B&K CORPORATION LIMITED
華芯生物科技(青島)股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 2396





2025
Environmental, Social & Governance Report

Environmental, Social and Governance Report

ABOUT THIS REPORT

Report Introduction

B&K Corporation Limited (referred to as "**we**", "**B&K Corporation**", the "**Company**") is pleased to present its 2025 Environmental, Social and Governance ("**ESG**") Report (the "**Report**"). This Report transparently discloses the Company's ESG management approaches, initiatives, and performance beyond its financial results for the year 2025, aiming to address the concerns and expectations of our stakeholders and the public regarding our sustainable development. We will work hand in hand with all parties across our value chain to continuously promote sustainable development governance. This Report is available on the Company's website (https://www.huarenshengwu.com/) and the Stock Exchange's website (www.hkexnews.hk).

Reporting Period and Scope

This Report covers the overall sustainable development performance of the Company during the period from 1 January to 31 December 2025 (the "**Year**", the "**Reporting Period**"). This Report covers the Company's principal business activities, and the disclosure scope is consistent with the annual report. Any changes to the reporting or data scope will be disclosed in the relevant sections and summarised in the appendices.

Basis of Preparation

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the "**Code**") as set out in Appendix C2 to the Listing Rules of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Reporting Principles

This Report has been prepared in accordance with the four reporting principles set out in the Code, namely "Materiality", "Quantitative", "Balance" and "Consistency", to comprehensively present the Company's ESG management status and work effectiveness.

Reporting Principles	Definition	Our Response
Materiality	Identify and focus on disclosing ESG issues that have a material impact on the Company and its stakeholders, in order to accurately reflect the core risks and development opportunities faced by the enterprise.	During the Year, the Company maintained close engagement with various stakeholders through diverse communication channels. Taking into account industry development trends and its own business operations, it systematically carried out the identification, assessment, and analysis of issues related to sustainable development. Based on the materiality assessment results, relevant issues have been disclosed in a standardised manner. For details, please refer to the "Stakeholder Engagement" section of this Report.
Quantitative	Key Performance Indicators ("**KPIs**") in the Report are preferentially presented using quantifiable data to objectively reflect the Company's annual performance at the environmental, social and governance levels.	This Report provides quantitative disclosures of the applicable KPIs under the "Environmental" and "Social" aspects of the Code, and explains the standards, calculation methodologies, and emission factors used for the disclosed data. At the same time, we have set quantitative environmental targets. Through these specific metrics, we aim to promote the efficiency of environmental protection and resource utilisation, and demonstrate our commitment to a sustainable future.
Balance	The Report should present a fair and comprehensive view of the Company's overall ESG performance.	During the preparation of this Report, the Company adhered to the principle of balance. While comprehensively elaborating on the effectiveness and practical achievements of its ESG governance, it also objectively reports on the challenges encountered in its operations and the corresponding response measures.
Consistency	The Report should use a consistent statistical method for disclosure. If there are any changes to the statistical method during the Year, a clear explanation will be provided in the Report.	To ensure comparability, unless otherwise stated, we have adopted the same statistical scope and methods as in previous years, and compared the data of the Year with historical data, enabling stakeholders to track trends in performance changes.

Reader's Feedback

The Company sincerely welcomes stakeholders to engage in communication and interaction with us regarding ESG policies, implementation measures, and related issues of concern. We kindly invite you to provide valuable suggestions or comments through the following channels:

Email: huarenshengwu@bio-bank.net
Tel: 010–81785365

Board of Directors' statement

The Board of Directors (the "**Board**") of B&K Corporation is the highest responsible and decision-making body for Environmental, Social and Governance ("**ESG**") matters. It assumes ultimate responsibility for the Company's ESG strategy and reporting, and oversees ESG-related issues that may affect the Company's business or operations. The Board has established an ESG Working Group, which is responsible for identifying and assessing ESG risks relevant to the Company, ensuring that the Company establishes appropriate and effective ESG risk management and internal control systems, and reporting and reviewing progress towards relevant ESG targets to the Board. Through regular meetings, the Board reviews and approves the Company's sustainable development targets, conducts comprehensive assessments and reviews of the Company's ESG-related targets, and ensures their alignment with the Company's overall business strategy and development direction. Relying on the ESG Working Group, the Company guides and monitors the development and implementation of its ESG vision, strategy, and structure, reviews material ESG issues, key ESG risks and opportunities, monitors communication channels and methods with shareholders, and reviews the Company's ESG-related disclosures to ensure the orderly implementation of ESG work. For details, please refer to the "ESG Governance Framework" section.

The Company values the suggestions and opinions of its stakeholders and ensures that sufficient channels are provided to communicate with key stakeholders to identify, discuss, and determine the Company's material ESG issues and potential ESG risks, continuously improving its ESG-related strategies, policies, and systems. The Board has reviewed the material ESG issues for the Year and approved proposals for adjusting the materiality level of various ESG issues, ensuring the timeliness and reasonableness of the materiality matrix. For details, please refer to the "Stakeholder Engagement" section.

