milestones and demonstrating exceptional performance.

Progress of Innovative Drugs

The Company has developed multiple product pipeline, with KN035 (Envafolimab Injection, the world's first subcutaneously injectable PD-(L)1 inhibitor, brand name: ENWEIDA, 恩維達®) being granted approval for marketing in China in November 2021 for the treatment of MSI-H/dMMR patients with advanced solid tumors who have prior treatment. Envafolimab obtained two Orphan Drug Designations (ODDs) from the US FDA for the treatment of advanced biliary tract cancer and soft tissue sarcoma. Envafolimab is being studied in clinical trials in multiple tumor types in China, the U.S., and Japan, including registrational/phase III clinical trials in multiple indications, which will further accelerate ENWEIDA's global market launch.

According to the official website of the CDE of NMPA, ENWEIDA has been included in the "List of Breakthrough Therapies". As a world-class innovative subcutaneously injectable PD-L1 inhibitor, ENWEIDA prioritizes both efficacy and accessibility in tumor treatment, thereby enhancing patient compliance, conserving medical resources, and facilitating the management of tumors as chronic diseases. Since its introduction to the market, ENWEIDA has positively impacted over 30,000 tumor patients and has been recommended by 12 authoritative clinical guidelines in China and the U.S., spanning various fields such as gastrointestinal tract tumors, gynecological tumors, and immune checkpoint inhibitors.

Core Products under Development

Alphamab Oncology takes a proactive approach to exploring diseases with significant future clinical needs while developing differentiated, clinically valuable, and globally competitive new drugs. Throughout the Reporting Period, many of the Company's core products under development made notable advancements.

KN046

The phase III clinical trials of KN046 in combination with chemotherapy for the treatment of advanced NSCLC and KN046 in combination with chemotherapy for the treatment of advanced pancreatic cancer are on-going.

KN026

The phase III clinical trials of KN026 in combination with chemotherapy as the first-line treatment for HER2-positive breast cancer and KN026 in combination with chemotherapy as the second-line and above treatment for HER2-positive GC/GEJ are on-going.

KN026 in combination with chemotherapy for the treatment of patients with HER2-positive locally advanced, recurrent or metastatic GC/GEJ who have failed first-line standard treatment, was granted breakthrough therapy designation by the CDE.

KN035

The IND approval for a phase III clinical trial of KN035 for the neoadjuvant/adjuvant therapy in patients with resectable NSCLC was granted by NMPA and the first patient has been successfully dosed.

The phase III clinical trial for endometrial cancer was approved by FDA.

KN035 in combination with Lenvatinib for the treatment of non-MSI-H/non-dMMR advanced endometrial cancer, was granted breakthrough therapy designation by the CDE.

JSKN003

The first patient was successfully dosed in a phase Ⅰ/Ⅱ clinical trial conducted in China of JSKN003 for the treatment of advanced solid tumors.

The pivotal clinical trial of JSKN003 for the treatment of advanced HER2 low-expressing breast cancer is on-going.

JSKN033

A phase I/II clinical trial of JSKN033 for the treatment of HER2 expression advanced or metastatic solid tumors, was approved in Australia, and the first patient was successfully dosed in March 2024.

JSKN016

The IND approval for a phase I clinical trial of JSKN016 for the treatment of advanced malignant solid tumors was granted by the CDE.

2023 Clinical Progress

In 2023, a number of clinical research data of Alphamab Oncology have drawn wide attention at international conferences such as the American Association for Cancer Research (AACR), the American Society of Clinical Oncology (ASCO), the European Society for Medical Oncology (ESMO), and the San Antonio Breast Cancer Symposium (SABCS), and will bring a new generation of oncology therapies to patients.

- The pre-clinical study research results of KN052 were presented for the first time as the Late-Breaking Research at the 2023 AACR Annual Conference.
- Data from the phase II clinical trial of KN026 in combination with KN046 in the treatment of HER2-positive solid tumors were updated at the ASCO Annual Meeting, signifying that the clinical value of innovative bispecific antibody combination therapy has been recognized internationally.
- Research data from 6 studies of KN046 and KN026 were presented at the ESMO Congress 2023.
- Long-term follow-up data from a clinical trial of KN026 in combination with docetaxel as the first-line treatment for HER2-positive recurrent or metastatic BC were presented at the SABCS Conference.

Alphamab Oncology's R&D Capability Won Recognition Internationally

2.2 Innovation Capacity Building

With the mission of "Making cancer manageable and curable" at the forefront, Alphamab Oncology remains steadfast in its dedication to tumor treatment, continuously pushing boundaries. The Company has implemented a comprehensive R&D management system, bolstered by a proficient and high-caliber R&D team, alongside a growing investment in R&D. Supported by cutting-edge research platforms and equipment, the Company has forged a distinctive research and development edge, striving to deliver world-class innovative biopharmaceuticals for patients globally.

Optimize R&D Management

A complete R&D management mode is a pivotal determinant of research progress and efficiency. Aligned with the innovation trends of "large scale", "programmable", and "predictable" research, we orient ourselves towards clinical value, enhancing internal R&D policies, systems, and standards. We refine the R&D management mechanism, aiming to elevate scientific research efficiency through standardized practices. The Company has established an R&D management framework with the R&D Department, Process Development and Analytical Development Department as its primary pillars. Efficiency in R&D management has been augmented through the cultivation of professional teams, optimization of project management, and implementation of other strategic measures.

R&D Directions

Make differentiated and innovative biological drugs based on our own advantages

Improve drug safety and expand drug theraputic window

R&D Platform Optimization

The Company attaches great importance to the construction of R&D technology platforms, and has created a range of proprietary drug discovery and R&D technology platforms. These include the Charge Repulsion Induced Bispecific (CRIB) Platform, Charge Repulsion Induced Antibody Mixture (CRAM) Platform, Glycosite-specific Antibody Drug Conjugates (ADC) Platform, and Subcutaneous Administration of ADC Formulations Platform. Throughout the Reporting Period, the Company has remained dedicated to upgrading its technology platforms, with a focus on differentiation as an advantage.

Charge Repulsion Induced Bispecific (CRIB) Platform

A world-class exclusion induced bispecific antibody platform for modifying Fc-based heterodimer BsAb, which can effectively solve the chemistry, manufacturing and control (CMC) issues of bispecific antibody research and development.

Charge Repulsion Induced Antibody Mixture (CRAM) Platform

A variety of different antibody molecules can be produced through one cell clone, thus effectively reducing R&D and production costs, and also reducing the cost for patients.

Glycosite-Specific Antibody Drug Conjugates (ADC) Platform

Based on the glycosylation of antibody CH2 domain, a glycan-specific conjugation technology was developed, using a one-enzyme two-step method, which is simpler and the cost is lower.

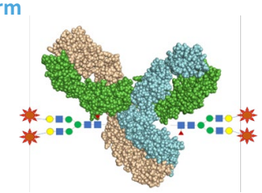
Subcutaneous Administration of ADC Formulations Platform

Based on the Company's proprietary formulation platform, antibody-drug conjugates are improved into subcutaneous dosage forms.

Innovative Technology Platforms

Continuous Improvement of the Monotoxin Glycosite-specific ADC Platform

In 2023, the Company updated the existing Monotoxin Glycosite-specific ADC Platform, which can control the Drug-Antibody Ratio (DAR) with higher accuracy, further lowering product heterogeneity and improve stability. Such update can also reduce the difficulty of late process, making it easy to expand production.



Monotoxin Glycosite-specific ADC Platform

Increasing R&D Investment

The Company takes R&D innovation as the driving force behind sustained development. We remain steadfast in our commitment to investing in and exploring R&D innovation, escorting scientific research project. In 2023, the Company's R&D investment amounted to RMB 408 million.

2023

R&D investment amounted to RMB

408 million

We have cultivated a talent pool encompassing both early-stage R&D and late-stage product development, and have built an innovative, highly educated and youth R&D team. The core members of our team boast extensive experience gained from working in international pharmaceutical companies and biologics R&D projects. As of the end of the Reporting Period, the Company had 371 R&D personnel, constituting 85% of the Company's total workforce. 29% of our R&D personnel are below the age of 30. 56% of our early-stage R&D team members hold postgraduate and doctoral degrees, particularly within the early-stage R&D team, which consists of the R&D Department, Process Development and Analytical Development Department.

We place immense value on enhancing the capabilities of our R&D team, recognizing it as fundamental to achieving continuous innovation breakthroughs. To facilitate the efficient functioning of our R&D team, we have established a comprehensive R&D training system. This system offers diverse training programs tailored to the needs of our R&D personnel. The contents of these programs encompass various aspects including R&D-related legal and regulatory requirements, data management, and field operation standards, among others. Through these initiatives, we aim to continually enhance the clinical research capabilities and professional skills of our R&D personnel.

Monthly Brainstorming Sessions of the R&D Department

The members of the R&D Department regularly convene brainstorming sessions to stay abreast of the latest trends in the pharmaceutical industry. They diligently review relevant papers and patents, exchanging ideas and insights during these meetings. Through this collaborative effort, the overall scientific capacity of the R&D team has been enhanced.

Inviting External Suppliers for Technical Training

To bolster the proficiency of the Company's frontline R&D personnel in various technologies utilized throughout the R&D process, such as molecular interaction technology, we organized technical training sessions. These sessions are conducted by technical support personnel from equipment manufacturers, encompassing both theoretical knowledge and practical application.

The Company has formulated and implemented a series of incentives aimed at promoting R&D achievements. We evaluate and commend the contributions of frontline R&D personnel, integrating their patents into our performance management system. Furthermore, we prioritize R&D personnel in applying for programs such as the "Leading Talents of Innovation and Entrepreneurship of Gusu District," Talent Attraction Program, and talent housing subsidies, among other thematic projects, on an annual basis. These initiatives aim to alleviate concerns and provide additional incentives to our dedicated R&D team.

R&D and Manufacturing Base

Alphamab Oncology is committed to continually promoting the development of our R&D and manufacturing base, with the aim of expanding production capacity and expediting the establishment of an "R&D-Manufacturing-Commercialization" industrial chain. Our biological macromolecule drug R&D and manufacturing base, situated in Suzhou Industrial Park (SIP), covers a total area of 75 mu (1 mu = 0.0667 hectares), which meets the standards of Good Manufacturing Practice (GMP) set by regulatory authorities such as the NMPA, FDA, and European Medicines Agency (EMA). The first phase of this facility has a total construction area of 54,000 square meters, including 15,000 square meters of R&D laboratories, well-equipped AD/QC laboratories, and pilot and production workshops.

We currently have a variety of engineered antibody drug productions lines including an ADC drug substance workshop. In 2023, the new 6,000L (3*2,000L) production lines have been officially put into operation, thereby the scale of the drug substance production lines has reached 12,000L, and the annual production capacity of the preparations workshops has exceeded 2.8 million vials. With these efforts, we can provide safe, effective and cost controllable innovative drugs for cancer patients.

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New Production Line

R&D and Manufacturing Base

2.3 Business Cooperation Empowerment

Alphamab Oncology takes optimizing the technology of new drug development as its responsibility. Guided by the principle of open collaboration and mutual benefit, we actively share our front-end R&D achievements with industry peers and take a leading role in technology development and commercialization based on our exceptional application practices. Our commitment extends to building a sustainable ecosystem covering both upstream and downstream of the industry.

We actively pursue business cooperation in various forms, including partnerships in overseas market development and product commercialization within the tumor therapy field, as well as product transfer or authorization in autoimmune disease treatment or organ transplantation domains. Additionally, we collaborate on our independently developed bispecific antibody platform, glycosite-specific ADC platform, and mixed antibody platform. We uphold a win-win philosophy and adopt a concise and efficient cooperation methodology. We endeavor to establish long-term, mutually beneficial partnerships with leading companies worldwide, thereby contributing to the advancement of the entire industry.

Partners (partial)

Cooperation Projects	Cooperation Areas	Cooperation Scope
Glenmark (KN035)	Progress in Clinical Development and Commercialization	Alphamab Oncology and 3D Medicines jointly announced an agreement with Glenmark, an Indian company, on KN035, a subcutaneously injectable PD-L1 inhibitor. Pursuant to this agreement, Glenmark was granted exclusive licensing interests in clinical development and commercialization of oncology indications of KN035 in India, Asia-Pacific (Singapore, Thailand and Malaysia excluded), the Middle East, Africa, Russia, Commonwealth of Independent States (CIS) and Latin America.
CSPC Pharmaceutical Group Co., Ltd. (CSPC) (KN026)	Progress in Clinical Development and Commercialization	Co-developed by Alphamab Oncology and CSPC, KN026 (a recombinant humanized anti-HER2 bispecific antibody) in combination with chemotherapy for the treatment of patients with HER2-positive locally advanced, recurrent or metastatic GC/GEJ who have failed first-line standard treatment (trastuzumab in combination with chemotherapy), was granted breakthrough therapy designation by the CDE. The phase III clinical trial of KN026 in this indication is in the enrollment stage, and is currently well underway. KN026 has been granted breakthrough therapy designation, and its R&D and review speed will be further accelerated.

