HIGHTIDE

君圣泰医药

HighTide Therapeutics, Inc.

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2511

2024

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MANAGEMENT'S STATEMENT

HighTide Therapeutics (Stock code: 2511.HK) has been remaining committed to the mission of "patient first and continuously pursuing comprehensive benefits for patients" since its inception. We dedicate ourselves to the research and development of innovative drugs and advance the frontiers of human health science. In 2024, HighTide Therapeutics actively participated in multiple international academic conferences, including the Annual Meeting of the American Diabetes Association, the Annual Meeting of the European Association for the Study of Diabetes, Annual Meeting of the American Association for the Study of Liver Diseases, and the Annual Meeting of the European Association for the Study of the Liver. At these prestigious forums, the Company shared the latest progress of our core products in the field of metabolic diseases with global experts and peers, demonstrating their comprehensive health benefits for patients with metabolic chronic diseases. Additionally, HighTide Therapeutics was invited to industry summits such as the Abu Dhabi Global Healthcare Week Leadership Summit, where it exchanged research insights and achievements with domestic and international experts, further driving global accessibility to innovative therapies. Leveraging the proprietary intellectual property, we have established an innovative pipeline covering nine indications, including seven drug candidates with global intellectual property right protection, which modernize and internationalize natural products, thus delivering transformative solutions for patients worldwide.

Steady progress for long-term success: We elevate ESG governance. As a responsible enterprise, while expanding our business, we have built an ESG management system under which we implement targeted measures to address identified material ESG issues. We continuously strengthen risk management and compliance governance systems, foster a culture of compliance, and enhance employee awareness of ethical practices and commercial accountability through training programs to contribute to the sustainable growth of the Company.

Building on a solid foundation: We prioritize drug safety and quality. Over the past year, we conducted efficient and high-quality multicenter clinical trials by leveraging our global network, experience, and knowledge, which have resulted in the safety and efficacy of our products being verified by various parties. Our quality management policy covers several aspects such as the supply of raw materials, drug development, companies and customer communication, which helps us to continue to provide high quality products.

Selection of excellent talents: We recognize quality talents as invaluable assets. We take active measures to attract and retain talents, and our core R&D team is composed of outstanding scientists from many countries, who work together to provide patients with healthy and reliable products. We create a diverse, respectful, harmonious and safe workplace environment for our employees, launch a variety of employee training and team building activities, and provide a variety of benefits and incentives to promote the growth of talent and the Company, and to shape a sense of belonging-driven corporate culture.

Green sustainability: We are in harmony with nature. We have incorporated the concept of green operation into our corporate strategy by formulating various management policies related to environmental protection and climate change. We set medium- and long-term "carbon peaking and carbon neutrality" targets, proactively identified and responded to the risks and opportunities associated with climate change, based on which we formulated corresponding preventive measures and procedures. We implemented comprehensive energy-saving, emission-reduction and consumption-reducing measures to raise employees' awareness of low-carbon conservation, thus minimizing the impact of our business operations on the environment.

Moving forward, we will continue to fully incorporate the concept of sustainable development into all aspects of our business, promote the research and development ("**R&D**") and production of new drugs around patients and market needs, and make steady progress towards our vision of "becoming a global innovative biopharmaceutical leader respected by our peers", so that more patients can enjoy universal, safe and effective products, services and healthcare solutions. We would like to take this opportunity to express our gratitude to all our employees for their tireless efforts towards sustainable development, and to express our sincere appreciation to all our shareholders, partners, and the community for their strong support over the past year!

CONTENT

1. ABOUT THIS REPORT

HighTide Therapeutics, Inc. (hereafter, "**HighTide Therapeutics**", "**HighTide**", the "**Company**" or "**we**") is pleased to release its second Environmental, Social and Governance ("**ESG**") report (this "**Report**"), which is intended to summarize our ESG management strategies, efforts and performance.

1.1 Reporting Principles

This Report is prepared in accordance with Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as set out in the Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**"), and has been reported based on the principles of materiality, quantitative, balance, and consistency as specified in the ESG Reporting Guide, as well as complying with the "mandatory disclosure requirements" and "comply or explain" provisions listed in the ESG Reporting Guide.

- Materiality: We have identified material ESG issues affecting the Company's sustainable development through a materiality assessment and will disclose them accordingly in this Report. Additionally, we have also disclosed the process and results of the stakeholder engagement.

- Quantitative: This Report discloses the applicable quantitative data related to environmental and social domains in the ESG Reporting Guide, and specifies the standards, methods, assumptions, and calculation references used, including the sources of major conversion factors.

- Balance: This Report presents the Company's performance in 2024 in an unbiased manner to avoid selections, omissions, or presentation formats that may improperly influence readers' decision-making or judgment.

- Consistency: Statistical methods consistent with last year were used for the data disclosed in this Report, allowing stakeholders to make meaningful comparisons of performance during the Reporting Period. If there are any changes in the methodologies, we will also present and explain them in detail in the corresponding sections.

1.2 Reporting Scope and Boundary

This Report outlines HighTide's efforts and achievements in corporate social responsibility (CSR) and sustainable development between January 1, 2024 and December 31, 2024 (the "**Reporting Period**"). The organizational scope of this Report includes the headquarters of HighTide Therapeutics and its wholly-owned subsidiaries operating in China.

Names of Key Subsidiaries	Abbreviations
Shanghai Fusion Therapeutics, Ltd. (上海福藥生物技術有限公司)	Shanghai Fusion
Shenzhen JSK Consumer Healthcare Ltd. (深圳君聖康生物技術有限公司)	Shenzhen JSK
Shenzhen HighTide Biopharmaceutical Ltd. (深圳君聖泰生物技術有限公司)	Shenzhen HighTide

1.3 Data Sources

The sources of data of this Report include HighTide's relevant internal statistical statements, public media reports, third-party surveys and reports, and third-party evaluations. Unless otherwise stated, the currency used in this Report refers to Renminbi (RMB).

1.4 Report Language

This Report is available in both Chinese and English. In case of any contradiction or inconsistency between the two versions, the Chinese version shall prevail.

1.5 Access to and Feedback on Report

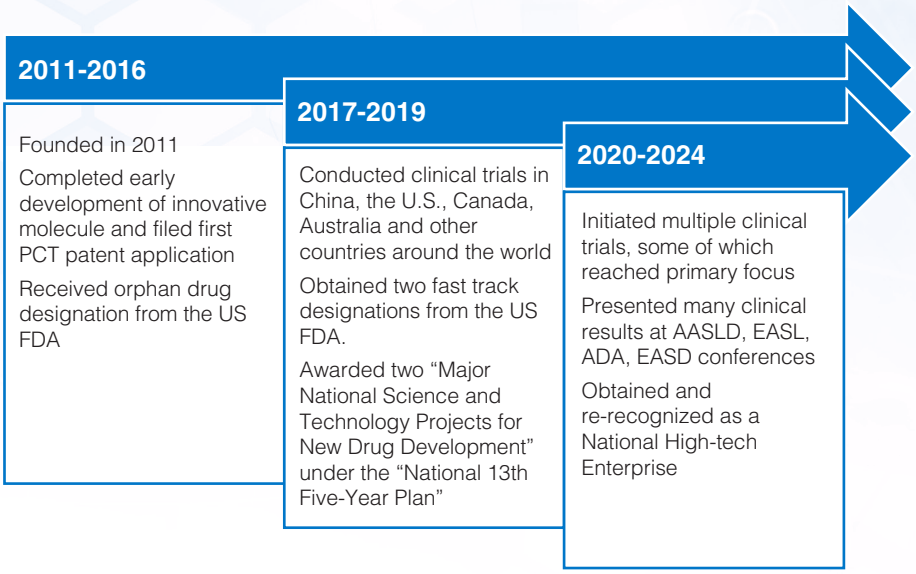
You may download this Report from HighTide's official website: https://hightidetx.com.

We value the comments of stakeholders regarding this Report. If you have any questions or suggestions, please feel free to contact us via email (Investor@hightidetx.com).

2. ABOUT HIGHTIDE

HighTide Therapeutics, Inc. (stock code: 2511.HK) is a globally-integrated biopharmaceutical company committed to addressing significant unmet medical needs in the clinical treatment of metabolic diseases. With the DeepCure philosophy of "treating both the symptoms and the root cause to seek deeper cures" as our goal, we develop first-in-class original and innovative medicines based on source-driven innovation, with the aim of providing patients worldwide with safe, effective, and comprehensively beneficial solutions based on Chinese wisdom. HighTide has independently developed a pipeline of seven product candidates covering 10 indications, and has advanced a number of mid- and late-stage clinical trials globally for metabolic-associated steatohepatitis (MASH), type 2 diabetes mellitus (T2DM), severe hypertriglyceridemia (SHTG), and primary sclerosing cholangitis (PSC), etc. One of our core products, HTD1801 (Berberine ursodeoxycholate (BUDC)), as a first-in-class new molecular entity with a unique dual-mechanism, exerts its biological activity through the activation of AMPK and the inhibition of NLRP3. It has been granted two fast track designations and one orphan drug designation by the U.S. FDA, and has been supported under the "Major National Science and Technology Projects for New Drug Development" under the "National 13th Five-Year Plan" and has been newly included in the list of key product services of the Greater Bay Area Sub-center by the National Medical Products Administration. Moreover, HighTide Therapeutics has been granted several honors such as the National High-tech Enterprise designation.

As of the date of this Report, our clinical development team was composed of more than 30 scientists and physicians with extensive drug development experience. We have been engaged in drug candidate development for more than 10 years. Our self-developed product pipeline owns 100% of the global intellectual property rights, and our patent licenses cover major countries and regions around the world such as the PRC, the United States, Europe, Australia, New Zealand, Russia, Singapore, Japan, etc., which establishes important competitive barriers for us. Through the development of multifunctional and multi-targeted therapies, the Company is committed to a systemic approach to treating complex metabolic and gastrointestinal diseases, providing patients with effective and safe treatment options. With our accumulated experience in building and developing a pipeline of innovative therapies for various metabolic and digestive diseases, we expect to provide the market with a steady stream of competitive products to address unmet clinical needs for complex metabolic and digestive diseases.



Development Milestones of HighTide

Mission of HighTide

2.1 Board Diversity

In order to achieve sustainable and balanced corporate development, the Company regards diversity at the Board of Directors (the "**Board**") level as an important factor in supporting the attainment of our strategic objectives and sustainable development. We have formulated the Board Member Diversity Policy《董事會成員多元化政策》. The Nomination Committee is responsible for monitoring implementation of the policy and reviews the policy annually to ensure its timeliness. Candidates will be considered based on objective criteria, including but not limited to gender, skills, age, professional experience, knowledge, culture, educational background, ethnicity, and length of service.