The Board and all Directors guarantee that the contents of this Report contain no false records, misleading statements, or material omissions, and accept responsibility for the authenticity, accuracy, and completeness of this Report. This Report comprehensively discloses the progress and effectiveness of the Company's ESG work in 2025. We are committed to using our best endeavours to ensure that all data presented in this Report is accurate and reliable, and is managed through established internal controls and formal review procedures. This Report was confirmed and approved by the Board on 30 March 2026.

1. Governance and Compliance

1.1 ESG Governance Framework

The Company is committed to deeply embedding the concept of sustainable development into its business operations and internal management. The Board is fully aware that excellent ESG governance is the core driver for promoting the Company's long-term development and a key pillar for ensuring the steady implementation of its sustainable development strategy. To this end, we have established a top-down, three-tier ESG management structure with the Board at its core: the Board assumes ultimate decision-making and supervisory responsibilities; the ESG Working Group is composed of the Company's senior management and heads of relevant functional departments such as the Environmental, Occupational Health and Safety Management Department ("**EHS Department**"), Quality Assurance Department, R&D Centre, Administration Department, Finance Centre, Supply and Storage Department, Engineering Equipment Department, and Human Resources Centre, and is responsible for supervising, reviewing, and formulating the relevant visions, targets, and strategies; the execution level consists of representative employees from major departments (including the EHS Department, Quality Assurance Department, R&D Centre, Administration Department, etc.), ensuring the implementation of various measures. Through this "Decision-making — Supervision — Execution" closed-loop system, we ensure the efficient advancement and effective results of ESG work.

Decision-Making Level **Board of Directors**	• Review, formulate, and guide the Company's environmental, social and governance vision, targets, strategy, and structure, and matters relating to ESG issues, strategies, and structure; • Identify, determine, and assess the Company's key ESG trends, as well as ESG risks (including climate-related risks) and opportunities; • Review and assess the adequacy and effectiveness of ESG-related structures, and review and monitor the Company's ESG policies and practices to ensure compliance with legal and regulatory requirements; • Review the Company's risk management and internal control systems, such as ESG policies and programmes, to manage and mitigate environmental, social and governance risks; • Supervise whether ESG-related risks (including climate-related risks) are effectively integrated into the Company's existing risk management and internal control framework; • Monitor the Company's communication channels and methods with its stakeholders, consider the impact of the Company's ESG matters on stakeholders, to ensure effective communication and relationships are maintained with stakeholders;
Supervisory Level **ESG Working Group**	• Formulate ESG management strategies, targets, and implementation plans, and submit them to the Board for review; • Implement Board resolutions, manage and supervise the Company's ESG governance status, and ensure that relevant strategies, targets, and management policies are properly implemented; • Identify and coordinate the management of personnel, technology, funding and other resources required for climate risk and opportunity identification, mitigation, control, and monitoring; • Formulate climate governance and sustainable development work plans, and organise the implementation of various climate governance measures. • Review the ESG Report and make recommendations to the Board for approval.
Execution Level **Major Departments**	• Each functional department is responsible for ESG-related work within its respective scope according to the ESG work breakdown targets, and implements relevant policies and measures; • Execute and implement the Company's ESG governance requirements, and advance the progress of ESG work and policies; • Identify and analyse the climate-related risks faced within the scope of their respective departments; • Organise the data collection and compilation for the ESG Report, as well as ESG disclosure work.

1.2 Communication with Stakeholders

The Company values communication with stakeholders. To promote effective and long-term two-way exchange, information synchronisation, and feedback response between stakeholders and us, we identify stakeholder categories and establish different communication channels for them, fully understand the expectations and requirements of different stakeholder categories, actively respond to their opinions, and promote the effective implementation of the Company's sustainable development strategy.

Key Stakeholders	Expectations and Requirements	Key Communication Channels
Shareholders and Investors	Compliance in operations Investment returns Protection of shareholders' rights and interests Accuracy and timeliness of information disclosure	Management meetings; corporate communications such as shareholders' letters/circulars and meeting notices; annual general meetings and other general meetings
Regulatory Authorities	Compliance in operations Ensuring product quality and safety Promoting economic development Advancing the development of the healthcare industry	Daily management; working meetings; compliance reports; supervision and inspection
Customers	Ensuring product quality and safety High-quality and efficient services Protecting customer privacy Providing specialised testing services	Customer satisfaction surveys and comment forms; contact telephone numbers; websites and email addresses;
Staff	Compensation and benefits Career development Safe working environment Vocational training Humanistic care	Employee opinion surveys; internal communication channels; performance appraisals; meeting interviews; training courses; employee activities; Seminars/Workshops/Lectures
Business Partners/ Suppliers	Integrity and mutual benefit Supply Chain Management	Meetings; supplier assessments; site visits; strategic cooperation projects
Academic and Research Institutions	Scientific research and innovation Collaboration to promote medical development Cultivating industry talents	Meetings at research bases; exchange activities; Participation in summit activities; industry seminars
Community Organisations/ Environmental Groups/Non-Governmental Organisations	Employment opportunities Effective use of resources Supporting community development Reducing pollutant emissions	Seminars/Lectures; Company website; Social media