2.4 Protection of the Rights and Interests of the Subjects

Alphamab Oncology strictly follows the *Civil Code of the People's Republic of China*, the *Declaration of Helsinki*, the *Good Clinical Practice (GCP)*, the *Guidelines for Ethical Review of Clinical Drug Trials*, and other applicable laws and regulations. Internally, we have developed policies such as the *Protection of the Rights and Interests of Subjects*. The clinical trials undergo evaluation and approval by the Ethics Committee. These measures are integral to ensuring the scientific integrity, reliability, and ethical conduct of clinical trials, while fully safeguarding the personal rights and interests of each clinical trial subject. During the actual operation process of clinical trials, we clarify the responsibilities and duties of institutions, ethics committees, and sponsors, and comprehensively safeguarding the rights and interests of subjects in terms of privacy, informed consent, safety and health, and economic compensation, etc.

Protection of Subjects' Privacy

The Company has formulated and implemented policies and measures to rigorously safeguard the privacy of subjects. We have bolstered data security management and instituted a comprehensive supervision mechanism to ensure that the personal information of subjects remains confidential, secure, and intact.

Institutional Guarantee

We have signed privacy protection agreements with relevant hospitals and researchers, and clarified relevant rights and responsibilities of us and suppliers in contract terms.

We have established a sound security event handling process for protection of subjects' privacy.

Process Optimization

During the design of clinical trial protocol, we fully consider the protection of subjects' privacy to ensure that data is not leaked.

Supervision and Inspection

Before the implementation of the trial, the Ethics Committee shall review the privacy and confidentiality measures for the subjects involved in the trial.

Measures for the Protection of Subjects' Privacy

Protection of the Subjects' Right to Informed Consent

Alphamab Oncology informs the subjects enrolled in clinical trials with comprehensive information including the study purpose, methods, potential conflicts of interest, investigator affiliations, expected benefits, potential risks, discomforts that may arise, and post-study protection measures. This ensures that subjects have a complete understanding of the clinical trial.

No procedures are conducted until subjects have signed the Informed Consent Forms (ICF), safeguarding their rights and interests. The Company develops the ICF according to the clinical study protocol, which is then submitted to the Ethics Committee for approval. If there are any updates to the study information, the ICF is revised accordingly and subjects are informed after approval by the Ethics Committee. If necessary, subjects sign the updated ICF again.

Subjects have the right to decide whether or not to participate in the study, and they may withdraw at any time without facing adverse effects.

Protection of the Subjects' Right to Safety and Health

Alphamab Oncology has formulated the *Clinical Trial Safety Report Processing Process* and the *Clinical Study Safety Report Distribution Management Process*, to continually refine the treatment mechanism and process for subjects' adverse reactions. In the event of Serious Adverse Events (SAE) and Suspected Unexpected Serious Adverse Events (SUSAR) during clinical trials, we ensure that handling is completed within the specified time limits as mandated by regulations. Subsequently, we submit the report to the relevant regulatory authorities, and promptly report to all participating clinical trial investigators, clinical trial institutions and the Ethics Committee.

Protection of Subjects' Right to Economic Compensation

For potential trial-related impairment events, Alphamab Oncology covers the treatment costs and provide financial compensation. In 2023, the Company introduced the "insurance claim + third-party supplier compensation + Company compensation" process. We prioritize the quickest method for settling claims based on the specific circumstances to expedite compensation for subjects, thereby safeguard their rights and interests to the fullest extent possible.

Quality as the Foundation and Adherence to Craftsmanship

We always put product quality assurance and customer service quality in an important position, constantly improve the quality and safety management system, adhere to the product quality and safety defense line, and use digital technology to continuously improve product quality.
In addition, we work with our partners to build a responsible supply chain and a sustainable future.

03

3.1 Adherence to Product Quality

Quality and Safety Management

Quality Management System

Alphamab Oncology strictly abides by the *Drug Administration Law of the People's Republic of China*, the *Good Manufacturing Practices for Pharmaceutical Products*, the *Good Supply Practices for Pharmaceutical Products*, the *Good Clinical Practice*, the *Administrative Measures for Drug Recalls*, the *Measures for the Reporting and Monitoring of Adverse Drug Reactions*, and other applicable laws and regulations related to quality and safety. In addition, we continuously strive to enhance our quality management mechanism to fortify the foundation for quality assurance.

With reference to the Q8, Q9 and Q10 discussions and approvals at the International Conference on Harmonization (ICH[1]), as well as *Good Practice Guidelines and Regulations for the Life Science Industry* (GxP), we have developed comprehensive quality manuals. These manuals delineate the scope and framework of our quality management, encompassing quality policies, objectives, responsibilities, products, services, and other pertinent aspects.

To further delineate the responsibilities of quality management, we have developed 184 internal quality management-related documents (including 13 newly added) and 546 operational documents (including 122 newly added) in alignment with the Company's operational realities. These documents serve as guiding principles within our production processes, ensuring the steadfast maintenance of product quality.

Valuing scientific management, Alphamab Oncology has established the Quality Review Board (QRB) as the highest decision-making organization for quality matters. Comprising executives and key personnel from relevant departments, the QRB is tasked with setting the Company's quality guidelines, devising solutions for significant quality events, providing quality evaluation recommendations, and supporting the ongoing enhancement of the quality system. Meanwhile, the QRB holds a monthly meeting to ensure that the Company has real-time updates on quality management and internal audits. During the Reporting Period, we held a total of 12 QRB meetings to discuss different topics.

- Tracking and sorting of the monthly updates of quality management content and actions
- Internal discussions on information including clients' demands, new laws and regulations, and quality management case
- Evaluation of KPIs, including quality training, quality variance, product recalls, material management, and supplier management

Contents of the QRB Meetings

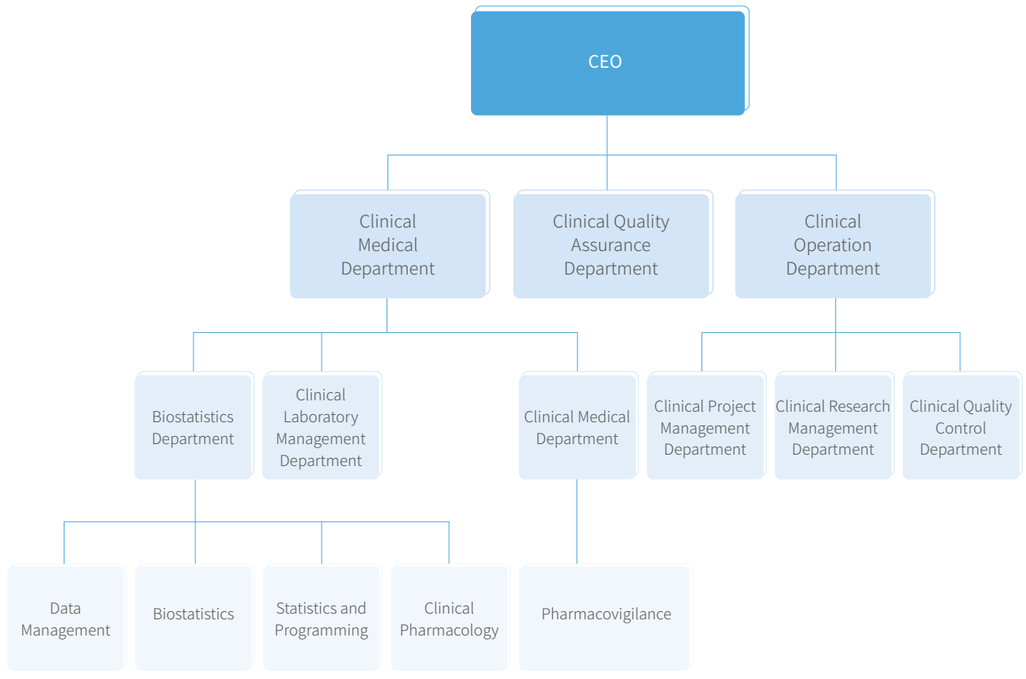
We continue to promote the construction of our internal quality system. During the reporting period, we have gradually promoted the installation, operation, and performance qualification of the Laboratory Management System (LIMS) and Quality Management System (QMS), and completed the training of relevant personnel. We are pushing forward the launch of the two systems. It is expected that after the completion of the launch, the two systems will realize information visualization, so as to improve the efficiency of internal communication and the level of quality supervision. Furthermore, we have initiated a project to establish a GMP system compliant with international standards. This system is continually refined through internal and external gap analyses to further enhance our quality management framework.

[1] ICH is short for The International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use, which was initiated in 1990 by the governmental drug registration authorities and the pharmaceutical industry of the United States, Japan and the European Union, with Q8, Q9 and Q10 being the requirements related to drug research and development, quality risk management, and the construction of a drug quality system, respectively.

Clinical Quality Management

Alphamab Oncology attaches great importance to clinical quality management. Throughout the Reporting Period, we revised and updated a total of 72 Standard Operating Procedures (SOPs) and Work Instructions (WIs) to align with internal and external regulatory updates. Our quality management standards cover the entire process of drug clinical trials to ensure that the process of drug clinical trials is standardized, the data and results are scientific, true and reliable, and further strengthen the standardization of clinical quality management to protect the safety of clinical subjects.

We have built and improved the quality management organization system for the entire life cycle of drug clinical trials, covering the quality standards of the entire process of drug clinical trials, including protocol design, organization and implementation, supervision, inspection, recording, analysis, summary and reporting, to ensure that all business process strictly abide by relevant laws and regulations and meet regulatory requirements.



Clinical Management Organization Structure

To effectively incorporate the multi-dimensional requirements of clinical quality management, we have implemented a Clinical Trial Management System (CTMS) for daily management. This system delineates management steps, processes, and roles for personnel involved, enabling systematic and integrated management of clinical studies and enhancing management efficiency. Throughout the Reporting Period, we updated the CTMS content, incorporating a supplier financial module and a corresponding mobile APP to enhance system functionality. To ensure proficiency with the updated system, we conducted training sessions for internal teams on how to utilize the APP, thus improving overall efficiency.

Strict Product Inspection

To enhance supervision and management of product quality, we have undertaken continuous efforts to standardize product inspections. We conduct annual inspections and reviews within the quality management process, promptly adjusting management methods as necessary.

The Company has conducted multiple internal and external quality inspections and audits. As of the end of the Reporting Period, a total of 21 internal inspections, 27 external quality inspections and 6 external quality audits were completed. These inspections and audits encompass various aspects, including the quality management system, quality management documents, plant equipment system, production system, packaging and labeling system, laboratory control system, environmental control and hygiene management, quality incident handling, personnel training, etc. Upon identifying issues during inspections and audits, we promptly implemented corrective actions, ensuring that all final outcomes met regulatory requirements.

Contents of internal and external quality inspection

- Required documents for clinical trials
- Regulatory and Ethics Committee
- Responsibilities of Sponsor/Site/CRA
- Informed Consent Process and Informed Consent Forms
- Protocal Deviation
- Recording and Reporting of AE/SAE/SUSAR
- Source file management
- Lab/Sample management
- Investigational Product management
- Electronic Data Capture (EDC) recording and management
- Laboratory examination/imaging tracing
- Facilities and equipment
- Qualification/personnel/training

Type	Contents	Institutions
Audit by official authorities	Envafolimab Injection (1000L) drug production annual regulatory inspection, with the main site in C23	Suzhou Food and Medical Products Administration
	Envafolimab Injection (1000L) drug production annual regulatory inspection, with the main site in C23	Center for Inspection of Jiangsu Medical Products Administration (JSMPA)
	Envafolimab Injection (1000L) drug entrusted production extension inspection, with the main site in C23	Sichuan Medical Products Administration (SCMPA)
Audit by clients	C23 preparation workshop & Fangzhou Road warehouse and preparation workshop	Suzhou Alphamab Co., Ltd.
	Audit by Marketing Authorization Holder(s) (MAH(s)) (annual quality audit)	3D Medicines (Sichuan) Co., Ltd.
	Quality and GxP compliance audit (remote audit)	TRACON Pharmaceuticals, Inc.

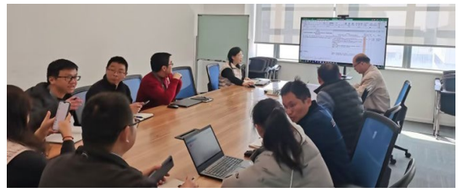
Contents of Quality Inspection

Quality and Safety Training

We actively conduct a series of quality and safety training sessions and forums in various formats, including induction training, standard operating procedure (SOP) update training, annual GMP training, and clinical quality training, to enhance the quality and safety awareness of our employees. Each department has established new employee training plans and annual training plans respectively, with the final training records uploaded to the online system. During the Reporting Period, in line with industry trends and based on internal or third-party audit findings, as well as on-site verification requirements, we provided knowledge sharing sessions to our internal team through online lessons. Additionally, we conducted annual training on pharmacovigilance activities throughout the entire lifecycle for all employees. As of the end of the Reporting Period, we successfully strengthened the promotion of quality culture and conducted a total of 25 quality trainings. The completion rate of annual training reached 95%, exceeding the annual target of 90%.