As of December 31, 2024, the Board comprised eight Directors, including two executive Directors, three non-executive Directors and three independent non-executive Directors. Our Directors possess theoretical knowledge and practical experience in multiple fields, including biochemistry, pharmaceuticals, business development, R&D, investment management, and corporate finance. Regarding gender diversity, the Board currently comprises two female Directors and six male Directors, with female Directors accounting for 25%. We expect to refer to the opinions of stakeholders and best practices domestically and internationally, gradually increasing the proportion of female members when selecting and appointing suitable candidates for the Board, to achieve an appropriate balance of gender diversity on the Board. The Company will continue to emphasize training of female talent and provide long-term development opportunities for female staff.

Dr. LIU Liping, HighTide's founder and chairwoman, has been primarily responsible for the R&D activities, overall management of the business strategy, corporate development and financing of the Company since the establishment of HighTide in 2011. Dr. Liu has over 20 years of commitment to the R&D of innovative drugs and a wealth of experience in innovative drug development for metabolic and digestive diseases. She has previously led the approval of eight clinical trials for two investigational new drugs (IND) in the United States, China, Canada, and Australia, and owns over 100 patents and patent applications. As an inspiring role model for women, Dr. LIU Liping was selected for the EY Entrepreneurial Winning Women™ Asia-Pacific 2023.

2.2 Products and Product Pipelines

During the Reporting Period, we independently developed a pipeline comprising seven patented drug candidates, covering ten indications, including five that are in the clinical stage. The following chart summarizes the development status of our drug candidates:

Drug candidates	Mechanism/Target	Indications	Rights	Designations	Pre-Clinical	Phase I	Phase II	Phase III
HTD1801 Berberine ursodeoxycholate (BUDC) ★	Dual-target Mechanism AMPK activation + NLRP3 inhibition	MASH	Global	FTD	Phase IIa completed in US; Phase IIb is initiated in US, HK and Mainland China			
		T2DM	Global		Phase II completed in Mainland China, Phase III is initiated in Mainland China			
		SHTG	Global				(1)	
		PSC	Global	FTD	Phase II completed in US and Canada; IND approved obtained in China			
HTD4010	Polypeptide Drug	AH	Global		Phase I completed in Australia			
HTD1804	Undisclosed	Obesity	Global					
HTD1805	Undisclosed	Metabolic Disease	Global					
HTD2802	Undisclosed	IBD	Global					
HTF1037	FCCP	Obesity	Global					
HTF1057	FCCP	Neurodegenerative disease	Global					

★ Core Product

Note: 1. We have completed a Phase Ib/IIa trial for hypercholesterolemia in Australia and a Phase IIa trial for MASH in the United States. The FDA concluded that the available preclinical and clinical data of the above trials was adequate to support the initiation of Phase II trial for SHTG.

2.3 Titles and Honors

- Shenzhen Municipality Specialized, Excellent, Featured, and Innovative Small and Medium Enterprise;
- Shenzhen Innovation-driven Small-and-Medium Enterprise;
- Small-and-Medium Technology Enterprise in 2024;
- Invited to be an OASES Partner in biopharmaceuticals by the Hong Kong government;
- Shenzhen Futian District Headquarters Enterprise.

3. SUSTAINABLE DEVELOPMENT GOVERNANCE

The Company is committed to centering patients' needs, striving to develop first-in-class, multi-functional, and multi-indication drugs. In addition to curing diseases, we expect to improve the overall health and quality of life for our patients, and proactively fulfill our corporate responsibility. We also deeply integrate ESG philosophy into every aspect of our business operations to promote the sustainable development of the Company and even the entire industry through the continuous improvement of the ESG governance system, and create value for shareholders.

3.1 Board Statement

HighTide believes that a solid ESG management is a guarantee for the long-term development of an enterprise. We actively fulfill our corporate social responsibilities by fully integrating the concept of sustainable development into business management and commercial decision-making, and have established an ESG governance system led by the Board. The Board assumes full responsibility for all ESG strategies and reporting. As the highest level in the ESG governance system, the Board is fully responsible for identifying, managing, and overseeing the environmental, social, and climate-related risks and opportunities of the Company. It formulates and implements ESG-related management approaches, policies, and objectives, including assessing, prioritizing, and managing significant ESG issues, and regularly reviews the progress of established targets to supervise and evaluate the Company's performance in sustainable development.

We have established an ESG working group, composed of nine members who are the heads of our Legal, R&D, Finance, Investor Relations, Quality Assurance, Human Resources, and Administration departments, including a member of the Board. The ESG working group is responsible for formulating detailed work guidelines to more comprehensively advance the implementation of corporate social responsibility and sustainable development measures. In addition, HighTide has formulated the ESG Policy《ESG 政策》with reference to the laws and regulations of the operational locations, as well as international standards such as the United Nations Global Compact and the Universal Declaration of Human Rights, to guide and conduct daily ESG work in a standardized and efficient manner, ensuring that the sustainable development strategies and goals established by the Company are aligned with its business operation direction.

3.2 ESG Management Structure

We believe that an effective governance structure can drive sustainable development of enterprises. Therefore, we continuously improve the two-level ESG governance structure of the Board and the ESG working group, and clearly define their respective terms of reference to ensure the smooth progress of ESG work.

ESG Management Structure and Main Responsibilities

ESG Management Structure	Main Responsibilities
Board	• As the highest decision-making unit, the Board has the greatest responsibility for the management of sustainable development • Review and determine the Company's sustainability management philosophy and strategy • Review and approve the Company's ESG management guidelines, strategies, and annual work, including evaluating, prioritizing, and managing major ESG matters
ESG Working Group (Consisting of responsible persons from the Legal, Research and Development, Finance, Investor Relations, Quality Assurance, Human Resources, and Administration Departments, and one Board member)	• Evaluate and manage the Company's ESG-related risks and opportunities, and devise the Company's ESG plan, management structure, system, strategy, as well as detailed rules for implementation to ensure the ongoing implementation and enforcement of the Company's ESG policies • Direct and review the identification and prioritization of major ESG issues • Map out key ESG issues for the Company • Review the Company's ESG performance and internal control system, providing suggestions regarding the appropriateness and effectiveness • Review the Company's ESG-related disclosure documents, including but not limited to the annual ESG report • Track ESG-related risks, pose inquiries and present solutions regarding major issues that affect the Company's fulfillment of ESG-related responsibilities, and examine and supervise the handling of such matters

3.3 Stakeholder Communication

HighTide Therapeutics believes that establishing an open, transparent, and in-depth communication mechanism with investors is a crucial part of corporate governance and is essential for achieving sustainable development. Therefore, we actively interact with various stakeholders through diversified channels to gain a deep understanding of their requirements and expectations regarding our ESG information disclosure and management, in order to continuously improve our sustainable development policies and performance.

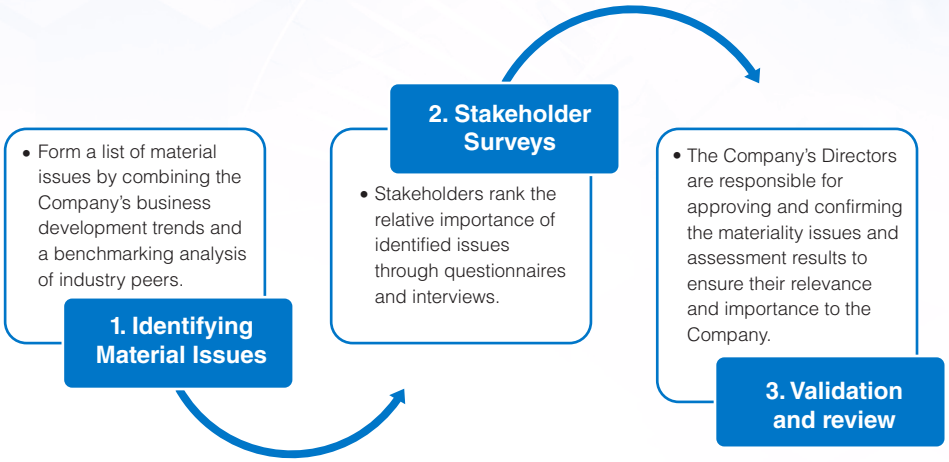
Stakeholder Type	Main Communication Channels	Issues of Concern	Response Measures
Investors and Shareholders	• Information disclosure • General meetings • Investor networking events • On-site reception • Teleconferences	• Risk management • Investor relations • Product innovation and development • Standardized governance	• Continuously identify, evaluate, and respond to risks, and devise corresponding measures to enhance risk management • Regularly disclose information on business operations and R&D, and respond to investor concerns
Government Agencies	• Supervision and inspection • Information disclosure • Statistical statements	• Compliance • Business ethics • Waste management	• Respond to national policies • Implement government management rules • Strengthen corporate compliance management and operations • Regularly disclose information on business operations and R&D

Stakeholder Type	Main Communication Channels	Issues of Concern	Response Measures
Customers	• Customer satisfaction surveys • Customer visits • Emails	• Product quality and safety • Data security and customer privacy protection • Excellent customer service • Responsible marketing • Drug accessibility	• Improve product and service quality • Respond positively to customer inquiries and complaints • Maintain an effective mechanism for customer communication • Intensify the management of responsible marketing • Regularly disclose corporate information
Employees	• Employee handbook • Employee relations specialist • Employee training • Emails	• Employee health and safety • Employee diversity and equal training and development of employees • Employee benefits and security	• Improve the remuneration system and enrich the welfare system • Carry out diverse training programs, and streamline the promotion system • Strengthen the safety management system to safeguard occupational health and safety • Listen to employee complaints and organize employee activities

Stakeholder Type	Main Communication Channels	Issues of Concern	Response Measures
Suppliers, Partners and Industry Associations	• Supplier evaluation • Day-to-day communication • Industry communication	• Sustainable supply chains • Business ethics and anti-corruption	• Improve supplier management mechanisms, including the management of environmental and social risks • Promote the development of a sustainable supply chain • Enhance communication with suppliers • Attend industry networking events and share business experiences
Social Organizations and Media	• Social welfare activities • Information disclosure	• Pollutant emissions management • Responding to climate change • Community contribution and development • Energy consumption • Water resources	• Health literacy • Regularly disclose corporate information • Respond positively to inquiries and complaints