1.3 Materiality Assessment

B&K Corporation places high importance on the identification, assessment, and disclosure of material issues. Taking into account multiple dimensions such as domestic and international sustainable development standards and regulations, industry development trends, and capital market attention, and considering the actual situation of the Company's business development, it regularly conducts materiality analysis.

Materiality Analysis Process

1. **Identification:** Through systematic research and comprehensive analysis of the requirements and recommendations of major domestic and international sustainable development standards, industry development trends, and sustainable development hotspots, and taking into account the Company's own development strategy, we successfully identified 19 material issues that have a significant impact on the Company's operations and development and are of general concern to various stakeholders.

2. **Assessment:** We prioritise material issues by scoring them through daily communication with stakeholders and internal meeting discussions. Based on the historical scores of the issues and their significance in guidelines, ESG ratings, and materiality maps, we give priority to issues that may have a material impact on our operational capabilities and create sustainable ESG value.

3. **Confirmation:** The ESG Working Group reviews the results of the above materiality ranking and finally determines the key ESG issues that have a material impact on our sustainable development.

Higher Materiality	Medium Materiality	General Materiality
• Research and Development and Innovation	• Employee Career Development	• Greenhouse Gas Emissions
• Product Quality and Safety	• Responsible Supply Chain	• Water Resource Usage
• Intellectual Property Rights	• Employee Well-being and Rights	• Accessible Healthcare
• Corporate Governance	• Employee Diversity, Equality and Inclusion	• Public Welfare Activities
• Clinical Trial Ethics and Safety	• Anti-money Laundering and Anti-corruption	
• Customer Service and Privacy Protection	• Energy and Resource Management	
• Workplace Safety and Health	• Medical Waste Management	
• Product Recall and Pharmacovigilance		

1.4 Business Ethics

The Company adopts a "zero-tolerance" attitude towards any form of commercial corruption and is committed to maintaining a fair and competitive business environment. We strictly abide by laws and regulations such as the Civil Code of the People's Republic of China, the Company Law of the People's Republic of China, the Anti-Monopoly Law of the People's Republic of China, and the Law of the People's Republic of China Against Unfair Competition. To implement integrity in operations, we have established a series of internal management systems, including the Anti-Commercial Bribery and Anti-Corruption System, the Complaint and Reporting Management System, and the Anti-Money Laundering Management Measures, which clearly stipulate provisions on anti-corruption, anti-monopoly, and anti-unfair competition. All employees and Board members are required to strictly comply with the relevant guidelines and sign the Anti-Commercial Bribery and Anti-Corruption Undertaking. At the same time, we extend integrity requirements to our supply chain; key suppliers are required to sign an integrity undertaking, and contracts with general suppliers also include anti-commercial bribery clauses, ensuring the honesty and transparency of cooperative relationships. During the Reporting Period, the Company had no violations of business ethics and did not receive any reports and corruption related lawsuits.

To effectively supervise the implementation of business ethics, we have established reporting channels covering employees and external third parties, following the five principles of "Prevention, Timeliness, Responsibility, Recording, and Truthfulness". We give priority to handling real-name reports and strictly protect the confidentiality of the whistleblower's information. Reported cases are centrally received and verified by the Human Resources Centre, and the Audit Department supervises the timeliness of handling. The handling process strictly follows the steps of recording, characterisation, responsibility determination, investigation, and resolution, ensuring that a handling opinion is issued for general matters within 5 working days, and complex matters are concluded within 30 working days. For verified violations, we will seriously pursue accountability in accordance with regulations, and those suspected of illegal activities will be transferred to the public security authorities for handling according to law.

Furthermore, the Company comprehensively promotes the construction of an integrity culture, embedding compliance awareness into the corporate DNA. New employees are required to undergo standardised anti-commercial bribery and anti-corruption training upon joining, to enhance their sense of identification with and ability to prevent corruption. During the Year, the compliance training coverage rate for all employees and Board members reached 97.4%, with an average training duration of 3 hours. Through the parallel approach of institutional constraints and cultural cultivation, we are committed to building a high-standard business ethics system to ensure the long-term and stable development of the Company.