Annual GMP training: Aseptic Production Management

During the Reporting Period, we conducted an annual GMP training under the theme of "Aseptic Production Management", involving employees from the Production Department, Quality Department, Process Development and Analytical Development Department, and IT Department, etc. Lecturers presented PPT and hosted discussions during the training, and the relevant teaching materials (*JS-TRM-000028 2023 Annual Training - Aseptic Production Management - Aseptic Sub-volume of GMP Guidelines*) were uploaded to the training system for online studying.



Annual GMP Training Scene

Quality Forum: Risk Management and Utilization of FMEA[2]

During the Reporting Period, by using the training resources on the ZHONGSHIYAO.COM.CN, and by video and discussion, we hosted the Quality Forum of Risk Management and Utilization of FMEA, involving employees from the Production Department, Quality Department, Process Development and Analytical Development Department, and IT Department. In addition, we also uploaded the training materials to our official shared disk for online training.

Quality Forum Scene

Pharmacovigilance

Alphamab Oncology always attaches great importance to drug safety. In strict adherence to applicable laws and regulations, and tailored to the Company's operational context, we have developed and implemented a set of procedures, including the *Procedures for Management of Emergency Plans for Drug Safety Issues*, the *Procedures for Key Drug Monitoring and Management*, the *Post-marketing Pharmacovigilance Management Process*, and the *Standard Operating Procedure for Drug Safety Risk Communication*. Moreover, we have issued a total of 41 pharmacovigilance-related SOPs and Working Instructions (WIs), spanning the entire drug life cycle from clinical trials to the post-marketing period, to enhance the regulation of our pharmacovigilance efforts.

We continually refine our pharmacovigilance management system and have established a dedicated pharmacovigilance team within the Clinical Medical Department. This team comprises 4 full-time pharmacovigilance operators and 1 pharmacovigilance doctor, all of whom have received comprehensive training in pharmacovigilance and hold relevant qualifications. Additionally, we have implemented an effective and smooth mechanism for collecting, uploading, managing, and reporting adverse events from clinical trial subjects through the Oracle Argus[3] database.

Individual security information are collected → Pharmacovigilance team handles and evaluates individual safety events → Questions are collected and reported to sites for resolution → Serious Unexpected Suspected Adverse Reaction (SUSAR) reports are submitted to regulatory authorities → Reports are submitted to all clinical trial investigators and institutions, as well as the Ethics Committee

Handling Process of Adverse Reactions

[2] FMEA: abbreviation for Failure Mode and Effect Analysis.

[3] Oracle Argus, a database for handling, analyzing and reporting adverse reaction cases for a variety of drugs, biologics, vaccines, medical devices and combination products during the pre-market and post-market period.

3.2 Optimization of Lean Production

Ensuring Production Safety

Alphamab Oncology places utmost importance on work safety practices. We continuously improve our work safety management system and establish comprehensive protection mechanisms. Moreover, we prioritize raising employees' awareness of work safety and enhancing their operational capabilities through system development, regular training sessions, emergency drills, and other initiatives to ensure work safety practices.

To streamline safety management, we have implemented various internal policies, including the *Work Safety and Occupational Health Target Management System*, the *Evaluation and Reward and Punishment System for Work Safety*, and the *Management System for Work Safety Responsibility,* among others. These systems delineate the safety production process and outline the responsibilities of each department, thereby enhancing our safety production responsibility framework.

The Company has established a three-tier management system comprising the " Environment, Health and Safety (EHS) Management Committee - Safety Management Organization - Safety Management Personnel" to strengthen the foundation of safety management. The EHS Management Committee convenes regular meetings to review and report on EHS-related initiatives, develop annual safety production management plans, and provide guidance to subordinate organizations for daily safety production management. Additionally, we uphold the principle that every employee is responsible for safety within their respective roles, with managers bearing the dual responsibility of performing their duties diligently and ensuring safety.

EHS Management Committee	Safety Management Organization	Safety Management Personnel
The President of the Company serves as the Chairman, and the Vice President of the EHS Department serves as the Vice President Fully responsible for safety production work Solve safety production related issues at regular meetings	Develop safety management related policies Set annual safety production goals Carry out daily management work	Implement relevant provisions on safety management Participate in emergency drills in safety production Investigate potential safety hazards and put forward rectification suggestions Supervise the implementation of improvement measures

Governance Structure of EHS Management Committee

We continue to strengthen the management of employees' behavior and rigorously oversee external construction operations to ensure work safety and prevent accidents. Through the establishment and enhancement of a work safety responsibility system covering all employees, we set annual safety goals and promptly address hidden dangers while monitoring risks to standardize production behaviors and ensure compliance with relevant laws, regulations, and standards. As of the end of the Reporting Period, the system successfully passed the review based on the "13 elements of safety production standardization[4]".

In addition, we prepare a comprehensive safety training plan and conduct training sessions for employees accordingly. These training courses cover a wide range of subjects, including the use of specialized equipment, precursor chemical safety management, special operations safety management, occupational health management, safety protocols for foreign construction personnel, and pre-service certificate training mandated by state laws. As of the end of the Reporting Period, we conducted 8 safety trainings, benefiting 496 trainees, and helped employees successfully obtained 22 relevant certificates.

Management of Unqualified Products

In terms of unqualified products management, Alphamab Oncology formulated the *Unqualified Products Management Procedures*, clarifying the method for determining unqualified products and the subsequent approval and reporting procedures. We have clearly defined the responsibilities of each department for managing unqualified products, with specific emphasis on the responsibilities of the Clinical Operations Department. For unqualified products identified during the production process by on-site quality assurance (QA), the relevant personnel are required to complete an Unqualified Product Application Form. Once approved by managers from the supply chain, EHS, finance, and quality departments, the responsible personnel must promptly identify, label, and dispose the unqualified product. Additionally, if drugs intended for clinical research expire or outside the specified temperature range, and are confirmed by the Quality Department as unqualified for normal use, they are not approved for further clinical research. We enforce stringent measures to prevent any unqualified products from progressing to subsequent processes or entering the market. During the Reporting Period, the Company did not recall any products for safety- or health-related reasons once sold or shipped.

[4] 13 elements of safety production standardization includes work safety policy and objectives, safety responsibility system, safety organisation, safety management system, safety responsibility system, safety training and education, safety operation procedures, emergency rescue plans and drills, safety inspection and supervision, investigation and rectification of hidden dangers in accidents, occupational health management, information technology and technical support for work safety, and publicity and education on safety.

3.3 Improving Customer Services

Alphamab Oncology always adheres to the philosophy of "customer first", demonstrating respect for our customers and remaining receptive to their feedback and suggestions. We are committed to continuously enhancing customer satisfaction by optimizing our customer service processes and introducing new tools to better serve their needs. For returned products, we have implemented a robust return management process. As of the end of the Reporting Period, we had no instances of commercial product returns or recalls.

Handling of Customer Complaints

The Company places great importance on customer complaints and is committed to providing customers with effective and timely solutions through various transparent channels, including email and messages on the official website, etc. To regulate the complaint handling process for post-market products, we have developed the *Complaint Management Procedures*. In 2023, we received a total of 5 product complaints. We promptly conducted thorough investigations into each complaint and provided responses to all relevant MAHs. Investigation results revealed that only one complaint was reasonable, with no patient exposed to any medication risk.

Complaint and Handling Process of Post-Market Products

Product Recall Process and Handling

In accordance with the *Administrative Measures for Drug Recalls,* the *Good Manufacturing Practices for Pharmaceutical Products (2010 Edition)* and other laws and regulations, the Company has formulated the *Recall Management Procedures* internally, in which the specific responsibilities of each department are clarified. As of the end of the Reporting Period, we did not recall any products.

Product Recall Process chart

To proactively mitigate the risks associated with product recalls, we conducted recall simulations actively. During the Reporting Period, we collaborated with 3D Medicines (Sichuan) Co., Ltd. to conduct an audit simulation on Envafolimab Injection and devised the *2023 Plan for Drug Recall Simulation*. This plan was internally implemented to effectively preempt any potential product recall-related risks.

3.4 Sustainable Supply Chain

Alphamab Oncology stays committed to exploring more effective procurement strategies and processes while prioritizing the procurement of high-quality raw materials that meet our standards. We are steadfast in our efforts to establish a sustainable supply chain, fulfilling our social responsibility and contributing to human health and well-being. Additionally, we conduct rigorous inspections and audits on our suppliers, focusing on both quality and business ethics, as we believe in advancing the pharmaceutical industry with a responsible approach.

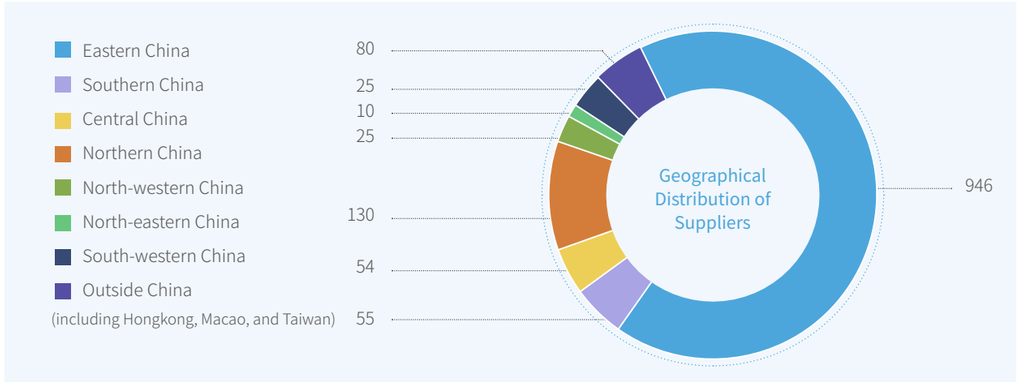
Supplier Management

Supplier Management System

Alphamab Oncology is devoted continuously to establishing and enhancing a high-quality and efficient supplier management system. Internally, we have introduced the *Measures on Framework Contract Management* to regulate frequent procurements involving small amounts of money. Additionally, we have updated the *Procurement Management Process*, including a time requirement for emergency procurement processes, to enhance procurement efficiency and ensure the quality and stability of our supply chain.

According to the internal *Material Supplier Management Procedures*, we classify suppliers into A, B, and C levels based on various evaluation indicators such as supplier quality, delivery cycle, and the importance of services and materials provided. With this classification, we have devised different management strategies and requirements for suppliers at different levels, aiming to guarantee a long-term, stable, and high-quality supply chain and effective quality management.

As of the end of the Reporting Period, we had a total of 1,325 suppliers, of which the details of geographical distribution are as follows:



Supplier Access and Evaluation

To enhance the regulation of supplier quality management, we have formulated the *Bidding Management Procedures* and the *Supplier and Supplier Master Data Management Procedures* to standardize the process of supplier selection, evaluation, approval, and termination. Furthermore, we have clearly defined the qualifications required for various types of suppliers. Any collaborations with unqualified suppliers will be suspended based on the evaluation results.

In addition, we have implemented a rigorous quality evaluation and audit mechanism for our suppliers. The audit team comprises personnel from supplier management along with industry experts from relevant departments. Our audit methods include on-site, video, and written audits, covering various aspects such as materials and warehousing, production, releasing, quality assurance and control, verification, and shipping. Through these audits, our goal is to ensure that the products, services, and quality management systems provided by our suppliers meet the Company's standards. We have devised the *2023 Audit Plan* and conducted audits on 21 suppliers within the Reporting Period.

Clinical supplier quality audit: improving the capability of ensuring the quality of products provided by suppliers

During the Reporting Period, the Clinical Quality Assurance (CQA) Department carried out quality audits on multiple suppliers, and the audit scope covers daily management process, project life-cycle management, data security and backup, organization structure, operation manuals and process document, related to contracted projects, qualifications of personnel, personnel training, QAQC[5], equipment and on-site visit, verification of computer system, reception and storage of samples, variation of projects (only applicable to central laboratory suppliers), and document management (digital and physical versions). In addition, we rectified problems found in previous inspections, which helped improve the capability of suppliers to ensure product quality drastically.

Supplier Quality Audit Scene

Responsible Procurement

Alphamab Oncology adheres to the values of integrity and ethical conduct in supplier interactions. During the Reporting Period, the majority of our suppliers signed the *Sunshine Agreement*. We took decisive action against suppliers who breached this agreement, terminating partnerships and blacklisting them accordingly. Alphamab Oncology incorporates environmental and social responsibilities into our supplier evaluation criteria. Suppliers with exemplary environmental and social performance are prioritized based on these criteria.

Aligned with national directives, we actively promote the use of domestic materials in the biopharmaceutical industry. During the Reporting Period, we witnessed progress in promoting the utilization of domestically developed materials, including depth filtration cassettes and antivirus cassettes, and the large-scale substitution with domestic liquid storage bags. As of the end of the Reporting Period, over 50% of the materials utilized in our production processes were domestically sourced. Additionally, we established partnerships with 10 domestic material suppliers, resulting in savings of RMB 2 million compared to the procurement of foreign materials in the previous reporting period.