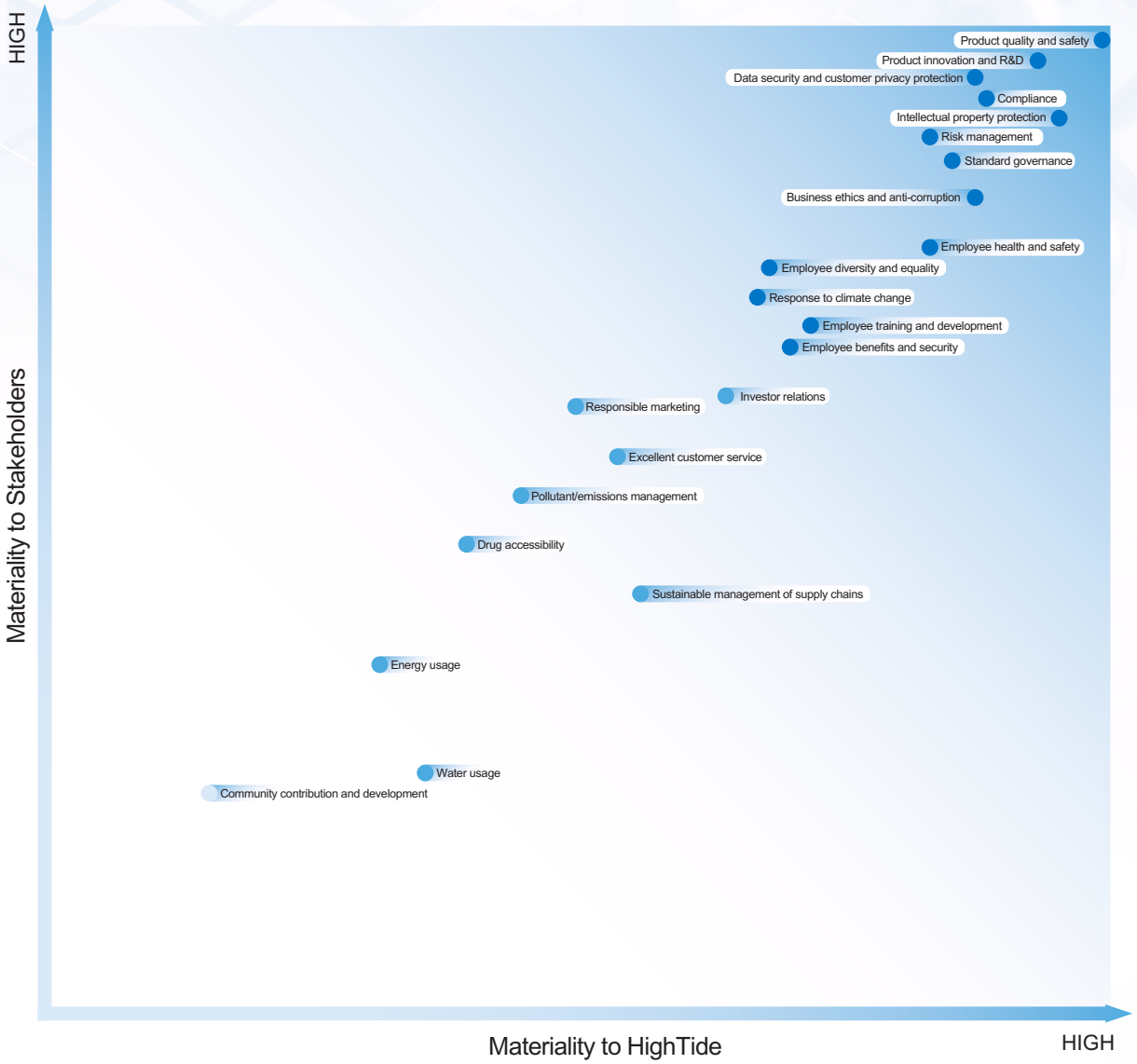
3.4 Materiality Assessment

We understand that the identification and management of ESG issues are closely related to the Company's sustainable development. Therefore, a materiality assessment was conducted to prioritize ESG issues that may impact the Company. By distributing questionnaires to different categories of stakeholders, we obtained opinions from various stakeholders on the importance of ESG issues and generated a materiality matrix to reflect the results of the materiality assessment, assisting us in carrying out work related to sustainable development.



Listing the material issues in order of priority based on the impact on stakeholders and their major concerns, we have identified 13 highly material issues, 8 relatively material issues, and 1 material issue. The results of the prioritization of ESG issues were verified by the Company's ESG working group and submitted to the Board for approval. During the Reporting Period, as there were no significant changes in the strategic direction of the Company, the Board confirmed that the identified ESG issues and materiality assessment results remain applicable. In this Report, we will make disclosures to varying degrees based on the materiality of these significant issues, and consider them as material factors in formulating ESG guidelines and strategies.

Materiality	ESG Issues
Highly material	Product quality and safety Intellectual property protection Product innovation and R&D Data security and customer privacy protection Employee health and safety Employee diversity and equality Standard governance Business ethics and anti-corruption Compliance Risk management Employee training and development Employee benefits and security Response to climate change
Relatively material	Investor relations Excellent customer service Responsible marketing Sustainable management of supply chains Pollutant/emissions management Energy usage Water usage Drug accessibility
Material	Community contribution and development


HIGH
Materiality to Stakeholders
Product quality and safety
Product innovation and R&D
Data security and customer privacy protection
Compliance
Intellectual property protection
Risk management
Standard governance
Business ethics and anti-corruption
Employee health and safety
Employee diversity and equality
Response to climate change
Employee training and development
Employee benefits and security
Investor relations
Responsible marketing
Excellent customer service
Pollutant/emissions management
Drug accessibility
Sustainable management of supply chains
Energy usage
Water usage
Community contribution and development
Materiality to HighTide
HIGH

4. PRODUCTS AND SERVICES

HighTide recognizes that quality assurance of products is key to maintaining stable relationships with customers and driving its sustainable development. Our global operations, experience, and knowledge enable us to conduct high-quality multi-center clinical trials in a cost-effective and time-efficient manner, with the safety and effectiveness of our products being validated by multiple parties. We hope to leverage our expertise in biology, medicinal chemistry, clinical development, and regulatory affairs to modernize and internationalize our products, providing patients with effective and safe treatment options while continuously enhancing customer satisfaction.

4.1 Product R&D Capabilities

We believe that continuous R&D is the key driver of our business growth and maintaining competitiveness. Currently, HighTide is focusing on advancing multiple asset developments. Our core product, HTD1801, as a new molecular entity, is an oral anti-inflammatory and metabolic modulator targeting the intestinal-hepatic system with a unique dual mechanism of AMPK activation and NLRP3 inhibition, and is being developed for the treatment of metabolic diseases and chronic liver diseases. During the Reporting Period, the Company's major progress in core product R&D was as follows:

- The Company continues to advance the global multi-center Phase IIb clinical trial of HTD1801 for the treatment of MASH, and completed patient enrollment in the United States, Mainland China, and Hong Kong as of the end of March;

- For the T2DM indication, the Company has conducted three Phase III clinical trials to evaluate the efficacy and safety of HTD1801 in T2DM patients with inadequate glycemic control after diet and exercise intervention, and in T2DM patients with poor control on metformin, as well as a non-inferiority trial of HTD1801 against dapagliflozin. As of now, all patient enrollments have been completed.

Our R&D team possesses extensive expertise, profound understanding, and broad development experience in metabolic and digestive system diseases. Our professional management team is capable of providing effective solutions for the complex and diverse clinical needs of patients with metabolic chronic diseases, and possesses extensive experience in driving the full development process of drugs from early discovery to market approval.

4.2 Product Quality Management

As a biopharmaceutical company, we attach great importance to the medication safety of patients, therefore production quality management is critical to our robust operations. The Company strictly abides by the Product Quality Law of the People's Republic of China《中華人民共和國產品質量法》, Drug Administration Law of the People's Republic of China《中華人民共和國藥品管理法》, the Good Pharmacovigilance Practices《藥物警戒質量管理規範》, the Good Manufacturing Practices for Drugs《藥品生產質量管理規範》, and the Good Supply Practices for Pharmaceutical Products《藥品經營質量管理規範》, among other relevant laws and regulations. We have formulated a series of quality management systems and standards in reference to ISO9001, Good Manufacturing Practice for Drugs ("**GMP**"), and Good Laboratory Practice ("**GLP**") systems, including Quality Agreement Management《質量協議管理》, Quality Information Communication Management《質量信息溝通管理》, Product Release Management《產品上市放行管理》, Quality Risk Management《質量風險管理》, Pharmacovigilance Training Management《藥物警戒培訓管理》, Drug Safety Committee Management《藥品安全委員會管理》, etc.

Drug Safety Management System

We strive to implement and ensure the safety and quality of our pharmaceuticals from four aspects: establishing a quality management system, enhancing employee training, strengthening quality control, and continuous improvement and innovation. During the Reporting Period, we issued the Quality Policy and Objectives《質量方針和目標》, which clearly defined the quality policy of "innovation drives excellence, quality medicines advance health", and set overall quality objectives focusing on the safety, compliance, efficiency, and innovation in drug R&D, providing guidance and direction for quality management.

Security and Compliance	Efficiency and Innovativeness	Continuous innovation and improvement
• Ensure all R&D activities strictly comply with regulations • In the entire process of pharmaceutical R&D, strengthen quality control and risk evaluation • Through in-depth research on the mechanism of drug action and optimization of drug formulations, reduce the risk of side effects	• By optimizing the R&D process and experimental design, accelerate the R&D progress and increase the success rate of R&D • Actively explore new mechanisms for disease treatment, continuously introduce new technologies and methods, and improve the efficiency and accuracy of new drug R&D	• Establish a continuous improvement mechanism, regularly assess the quality and effectiveness of R&D activities, identify issues and resolve them promptly • Encourage an innovative culture, stimulate employees' creativity, and promote the R&D of new drugs

Through the establishment of a drug safety management and vigilance framework system, the Drug Safety Committee Management《藥品安全委員會管理》newly released by the Company describes the personnel composition, responsibilities, and scope of work of the internal cross-departmental Drug Safety Committee, as well as the communication mechanism for drug safety issues, such as the management of death cases, investigation of suspected group adverse events, and major drug safety incidents. It is responsible for discussing, deciding, and managing the safety information, benefit-risk assessment, risk management, and overall safety issues of HighTide's drugs. The management measures also stipulate that members of the Drug Safety Committee must undergo training each year, covering topics such as drug laws and regulations, pharmacovigilance laws and regulations and Standard operating procedure ("**SOP**"), and drug safety incident handling requirements. Core members should convene a regular meeting at least once every quarter to review drug safety issues from the previous quarter. In the event of an urgent drug safety issue, an emergency meeting of the core members of the Drug Safety Committee should be convened as soon as possible. The Pharmacovigilance Department is responsible for recording the outcomes of the Drug Safety Committee meetings and archiving the relevant materials in accordance with the Records Management《檔案管理》, which shall be kept for at least ten years after the cancelation of the drug registration certificate.

During the Reporting Period, we held the first training for members of the Drug Safety Committee focusing on the pharmacovigilance quality management standards and the SOP for Drug Safety Committee Management《藥品安全委員會管理》, and prepared corresponding examination papers. This training provided the members of the Drug Safety Committee with an in-depth understanding of China's Pharmacovigilance Quality Management Standards《藥物警戒質量管理規範》and the Guidelines for Pharmacovigilance Inspection《藥物警戒檢查指導原則》, ensuring that key personnel fully understand their job responsibilities, work mechanisms, and procedures, and actively participate in the committee's related work.