1.5 Standardised Procurement Management

The Company is committed to building a transparent, responsible, and resilient supply chain system. Our suppliers primarily consist of reputable equipment suppliers, material suppliers, clinical, non-clinical, and quality research contract research organisations ("**CROs**"), contract development and manufacturing organisations ("**CDMOs**"), as well as research and medical institutions. In accordance with the Material Supplier Audit Standard Management Procedures, we conduct comprehensive assessments based on dimensions such as industry standards, quality reliability, price competitiveness, business scale, environmental protection, labour rights, reputation, and after-sales service. Following cross-departmental joint assessment, we implement tiered management for suppliers: Grade A for high-quality suppliers, Grade B for alternative suppliers, Grade C for suppliers requiring corrective actions, and Grade D for unqualified suppliers. For Grade C suppliers, we require them to submit a corrective action plan and undergo re-assessment; for Grade D suppliers, we resolutely terminate the cooperation to ensure the overall quality of the supply chain.

To strengthen supplier supervision, we organise multi-departmental on-site audits to comprehensively assess production capacity, environmental safety, and transportation conditions, and require suppliers to provide qualification documents such as ISO 14001 environmental management system certification and animal-free origin certificates. We conduct 100% qualification audits on raw and auxiliary materials used in production. During the audit process, we clearly point out any management loopholes in the supplier and provide professional guidance to help them improve their production environment. During the Year, we conducted 6 on-site audits of suppliers within the system. Approximately 3% of the suppliers were disqualified from new project cooperation due to failure to meet compliance requirements related to quality systems, environmental protection, or labour rights.

At the same time, the Company actively promotes the sustainable development of its supply chain, giving priority to environmentally friendly products, recyclable packaging, and equipment with energy labels. We have incorporated plant environmental requirements into our audit procedures, strictly verifying the operational effectiveness of suppliers' environmental protection systems, the authenticity of energy and water consumption data, and the compliance of waste disposal. In addition, we require key suppliers to sign the Anti-Commercial Bribery and Anti-Corruption Undertaking to ensure the integrity and legality of the entire procurement process, working together with partners to build an honest and green industrial ecosystem.

2. Quality Service and Product Quality

2.1 Quality and Safety Management System

B&K Corporation understands that drug quality is directly related to public health and life safety. As a Marketing Authorisation Holder ("**MAH**"), we always regard product quality as the lifeline of our corporate development, ensuring that all marketed drugs strictly comply with national regulatory requirements. We strictly abide by laws and regulations such as the Product Quality Law of the People's Republic of China and the Provisions for Drug Registration, and has established a drug research and development quality management system covering the entire lifecycle.

The Company has a dedicated Medical Centre responsible for strictly reviewing academic communication content, ensuring it is highly consistent with the documents approved by regulatory authorities and incorporates the latest scientific research evidence in a timely manner. Adhering to the principles of truthfulness, clarity, accuracy, and unambiguity, we ensure that medical information is easy to understand and non-misleading, aiming to provide medical institutions with a solid scientific basis and guarantee the correctness and safety of clinical prescriptions.

To implement standardised management, we have formulated and implemented a series of rigorous quality-related policy documents, including the R&D Project Management Procedures, the Product Technology Transfer Standard Management Procedures, the Quality Risk Standard Management Procedures, and the Qualified Person Standard Management Procedures. These rules and regulations provide a solid institutional guarantee for product quality, covering the entire process from drug R&D, manufacturing, finished product testing, process control, to final release. Through comprehensive monitoring and risk assessment, we strictly regulate drug safety standards. We're committed to providing the highest quality testing, adhering to the spirit of excellence and diligently performing every step of quality management, ensuring that every stage from R&D project initiation, technology transfer, to production release is well-documented and traceable.

Drug Development and Design: Laying the Quality Foundation

During the drug development and design phase, we strictly adhere to the Quality Risk Standard Management Procedures, conducting comprehensive drug quality and safety risk assessments covering areas such as drug characteristics, toxicological studies, and clinical research (including clinical trials and reliability testing). Through scientific evaluation, we precisely determine the "Critical Quality Attributes" of the product, ensuring that the R&D outcomes have a high degree of safety and efficacy. In addition, we have established a robust R&D project management system, including procedures for project initiation and implementation, progress control, technical standards, change management, and document archive management, ensuring the standardisation and traceability of the entire R&D process, safeguarding drug safety from the source.

Production Process Management: Ensuring Production Quality and Safety

The Company works closely with qualified CMO and CDMO partners for the manufacturing and refinement of product candidates for pre-clinical and clinical supply. We implement rigorous access and supervision procedures to ensure that the production qualifications, facilities, and processes of our partners comply with relevant regulatory requirements and the Company's management procedures. Pursuant to the Product Technology Transfer Standard Management Procedures, we smoothly transfer drug knowledge, technology, and process flows from the development phase to the production phase, continuously assess safety and quality improvement opportunities, optimise technical routes, and strictly enforce process validation. We're responsible for overall quality management throughout the process, from incoming inspection of raw and auxiliary materials, production process control, to finished product release, ensuring that products always meet the intended use and registration requirements.