Supplier Cooperation and Training

We value communication and cooperation with our suppliers, and provide a window for suppliers to communicate through transparent and diversified channels. Meanwhile, we actively organize training activities for suppliers to further improve the quality of suppliers' materials and work with suppliers to promote the progress of the industry.

In 2023, we organized 6 comprehensive supplier training programs covering a range of topics. These included pollution control, personal protection strategies during drug R&D and production, biomedicine process verification, guidelines for drug production process component changes, and technical exchanges on equivalence/comparability studies and filters. During the training, we discuss with suppliers the advanced technology in the industry and the materials/components applicable to the company, etc., to promote the communication and cooperation between the company and suppliers.

Supplier Communication: exchanges on the application progress of membrane filtration technology

Supplier Cobetter shared with Alphamab Oncology the current progress in the application of membrane filtration technologies widely used in the pharmaceutical industry and how to select the right deep filtration, ultrafiltration and nanofiltration membranes for the process. In addition, the supplier further interpreted the technical requirements of industry regulatory documents and the relevant research required for changes to Alphamab Oncology, such as virus removal requirements, chemical compatibility and other considerations. Through technical exchanges with the supplier, the Company has learned about the current state of membrane filtration technology in the industry and provided feedback to the supplier on the problems that exist in the application of the products, so that the supplier can better understand the Company's needs and help the Company to quickly find a solution.

Supplier Communication

[5] QAQC refers to the quality control and quality assurance during the quality management work.

Low-Carbon Development for a Better Environment

Alphamab Oncology values environmental protection. We have made unremitting efforts to improve our environmental management system and implement initiatives aimed at conserving energy, reducing emissions, and optimizing resource usage. Additionally, we actively engage in identifying, evaluating, and responding to climate change challenges, thereby strengthening our capacity to manage environmental risks and promote sustainable growth.

04

4.1 Environmental Management System

Environmental Management

In strict accordance with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Energy Conservation Law of the People's Republic of China*, and other environmental laws and regulations, Alphamab Oncology has formulated and continuously improved internal protocols such as the *Provisions on Environmental Safety Management of Related Parties*, and the *Provisions on Environmental Safety Management of Chemicals*. Through a top-down approach, we aim to establish a robust responsibility management system that guarantees environmentally-conscious, compliant, and efficient production and manufacturing processes.

The Company outlines the organizational structure and delineates responsibilities within its environmental management framework. The EHS Department ensures the prompt collection and submission of environmental issues to the executive team. The EHS Department compiles weekly reports to update executives on the Company's environmental management efforts and coordinates regular training sessions to enhance employees' environmental awareness.

Environmental Objectives

In line with the environmental quality improvement targets outlined in the "14th Five-Year Plan", we have established environmental management objectives for energy efficiency, water consumption, and emissions, using 2020 as the baseline year. We conduct regular reviews of our progress to consistently advance the Company's sustainability efforts and promote green development.

Energy use

- Objective: Reduce energy consumption intensity by 5% by 2023
- In 2023, the energy consumption intensity of Alphamab Oncology decreased by 72.46% than that in 2020

Water consumption efficiency

- Objective: Reduce water consumption intensity by 5% by 2023
- In 2023, the water consumption intensity of Alphamab Oncology decreased by 71.42% than that in 2020

Emissions

- Objective: Reduce the intensity of emissions (greenhouse gases, exhaust gases, hazardous and non-hazardous wastes) by 5%
- In 2023, the greenhouse gas emission intensity, exhaust gas emission intensity and waste emission intensity of Alphamab Oncology decreased by 76.04%, 95.72% and 52.29% respectively than that in 2020

2023 Alphamab Oncology Environmental Objectives and Achievement

4.2 Responding to Climate Change

Identification and Handling of Climate Risk

With the global increase in greenhouse gas emissions, the tangible risks posed by climate change are now a reality for humanity. Alphamab Oncology places significant emphasis on addressing climate change-related challenges by identifying associated risks and devising corresponding measures. We integrate climate change-related risks into our overarching risk management framework and actively seek ways to adapt and respond to these challenges.

The Company has established an organizational structure to address climate change-related risks. The Board, as the top authority of the structure, is responsible for proposing and reviewing goals and strategies pertinent to climate change. Under the purview of the Board, the ESG Working Committee oversees ESG-related management and supervision, collaborating with various business departments to address environmental concerns such as greenhouse gas emissions and energy management.

Strictly following the disclosure methods and suggestions of the Task Force on Climate-Related Financial Disclosure (TCFD), the Company fully considers market dynamics, operational aspects, and climatic variations in the regions where it operates. Based on this comprehensive analysis, the following climate change-related risks have been identified:

Risk Category		Risk Content
Transition Risk	Policy & Legal Risk	Non-compliance with the *Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations could expose the Company to litigation and fines, potentially imposing financial burdens and damaging its reputation.
	Technical Risk	As the Company pursues low-carbon transformation, the ongoing promotion of green technology innovation and R&D may lead to increased operating costs.
	Market Risk	Amidst intense market competition, enterprises with environmentally-friendly operations enjoy competitive advantages and are more appealing to investors and consumers. Consequently, this reality escalates the Company's environmental protection expenditures.
Physical Risk	Acute Risk	Located in a sub-monsoon climate zone, the Company faces susceptibility to extreme weather events such as spring droughts, typhoons, floods, and high temperatures. These occurrences have the potential to disrupt or temporarily suspend operations, thereby impacting the Company's revenue.
	Chronic Risk	Climate change-induced abnormal weather patterns, including high temperatures and cold spells, may disrupt drug production and storage processes, introducing additional uncertainties into the Company's operations.

In response to the identified climate risks, Alphamab Oncology has taken proactive measures. We have developed the *Plan on On-Site Handling of Extreme Weather Incidents,* which has been approved by the Company's internal experts and encompasses various extreme weather scenarios such as floods and earthquakes, etc. At the same time, we have enhanced our risk prevention and response mechanism, focusing on early warning systems, evacuation procedures, in-process monitoring, and post-event rectification. These efforts aim to bolster climate change-related risk management and emergency response capabilities. As of the end of the Reporting Period, no climate change-incurred accidents related to production and work safety occurred at Alphamab Oncology.

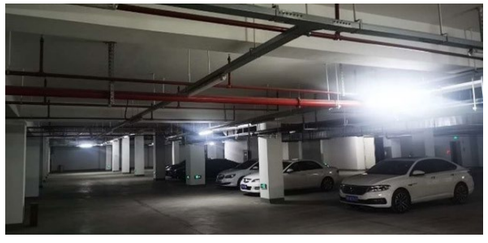
Greenhouse Gas Emissions and Energy Management

We remain steadfast in our commitment to energy conservation and emission reduction, actively seeking ways to optimize energy utilization. Through regular data analysis of energy consumption, we promptly identify and address energy management risks, continuously striving to minimize greenhouse gas emissions and refine energy management practices.

To optimize energy utilization, we have formulated procedures such as the *Standard Operating Procedures for the Air Conditioning Unit System in Fangzhou Road Plant* and the *Standard Operating Procedures for the BMS System in Fangzhou Road*. These procedures are designed to optimize air conditioning operations, reduce energy consumption, and mitigate carbon emissions. Furthermore, we conduct training sessions for employees to enhance their understanding of energy conservation practices.

In addition to optimizing air conditioning operations, we have implemented various energy-saving measures to mitigate the greenhouse gas emissions associated with our operations.

- Lower the brightness of underground garage lighting and reduce the number of lighting fixtures turned on
- Install frequency converter for the exhaust fan to reduce the energy consumption
- Install inverter centrifugal units for air-conditioning cold source preparation except in winter months
- Install low-power screw units for air-conditioning chilled water preparation in winter when cooling demand is lower



Energy conservation in underground garage

Energy conservation through frequency converter

Inverter centrifugal units for air-conditioning cold source preparation

Screw units for air-conditioning chilled water preparation

Warehouse energy conservation management: energy-saving intervention in temperature regulation

During the Reporting Period, we continuously implemented energy conservation measures in room temperature warehouse. While ensuring that the temperature of the warehouse area is in the range of 10-25°C , we take intervention measures for warehouse air conditioning to realize green warehouse management by reducing power consumption. We carry out real-time temperature control and monitoring to ensure that the room temperature warehouse is at the appropriate temperature, and set the internal control warning level at 12 °C and 23 °C . When the temperature sensor in the warehouse area detects that the temperature touches the warning level, the air conditioning reset is carried out immediately, so as to ensure that the quality of materials is guaranteed. It is estimated that the warehouse temperature control intervention can save about 108,000 kWh of electricity per year.

During the Reporting Period, the Company expanded its capacity and commissioned new pipeline. As a result, energy consumption and greenhouse gas emissions increased compared to 2022. However, the energy consumption intensity and greenhouse gas emission intensity dropped by 34.23% and 33.98% respectively.

Indicator	Unit	2023	2022	2021
Electricity	'000kWh	15,415.21	13,777.60	10,024.20
Gasoline	Tonnes	2.48	3.46	6.80
Natural gas	M^3	1,811,927.00	1,643,923.00	1,316,982.00
Direct energy consumption [6]	'000kWh	19,648.35	17,841.02	14,326.80
Indirect energy consumption [7]	'000kWh	15,415.21	13,777.60	10,024.20
Total energy consumption [8]	'000kWh	35,063.56	31,618.62	24,351.00
Energy consumption intensity per unit of original value of public engineering facilities and machinery equipment	'000kWh / million RMB	137.53	209.11	263.50
Total greenhouse gas emissions (Scope 1&Scope 2) [9]	Tonnes of CO_2 equivalent	12,760.81	11,462.82	9,920.39
Direct greenhouse gas emissions (Scope 1)	Tonnes of CO_2 equivalent	3,969.51	3,605.45	2,868.37
Indirect greenhouse gas emissions (Scope 2)	Tonnes of CO_2 equivalent	8,791.30	7,857.37	7,052.02
Greenhouse gas emission intensity per unit of original value of public engineering facilities and machinery equipment	Tonnes of CO_2 equivalent/ million RMB	50.05	75.81	107.35

[6] The direct energy consumed by the Company mainly consists of gasoline and natural gas.

[7] The indirect energy consumed by the Company mainly includes purchased electricity.

[8] The conversion coefficient used for calculating energy consumption is designed with reference to the *General Rules for Calculation of the Comprehensive Energy Consumption* (GBT2589-2020) and the *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Enterprises in Other Industries (For Trial Implementation)* proposed by the National Development and Reform Commission.

[9] Greenhouse gas emissions are accounted in accordance with the *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Enterprises in Other Industries (For Trial Implementation)* proposed by the National Development and Reform Commission, the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* prepared by the Intergovernmental Panel on Climate Change (IPCC), the *General Rules for Calculation of Comprehensive Energy Consumption* (GBT2589-2020) and the 2022 Grid Electricity Emissions Factors.

4.3 Resource Conservation

At Alphamab Oncology, resource conservation is paramount to our green development strategy. We adhere rigorously to the *Water Law of the People's Republic of China*, the *Circular Economy Promotion Law of the People's Republic of China,* and other applicable laws and regulations. Our efforts focus on reducing resource consumption while concurrently advancing resource recycling initiatives. Through the proactive adoption of green development principles, we aim to minimize the environmental footprint of our operations.

Water Use Management

Alphamab Oncology attaches great importance to the management of water usage throughout its production and operational activities. This commitment is evident in our initiatives to regulate water consumption, develop water conservation technologies, and enhance water utilization efficiency. Through measures such as source control, equipment upgrades, and the implementation of water recycling systems, we actively reduce water usage and improve the recycling rate of water resources, demonstrating our dedication to practical water conservation efforts.

Reduce water waste: upgrading of cooling tower

During the Reporting Period, we upgraded the cooling tower and equipped it with highly precise analog liquid level sensors and corresponding controllers to greatly reduce the flooding caused by sensor errors and reduce water consumption.

Water recycling: reutilization project of regenerated water

During the Reporting Period, the Company implemented the reutilization project of regenerated water, renovated the cooling tower, installed wastewater reutilization pump, and installed freeze-proof insulation to pipes. These efforts enabled us to reuse the treated production and domestic wastewater in the cooling tower, which further reduces wastewater discharge and improves the utilization of water resources. By the end of the Reporting Period, the Company realized the goal of recycling approximately 9.6 tonnes of regenerated water per day.

By the end of the Reporting Period

the Company realized the goal of recycling approximately of regenerated water per day

9.6 tonnes

Before and after water pump installation

During the Reporting Period

the Company consumed a total of

179,999.85 cubic meters

During the Reporting Period, the Company consumed a total of 179,999.85 cubic meters of water, decreasing by 6.18% compared to that in 2022, and a water consumption density of 706.03 cubic meters per RMB million yuan per unit of original value of public engineering facilities and machinery equipment, a decrease of 44.32% compared to that in 2022.