Training for Members of the Drug Safety Committee

Internal Quality Audit and Recall Procedures

The Company conducts at least one internal audit annually, led by the Quality Assurance (QA) team, to implement self-inspection. Depending on different audit objectives, the internal audit may cover the entire quality system or focus on a specific module for a targeted audit. Through internal audit activities, we optimize the quality management system to ensure that the operation of the quality system meets the requirements of laws, regulations, and HighTide SOP. At the same time, the Company has formulated standards such as Non-conforming Product Management (《不合格品管理》), Deviation Management (《偏差管理》), Corrective and Preventive Measures Management (《糾正措施和預防措施管理》), Drug Recall Management (《藥品召回管理》) and Drug Safety Incident Handling Management (《藥品安全事件處置管理》) to ensure that quality or compliance issues within the quality system can be investigated and resolved promptly according to pre-established plans, thereby maximizing risk control.

As stated in the Drug Recall Management (《藥品召回管理》), we have established and improved the drug recall system to promptly recover drugs with quality issues or other safety hazards. When we receive information about drug safety hazards, we will immediately conduct investigation and evaluation activities and make a preliminary assessment conclusion on whether a recall is necessary and the recall level. For drugs that are immediately decided to be recalled, the quality manager will act as the recall leader to establish a recall task force to carry out related work, handling the recalled products in accordance with the Non-conforming Product Management (《不合格品管理》). The QA Department conducts a regular review of recall annually, and a simulated recall is initiated at least once every three years. If an actual recall occurs within three years, the simulation is not required.

Recall Level	Definition
Level 1 Recall	The use of the drug may cause or has caused serious health hazards or death
Level 2 Recall	The use of the drug may cause or has caused temporary or reversible health hazards
Level 3 Recall	The use of the drug generally does not cause health hazards, but it needs to be recalled for other reasons

Quality management training for all employees

In addition, we have established a training management procedure to implement "total employee participation" in quality management. By providing targeted quality management training to all employees, we enable them to achieve and maintain the skill levels required for their respective positions, comprehensively cultivating employees' quality awareness.

- On-boarding training: new employees should receive on-boarding training organized jointly by the Quality Management Department and the department they work in, which covers drug-related laws and regulations, basic knowledge of GxP, document and records management, etc.

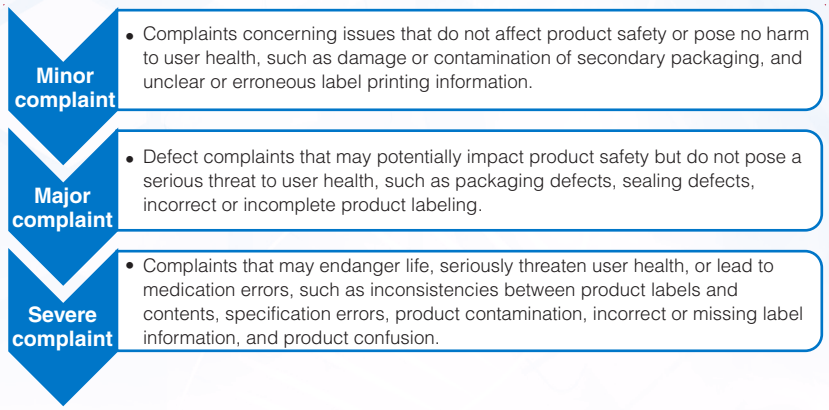
- Post training: department heads or designated personnel shall formulate post training plans for new employees or transferred employees which correspond to their new job responsibilities. The training plan should at least cover post responsibilities, SOP, and post-related knowledge and skills.

- On-the-job training: the Company provides training for all employees or departmental employees according to the annual training plan. Such training includes updates on laws and regulations, departmental operational procedures, and professional knowledge training.

During the Reporting Period, the Company had no incidents of product recall due to safety or health reasons.

4.3 Customer Satisfaction

To maintain the Company's good reputation, we actively maintain customer relationships and are committed to continuously improving customer satisfaction. We strictly abide by the Law of the People's Republic of China on the Protection of Consumer Rights and Interests《中華人民共和國消費者權益法》and have newly revised the Complaint Management《投訴管理》to standardize the handling procedures for complaints related to product quality, medical issues, or adverse events. We have established a variety of enquiry and complaint channels, enabling customers can voice their concerns in person, by telephone, by mail, and through online platforms. Upon receipt of verbal, electronic, or written complaints regarding product quality and related issues, the information receiving personnel should fill out the Complaint Handling Form《投訴處理表》within one working day and submit it to the QA Department for evaluation and communication. If the complaint is substantiated, the QA Department will classify it according to the severity of the incident.



We stipulate that the complaint investigation should be completed within 30 days after receipt of the complaint, and a response should be given to the complainant within 10 days, issuing a Complaint Response Letter (《投訴回覆函》) and conducting follow-up confirmation and recording of the implementation of measures. Subsequently, the QA Department must update the Complaint Management Ledger (《投訴管理台賬》) and, based on the annual audit situation, form an annual review report summarizing the frequency, trends, and severity of complaints, analyzing the causes of repeated complaints, and proposing corrective and preventive measures to prevent similar issues from recurring.

During the Reporting Period, the Company did not receive any complaints about its products or services.

5. SOUND OPERATION

As a responsible biopharmaceutical enterprise, HighTide consistently upholds the business philosophy of integrity and compliance, adheres to high standards of business ethics and corporate governance, and adopts a zero-tolerance attitude towards corruption, bribery, extortion, fraud, and money laundering. By implementing corresponding systems in key areas such as risk internal control, anti-corruption and integrity, data privacy security and intellectual property protection, product marketing, and supply chain management, the Company is committed to achieving stable and long-term development, engaging in honest cooperation with all stakeholders, continuously enhancing its social value, jointly maintaining a good business ecosystem, and contributing to the well-being of the public.

5.1 Risk and Internal Control Management

HighTide Therapeutics consistently adheres to high standards in regulating operational processes, strictly complies with the laws and regulations of the regions where it operates, continuously optimizes its internal risk management system, and actively conducts internal control self-assessment and risk identification work. In order to promptly identify and monitor the potential risks of the Company and their probability of occurrence, determine the risk tolerance and limits, and recognize the possible losses these risks may bring, the Company has established a Risk Management Committee and formulated the HighTide Risk Management System (《君聖泰風險管理制度》), comprehensively considering strategic environmental risks, procedural risks, and strategic decision information risks related to its development strategy.

We have established a comprehensive risk management organizational structure and risk assessment process, requiring each functional department to conduct risk identification, classification, rating, and evaluation according to regulations, analyze potential losses, and then formulate corresponding solutions, including but not limited to risk transfer, risk avoidance, risk reduction, and also turning risks into opportunities through certain measures. Besides, we have also set up a dynamic monitoring, auditing, and prevention mechanism to form risk assessment documents on relevant matters, and promptly conduct risk management, rectification, and tracking control.

In addition, HighTide Therapeutics has standardized internal audit work according to the formulated Internal Audit Management System《內部審計管理制度》, and established an internal audit department to monitor the compliance of each department. By doing so, the Company leveraged the role of internal audit in strengthening internal control, controlling operational risks, improving business management, and enhancing economic efficiency. We utilize systematic and standardized methods to independently and objectively assess and evaluate the performance of duties and management behavior of various management departments and positions, thereby enhancing the effectiveness of the Company's risk management and internal control systems. We also engage an independent internal control consultant to evaluate our internal control system. The internal control consultant has implemented review procedures on certain aspects of the internal control system, including financial reporting and disclosure controls, corporate-level controls, information system control management, and other operational procedures. In future, we will continue to regularly review and improve internal control policies, measures, and procedures, constantly enhancing the internal control system.

In order to strengthen the emergency management of the Company, ensure rapid response and handling of emergencies, and minimize the impact and losses caused by emergencies to the greatest extent, we have specifically formulated the Emergency Planning Management System《應急預案管理制度》. We implement the principle of focusing on prevention and combining prevention with emergency response, clearly defining the responsibilities of each department and management personnel. We formulate measures for handling emergencies from four major aspects: governance, operations, environment, and information, to maintain the normal production and operation order of the Company and protect the legitimate interests of investors.

5.2 Combating Corruption and Upholding Integrity

HighTide Therapeuticss continuously strengthens its internal control mechanism, adhering to the core business philosophy of law-abiding integrity and quality service, promoting institutional anti-corruption, following fair competition rules, and establishing a good corporate image. We strictly comply with the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), Anti-unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), and Company Law of the People's Republic of China (《中華人民共和國公司法》) and other relevant laws and regulations. We have established the Anti-Fraud Management Measures (《反舞弊管理辦法》), Anti-Money Laundering Management Measures (《反洗錢管理辦法》), Anti-Bribery Management Measures (《反賄賂管理辦法》), Connected Transactions Management System (《關連交易管理制度》), and HighTide Code of Business Conduct (《君聖泰業務行為守則》), which clearly define key risk points such as anti-fraud, anti-bribery, anti-money laundering, conflict of interest, commercial transactions, and external donations. These measures regulate employees' professional conduct and eliminate any form of corruption. We stipulate that all employees must not have or be suspected of having personal interests in business dealings with suppliers, customers, competitors, or distributors In addition, according to the Management System on Conflicts of Interest Declaration (《利益衝突申報管理制度》, we require key position personnel of the Company to complete regular declaration procedures for conflict of interest relationships and behaviors in December, and to formulate corresponding preventive and punitive measures to ensure that employees do not exploit their positions to provide undue advantages, thereby advancing the Company's integrity building and stable development, and safeguarding the legal rights of the Company and shareholders.

In addition, we attach great importance to the development of compliance culture. During the Reporting Period, the Company organized training themed "Corporate Integrity and Compliance Publicity and Communication". Our legal team is responsible for establishing, developing, and improving the compliance management system, promptly identifying, assessing, and reporting compliance risks and expectations, and providing compliance training for employees to ensure that a culture of compliance is embedded into our daily workflow. The legal team also collaborated with the senior management team to monitor and assess the effectiveness of the compliance function and structure, ensuring that operational management adheres to applicable laws and regulations. We have also engaged third-party compliance consultants to provide us with professional guidance.

During the Reporting Period, all Directors and employees of the Company participated in anti-corruption training, with a coverage rate of 100%. For specific data on anti-corruption training, please refer to Appendix I: Summary of Key Performance Indicators.

HighTide employees participated in corporate integrity compliance lectures and communication training

In terms of complaint reporting, HighTide Therapeutics encourages real-name whistleblowing and also includes information on reporting channels in major contracts. Our employees and external parties may report acts of corruption to our CEO Office through various channels, such as phone calls, emails, letters or in-person meetings. Where the case is not filed, the CEO Office shall notify the whistleblower of the results and reasons within ten working days; where the case is filed, the CEO Office shall notify the whistleblower of the investigation results within three months.

We strictly protect the whistleblowing content and the identity information of the whistleblower, ensuring that the whistleblower is protected during the course of assisting in the investigation. We promise that regardless of whether the report is filed, the CEO Office will provide feedback on the investigation results to the whistleblower within the stipulated timeframe. Once the reported matter is verified and helps the Company recover losses, a reward may be given to the whistleblower at the Company's discretion. In addition, if the whistleblower is retaliated against, he or she may complain the same to the Audit Department. Upon investigation and verification by the Audit Department, the responsibility of the relevant personnel will be pursued, and cases that violate the law will be handed over to the judicial authorities.