Post-Marketing Surveillance: Achieving Lifecycle Protection

To ensure patient medication safety, the Company has formulated a post-marketing risk management plan, proactively conducts post-marketing studies, and continuously validates the safety, efficacy, and quality control of its drugs. By collecting data and information throughout the drug lifecycle, we continuously update risk files and adopt appropriate risk management tools and minimisation measures to ensure that the clinical benefits of the drugs continue to outweigh the risks. We're committed to minimising drug safety risks, with the goal of achieving full drug lifecycle management, effectively protecting and promoting public health, and fulfilling its corporate social responsibility.

We have established a rigorous quality management system covering the quality manual, stability studies, change and deviation management, corrective and preventive actions ("**CAPA**"), data integrity, and the Qualified Person system. For packaging and labelling, we strictly comply with China's Good Manufacturing Practices for Pharmaceutical Products ("**GMP**"), ISO 9001 Quality Management System, and the Drug Administration Law, and reference relevant regulatory requirements such as those of the US Food and Drug Administration ("**FDA**") to detail contraindications and warnings, ensuring the transmission of transparent and accurate information, and guaranteeing product use safety. During the Year, the Company did not violate any laws or regulations related to advertising and labelling.

Clinical Trial Safety Management

The Company attaches great importance to the compliance and ethical responsibility of clinical trials, strictly adhering to laws and regulations such as the Good Clinical Practice ("**GCP**") for Pharmaceutical Products, the Measures for Ethical Review of Biomedical Research Involving Humans, and the Personal Information Protection Law throughout the process. We have established a comprehensive Clinical Research Management System, adhere to ethical principles and subject safety, strictly implement NMPA standards, and ensure the scientific validity of the trials and the authenticity of data through process monitoring, data control, and continuous improvement.

Before trial initiation, we conduct rigorous research on the qualifications of investigators, hardware facilities, and patient resources at the clinical site, and the trial can only proceed after obtaining approval from the site's Ethics Committee. During implementation, we rely on a third-party contract research organisation management system, adhere to the principles of subject protection priority and data authenticity and traceability, clearly define the rights and responsibilities of all parties, strictly implement the trial protocol, and eliminate data falsification. Furthermore, we formulate and implement rigorous risk management and monitoring plans to ensure operations comply with process requirements. By strengthening member training, full-process drug control, and commissioning third-party independent audits and timely rectification of deviations, we ensure the steady progress of clinical trials within a compliant and efficient framework, effectively safeguarding the rights and interests of subjects.

In addition, we have formulated the Standard Management Procedures for Product Dispatch and Recall. Once a potential safety hazard is identified, the recall procedure will be initiated immediately. At the same time, we strengthen full-process control through pharmacovigilance and adverse reaction monitoring procedures. During the Year, we did not experience any product recalls due to health and safety reasons.

2.2 Quality Customer Services

The Company is committed to providing excellent service and has established a robust customer complaint handling process. For product quality complaints, we strictly implement the Standard Management Procedures for Product Complaint Handling, immediately initiate the quality deviation handling mechanism, and conduct root cause analysis. For confirmed issues, we promptly take corrective and preventive actions to continuously optimise the quality management system. After a complaint is closed, the Quality Department proactively contacts the complainant to gather feedback and record the results, implementing the "Plan-Do-Check-Act" ("**PDCA**") closed-loop management to continuously improve product quality and satisfaction. During the Reporting Period, the Company did not receive any customer complaints regarding quality.

2.3 Protecting Customer Information Security

Information Security Management System

B&K Corporation is committed to establishing a robust information security and data safety management system, implementing unified supervision and control over the Company's information security risks. In daily operations management, we strictly implement basic procedures for information security, computer virus protection, and server room management. By standardising the physical environment of the server room and equipment operation and maintenance, we prevent basic security risks at the source. Furthermore, in accordance with website management and external information release procedures, we strictly implement the information release review process to ensure the security and compliance of publicly disclosed information. At the same time, through information system account and software change management procedures, we effectively eliminate security risks arising from unauthorised operations and non-compliant changes.

In terms of data and system security, the Company has established comprehensive procedures for data backup and recovery, as well as information system disaster recovery. We have established a multi-dimensional data backup mechanism, clearly defining disaster recovery procedures and metrics to ensure that core data is not lost and key information can be recovered promptly. For external collaboration, we implement third-party service management procedures for information systems, standardising partner access, service supervision, and data handover processes to prevent security risks arising from external cooperation. In addition, through the formulation of special procedures for information system emergency response and business continuity strategy, we have defined the response processes for various types of security emergencies, comprehensively building a network information security barrier and effectively protecting the security of corporate data assets and private information.