Indicator	Unit	2023	2022	2021
Total water consumption	m^3	179,999.85	191,866.00	138,242.00
Tap water	m^3	169,768.00	182,125.00	128,383.00
Recycled water	m^3	10,231.85	9,741.00	9,859.00
Recycling rate	%	5.68	5.08	7.13
Water consumption intensity per unit of original value of public engineering facilities and machinery equipment	m^3/million RMB	706.03	1,268.89	1,495.91

Packaging Material Management

As a biopharmaceutical company with businesses covering the entire industrial chain, Alphamab Oncology sticks to the *Circular Economy Promotion Law of the People's Republic of China* and other applicable laws and regulations. Guided by the principle of "source control, utilization optimization, and resource consumption reduction," we actively work to minimize packaging material usage throughout the product lifecycle. This initiative encompasses various aspects, including packaging design, lifecycle optimization, and material shipment. To effectively control and reduce packaging material consumption, we have implemented measures such as decreasing the use of disposable packaging materials, transitioning to renewable alternatives, and promoting packaging recycling practices.

We have taken proactive steps to reduce disposable packaging. For instance, we have replaced paper boxes with recyclable stainless-steel containers and eliminated disposable sealing stickers for Envafolimab Injection packed in small-sized boxes. During the Reporting Period, the Company consumed a total of 15.22 tonnes of packaging materials, decreasing by 30.50% year-on-year; the packaging materials per unit of production was 29.61 g/injection, a decrease of 48.33% from 2022.

Indicators	Unit	2023	2022	2021
Total Packaging Materials[10]	Tonnes	15.22	21.90	10.57
Inner Packaging Material	Tonnes	5.57	12.27	10.15
Outer Packaging Materials	Tonnes	9.65	9.63	0.42
Packaging materials per unit of production[11]	g/injection	29.61	57.31	Not Applicable

[10] In 2022, more packaging materials were used for production line and equipment trial and validation, and the amount of packaging materials used declined after production was stabilized in 2023.

[11] Packaging material per unit of production = total packaging materials/total production of commercialized products. This indicator is not applicable in 2021 as KN035 was put into production in the fourth quarter of that year.

4.4 Emission Compliance Management

The discharge of pollutants not only directly impacts the ecological balance but also poses potential risks to human health. We rigorously adhere to the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes,* and other applicable laws and regulations. Through these commitments, we strive to reduce the release of wastewater, exhaust gases, and solid wastes, ensuring that our emissions comply with legal standards. These efforts are aimed at mitigating adverse environmental impacts and contributing to national efforts to strengthen pollution control measures.

Wastewater Management

To further improve wastewater management, Alphamab Oncology strictly follows the *Water Pollution Prevention and Control Law of the People's Republic of China* and other applicable laws and regulations. We prioritize optimizing daily management procedures to ensure the efficient operation of wastewater treatment facilities, thereby bolstering treatment effectiveness. Additionally, we conduct ongoing monitoring of wastewater discharge compliance and continuously explore innovative wastewater treatment processes to enhance management practices.

During the Reporting Period, the Company successfully installed an online water pollution monitoring system at sewage outlets, alongside other monitoring equipment, in accordance with the requirements of our sewage discharge license. This system is seamlessly connected to government websites, enabling real-time monitoring of wastewater discharges. Through these measures, we ensure that discharged water meets prescribed standards and complies with relevant environmental laws and regulations.

Water pollution monitoring equipment

Exhaust Gas Management

Alphamab Oncology strictly follows the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* and other applicable laws and regulations. Recognizing our responsibility, we are dedicated to controlling the emissions of pollutants such as NOx, SOx, VOCs, and PM. While ensuring compliance with emission standards, we continuously pursue equipment upgrades and exhaust gas emission reduction measures to mitigate the environmental impact of our operations.

During the Reporting Period, we took steps to enhance the efficiency of our exhaust gas treatment equipment by replacing the activated carbon and ensuring proper disposal of the waste activated carbon through qualified channels. As a result, the total amount of exhaust gas discharged by the Company is 0.44 tons and decreased by 68.86% compared to 2022. The exhaust gas emission intensity per unit of the original value of public engineering facilities and machinery equipment is 0.002 ton/million RMB, decreased by 82.89% compared to the previous year.

Indicator	Unit	2023	2022	2021
Total exhaust gas emissions	Tonnes	0.44	1.40	1.56
Total NOx emissions	Tonnes	0.25	1.18	1.20
Total SOx emissions	Tonnes	0.00	0.00	0.16
Total PM emissions[12]	Tonnes	0.00	0.07	0.04
Total VOCs emissions	Tonnes	0.18	0.12	0.09
Total ammonia emissions	Tonnes	0.01	0.03	0.07
Exhaust gas emission intensity per unit of original value of public engineering facilities and machinery equipment	Tonnes/million RMB	0.002	0.01	0.02

[12] Exhaust gas emission data is entrusted to a third-party organization for regular testing, and no PM emissions were detected in 2023.

Waste Management

During the Reporting Period

the Company's total waste emissions amounted to

273.65 tonnes

decrease

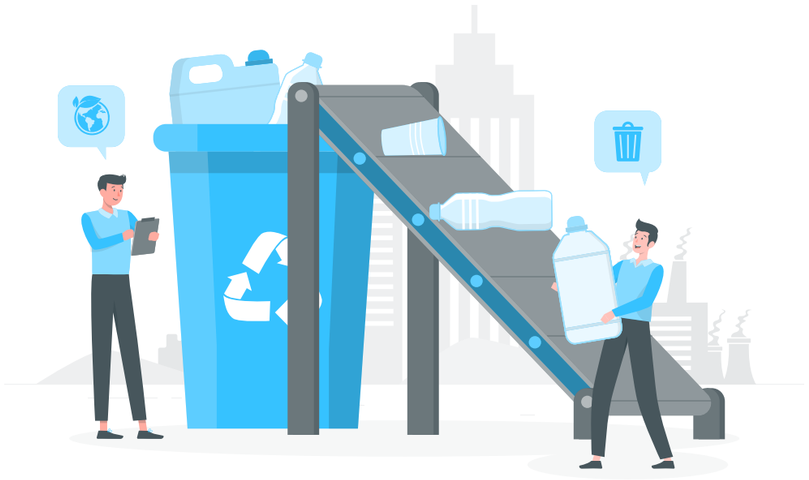
24.05%

compared to 2022

Alphamab Oncology adheres to the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*, along with other relevant laws and regulations. We uphold the principle of "reducing emissions, recycling waste, and pollution-free treatment," continually enhancing and implementing internal management systems such as the *Solid Waste Management Regulations* and the *Safety Operation Procedures for Hazardous Waste*. We rigorously oversee the collection, storage, and transfer of solid waste. All waste generated is entrusted to qualified third parties for compliant treatment, ensuring that all solid waste produced during production and operations is handled in a standardized manner.

During the Reporting Period, the Company's total waste emissions amounted to 273.65 tonnes, marking a 24.05% decrease from 2022. Furthermore, the emission intensity per unit of the original value of public engineering facilities and machinery equipment is 1.07 ton/million RMB, decreased by 54.90% compared to 2022.

Indicator	Unit	2023	2022	2021
Hazardous waste	Tonnes	270.65	352.32	73.89
Non-hazardous waste	Tonnes	3.00	8.00	16.40
Total waste discharge	Tonnes	273.65	360.32	90.29
Waste discharge intensity per unit of original value of public engineering facilities and machinery equipment	Tonnes/million RMB	1.07	2.38	0.98



05

Recruitment and Solidarity

Alphamab Oncology firmly believes that human capital is a vital strategic asset for the Company's sustainable development. To safeguard the legitimate rights and interests of our employees and foster cohesion, we have implemented an impartial recruitment system, competitive remuneration and incentive mechanisms, a science-based training system, transparent and compliant promotion channels, and a healthy and welcoming work environment. Through these initiatives, the Company has fostered mutual development and achieved win-win outcomes with its employees.

5.1 Safeguarding Employees' Rights and Interests

Alphamab Oncology places great importance on talents. Through a compliant and impartial recruitment process, the Company ensures the protection of employees' legitimate rights and interests while offering competitive remuneration and benefits. This approach attracts top-tier talents, injecting fresh momentum into the Company's development.

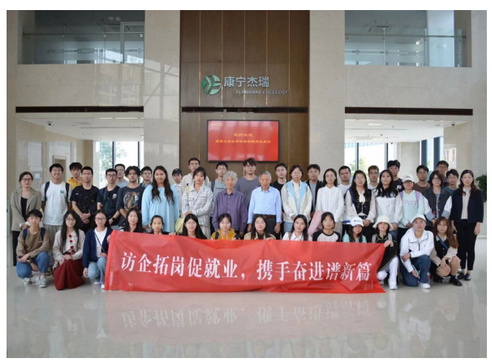
Employee Employment

In 2023, Alphamab Oncology underwent a comprehensive optimization of its human resource system. We operate in strict accordance with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China,* the *Social Insurance Law of the People's Republic of China* and other applicable laws and regulations, standing firmly against child labor and forced labor. The Company has established and continuously improved the *Recruitment Management Policy*, the *Labor Contract Management Policy*, the *Employee Code of Conduct and Reward and Punishment System* and other internal management rules, forming a complete human resource management system, thus consolidating the talent foundation for the Company's development.

We are dedicated to fostering an environment of equality, inclusivity, and non-discrimination within our workplace. In all aspects of recruitment, onboarding, training, promotion, and rewards, we uphold the principles of fairness and justice, unequivocally prohibiting any form of employment discrimination based on gender, age, marital or childbearing status, ethnicity, or origin, among other factors. We ensure that all employees enjoy equal employment rights. Furthermore, we have created robust career development platforms and opportunities specifically for female employees. As of the end of the Reporting Period, 38.7% of the Company's senior managers are females.

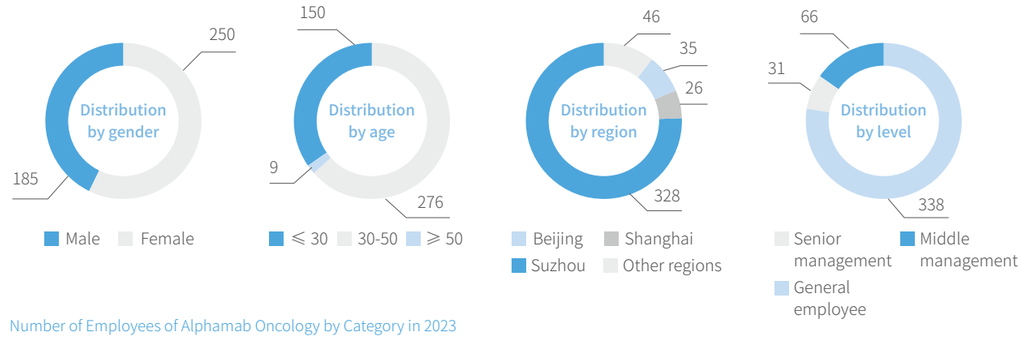
We conduct regular talent assessments to discern job requirements and formulate recruitment plans. We inject fresh vigor into the Company through campus and social recruitment endeavors. At the same time, we conduct inbound promotion for key positions and enhance the incentive mechanism for inbound promotion. We have researched and formulated a list of target institutions for school recruitment and established connections with a number of colleges and universities, and participated in the special job fair for the 2024 graduates of the Medical School of Nanjing University. Furthermore, we have cooperated with our counterpart colleges and universities in school-enterprise cooperation, deeply implemented the joint cultivation and employment promotion program for college students, selected, introduced and cultivated composite talents, and constructed a team of talents with high quality, strong ability and the courage to work hard.

Recruitment cooperation with Southeast University

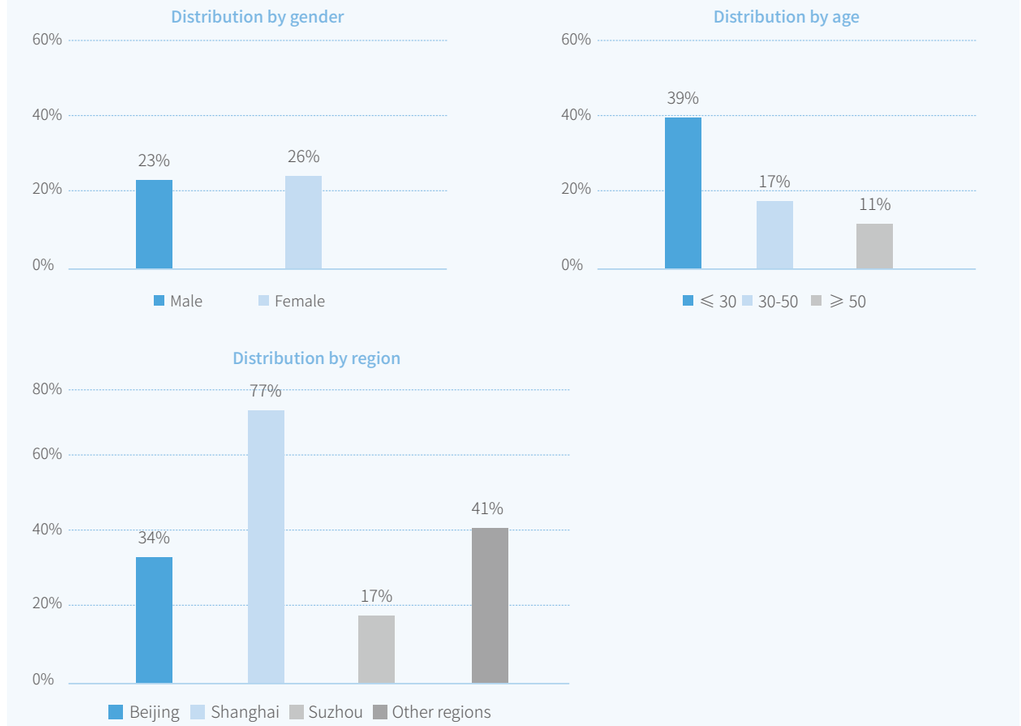


Recruitment cooperation with Nanjing University

By the end of the Reporting Period, Alphamab Oncology had a total of 435 regular full-time employees, and recruited many middle and senior management staffs, and 21 key technical talents.