During the Reporting Period, the Company and all employees were not involved in any illegal incidents related to corruption, bribery, conflict of interest, fraud, money laundering, extortion, and unfair competition.

5.3 Data Privacy and Security

HighTide Therapeutics highly values the data and privacy security of the Company, its partners, and its customers. We strictly comply with the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》), Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), and Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) and other laws and regulations related to information security. We have issued internal regulations such as the Information System Management Standards (《信息系統管理規範》), the Company Information System Strategic Planning System (《公司信息系統戰略規劃制度》), the Information Disclosure Affairs Management System (《信息披露事務管理制度》), the Data Storage and Deletion System (《數據存儲與刪除制度》), the Backup Business Management System (《備份業務管理制度》), and the Software Authentication System (《軟件正版化制度》) as internal standards.

In terms of patient data, we manage the collection, handling, storage, retrieval, and access of patient data and medical records according to strict procedures to protect the security and confidentiality of personal information. Our information technology network is equipped with multiple layers of protection to ensure the security of databases and servers. For clinical trial data, we strictly limit access rights to authorized personnel according to the good clinical practice and relevant regulations. In order to strengthen the security management of the database and ensure its normal and effective operation, we have designated database administrator to be responsible for daily maintenance, authority control, security protection, and other management responsibilities of the database. Additionally, we require external personnel and internal employees involved in clinical trials to comply with confidentiality requirements. Data can only be used for the intended purposes agreed upon by the patients and consistent with the informed consent form.

At the same time, we will sign confidentiality agreements with employees who have access to any of the aforementioned data privacy, ensuring that they have a legal obligation not to misuse confidential information during their employment, to surrender all confidential information in their possession upon resignation, and to maintain their confidentiality obligations after leaving the job. During the Reporting Period, we also provided employees with training related to data privacy, including "Special Training on Employee Information Disclosure and Securities Trading" and "Information Disclosure Communication Guidelines Training, to ensure employees can properly safeguard the Company's interests and promote stable and sustainable development.

In order to strictly standardize the handling procedures for security incidents within our information system, ensure the normal operation of all business systems and networks, and respond to, handle, and follow up on information security incidents promptly, we have also formulated the Information Security Incident Emergency Plan System (《信息安全事件應急預案制度》) and established the Data Management Committee composed of Clinical Development and Quality Management, Legal Department, and Information Technology Department to oversee the implementation of this system. The IT Department is responsible for implementing this system and improvement suggestions, assessing the level of information security incidents from four dimensions: data loss, business impact, economic loss, and social impact, and taking disposal measures. After the incident is resolved, the Data Management Committee and relevant departments will also summarize lessons learned to prevent occurrence of similar situations.

During the Reporting Period, we did not experience any leakage or theft of important information, or loss of customer or subject data.

5.4 Intellectual Property Protection

HighTide Therapeutics strictly complies with the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), Patent Law of the People's Republic of China (《中華人民共和國專利法》), and Law of the People's Republic of China Against Unfair Competition (《中華人民共和國反不正當競爭法》) and other laws and regulations. We have formulated the Anti-Infringement Management System (《君聖泰防侵權管理制度》), the Management System on the IPR Protection of Technology Results (《技成果知識產權保護管理制度》), and the Patent Application and Management System (《專利申請與管理制度》) to standardize the protection of its own intellectual property rights, prevent infringement of others' intellectual property rights, manage patent application processes, and eliminate unfair competition practices, continuously enhancing the level of intellectual property management.

The intellectual property managed by the Company includes the rights to apply for, hold, use, license, and transfer theoretical research achievements, technical research achievements, soft science research achievements, award-winning achievements, monographs, patents, trademarks, trade names, technical secrets, and computer software copyrights. Before the Company plans to develop or introduce new projects, a patent search and novelty check should first be conducted to ensure that no one else has applied for a patent before the project can be initiated. During the project, the Operations Management Department should also conduct regular patent searches and novelty checks to monitor potential patent infringements at any time. If there is a possibility of infringing others' patents, it should be reported in writing to the superior leadership in a timely manner. To encourage technological innovation, we will provide material rewards to inventors or designers in the year-end bonus or performance appraisal according to relevant regulations.

At the same time, we continue to strengthen the management of software legalization. According to the requirements of the Software Authentication System (《軟件正版化制度》), we will purchase genuine commercial software through legitimate channels, keep procurement records, renew the fees promptly upon expiration, and clearly define the content and scope of the rights associated with the purchased software. We have repeatedly raised employees' awareness of using genuine software through issuing documents and copying emails, and during the Reporting Period, we internally organized training titled Software Authentication Risk (正版化風險培訓) enable employees to have a clearer understanding of fonts, images and software licenses, and to understand the scenarios that may constitute infringement and how to avoid and respond to infringement. In order to further ensure the use of legitimate software, the Company conducts regular inspections of all office computers to check for non-purchased and non-free computer software, thoroughly deletes and uninstalls any software found, and deletes all related files such as file directories.

HighTide and its subsidiaries currently hold 77 patents and 33 registered trademarks. During the Reporting Period, the Company acquired 14 new patents and 6 registered trademarks.

5.5 Responsible Marketing

To maintain the Company's good corporate image, compliant and responsible marketing and promotion methods have always been its focus. We adhere to the Drug Administration Law of the People's Republic of China《中華人民共和國藥品管理法》, Advertisement Law of the People's Republic of China《中華人民共和國廣告法》, and Measures for the Examination of Drug Advertisements《藥品廣告審查辦法》and other relevant laws and regulations. The Disclosure Management System《信息披露管理制度》clearly stipulates the management requirements for external information disclosure, communication with the media, and responding to inquiries from third-party institutions, striving to maintain the truthfulness, accuracy, completeness, and timeliness of information. We require that all information released externally must undergo a stringent review process to avoid any exaggerated, omitted, false, or misleading content, ensuring that information disclosure is open, fair, and equitable, granting investors equal rights in accessing information. In addition, the Company has issued the Sales Control Procedures《銷售控制程序》, which set standards for sales service activities and establish regulations to ensure that customers' needs and expectations are fully understood.

During the Reporting Period, the Company was not involved in any litigation relating to advertisements, labels, and privacy issues in connection with its products or services.

5.6 Supply Chain Management

Effective supply chain management and stable corporate operations are often inextricably linked. HighTide Therapeutics is committed to maintaining a cooperative, open, and win-win relationship with suppliers. While continuously advancing and expanding itself, we join hands with partners to fulfill corporate social responsibility and strives for the sustainable development of the pharmaceutical industry. With reference to the Good Manufacturing Practice for Pharmaceutical Products of China《中國藥品生產質量管理規範》and the Pharmaceutical GMP Guidelines《藥品 GMP 指南》, we issued the On-site Audit Management for Suppliers and Service Providers《供應商及服務商現場審計管理》, Supplier Management《供應商的管理》, Supplier Management Procedures《供應商管理程序》, and Business Management Planning《商務管理規劃》, in order to establish the management process for the Company's material suppliers and ensure that management activities comply with GMP requirements.

Our suppliers mainly consist of contract research organizations, clinical site management organizations, and contract development and manufacturing organizations During the Reporting Period, the number of suppliers of the Company was 421, of which 309 were based in China.

According to the Supplier Management Procedures《供應商管理程序》, which is a part of the Company's quality management system documents, we audit and evaluate suppliers to ensure that the procured items meet the quality requirements for their product manufacturing. Our audit procedures include evaluating qualifications, samples, on-site inspections, and other factors such as price, after-sales service, and supply cycle. Only after all these aspects are qualified can a supplier be included in the HighTide qualified supplier list. We will subsequently sign procurement contracts and quality agreements with suppliers according to the procurement management process, clearly specifying quality requirements, verification methods, and dispute resolution provisions. In addition, we conduct annual re-evaluation of qualified suppliers in terms of product quality, delivery timeliness, contract performance, and services, and take measures such as continued observation, warning, or revocation of qualifications for suppliers with poor performance. After completing the annual assessment, the Quality Management Department will review the qualifications of all qualified suppliers to update the records in a timely manner. During the Reporting Period, we conducted audits on six suppliers, none of which failed.

In addition, to effectively manage environmental and social risks in the supply chain, we have extended the concept of green development to supplier management. In the Supplier Code of Conduct《供應商行為準則》, we require suppliers to:

(1) comply with all applicable environmental and ecological laws and regulations;

(2) ensure the safe handling, movement, storage, recycling, reuse or management of waste, air emissions, and wastewater discharges;

(3) encourage suppliers to take environmentally friendly actions and recommend the use of environmentally friendly products and services;

(4) protect natural resources and avoid the use of hazardous substances whenever possible.

In the social aspect, we are committed to providing relevant training for suppliers, encouraging them to establish and maintain safe, healthy, and compliant employment relationships and production environments. The contracts we sign with suppliers include clauses on anti-commercial bribery and anti-corruption, clearly stipulating that all parties must comply with any domestic anti-bribery laws, regulations, and/or guidelines when fulfilling their obligations under this agreement In addition, we require suppliers to commit not to seek, accept, offer, or give any kickbacks or benefits to or from any person. By establishing an institutional management system for clean procurement, HighTide Therapeutics expects to avoid unethical or illegal business practices and maintain the integrity of our supply chain. During the Reporting Period, 100 percent of our suppliers undertook to follow the clean procurement policy.

6. HUMAN RESOURCES

HighTide recognizes that employees are the most valuable asset of the enterprise. Upholding the "people-oriented" philosophy, the Company is committed to creating a fair, just, positive, and mutually respectful working environment for employees, providing equal opportunities for them to showcase their talents and achieve personal success, thereby realizing the common growth of the enterprise and employees. We not only value the acquisition and retention of talent by offering competitive remuneration and benefits, but also organize abundant training resources to support employees' personal development, continuously improving the talent pipeline.

6.1 Recruitment Management

HighTide Therapeuticss complies with the Labor Law of the People's Republic of China《中華人民共和國勞動法》) and the Law on the Protection of Minors of the People's Republic of China《中華人民共和國未成年人保護法》) as well as other laws and regulations, and has formulated internal documents such as the Recruitment Management System《招聘管理制度》), Employee Induction Management System《員工入職管理制度》), Attendance Management System《考勤管理制度》), Competition/Transfer Management System《競聘／調動管理制度》), Employee Resignation Management System《員工離職管理制度》), and HighTide Employee Handbook《君聖泰員工手冊》) to standardize the Company's recruitment management. We employ staff based on the principles of "openness, fairness, justice, and selection of the best", and do not treat them differently due to differences in ethnicity, nationality, race, color, age, gender, marital status, association, religious beliefs, health status, or union background. We adhere to the standards of fair competition and merit-based recruitment, promote equal employment, and create a diversified employment environment. Candidates are evaluated jointly by the hiring department and the Human Resources Department across multiple dimensions, including knowledge, competency, skills, moral character, experience, health status, and job suitability. Our recruitment channels include, but are not limited to internal selection, external recruitment, employee recommendation, media recruitment, and job fair recruitment.