Clinical Trial Participant Information Protection

The Company strictly protects the data privacy of patients and clinical trial participants, fully complying with laws and regulations such as the Personal Information Protection Law, the Drug Administration Law, and the Good Clinical Practice for Pharmaceutical Products (GCP 2020) to implement and monitor relevant policies. All personnel involved in clinical trials are required to receive professional Good Clinical Practice training and strictly implement regulatory requirements, strengthening confidentiality awareness at the source of personnel management. In addition, employees are required to sign a confidentiality agreement upon joining, and the Human Resources Department conducts background checks to ensure that personal data is not disclosed outside the authorised environment.

In terms of data processing and physical management, we implement strict access controls, allowing only authorised personnel with appropriate documentation to access data. The electronic data capture system uniformly uses participants' initials for de-identification, and relevant paper documents are also anonymised and properly stored in locked cabinets. To ensure participant safety, we conduct comprehensive pre-clinical safety assessments before trials, strictly recruit subjects based on inclusion and exclusion criteria, and implement risk management plans to dynamically monitor safety risks. Each participant signs an informed consent form based on full understanding and complete comprehension, effectively safeguarding their legitimate rights and interests, as well as their life safety.

2.4 Animal Welfare

The Company strictly complies with global and local regulations such as the Regulations for the Administration of Laboratory Animals and the Guide for the Care and Use of Laboratory Animals, ensuring that research is conducted in a responsible and humane manner.

We fully implement the "3R Principles" (Replacement, Reduction, Refinement) in our laboratory practices. Animals are used in tests only when there are no reliable alternative methods and when it is necessary to evaluate drug safety. In addition, we commission qualified professional institutions to conduct relevant studies. These institutions have an Institutional Animal Care and Use Committee ("**IACUC**") responsible for evaluating and supervising the use and care of animals, ensuring that animal welfare efforts are comprehensive and balanced. Through regular on-site audits, we strictly monitor the compliance of animal care, ensuring that animal welfare is comprehensively and balancedly implemented throughout the R&D process.

2.5 Research and Development and Innovation

B&K Corporation consistently adheres to the "innovation-driven" development strategy, regarding technological innovation as the core engine for the Company's continuous progress. In 2025, we continued to increase our R&D investment, with annual R&D expenditure of RMB89.4 million, aiming to strengthen our independent R&D capabilities, deepen our core technology moat, and comprehensively enhance the Company's overall competitiveness in the biopharmaceutical field.

High-quality scientific research talent is the cornerstone of innovation. Currently, we have assembled a highly educated and professional R&D team comprising 6 doctoral degree holders, 9 master's degree holders, and 31 bachelor's degree holders, ensuring deep accumulation and academic foresight in key technological areas. We have established a full-chain R&D system covering everything from target discovery to industrialisation, and implement rigorous project tiered management and milestone assessment mechanisms. Through standardised processes and efficient resource allocation, we ensure R&D quality while significantly improving the efficiency of translation from the laboratory to clinical application.

We actively engages in in-depth industry-university-research cooperation, establishing strategic partnerships with several renowned universities and research institutions. We have launched a special cooperation project with West China Hospital of Sichuan University to jointly develop an innovative delivery system and conduct biological activity evaluations, focusing on validating the targeting, sustained-release efficiency, and tissue repair function of innovative PDGF formulations, providing forward-looking treatment solutions for the industry. In 2025, the clinical research of our Core Product, PDGF (platelet-derived growth factor), made significant progress, reaching clinical trial cooperation agreements with many hospitals nationwide.

2.6 Intellectual property protection

The Company strictly abides by laws and regulations such as the Patent Law of the People's Republic of China, the Implementing Regulations of the Patent Law of the People's Republic of China, and the Trademark Law of the People's Republic of China. We have formulated and implemented the Trademark Management Measures and the Patent Management Measures, with a management framework built on internationally recognised standards, committed to comprehensively protecting the intellectual property rights of ourselves, our customers, and our suppliers.

Our legal team, as the gatekeeper of intellectual property protection, continuously monitors and evaluates relevant practices to ensure the management system adapts to dynamically changing industry standards and legal requirements. In terms of cooperation management, we sign confidentiality agreements or clauses with employees and suppliers, clearly defining the ownership, licensing, and rights of intellectual property, ensuring transparent and fair cooperation processes. Furthermore, the Company regularly conducts software copyright compliance checks, proactively identifying and preventing potential risks and vulnerabilities. We also continuously enhance employees' awareness of intellectual property protection through specialised training, fostering a corporate culture that respects innovation and protects achievements.

3. Human Resources Management

3.1 Employment and Labour Standards

B&K Corporation regards talent as the core driving force for corporate development and is committed to building a fair, safe, and dignified working environment for its employees. We fully protect the statutory rights and interests of employees, strictly abiding by laws and regulations such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Employment Promotion Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, and the Regulations on Work-Related Injury Insurance. We have implemented systematic and standardised management for human resources processes such as recruitment, employment, training, and performance appraisal, ensuring transparent and compliant management processes.