Number of Employees of Alphamab Oncology by Category in 2023



Employee Turnover Rate of Alphamab Oncology by Category in 2023

Remuneration and Benefits

In 2023, Alphamab Oncology updated internal policies. including the *Remuneration Management Policy* and the *Performance Management Policy*, to establish a transparent performance evaluation system and a comprehensive remuneration structure. This initiative aims to provide employees with market-competitive benefits and attract exceptional talent to join our team. These efforts have significantly bolstered the Company's cohesion and competitiveness.

We adhere to the management principle of equal pay for equal work and more pay for more work. We conduct performance evaluations twice a year, distributing year-end bonuses and adjusting employee salaries based on evaluation results. In 2023, we implemented salary adjustments for 90% of our employees. Furthermore, we introduced an incentive plan based on quarterly performance evaluations, offering additional rewards to employees who demonstrate outstanding work efficiency and quality on a quarterly basis.

In 2023, the Company provided equity incentives to eligible employees in accordance with relevant policies. This approach closely aligns the personal interests of employees with the overall development of the Company, fostering initiative and creativity for long-term growth. Additionally, we recognize employees who have made significant contributions in their respective roles by presenting them with various awards and prizes, including Outstanding Employee, Outstanding Team, New Process Development, and Long-Term Service.

Beyond fulfilling all social insurance obligations as per national and local regulations, the Company goes a step further by procuring supplemental commercial insurance for employees. Moreover, we provide a range of benefits such as communication subsidies, birthday gifts, and annual physical examinations, enhancing their overall sense of well-being and happiness.

5.2 Encouraging Employee Development

Alphamab Oncology regards the cultivation and development of talents as an important task of the company, builds a perfect cultivation system and diversified career development paths, and provides a smooth promotion channel for employees, so as to provide a strong talent guarantee for our long-term development.

Employee Promotion

To create a work environment characterized by fairness and justice, Alphamab Oncology has implemented a personal performance management and evaluation system. We comprehensively consider the results of individual performance appraisal and job vacancies to make job adjustments. Through intradepartmental promotion adjustments and interdepartmental lateral job transfers, we aim to meet the developmental needs of employees across different departments and provide them with a broader platform for growth.

We regularly review internal talent and optimize the Company's talent structure and develop clear career path plans based on scientific analysis to promote employee growth. The Company has established a "dual-channel" promotion path, comprising both technical and management channels. Within this framework, positions at different levels are specified, forming a matrix of talent development paths with departmental positions as the horizontal axis and grades as the vertical axis. This matrix aids employees in identifying the direction of their career development, motivating them to enhance their professional skills and contributing to the overall advancement of the Company.

For employees with excellent performance, we gave promotion at the first time. In 2023, over 50 employees at Alphamab Oncology were promoted, constituting 12% of the total workforce. Of these promotions, 45% were awarded to male employees and 55% to female employees.

In 2023

over

50

employees were promoted

represented

12%

of the total workforce

Employee Training

Alphamab Oncology emphasizes employee development and values talent empowerment. The Company continually enhances its talent training system by offering a variety of training programs covering R&D, clinical practice, technology, production, quality, and project management. We also prioritize the sharing of training resources within the Company. At the same time, Alphamab Oncology has established a comprehensive training management system to provide diverse learning resources tailored to the Company's strategic objectives and the developmental needs of employees at various stages and positions. This system enables us to dynamically monitor and track the learning progress of all employees.

Based on the operation needs, we have developed a professional talent training plan, implementing a broad spectrum of training courses including new employee orientation, thematic training, and interdepartmental workshops. These courses encompass topics such as human resources (HR), administration, information security, finance, and environmental and occupational health and safety management, aimed at enhancing employees' professional capabilities and management skills.

New employee training

Basic skills training covering human resources (HR), administration, information technology (IT), finance, EHS management, anti-fraud, production, quality, and other fields

Thematic trainings

Medidata Rave EDC Data Base Building Project for Data Management Department: Satisfy the demand for independent EDC database construction, reduce the cost of the outsourcing project EDC repository change business needs, improve the capacity of personnel in charge of data management.

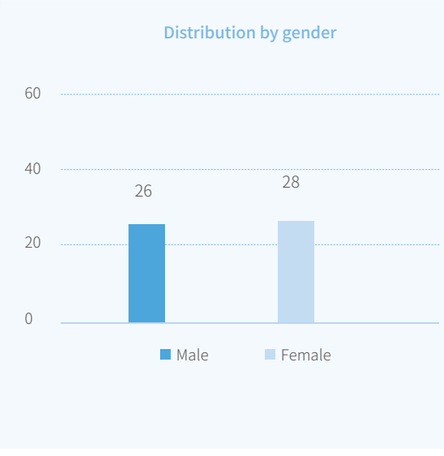
A series of trainings were organized to facilitate the learning of new knowledge, such as the Training on the amended version of the *GMP Guidelines for Pharmaceuticals* for the Quality Department, and Training on the Guidelines for Pharmacovigilance Inspection for the the Clinical Medicine Department.

Other trainings

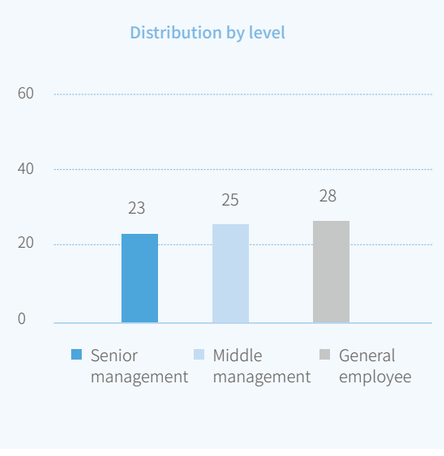
Cooperate with various departments to organized iversified trainings including the *Anti-corruption Training, the Alphamab Oncology Performance Evaluation Training, the Special Training on Pressure Alleviation and Empowerment for Female Employees, the IT Training: Corporate Cloud Disk*, among others.

Key Training Programs in 2023

In 2023, 100% employees of Alphamab Oncology received trainings. Detailed training information categorized by gender and level are as follows:



Average Training Hours by Gender



Average Training Hours by Level

5.3 Constant Pursuit of Employees' Safety

Alphamab Oncology always prioritizes the health and safety of employees. In strict accordance with the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and other applicable laws and regulations, we have formulated and updated the *Work Safety and Occupational Health Target Management System*, the *Work Safety Assessment and Reward and Punishment Provisions*, the *Work Safety Responsibility Management System*, and other safety regulations, operating procedures and emergency plans. We establish and enhance a robust safety production responsibility system, set safety targets, identify and address potential hazards, and monitor risks. In 2023, the Company achieved national Level 3 standardization certification, underscoring our commitment to maintaining a safe operating environment.

In terms of safety management, Alphamab Oncology has implemented a reward and punishment system to incentivize employees to report safety risks or contribute to on-site safety management. Rewards include commendations, performance points, banners, and certificates, etc. Throughout the Reporting Period, the Company has adopted a safety management approach of "one bottom line and three measures" to identify safety risks, develop safety training plans, and conduct fire emergency drills. These initiatives have enhanced employees' risk identification capabilities, increased their safety awareness, and ensured the full protection of their health and safety.

One bottom line

publicity campaigns on relevant laws and regulation

- Report to the managers of the Company through the weekly EHS work briefings on the Company's operations, including safety production, internal and external accidents, environmental governance, so as to enable the managers to be informed of the Company's daily work and the forms of external safety production and environmental protection;
- Formulate safety training plans and carry out regular EHS trainings for employees to raise their awareness.

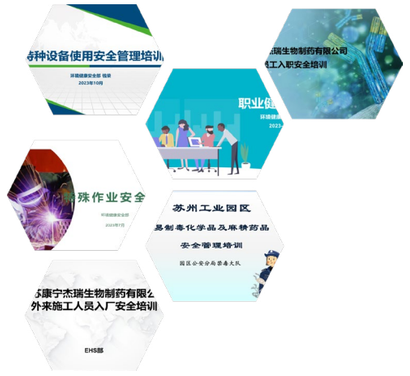
Three measures

"Sorting, sequencing, eliminating"

- Weekly safety inspections and monthly EHS checks are carried out in all departments to sort and categorize safety risks and eliminating them according to priority and ease of rectification.

The safety management mode of "one bottom line and three measures"

Safety Training and Certificate Obtaining



1. Safety Training

Training Sessions	Number of Participants
Safety Management of Special Equipment	104
Safety Management of Excisable Chemicals	130
Safety Management of Special Operations	153
Occupational Health Management	79
Construction Site Safety Training for External Construction Workers	30

2. Pre-Service Training for Certificates Required by the State

Certificates	Number of Certificates Obtained
Safety and Occupational Sanitation Management	6
Special Operation License	8
License for Special Equipment Operation	8

8 safety training sessions under different themes were organized, benefiting 496 participants and enabling them to obtain 22 certificates

2023 Safety Training

Fire Emergency Evacuation Drill

On August 25, 2023, Alphamab Oncology organized a fire emergency drill, which is a simulation in the engineering building of the warehouse. During the drill, the EHS team and the fire rescue team carried out a series of rescue and evacuation operations. A total of 192 employees participated in this fire drill, and the evacuation was completed within three minutes.



Fire Emergency Evacuation Drill

Chemical Leakage Emergency Drill

In December 2023, in order to prevent the risk of potential chemical leakage in the laboratory, the Company carried out relevant emergency drills and trainings, which included a wide array of contents, such as the components of chemical Material Safety Data Sheets (MSDS), chemical factors that may cause occupational hazards, prevention of chemical hazards, and leakage emergency response procedures. A total of 21 employees participated.


Chemical Leakage Emergency Drill and Training

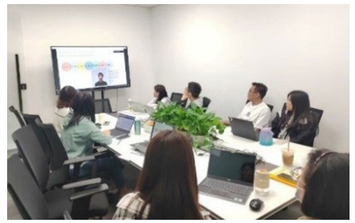
Alphamab Oncology attaches great importance to the health and safety of employees. We organize annual physical examinations for all staff members, proactively monitoring indicators for diseases with high incidence rates and other important health metrics. Medical first aid kits are readily available in each office area, accompanied by clearly defined emergency procedures for unexpected illnesses. In addition, we meticulously adhere to relevant laws and regulations governing the monitoring of employee health before, during and after their employment. Meanwhile, we have established individual health records for the 88 employees engaged in roles with potential hazards. We have established the benchmarks for equipping labor protective equipment and the list of labor protective equipment for employees to choose the applicable labor protective equipment, and hired a third party to conduct regular testing of occupational hazards in the workplace, and publicize the results to the employees. In 2023, the measured concentrations of hazardous chemical factors in major occupational health exposure posts did not exceed the occupational exposure limits stipulated in the *Occupational Exposure Limits for Hazardous Agents in the Workplace Part 1: Chemical Hazardous Agents* (GBZ 2.1-2019); the concentration of physical factors measured at each testing post did not exceed the occupational exposure limits specified in the *Occupational Exposure Limits for Hazardous Agents in the Workplace Part 2: Physical Agents* (GBZ 2.2-2007).

In the past three years, no work-related fatalities occurred.

Indicator	Unit	2023	2022	2021
Number of work-related fatalities	Persons	0	0	0
Proportion of work-related fatalities	%	0	0	0
Days of work lost due to occupational injuries	Days	0	0	0

5.4 Spreading Corporate Love and Care

Alphamab Oncology places great importance on soliciting feedback from its employees and fostering open communication through various channels. In 2023, the Company conducted quarterly employee conferences, providing a platform for senior management to discuss industry trends and showcase the Company's innovative R&D achievements. Core management provided updates on key project progress and insights into project management, while R&D directors shared experiences in R&D management. These initiatives aimed to foster collaboration among employees, improve work efficiency, and promote initiative across the organization.


Employee Conferences

Alphamab Oncology respects the values created by its employees and concerns about their well-being, both physical and mental, as well as that of their families. We are dedicated to providing timely care and benefits to our employees. As part of our commitment, the Company has established gyms accessible to all employees, offering a range of courses including yoga and aerobics tailored specifically for female employees. Additionally, we organized special gifts and activities for female employees on International Women's Day. In 2023, we enhanced the facilities of the "Lovely Mommy's Room" to create a more comfortable space for female employees who are breastfeeding, fostering a work environment that is nurturing and inclusive.