The Company has established a fair performance evaluation and promotion assessment mechanism, adopting a policy that prioritizes internal recruitment for certain positions, supplemented by external hiring. When vacancies arise, the Company prioritizes current employees for consideration. Both the Company and the employee have the right to terminate an employment contract. Employees may initiate the termination of the employment relationship, on the condition that they reach an agreement and confirm the last day of service with their supervisor, complete the handover process, and return items to the Company. As an effort to retain talent, the Human Resources Department will arrange an exit interview with the outgoing employee to look into the reasons for resignation and to collect opinions that may help with workplace improvement.

In order to provide an equal and supportive working environment for all employees, we have clearly outlined the requirements for professional ethics and industry standards in the HighTide Employee Handbook《君聖泰員工手冊》, stipulating that employees must maintain respect for others and partners, and refrain from engaging in any behavior that could disrupt the good order of the Company. We oppose all forms of discrimination and harassment, prohibiting anyone from engaging in physical, psychological, or verbal bias, harassment, and insult towards others. If any related situation is found, HighTide will impose severe penalties on the relevant personnel. Meanwhile, the Company will provide job opportunities for vulnerable groups such as people with disabilities and the impoverished according to their actual circumstances. During the Reporting Period, the proportion of female employees was approximately 64%, and no discrimination or harassment incidents were found through our self-inspection or reporting.

To avoid incidents of mistakenly hiring child labor or forced labor, we will sign employment contracts with all regular employees and service contracts with interns and temporary workers to ensure compliance in employment. The Company explicitly stipulates in the Attendance Management System《考勤管理制度》the implementation of an eight-hour working system. If employees work overtime, they need to notify in advance for shift and compensatory leave arrangements. We require all candidates to hold their own legal and valid identification documents for processing, ensuring they meet the legal working age. If incidents of child labor and forced labor are discovered, we will immediately terminate the related activities and handle them in accordance with regulations. This requirement also applies to the Company's wholly-owned subsidiaries, partners, and contractors, etc.

During the Reporting Period, we neither experienced any incidents of violations of employment laws and regulations or related guidelines in the place where we operate, nor did we experience any of child labor or forced labor event.

6.2 Remuneration and Benefits

HighTide advocates a remuneration management philosophy centered on valuing talent, performance culture, and cost efficiency. We have formulated the Remuneration and Benefits Management System《薪酬福利管理制度》and the Performance Review System《績效考核制度》, aiming to motivate employees to enhance their quality and capabilities through a comprehensive and competitive remuneration and benefits package, thereby achieving the alignment of employee career development with growth of the Company.

According to the Company's internal rank system, we conduct a comprehensive assessment of employees' salaries in conjunction with market remuneration for positions. The employee remuneration structure includes a basic monthly salary, monthly allowance benefits, year-end bonuses, with both regular and irregular salary adjustments. We implement matrix-based salary adjustments considering employees' annual performance and market conditions. For irregular salary adjustments, the Human Resources Department will be responsible for filling out the Personnel Salary Adjustment Application Form《人事薪酬變動申請表》, which will be executed after approval at each level. To stimulate employee motivation, we have established a performance-driven communication and feedback mechanism in accordance with the Performance Review System《績效考核制度》, which is linked to the distribution of year-end bonuses. The Human Resources Department is responsible for formulating, notifying, and organizing the implementation of the assessment methods, while the Business Department is responsible for advancing and ensuring the fairness of the assessment.

In terms of employee welfare, in addition to statutory "five social insurances and one housing fund" and public holidays, we also provide internal humanistic care benefits, including various subsidies, annual health check-ups, team-building activities, and holiday gifts, offering employees tangible care and assistance to enhance their sense of happiness and belonging at work. In addition, HighTide recognizes the time pressure faced by long-distance commuters and working parents. Therefore, the Company has adopted flexible working hours to help alleviate the situation.

Benefit Type	Benefit Items	Specific Implementation Instructions
Statutory benefits	Social insurance Housing fund	• The Company purchases social insurance and housing provident fund for employees in accordance with local government policies • The specific purchase base, ratio, and items were adjusted due to policy changes
	Statutory holidays	• Employees in service enjoy benefits of leave entitlements, including: national statutory holidays, annual leave, marriage leave, maternity leave, paternity leave, bereavement leave, sick leave, and work-related injury leave • Refer to the Attendance Management System《考勤管理制度》for implementation standards
Humanistic care initiatives	Subsidy	• Lunch subsidies • Overtime dinner allowance • Telecom allowance • Study enhancement grant
	Annual health checkup	• Organize a free health examination for employees every autumn
	Others	• Provide tailored employee benefits based on the Company's operational needs for each year, including team-building initiatives, holiday gifts, and employee/family care programs.

During the Reporting Period, to enhance communication and connection between departments and partners, and to enrich employees' work and life, we organized a variety of employee activities, including the Strategic Seminar held at Jinggangshan, networking afternoon tea, and the themed sand painting candle making of Hetao employees to celebrate the National Day.

Strategic Seminar at Jinggangshan

Networking afternoon tea

Themed Sand Painting Candle Making of Hetao Employees to Celebrate the National Day

6.3 Employee Training and Development

We recognize that a high-quality and cohesive workforce is critical to the sustainable development of a business, therefore we encourage employees to continuously enhance their business capabilities, realize self-value, and pursue career development. The Company has issued the Training Management System《培訓管理制度》to standardize employee training management, clarify the division of responsibilities, and better promote employee performance growth, achieving mutual progress of employees and the Company. The types of training we provide include training for new personnel, public training, and professional training, which are implemented regularly or irregularly by the Human Resources Department and other departments. The Human Resources Department will file and retain the results of training assessments, and use them as one of the annual performance assessment indicators. Moreover, we offer opportunities for overseas training, which can be obtained through designation or application. Training-related costs will be borne by the Company.

On-boarding training

- Pre-job trainings regarding the Company, department, and team

Public training

- Training organized and implemented by the Human Resources Department for all employees

Professional training

- Trainings implemented by various departments according to their plans to enhance the professional level of employees

During the Reporting Period, we organized a wide array of in-service training programs, covering themes such as health and safety, quality control, patent protection, anti-corruption, data compliance and training for members of the pharmaceutical safety committee, in order to normalize employee compliance behaviors, increase their interdisciplinary knowledge, expand their skill set, and empower them to achieve their career goals. For details on the training of members of the Drug Safety Committee, please refer to the section "4.2 Product Quality Management".

6.4 Occupational Health and Safety

Occupational health and safety is a crucial part of our stable operational management. We strictly comply with the Production Safety Law of the People's Republic of China《中華人民共和國安全生產法》, Fire Control Law of the People's Republic of China《中華人民共和國消防法》, and Law of the People's Republic of China on the Prevention and Control of Occupational Diseases《中華人民共和國職業病防治法》) and other relevant laws and regulations. We have established a comprehensive occupational health and safety management system and issued the Employee Health Management《員工健康管理》as an internal guideline during the Reporting Period as we are committed to providing a healthy and safe working environment for our employees. We also emphasize in the HighTide Employee Handbook《君聖泰員工手冊》that every employee has the obligation to maintain a good and safe working environment, and employees in managerial positions should assume management and supervision responsibilities for safety within their jurisdiction. In order to ensure the overall health level of employees in the office, we have implemented a series of occupational health initiatives.

- **Health check-up:** Arranging annual check-ups for all employees.
- **Greenery:** Growing green plants in the office area to improve employee health and wellbeing.
- **Office health:** Enforcing the non-smoking policy in the office, and requiring employees to smoke in designated areas.
- **Safety training:** Organizing safety training sessions and encouraging employee participation to make sure they master the necessary skills.
- **Safety inspection:** Performing electrical safety inspections and power-off safety checks by employees after working hours.

In addition, the Employee Health Management《員工健康管理》clearly defines that employee health related to products meets GMP requirements, ensuring no cross-infection between products, environment, and personnel. The Human Resources Department is responsible for collecting the medical examination reports of newly recruited employees, while the Administration Department organizes the annual medical examinations and establishes employee health records. The QA Department supervises and conducts spot checks on the implementation of employee health examinations and the management of health records.

To further enhance employees' awareness of occupational health and safety, the Company regularly engages employees in safety drills and training sessions to improve their awareness of and ability to handle health and safety issues. During the Reporting Period, we organized/participated in health and safety training sessions covering a number of key modules, including safety training for new employees, training on the management of hazardous chemicals, and fire and emergency response drills. Through these activities, we expect to provide the latest and most comprehensive health and safety information, and promote safety awareness in the workplace.

During the Reporting Period, the Company had no lost working days due to work-related injuries, and no work-related fatalities or injuries occurred in the past three years.

7. GREEN DEVELOPMENT

HighTide Therapeutics continuously integrates the concepts and requirements of green development and cost reduction and efficiency enhancement into various aspects such as daily office work, clinical research, and business operations. It actively responds to and implements national policies and calls related to carbon peaking and carbon neutrality goals, energy conservation and emission reduction, and ecological civilization. The Company strictly complies with laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Law of the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), Law of the People's Republic of China on Prevention and Control of Environmental Pollution (《中華人民共和國大氣污染防治法》), Law of the People's Republic of China on Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), and Law of the People's Republic of China on Energy Conservation (《中華人民共和國節約能源法》). The environment, safety, and health (ESH) working group is responsible for the approval of environmental protection systems and the management and promotion of environmental protection efforts. It has issued the Environmental Protection Policy (《環境保護政策》), Green Office Management System (《綠色辦公管理制度》), and Nine Low-Carbon Initiatives (《低碳九大倡議》) to optimize the Company's practices in exhaust gas and wastewater discharge, hazardous and non-hazardous waste, energy, water resources, and material usage. We strive to reduce the negative impact of our operations on the environment and fulfills our responsibility and obligation to protect the environment.

The Company has set environmental reduction targets based on our own operational conditions, aiming to achieve reductions in the intensity of electricity and water usage, GHG, and hazardous waste emissions. The Board reviews the achievement of these targets annually. The Company's ESG working group is responsible for coordinating environmental management and resource management-related tasks, guiding, supervising, and reviewing the implementation of environmental policies and data indicators by various business departments, serving as the foundation for setting improvement goals and measures. To further reduce per capita carbon dioxide emissions and address and seize climate risks and opportunities, we have set targets for greenhouse gas ("**GHG**") emissions:

Mid-term goal: To achieve carbon peak by 2030.

Long-term goal: To achieve carbon neutrality by 2060.

During the Reporting Period, the Company did not violate any laws and regulations related to emissions of exhaust gas and GHG, discharge of pollutants to water and land, generation of hazardous and non-hazardous waste, and significant impact on the environment and natural resources.

7.1 Emissions and Waste Management

Low carbon and energy saving are the key focuses of the Company during the operation process. To strictly control emissions and pollutants in R&D, production, and operations, we have established a series of regulations and monitoring systems, adhering to the management and improvement measures in GHG, hazardous and non-hazardous waste.