In terms of recruitment, we have formulated and strictly implement the Recruitment Management Manual, strictly prohibiting the employment of child labor or forced labor in any position. The Human Resources Department implements rigorous review procedures during the recruitment process, verifying applicants' identity documents, educational background, and professional qualifications to ensure they meet the legal working age and entry requirements. We adopt a "zero-tolerance" policy towards child labor; once any violation is discovered, the employment relationship will be terminated immediately. At the same time, we advocate equal employment opportunities for all, reject any form of discrimination, and actively recruit disabled persons and other vulnerable groups. Furthermore, we regulate employee working hours through a robust attendance system, effectively eliminating the risk of forced labor. During the Reporting Period, the Company did not receive any complaints regarding child labor or forced labor, nor did any related violations occur.

We are committed to promoting diversity and equal development within our workforce and resolutely eliminating discrimination and harassment in the workplace. We strictly comply with the Special Rules on the Labor Protection of Female Employees and the Law of the People's Republic of China on the Protection of Women's Rights and Interests, safeguarding the special rights and interests of female employees. As of 31 December 2025, the Company had a total of 100 full-time employees, with a male-to-female employee ratio of approximately 21:29, demonstrating a balanced and dynamic gender structure and team composition.

The Company develops talent profiles and establishes talent pools based on business needs, achieving precise recruitment and rapid onboarding. In 2025, the Company did not conduct campus recruitment. A total of 36 new hires were made through social recruitment, covering core departments such as R&D, medical, production, quality control, and human resources, continuously optimising the talent structure and strengthening professional reserves.

To continuously optimise the management system, we have has formulated a series of employee management systems based on national and local policies, covering orientation, personnel management, daily conduct guidelines, and expense reimbursement, providing employees with comprehensive workplace guidance. When employees resign, we arrange dedicated personnel to conduct exit interviews, thoroughly understanding their reasons for leaving and suggestions for our development, using their feedback as an important reference for improving corporate cohesion and management level.

3.2 Employee Welfare Protection

The Company deeply understands that employees are its most valuable asset, and we are committed to establishing a comprehensive, multi-tiered welfare system to enhance employees' sense of happiness and belonging. We strictly comply with legal provisions such as the Labor Law of the People's Republic of China and the Social Insurance Law of the People's Republic of China, contributing the full amount of the "Five Social Insurances and One Housing Fund" for all employees, including basic pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident fund, ensuring employees have a solid social security foundation.

In addition to statutory protections, we provide a diversified system of holiday benefits and allowances, covering communication, transportation, meals, housing subsidies, and travel allowances, comprehensively supporting employees' work and life needs. For non-local employees, we specifically provide accommodation support to effectively address their housing needs. Furthermore, we place high importance on employee physical and mental health, regularly arranging professional medical check-ups, and distributing shopping allowances and exquisite gifts during major holidays to convey the Company's festive care.

We actively build an open and transparent communication environment. Through organising employee forums from time to time, we proactively collect employees' suggestions on personal development and company operations, ensuring smooth two-way communication channels. At the same time, we encourage employees to share their experiences through diverse internal communication channels and strengthens connections among colleagues through rich team-building activities, creating a harmonious, supportive, and cohesive corporate culture atmosphere.

During the Year, the Company recognised employee achievements by distributing birthday benefits and holding milestone celebration events, thereby effectively enhancing colleagues' sense of cohesion and team unity.



Employee Birthday Celebrations and Forums

3.3 Employee Development and Training

B&K Corporation regards talent development as the cornerstone of corporate sustainability and is committed to building diversified career development paths. We have established a dual-track promotion system, combining "Professional" and "Management" paths. The professional path focuses on products, R&D, and other specialised areas, while the management path emphasises leadership and organisational effectiveness. This provides employees with ample opportunities to explore their career paths and systematically enhances their job competence and overall quality.

During the Reporting Period, we conducted a total of 21 capability enhancement training sessions, with an average duration exceeding 2 hours per session. While improving the internal training system, we actively engaged with high-quality external educational resources, including online courses from the Drug Safety Association, reading club courses from Yunzi, and certification training such as "Pressure Vessel R1" for specific technical positions, ensuring that employees master cutting-edge industry technologies and compliance standards.

In addition, we regularly conduct employee appraisals and performance evaluations, aiming to gain an in-depth understanding of employees' individual strengths and areas for improvement, encouraging them to adopt proactive career development strategies. We believe that through continuous talent investment and capacity building, we can effectively achieve two-way empowerment between employee personal growth and our high-quality development, fulfilling the long-term vision of symbiosis and mutual benefit between the enterprise and its employees.