To cater to the diverse needs of our employees and provide them with additional motivation, we have organized a wide array of activities such as team-building, family days, quality development initiatives, and Chinese New Year celebrations, etc. These activities offer employees a broader range of options for their leisure time and strengthen the cohesion of the Company.

International Women's Day Activities

Yoga and Aerobics Courses

Rich activities under different themes

In 2023, Alphamab Oncology organized a great number of activities, such as special giving in hot summer, table tennis competition, floriculture course on International Women's Day, team buildings in different departments. These activities enriched our employees' life and helped them build up friendship among colleagues and between departments.

Floriculture Course on International Women's Day

Table Tennis Competition

Alphamab Oncology's Family Day

We organized the Alphamab Oncology's Family Day, where families of our employees were invited to visit the Company. During the visit, we prepared delicious food and lovely gifts for children, and hosted the Alphamab Oncology's science classes, which helped these children to better understand the jobs of their parent through interesting introductions. By doing so, we helped them to develop the interest to engage in science in the future.

Alphamab Oncology's Family Day

Team buildings in different departments

The Drug Product Manufacturing Department organized an activity under the theme of "Forging ahead Bravely and Following the Heart"; the Quality Department organized an activity under the theme of "Solidarity for a Better Future"; the Enterprise Operation Department organized an activity under the theme of "Seizing the Time to Make New Breakthroughs". These activities helped to enhance mutual understanding and mutual trust among department members and develops the spirit of teamwork.

Team building activities

Giving Back to the Communities and Creating a Better Future

Alphamab Oncology has always been committed to fulfilling its social responsibilities through active participation in public welfare activities and community services.
Through donations and public service initiatives, we strive to advance universal healthcare and disseminate medical knowledge, thereby contributing to fostering a better society and a harmonious community through tangible actions.

06

6.1 Facilitating Universal Healthcare

Guided by the corporate philosophy of "Innovative Medicine for a Better Life", Alphamab Oncology operates as a responsible company dedicated to fulfilling its missions. Leveraging our strengths and capabilities, we prioritize unmet clinical needs and concentrate on developing anti-tumor drugs that are safe, affordable, and globally competitive. Furthermore, we extend our reach to assist more patients in accessing the medications they require for their treatment through patient assistance programs.

Drug Donation and Affordability Program

Envafolimab Injection (ENWEIDA), the Company's first commercially available drug, can complete the dosage in 30 seconds without intravenous drip. Therefore, Envafolimab Injection demonstrates advantages in terms of efficacy, safety, convenience and compliance, and is anticipated to reduce medical cost. Moreover, Envafolimab Injection is the only PD-(L)1 immunotherapy drug that can be administered in the community clinics or used for home treatment, avoiding the need for patients to travel repeatedly between home and hospital for inpatient infusions, thus providing great convenience.

In addition, in order to help cancer patients receive safe and effective treatment, Alphamab Oncology has initiated the ENWEIDA Patient Relief Project in December 2021, donating Envafolimab Injection to patients, which reduces the economic burden on them and their families, and helps tens of thousands of patients in difficulty of medication. In 2023, the Company donated over 220,000 vials of ENWEIDA (Envafolimab Injection), the total value is equivalent to RMB 132 million.

the Company donated ENWEIDA (Envafolimab Injection) over **220,000 vials**

the total value is equivalent to RMB **132 million**

6.2 Promoting Medical Knowledge

Insisting on continuously spreading warmth and hope through participation in public welfare, Alphamab Oncology takes proactive steps to promote innovation and education in medical science and technology. By establishing platforms for popular science education, the Company offers the public access to high-quality scientific and technological educational resources. Our objective is to disseminate medical knowledge widely and support the advancement of medical research.

Alphamab Oncology Base for Science Education Contributes to Scientific and Technological Innovation Education

Alphamab Oncology's R&D and Manufacturing Base is recognized as a Science Education Base in Suzhou, which is equipped with a professional team consisting of talents from different areas such as early-stage R&D, clinical development, quality control, and manufacturing. The service principle of this team is popularizing biomedical knowledge and spreading the idea of scientific medication. In recent years, in response to the call of the Suzhou Municipal People's Government of promoting science education, we have carried out science, technology and innovation education activities under different themes, such as Open Day of Science Popularization and Family Day for primary and secondary school students, university students and citizens from all walks of life, which have won wide support from the public.

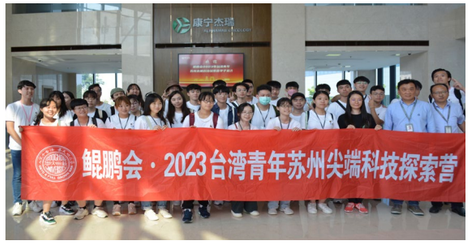
Open Day for Science Popularization:

We organized primary and secondary school students to visit the R&D results exhibition of Alphamab Oncology, where they were shown the whole process of drug development, from R&D to production. By doing so, the students could directly see the importance of researchers' unremitting efforts in developing innovative drugs. In addition, the students also operated professional device under the guidance of the staffs to observe the microworld of microbes and explore the wonders behind.

Open House Day for Science Popularization

Visits by Young Students:

Young students from Taiwan's Cutting-edge Technology Exploration Camp, Life Sciences School of Nanjing University School of Life Sciences, and Chemistry and Chemical Engineering School of Southeast University's School of Chemistry and Chemical Engineering paid visits to Alphamab Oncology's R&D and Manufacturing Base. Participants broadened their scientific and technological horizons through in-depth exploration of the laboratories and workshops. These visits further stimulated the interest and enthusiasm of the students in biomedical research.



Taiwan's Cutting-edge Technology Exploration Camp

Family Day:

Explore the features and attractions of biotechnology with the families of our employees.

Family Day

Responsible Management for Robust Development

Alphamab Oncology recognizes compliant operations as the foundation and driving force for its sustainable development.
The Company upholds the highest standards of business ethics, continuously enhances its operational mechanisms and internal management systems, and diligently manages potential risks.
These endeavors establish a robust foundation for the Company to achieve sustainable, stable, and high-quality development.

07

7.1 Consolidating Corporate Governance

The Company adheres rigorously to the *Company Law of the People's Republic of China* and the *Corporate Governance Guide for Listed Companies* by the Stock Exchange. We emphasize the significance of enhancing internal governance and safeguarding the interests of stakeholders.

Governance System

Alphamab Oncology continues to improve its management structure, with the Board and its committees responsible for the Company's decision-making and strategic planning. In 2023, the Board comprises 5 Directors, including 3 independent Directors and 1 female Director.

To further regulate the Company's operations, we have established the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Strategy Committee under the Board. These committees fulfill their respective obligations according to their Terms of Reference. Throughout the Reporting Period, the Company convened 1 general meeting of shareholders, 4 meetings of the Board of Directors, 2 meetings of the Audit Committee, and 1 meeting each of the Nomination Committee, the Remuneration Committee, and the Strategy Committee. Through close collaboration, all parties have worked diligently to enhance the Company's governance and ensure the scientificity, fairness, and transparency of our decision-making processes.

the Board Directors

5 persons

Independent Directors

3 persons

Female Director

1 person

- **the Board**
  - **the Audit Committee**: 1 general meeting of shareholders; 4 meetings of the Board of Directors
  - **the Remuneration Committee**: 2 meetings of the Audit Committee
  - **the Nomination Committee**: 1 meeting each of the Nomination Committee, the Remuneration Committee, and the Strategy Committee
  - **the Strategy Committee**

Risk Control

Alphamab Oncology actively implements measures to enhance its risk prevention, handling, and management. We have established an internal control system that encompasses various key processes, including the purchasing and payment process, fixed asset process, financial management process, and clinical project management process. This system maintains internal documents such as risk lists, risk maps, process narratives, and risk control matrices. Furthermore, we regularly conduct audits on each management process. To ensure the continuous improvement of our risk control system, we update the internal control documents of certain processes on a yearly basis according to the external macro landscape, the Company's development objectives, and operational conditions. Moreover, with a focus on risk-oriented audits, we diligently track and address any issues identified during audits.

Anti-Corruption and Business Ethics

Alphamab Oncology follows the *Anti-Unfair Competition Law of the People's Republic of China*, the *Interim Provisions on Prohibition of Commercial Bribery* and other applicable laws and regulations. Internally, we have formulated a series of anti-corruption rules, including the *Anti-Bribery and Whistleblowing Management Policy*, the *Code of Business Conduct and Ethics*, and the *Anti-Bribery and Anti-Corruption Management Policy*. We firmly adhere to the principles of fairness and justice in our business conduct and have zero tolerance for any form of bribery. Throughout the Reporting Period, there were no instances of corrupt practices reported against Alphamab Oncology.

To reinforce our commitment to combating corruption and fraud across all facets of our operations, we have implemented various measures to identify and manage potential anti-corruption risks. This includes establishing a dedicated hotline and email address to encourage stakeholders to report any misconduct that violates business ethics or laws and regulations. We have also standardized the process for receiving, investigating, and addressing these reports, ensuring swift and transparent responses. To safeguard the confidentiality of whistleblowers, we strictly adhere to the *Anti-Bribery and Whistleblowing Management Policy,* ensuring that all personnel involved in bribery investigations keep whistleblower information confidential. No details regarding the whistleblowers, such as their name, department, or address, are disclosed to the department or employee under investigation. In cases where whistleblowers face retaliation for reporting bribery or fraud, they have the option to file a complaint with the Internal Control and Audit Department. If retaliation is substantiated following investigation, we hold the responsible parties accountable. In 2023, we did not receive any reports related to corruption.

the Company organized anti-corruption and anti-fraud training for all directors, senior management, and employees, of which

the Board directors received training for a total of **5 hours** and **5 directors** participated

anti-corruption training for employees

total training hours amounted to **1,740 hours**, reaching across the organization **435 employees**

To bolster employee engagement in our efforts to combat corruption and fraud, we conducted a series of professional ethics trainings aimed at enhancing their understanding of compliance and integrity, and equipping them with the skills to identify and address misconduct. Throughout the Reporting Period, the Company organized anti-corruption and anti-fraud training for all directors, senior management, and employees. Board directors received a total of 5 hours of training, with 5 directors participating. Additionally, anti-corruption training for employees amounted to 1,740 hours, reaching 435 employees across the organization.

Strengthening the Company's compliance culture through anti-corruption training

In February 2024, Alphamab Oncology organized an anti-corruption training, which was open both online and offline, offering flexible options for employees. Dr. Ting Xu, Chairman and CEO of Alphamab Oncology, also participated in the training, signifying that the Company attached great importance to anti-corruption efforts. The training covered various aspects such as anti-corruption dynamics in pharmaceutical industry, anti-bribery and anti-corruption related laws and regulations, the Company's internal anti-corruption policy, compliance requirements, among others. After the training, the Company uploaded the training materials to the Taimei training system to facilitate further study among employees. Through this training, the employees gained an in-depth understanding of the importance and necessity of anti-corruption work, which enhanced their legal awareness and morality.

Anti-corruption Training

7.2 Compliance Awareness Publicity

We strictly follow the *Advertising Law of the People's Republic of China,* the *Drug Administration Law of the People's Republic of China*, the *Provisions for Drug Insert Sheets and Labels*, the *Administrative Measures for Drug Packaging* and other applicable laws and regulation when conducting our daily publicity campaigns and sales activities.

In our management of packaging materials, labels, and instructions, we have formulated the *Commercial Printing Packaging Material Management Procedures,* the *Anti-counterfeiting Packaging Management Procedures for Commercial Products*, the *Barcode Management Procedures for Commercially Printed Packaging Materials,* and other internal rules and policies. These measures ensure meticulous management of packaging materials to guarantee compliance with national and industry standards. To safeguard patients' health and safety and prevent accidental ingestion or improper use of drugs due to packaging issues, we include essential information such as the drug name, ingredients, indications or functions, specifications, dosage, usage, adverse reactions, and production batch number on the drug labels.

7.3 Privacy Protection

We strictly abide by the requirements of laws and regulations on data security and personal information protection. To this end, we have implemented a comprehensive and robust information security management system. Our *Information Security Management Policy* guides us in continuously enhancing our management measures in areas such as online security, internet worm control, and data and information management. Furthermore, we prioritize the enhancement of internal network access control, permission management, authority control, and encrypted transmission to ensure the provision of a secure and reliable information environment for our users and partners.

In 2023, we newly established a new email gateway and desktop management system, incorporating features such as client peripheral management, internet access control, remote support, and software distribution. This initiative enabled effective filtering of spam, fraudulent emails, and high-risk worm attachments. Consequently, it streamlined security management processes, enhancing overall efficiency. Furthermore, we instituted 24/7 security management for our internal network, enabling swift detection and mitigation of risks. These proactive measures have rendered security risks detectable, controllable, and manageable.

The Company conducts regular privacy security training sessions and information security drills. These activities aim to bolster the internet security awareness of all employees, ensuring their understanding of the importance of privacy protection and equipping them with relevant security knowledge and skills.