Greenhouse gas emissions

The Company conducts a review and assessment of our own business, and we measured our GHG inventory according to the Greenhouse Gas Protocol by the World Resources Institute and World Business Council for Sustainable Development, and ISO 14064-1 by the International Organization for Standardization (ISO). We have identified that the main sources of our GHG emissions are primarily from electricity consumption in office and laboratory premises, which constitute Scope 2 indirect GHG emissions. For measures on reducing the Company's electricity consumption, please refer to the section "7.2 Resource Management".

In order to further reduce the carbon footprint in our operations, we advocate the use of video conferencing to replace unnecessary business trips. As long as time permits, we also encourage employees to engage in green and low-carbon travel by using public transport, contributing to environmental protection.

During the Reporting Period, the Company's total GHG emissions were 50.14 tCO_2e, with an emission intensity of 0.72 tCO_2e per person. Compared with 2023, our GHG emissions per capita decreased by 64.36%.

Hazardous and non-hazardous waste

As a biotechnology company focused on R&D of new drug, we carry on operations involving the emission and treatment of office hazardous waste, laboratory hazardous waste, and non-hazardous waste. We adopt targeted disposal and recycling measures for office hazardous and non-hazardous waste, such as waste batteries, toner cartridges, and office garbage. We set up recycling bins for waste paper and scrap, requiring employees to sort and deposit them, which will then be cleaned up and recycled by our cleaning staff and environmental protection department on a regular and uniform basis. In addition, to reduce the generation of non-hazardous waste such as waste paper, we implement a paperless office, encouraging employees to use double-sided black-and-white printing when necessary and to reuse waste paper as much as possible. Internal meeting materials can be viewed online via computer, eliminating the need for printing and distribution, thereby creating an environmentally friendly office environment. The Administration Department also advocates reducing the use of bottled water except in special circumstances such as receiving clients and partners.

For hazardous laboratory waste such as chemical waste liquids, we have specifically formulated laboratory environment management procedures and established a dedicated department responsible for the registration and disposal of laboratory waste During the Reporting Period, the Company revised the Disposal of Withdrawn, Expired and Unqualified Clinical Trial Drugs《收回、過期及不合格臨床試驗用藥品的處置》) to regulate the processes for handling and destroying recalled, expired, and substandard clinical trial drugs. We classify clinical trial drugs that need to be processed into non-hazardous and hazardous wastes from an environmental protection perspective, and determine appropriate disposal procedures according to the corresponding material safety data sheet (MSDS). For drugs with special requirements for spillage, leakage, handling, or storage, special protective equipment is used, and clear labels indicating the contents of the containers are affixed. We contact qualified environmental service companies to collect and dispose of them, ensuring that these hazardous wastes do not cause pollution.

During the Reporting Period, the total amount of hazardous waste generated by the Company was 253.08 kg with an intensity of 3.62 kg per person, which included 100 kg of laboratory wastes (including expired pharmaceutical excipients, sterilized culture media, stained chemical wastes, etc.), 150 kg of organic waste liquids from laboratories, and 3.08 kg of waste ink cartridges and waste toner cartridges. The organic waste liquids generated by the Company were stored in collection drums and then handed over to a registered third party for treatment and discharge in compliance with the standards.

Exhaust air emissions and wastewater discharge

During the Reporting Period, we generated 2 tons of wastewater discharges for cleaning purposes because the Company has set up a laboratory in the Futian office in Shenzhen. The wastewater was stored in collection barrels and then handed over to a registered third party for treatment and discharge in compliance with the standards. In addition, our business activities do not generate any exhaust air emissions currently.

7.2 Resource Management

The Company strictly controls water and electricity consumption by ensuring the inspection and maintenance of water equipment and facilities, promptly eliminating old electrical appliances with high power consumption, and managing statistics of water and electricity consumption effectively. We are committed to continuously enhancing employees' awareness of resource conservation through daily communication and setting up water and electricity saving slogans.

Our current business relies on contracting qualified CROs and CDMOs to conduct R&D activities. Consequently, environmental and natural resource management is carried out by these contracted organizations. We have incorporated environmental and natural resource risk prevention measures into our partner selection process and implemented various systems and measures to fulfill our commitment to energy conservation and consumption reduction as much as possible. Our current business nature does not have a significant impact on the environment and natural resources, nor does it have a material adverse impact on the Company's business, strategy, and financial performance.

Energy

The Company has identified electricity as the primary source of energy consumption in the business operation process. According to the established Green Office Management System《綠色辦公管理制度》and Nine Low-Carbon Initiatives《低碳九大倡議》, our energy-saving measures include using low-carbon and energy-efficient ventilation and air conditioning facilities, reasonably controlling indoor temperature, efficiently utilizing natural light, selecting energy-saving lighting, and cultivating employees' daily low-carbon awareness. Employees are encouraged to turn off electrical equipment after work and develop green and healthy living habits.

During the Reporting Period, the Company's electricity consumption was 95.72 MWh, with a consumption intensity of 1.37 MWh per person. Compared with 2023, our electricity consumption per person decreased by 61.15%[1].

Water resources

In order to conserve water resources, we have implemented several measures to reduce water consumption during operations, including the use of faucets and toilets with water-saving labels, and posting water conservation signs in public areas such as washrooms and water rooms, aiming to minimize water resource consumption from the source. Our business operations use water supplied by the municipal water supply, and there are no issues in sourcing water.

During the Reporting Period, our water consumption was 725.61 tons, with a consumption intensity of 10.37 tons per person. Compared with 2023, our per capita water consumption decreased by 80.99%[2].

7.3 Response to Climate Change

The Company has incorporated the issue of climate change into its ESG focus and has compiled the Climate Change and Risk Management Policy《氣候變化與風險管理政策》with reference to the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) on an ongoing basis. The Board oversees and manages the issue of climate change, while the relevant functional departments and business units are responsible for incorporating the management of climate change into their daily work priorities. The Company identifies climate-related risks and opportunities based on our current development status and expert opinions, thereby continuously improving our management accordingly.

We have identified the potential acute and chronic physical risks caused by climate change, especially extreme weather, which may have potential impacts on our business operations and financial condition. Extreme weather events such as rainstorms and typhoons may cause disruptions to our supply/business. In terms of transition risks, increasingly stringent environmental laws and regulations, as well as technological impacts, may require companies to transform and operate their businesses in a more environmentally friendly manner. Any failure to respond to the increasing public awareness of environmental issues could result in reputational damage and loss of customers. Below is a chart that shows our analysis of climate change-related risks and the corresponding countermeasures.

1 The primary reasons for the significant decrease in the Company's electricity consumption during the Reporting Period are: 1) the production workshop of Shenzhen JSK has ceased production since January 2024, with only a small amount of testing work. Therefore, this data recorded reflects the electricity consumption for normal office operations, testing, and basic workshop operations; 2) our office in Futian, Shenzhen, has adopted energy-saving equipment and actively implemented energy-saving initiatives, achieving effective results.

2 The primary reason for the significant decrease in the Company's water consumption during the Reporting Period is: the production workshop of Shenzhen JSK has ceased production since January 2024, with only a small amount of testing work. Therefore, this data records the water consumption for normal office operations, testing, and basic workshop operations.

Risk Type		Potential Impacts		Countermeasures
Physical risks	Acute risks	Frequent extreme weather events (typhoons, floods, droughts, etc.)	Sales losses caused by supply/ manufacture/sales/transportation interruption	Devise emergency plans and continue to optimize emergency mechanisms
	Chronic risks	Average temperature rise	Higher energy costs due to increased energy consumption in laboratories, factories and offices	Adopt higher-efficiency equipment
			Decreased employee productivity and increased labor costs	Greater work flexibility in time and methods
Transition risks	Policy and regulatory risks	Low-carbon industry policies	Government allocation of carbon emission allowances and carbon cost pressures	Greater understanding of and attention to carbon market
		Increasingly stringent regulations	Fines, business losses, closures, and negative impacts on the brand and corporate reputation	Close attention to changes in environmental legislation and policies in order to respond quickly
			Stricter compliance requirements for supply chains	Improvement in supply chain and social risk management
		Litigation risks	Litigation risks caused by supply chain interruption due to inability to fulfill contracts timely	Formulating emergency plan and improving emergency mechanism

Risk Type		Potential Impacts		Countermeasures
	Technological risks	Costs for transformation towards low-carbon emission technology	Increased R&D investments relating to the development of innovative technologies such as green biocatalysis	ESG Integration in investment decision-making
			Cost increase due to equipment optimization towards energy efficiency	Enhance the HighTide's sustainable management levels and respond proactively to climate risks
			Supply chain sustainability management enhancement and increased efforts in transformation towards green suppliers	
		Change in customer behavior	Order losses and reduced revenues due to inadequate disclosures of carbon neutrality goals and statistics	Requirements posed by downstream organizational customers on low-carbon bio-pharmaceutical products and formulation of carbon neutrality goals
		Rising raw material costs	Quantity and quality decline of raw materials	Seeking more cost-effective R&D methods and channels
			Increased R&D costs due to the shortage of laboratory supplies	
		Uncertainty in demand	Potentially increased demand for drugs and other pharmaceutical products due to the emergence of new chronic diseases and other diseases	Paying close attention to the latest market trends and understanding patients' needs in a timely manner
	Reputational risks	Negative feedback	Reputational damage caused by inadequate disclosure of carbon reduction goals and statistics that fails to address stakeholder concerns	Improve the timeliness and transparency of disclosure

8. SOCIAL RESPONSIBILITIES

As a responsible pharmaceutical company, HighTide Therapeutics leverages our professional and industry advantages to proactively undertake our social responsibility as a "corporate citizen". During the Reporting Period, HighTide Therapeutics participated in a number of industry exchange seminars, and focused on the innovative R&D of various types of pharmaceutical products. We aim to promote the international development of the metabolic and digestive disease industries, provide patients with affordable, advanced and effective drug solutions, and improve their quality of life and well-being, in order to realize our vision of "accelerating the future of global healthcare".

Additionally, our employees actively engage in public welfare volunteer services. In December 2024, they participated in the "Tonglin Apartment Community Regular Book Hub Service," embodying the volunteer spirit of dedication, compassion, mutual aid, and progress. Their contributions were formally recognized by the Tonglin Apartment Volunteer Service Team. During the Reporting Period, a total of five employees participated in community investment and public welfare initiatives. Looking ahead, we will more actively participate in various community investments and public welfare volunteer activities, dedicating more resources to give back to society.

HighTide Therapeutics Delivers Address at Abu Dhabi Global Healthcare Week Leadership Summit

On May 14, 2024, HighTide Therapeutics participated in the Abu Dhabi Global Healthcare Week Leadership Summit and was invited to join a roundtable forum. One of our attendees engaged in in-depth discussions with global healthcare leaders, policymakers, and renowned experts on the "Transformative Impact of Artificial Intelligence on Drug Development and Healthcare". The summit aimed to foster a global perspective for advancing medical services, investment, and innovation to address challenges in global healthcare systems.

Abu Dhabi Global Healthcare Week Leadership Summit

HighTide Therapeutics Establishes Presence in HTCZ

In July 2024, The Hetao Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone (HTCZ) hosted a global vision-focused signing ceremony for 13 innovation-driven enterprises, including HighTide Therapeutics. The event spanned cutting-edge fields such as life sciences and artificial intelligence, with participation from national-level platforms, R&D centers of state-owned enterprise and central SOEs, academic institutions from Hong Kong, as well as enterprises from Shenzhen and Hong Kong. Dr. LIU Liping, the founder and chief executive officer of HighTide Therapeutics, attended the ceremony and delivered remarks. The Company will leverage the HTCZ as a strategic base, capitalizing on the "One Zone, Two Parks" cross-border model and the unique advantages of the Shenzhen-Hong Kong collaboration to accelerate the globalization of innovative drug development and actively explore international markets. This initiative injects fresh momentum into HTCZ's international partnerships and innovation-driven growth.

HighTide Therapeutics Establishes Presence in HTCZ

HighTide Therapeutics Participates in the 21st Academic Conference on Endocrinology

The 21st Academic Conference on Endocrinology, organized by the Chinese Medical Association (CMA) and its Endocrinology Branch, and hosted by the Jiangsu Medical Association, was held in Suzhou from August 7 to 10, 2024. The conference featured presentations by over 400 renowned domestic and international experts across specialized thematic sessions. HighTide Therapeutics was invited to attend and delivered a thematic report on clinical research advancements. Participation in this high-level academic forum strengthened collaborations with China's leading medical experts and provided critical momentum for the Company's mission to advance homegrown innovative therapeutics for global patient benefit.

The 21st Academic Conference on Endocrinology

HighTide Therapeutics Participates in BIOHK

The 3rd Hong Kong International Biotechnology Conference & Exhibition (BIOHK 2024), jointly organized by the Hong Kong Biotechnology Organization and the Chinese Society of Biotechnology, was held in Hong Kong, China, from September 11 to 14, 2024. This premier event was attended by global leaders and professionals from the biotech, pharmaceutical, and financial sectors to advance high-quality development and innovation in China's biotech industry. HighTide Therapeutics showcased its natural product-based drug discovery strategies and shared insights from years of extensive R&D in chronic disease therapeutics, engaging in in-depth exchanges with industry experts and peers.

The 3rd BIOHK

APPENDIX I: SUMMARY OF KEY PERFORMANCE INDICATORS

Sustainable Development Indicators	Unit	2023 Figures	2024 Figures
Environmental Aspect[3]			
GHG emissions			
Direct GHG emissions (Scope 1)	tCO_2e	0.00	0.00
Indirect GHG emissions (Scope 2)	tCO_2e	132.66	51.36
Total GHG emissions (Scope 1 and Scope 2)	tCO_2e	132.66	50.14[4]
GHG emissions intensity (per employee)	tCO_2e per person	2.01	0.72
Energy			
Indirect energy consumption (purchased electricity)	MWh	232.62	95.72
Energy consumption intensity (per employee)	MWh per person	3.52	1.37
Water resources			
Water consumption	tons	3,598.00	725.61
Water usage intensity (per employee)	tons per person	54.52	10.37
Waste			
Hazardous waste generation[5]	kg	50.00	253.08
Hazardous waste generation intensity (per employee)	kg per person	0.76	3.62[6]
Non-hazardous waste generation	kg	–	1,346.75
Non-hazardous waste generation intensity (per employee)	kg per person	–	19.24
Paper			
Paper usage	kg	–	1,400.00
Paper usage intensity (per employee)	kg per person	–	20.00

3 Data collection for the environmental key performance indicators covers the Longgang office in Shenzhen, the Nanshan office in Shenzhen, the Futian office in Shenzhen, and the Wisdom Space (創智空間) in Shanghai.

4 Total GHG emissions (Scope 1 and Scope 2) have included a reduction of 1.22 tCO_2e from newly planted trees.

5 During the Reporting Period, hazardous waste generated by the Group included waste ink cartridges, waste toner cartridges, laboratory waste liquids, and laboratory waste (including expired pharmaceutical excipients, sterilized media, and stained chemical waste).

6 The increase in hazardous waste generation intensity from 2023 is primarily due to the addition of the collection and accounting of laboratory waste and office hazardous waste data during the Reporting Period.

Sustainability Indicators		Unit	2023 Figures	2024 Figures
Social Aspect				
Number of Employees				
Total Number of Employees		person	66	70
By Gender	Male	person	24	25
	Female	person	42	45
By Employment Type	Full-time	person	66	68
	Part-time	person	0	2
By Employment Category	Senior management	person	7	7
	Middle management	person	18	25
	Basic-level	person	41	36
By Age	Below 30	person	11	10
	30-49	person	48	53
	50 and above	person	7	7
By Region	Mainland China	person	54	60
	Hong Kong, Macau, and Taiwan	person	1	3
	Overseas	person	11	7
Employee Turnover Rate[7]				
By Gender	Male	%	50.00	6.00
	Female	%	50.00	13.00
By Age	Below 30	%	40.00	5.60
	30-49	%	40.00	10.00
	50 and above	%	20.00	3.00
By Region	Mainland China	%	22.70	15.80
	Hong Kong, Macau, and Taiwan	%	0.00	1.40
	Overseas	%	4.50	1.40

7 The calculation method for the employee turnover rate of this category is the number of employees lost in this category ÷ year-end number of employees in this category × 100%.

Sustainability Indicators		Unit	2023 Figures	2024 Figures
Health and Safety				
Number of work-related fatalities		person	0	0
Work-related fatality rate		%	0.00	0.00
Number of workdays lost due to work-related injuries		day	0	0
Number of work-related injuries		case	0	0
Development and Training[8]				
Average Training Hours Per Employee		hour	3	6
By Gender	Male	hour	3	6
	Female	hour	3	6
By Employment Category	Senior management	hour	3	6
	Middle management	hour	3	6
	Basic-level	hour	3	6
Employee Training Coverage Rate		%	100.00	100.00
By Gender	Male	%	100.00	100.00
	Female	%	100.00	100.00
By Employment Category	Senior management	%	100.00	100.00
	Middle management	%	100.00	100.00
	Basic-level	%	100.00	100.00

8 The calculation method for the average training hours per employees is the total training hours of each category of employees ÷ the number of employees in each category;
The calculation method for employee training coverage rate is the number of trained employees in each category ÷ the number of employees in each category × 100%.

Sustainability Indicators		Unit	2023 Figures	2024 Figures
Supply Chain				
Total Number of Suppliers		number	467	421
By Region	Mainland China	number	265	309
	Other regions	number	202	112
Supplier Integrity Procurement Commitment Rate		%	100.00	100.00
Products and Services				
Total number of complaints received regarding products and services		case	0	0
Products subject to recall for safety and health reasons		%	0.00	0.00
Anti-corruption				
Number of corruption litigation cases filed and concluded		case	0	0
Number of Directors participating in anti-corruption training		person	2	8
Total duration of anti-corruption training provided to Directors		hour	1	1
Number of employees participating in anti-corruption training		person	66	70
Total duration of anti-corruption training provided to employees		hour	1	1

APPENDIX II: "HKEX ESG REPORTING GUIDE" CONTENT INDEX

Indicator Contents			Relevant Section(s)
A. Environmental Aspect			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	7. Green Development
	A1.1	The types of emissions and respective emissions data.	7.1 Emissions and Waste Management APPENDIX I: Summary of Key Performance Indicators
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.1 Emissions and Waste Management APPENDIX I: Summary of Key Performance Indicators
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.1 Emissions and Waste Management APPENDIX I: Summary of Key Performance Indicators
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.1 Emissions and Waste Management APPENDIX I: Summary of Key Performance Indicators
	A1.5	Description of emission target(s) set and steps taken to achieve them.	7. Green Development 7.1 Emissions and Waste Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	7. Green Development 7.1 Emissions and Waste Management

Indicator Contents			Relevant Section(s)
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7.2 Resource Management
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	7.2 Resource Management APPENDIX I: Summary of Key Performance Indicators
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	7.2 Resource Management APPENDIX I: Summary of Key Performance Indicators
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	7. Green Development 7.2 Resource Management
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	7. Green Development 7.2 Resource Management
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	During the Reporting Period, we had no packaging materials.
A3: The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	During the Reporting Period, we had no business activities that impacted the environment and natural resources.
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	During the Reporting Period, we had no business activities that impacted the environment and natural resources.

Indicator Contents			Relevant Section(s)
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.	7.3 Responding to Climate Change
	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.	7.3 Responding to Climate Change
B. 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.	6. Human Resources
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	APPENDIX I: Summary of Key Performance Indicators
	B1.2	Employee turnover rate by gender, age group and geographical region.	APPENDIX I: Summary of Key Performance Indicators

Indicator Contents			Relevant Section(s)
B2: Health and Security	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.	6.4 Occupational Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	6.4 Occupational Health and Safety APPENDIX I: Summary of Key Performance Indicators
	B2.2	Lost days due to work injury.	6.4 Occupational Health and Safety APPENDIX I: Summary of Key Performance Indicators
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6.4 Occupational Health and Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6.3 Staff Training and Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	APPENDIX I: Summary of Key Performance Indicators
	B3.2	The average training hours completed per employee by gender and employee category.	APPENDIX I: Summary of Key Performance Indicators

Indicator Contents			Relevant Section(s)
B4: Labor Standards	B4	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	6.1 Recruitment Management
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	6.1 Recruitment Management
	B4.2	Description of steps taken to eliminate such practices when discovered.	6.1 Recruitment Management
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.6 Supply Chain Management
	B5.1	Number of suppliers by geographical region.	5.6 Supply Chain Management APPENDIX I: Summary of Key Performance Indicators
	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.	5.6 Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.6 Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.6 Supply Chain Management

Indicator Contents			Relevant Section(s)
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, labeling and privacy matters relating to products and services provided and methods of redress.	4. Products and Services 5. Sound Operations
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	4.2 Product Quality Management APPENDIX I: Summary of Key Performance Indicators
	B6.2	Number of products and service related complaints received and how they are dealt with.	4.3 Customer Satisfaction APPENDIX I: Summary of Key Performance Indicators
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.4 Intellectual Property Protection
	B6.4	Description of quality assurance process and recall procedures.	4.2 Product Quality Management
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	5.3 Data Privacy Security

Indicator Contents			Relevant Section(s)
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.	5. Sound Operations
	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.	5.2 Anti-corruption and Integrity APPENDIX I: Summary of Key Performance Indicators
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	5.2 Anti-corruption and Integrity
	B7.3	Description of anti-corruption training provided to directors and staff.	5.2 Anti-corruption and Integrity APPENDIX I: Summary of Key Performance Indicators
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.	8. Social Responsibilities
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	8. Social Responsibilities
	B8.2	Resources contributed (e.g. money or time) to the focus area.	8. Social Responsibilities