Privacy Security Training

In 2023, the Company conducted training sessions on information system management procedures and the utilization of desktop systems and other related systems. These trainings were instrumental in providing employees with a comprehensive understanding of the Company's information security management and relevant policies. By equipping employees with the necessary knowledge and skills, we empowered them to utilize information and technology in a responsible manner, thereby reducing the risk of data breaches, loss, and other security incidents.

Online Information Security Training

7.4 Protection of Intellectual Property Rights

The Company follows the *Patent Law of the People's Republic of China,* the *Trademark Law of the People's Republic of China,* the *Copyright Law of the People's Republic of China*, the *Patent Cooperation Treaty (PCT)* and other applicable laws and regulations, placing a strong emphasis on the protection of intellectual property rights (IPRs) and the acknowledgment of others' innovative contributions. Through specific regulations, we strictly prohibit employees from acquiring, disclosing, using, or processing others' IPRs. Additionally, we collaborate with third-party institutions to conduct regular checks, searches, and analyses of IPRs to prevent any potential infringement. In 2023, the Company was not involved in any lawsuits or disputes related to the infringement of others' intellectual property rights.

To protect the Company's patents, we have set up a comprehensive mechanism for handling infringement litigation. Employees are required to promptly report any potential patent infringements to the Company. Upon receipt of such reports, the Company's senior management assess and verify the cases. Subsequently, the Legal Department, Intellectual Property Management Department, and other pertinent departments collaborate with professional institutions to jointly address reported infringements. This proactive approach ensures the protection of the Company's legitimate rights and interests.

We have secured patents for our pipeline and technology platforms for biomacromolecules, ADC, and other products in over 20 countries and regions worldwide, including China, the U.S., and Europe, to safeguard the Company's core technology and products comprehensively. For our key product pipeline and technology platforms, we have filed more than 100 invention patent applications and PCT applications, resulting in 33 authorizations to date. During the Reporting Period, the Company submitted a total of 7 invention patent applications and PCT patent applications, and obtained a total of 4 authorized patents.

Cumulatively submitted invention patent applications and PCT patent applications more than

100 pieces

resulting authorizations to date

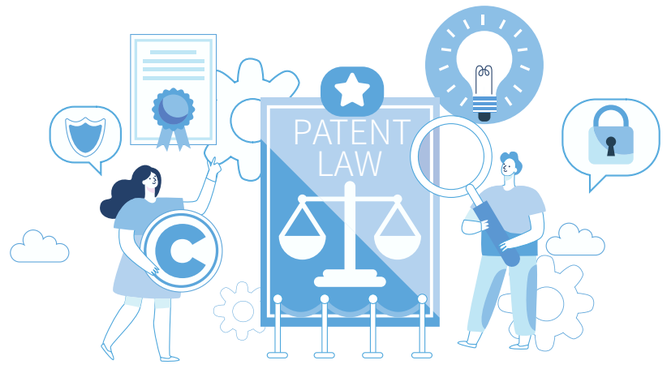
33 pieces

During the reporting period, the Company submitted invention patent applications and PCT patent applications

7 pieces

obtained a total of authorized patents

4 pieces



Appendix

HKEX ESG Reporting Guide Content Index

Environmental, Social, and Governance Scope, General Disclosure and Key Performance Indicators (KPIs)			Location (section)
Environmental			
Aspect A1: Emissions	General disclosure	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 greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Low-Carbon Development for a Better Environment
	A1.1	The types of emissions and respective emissions data	ESG KPIs
	A1.2	Total greenhouse gas emissions and intensity	ESG KPIs
	A1.3	Total hazardous waste produced and intensity	ESG KPIs
	A1.4	Total non-hazardous waste produced and intensity	ESG KPIs
	A1.5	Description of emissions target (s) set and steps taken to achieve them	Low-Carbon Development for a Better Environment
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and description of reduction target (s) set and steps taken to achieve them	Low-Carbon Development for a Better Environment
Aspect A2: Use of Resources	General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Low-Carbon Development for a Better Environment
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity	ESG KPIs
	A2.2	Water consumption in total and intensity	ESG KPIs
	A2.3	Description of energy use efficiency target (s) set and steps taken to achieve them	Low-Carbon Development for a Better Environment
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency goals set and steps taken to achieve them	Low-Carbon Development for a Better Environment
	A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced	ESG KPIs
Aspect A3: The Environment and Natural Resources	General disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources	Low-Carbon Development for a Better Environment
	A3.1	Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them	Low-Carbon Development for a Better Environment
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	Low-Carbon Development for a Better Environment
	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	Low-Carbon Development for a Better Environment
Social			
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	Recruitment and Solidarity
	B1.1	Total workforce by gender, employment type, age group and geographical region	ESG KPIs
	B1.2	Employee turnover rate by gender, age group and geographical region	ESG KPIs
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	Recruitment and Solidarity
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years	ESG KPIs
	B2.2	Lost days due to work injury	ESG KPIs
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	Recruitment and Solidarity
Aspect B3: Development and Training	General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work Description of training activities	Recruitment and Solidarity
	B3.1	The percentage of employees trained by gender and employee category	ESG KPIs
	B3.2	The average training hours completed per employee by gender and employee category	ESG KPIs
Aspect B4: Labor 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 labor	Recruitment and Solidarity
	B4.1	Description of measures to review employment practices to avoid employment of child and forced labor	Recruitment and Solidarity
	B4.2	Description of steps taken to eliminate such practices when discovered	Recruitment and Solidarity
Aspect B5: Supply Chain Management	General disclosure	Policies on managing environmental and social risks of the supply chain	Quality as the Foundation and Adherence to Craftsmanship
	B5.1	Number of suppliers by geographical region	ESG KPIs
	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	Quality as the Foundation and Adherence to Craftsmanship
	B5.3	Description of practices relating to identifying environmental and social risks at every stage of the supply chain, and how they are implemented and monitored	Quality as the Foundation and Adherence to Craftsmanship
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Quality as the Foundation and Adherence to Craftsmanship
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	Quality as the Foundation and Adherence to Craftsmanship
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	ESG KPIs
	B6.2	Number of products and service-related complaints received and how they are dealt with	Quality as the Foundation and Adherence to Craftsmanship
	B6.3	Description of practices relating to observing and protecting intellectual property rights	Responsible Management for Robust Development
	B6.4	Description of quality assurance process and recall procedures	Quality as the Foundation and Adherence to Craftsmanship
	B6.5	Description of customer data protection and privacy policies, and how they are implemented and monitored	Quality as the Foundation and Adherence to Craftsmanship
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	Responsible Management for Robust Development
	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	Responsible Management for Robust Development
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Responsible Management for Robust Development
	B7.3	Description of the anti-corruption training provided to directors and employees	Responsible Management for Robust Development
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	Giving Back to the Communities and Creating a Better Future
	B8.1	Focus areas of contribution	Giving Back to the Communities and Creating a Better Future
	B8.2	Resources contributed to the focus area	Giving Back to the Communities and Creating a Better Future

ESG Key Performance Indicators

Environment	2021	2022	2023
Emission			
Total greenhouse gas emissions (Scope 1 & Scope 2) (tonne of CO_2 equivalent)	9,920.39	11,462.82	12,760.81
Direct greenhouse gas emissions (Scope 1)	2,868.37	3,605.45	3,969.51
Indirect greenhouse gas emissions (Scope 2)	7,052.02	7,857.37	8,791.30
Greenhouse gas emission intensity per unit of original value of public engineering facilities and machinery equipment (Scope 1) (tonne of CO2equivalent/million RMB)	31.04	23.84	15.57
Greenhouse gas emission intensity per unit of original value of public engineering facilities and machinery equipment (Scope 2) (tonne of CO2equivalent/million RMB)	76.31	51.96	34.48
Greenhouse gas emission intensity per unit of original value of public engineering facilities and machinery equipment (tonne of CO2equivalent/million RMB)	107.35	75.81	50.05
Total exhaust gas emissions (tonnes)	1.56	1.40	0.44
Total NO_x emissions	1.20	1.18	0.25
Total SO_x emissions	0.16	0.00	0.00
Total PM emissions	0.04	0.07	0.00
Total VOCs emissions	0.09	0.12	0.18
Total ammonia emissions	0.07	0.03	0.01
Exhaust gas emission intensity per unit of original value of public engineering facilities and machinery equipment (tonnes/million RMB)	0.02	0.01	0.002
Total waste emissions (tonnes)	90.29	360.32	273.65
Total hazardous waste emissions	73.89	352.32	270.65
Total non-hazardous waste emissions	16.40	8.00	3.00
Hazardous waste intensity per unit of original value of public engineering equipment and machinery (tonnes/million RMB)	0.80	2.33	1.06
Non-hazardous waste intensity per unit of original value of public engineering equipment and machinery (tonnes/million RMB)	0.18	0.05	0.01
Waste intensity per unit of original value of public engineering equipment and machinery (tonnes/million RMB)	0.98	2.38	1.07
Resource consumption			
Total water consumption (m^3)	138,242.00	191,866.00	179,999.85
Running water	128,383.00	182,125.00	169,768.00
Recycled water	9,859.00	9,741.00	10,231.85
Recycling rate (%)	7.13	5.08	5.68
Water consumption intensity per unit of original value of public engineering facilities and machinery equipment (m3/million RMB)	1,495.91	1,268.89	706.03
Electricity ('000kWh)	10,024.20	13,777.60	15,415.21
Natural gas (m3)	1,316,982.00	1,643,923.00	1,811,927.00
Gasoline (tonnes)	6.80	3.46	2.48
Total energy consumption ('000kWh)	24,351.00	31,618.62	35,063.56
Direct energy consumption	14,326.80	17,841.02	19,648.35
Indirect energy consumption	10,024.20	13,777.60	15,415.21
Energy consumption intensity per unit of original value of public engineering facilities and machinery equipment ('000kWh/million RMB)	263.50	209.11	137.53
Total amounts of packaging material (tonnes)	10.57	21.90	15.22
Inner packaging material	10.15	12.27	5.57
Outer packaging material	0.42	9.63	9.65
Packaging material used per unit produced (g/branch)	N/A	57.31	29.61

Society	2021	2022	2023
Employment			
Headcount	459	472	435
By gender			
Male	226	198	185
Female	233	274	250
By age			
Under 30	182	168	150
30-50	270	296	276
Above 50	7	8	9
By employee category			
Senior management	40	33	31
Middle management	71	65	66
General staff	348	374	338
By employment category			
Employee	459	472	435
Contract employee	0	0	0
By region			
Beijing	45	41	35
Shanghai	41	41	26
Suzhou	334	338	328
Other regions	39	52	46
Employee turnover rate (%)	34	27	25
By gender			
Male	31	34	23
Female	38	22	26
By age			
Under 30	41	38	39
30-50	30	20	17
Above 50	15	38	11
By region			
Beijing	21	44	34
Shanghai	81	34	77
Suzhou	30	25	17
Other regions	31	21	41

Society	2021	2022	2023
Health and Safety			
Number of work-related fatalities (person)	0	0	0
Rate of work-related fatalities (%)	0	0	0
Lost days due to work injury	0	0	0
Development and training			
Percentage of trained employees (%)	100	100	100
By gender			
Male	100	100	100
Female	100	100	100
By employee category			
Senior management	100	100	100
Middle management	100	100	100
General staff	100	100	100
Average training hours completed per employee by gender (hours)			
Male	6	11	26
Female	7	11	28
Average training hours completed per employee by employee category(hours)			
Senior management	6	11	23
Middle management	6	11	25
General staff	7	11	28
Supply chain management			
Total suppliers	950	1,224	1,325
By region			
Eastern China	665	871	946
Southern China	38	55	55
Central China	38	54	54
Northern China	105	130	130
North-western China	19	28	25
North-eastern China	10	12	10
South-western China	19	26	25
Outside China	56	48	80
Product Responsibility			
Percentage of total products sold or shipped subject to recalls for safety and health reasons (%)	0	0	0
Number of complaints about products and services	0	4	1
Anti-corruption			
Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees	0	0	0

Society	2021	2022	2023
Number of employees enrolled in training by category (person)			
Number of directors enrolled in training	7	6	5
Number of employees enrolled in training	277	399	435
Training duration for each category of employees (hour)			
Anti-corruption training provided to the Company's directors (hour)	7	6	5
Anti-corruption training provided to the Company's employees (hour)	2,216	2,793	1,740
Community investment			
Cumulative investment in public charity (RMB10,000)	2	Due to the impact from the COVID-19 pandemic, there was no amount incurred therefrom in 2022	1
Total investment in public charity by category			
Education	2	Due to the impact from the COVID-19 pandemic, there was no amount incurred therefrom in 2022	1
Medical devices	0	Due to the impact from the COVID-19 pandemic, there was no amount incurred therefrom in 2022	0
Cumulative time of investment in public charity (hour)	60	Due to the impact from the COVID-19 pandemic, there was no amount incurred therefrom in 2022	20
Total duration of public volunteer service by category			
Education	60	Due to the impact from the COVID-19 pandemic, there was no amount incurred therefrom in 2022	20
Medical treatment	0	Due to the impact from the COVID-19 pandemic, there was no amount incurred therefrom in 2022	0

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