During the Year, the Human Resources Department organised a special training session on "Systematic Thinking" for all managers of the Company. The training focused on enhancing systematic thinking, introducing practical management tools such as Objectives and Key Results (OKR) and Strengths, Weaknesses, Opportunities, Threats analysis (SWOT), and adopted an action learning model. Combining case analysis and group discussions, it produced actionable implementation plans and action paths. By guiding managers to shift from fragmented thinking to systematic thinking, the training significantly improved the management's decision-making efficiency and performance levels. This not only strengthened the overall organisational capability but also injected sustained momentum for the Company to achieve high-quality development.





"Systematic Thinking" Training

3.4 Employee Health and Safety

B&K Corporation consistently adheres to the fundamental principles of "Safety First, Prevention Oriented, Comprehensive Management", and is committed to building a zero-injury, low-risk working environment. We strictly comply with laws and regulations such as the Production Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Fire Protection Law of the People's Republic of China, the Regulations on the Safety Management of Hazardous Chemicals, and the Provisions on the Supervision and Management of Occupational Health in the Workplace. To ensure close integration from top-level design to grassroots implementation, we have formulated and regularly update a series of systems, including the Production Safety Responsibility System, the Production Safety and Health Regulations, and the Emergency Measures Manual (Emergency Response Plan). The Company has established a dedicated Environment, Occupational Health and Safety ("**EHS**") management department responsible for coordinating occupational health, safety production, labour protection, and compliance control. It has also formed a "Company — Department — Team" three-tier safety and health management network, focusing on continuous improvement in key areas such as drug production, clean area operations, chemical use, and biosafety, ensuring occupational safety and health compliance. In the past three years (including the Reporting Year), the Company has not experienced any work-related fatalities.

In terms of management mechanism, we have established an occupational safety and health management structure that meets the requirements of Good Manufacturing Practices for Pharmaceutical Products (GMP), strictly implementing the primary responsibility system of the principal person in charge of the enterprise. We place high importance on employee health monitoring, arranging pre-employment, on-the-job, and risk-specific health check-ups for employees, ensuring comprehensive health surveillance throughout their employment. During the Year, the Environment and Health Safety Department conducted a specialised occupational hazard inspection of laboratories and related facilities, accurately identifying chemical risks and potential hazards within the laboratory that could affect employee health. For the identified risk points, we have equipped professional-grade protective gear and conducted targeted training courses, implementing risk prevention and control down to the details.

To implement comprehensive preventive measures, we provide high-standard personal protective equipment ("**PPE**") for personnel exposed to hazardous factors based on job characteristics. For example, employees exposed to noise are provided with high-noise-reduction earplugs or earmuffs, while positions exposed to chemical hazards are provided with gas masks and dust masks. In terms of facility protection, we have a dedicated hazardous goods storage warehouse with clear signage, and have installed occupational disease prevention devices such as fume hoods and gas detectors, supplemented by protective equipment like half-face masks and goggles, fundamentally preventing safety accidents such as hazardous goods leaks and ensuring the absolute safety of the workplace.

In terms of emergency management, we have formulated and implemented the Emergency Measures Manual (Emergency Response Plan) and the Special Emergency Plan for Fire Fighting and Evacuation. Once an emergency occurs, we will immediately initiate an emergency response, carrying out personnel evacuation and hazard control. After the incident, we strictly conduct investigations and cause analysis in accordance with regulations, implement responsibility determination, and formulate corrective and preventive actions, forming PDCA (Plan-Do-Check-Act) closed-loop management. By continuously improving emergency response and risk prevention capabilities, we fully commit to protecting employee life safety and company property safety.

Regarding health and safety training, we, in accordance with the Safety and Health Standard Management Procedures, provided occupational health management training for employees in positions with occupational hazards, covering three levels: company, department, and team. Training content includes the identification of occupational hazard factors, correct use of PPE, requirements for occupational health check-ups, and emergency response procedures. In 2025, we conducted a total of 2 occupational health and safety training sessions, with a cumulative total of 36 trainees, achieving 100% coverage of three-level safety education for new employees. These measures have effectively enhanced the safety awareness and risk prevention capabilities of all employees, building a solid safety line for our stable operations.

3.5 Community Investment

B&K Corporation deeply understands that an enterprise thrives in symbiosis with society. We place high importance on corporate social responsibility and regard community engagement as a core component of the Company's long-term development. Coinciding with the Company's official listing in 2025, we were in the stage of business integration and public welfare system planning during the Reporting Period, and therefore have not yet carried out specific community activities. Looking ahead to 2026, we have preliminarily planned several volunteer initiatives aimed at giving back to society by leveraging the Company's professional advantages. We will continue to invest deeply in community engagement, exert corporate influence through diverse public welfare practices, and contribute to building a harmonious society.

4. Promoting Environmental Protection

4.1 Addressing Climate Change

We deeply understand the challenges that climate risks pose to our business and are committed to strengthening our management capabilities for both physical and transition risks, developing industry-specific response strategies, enhancing corporate climate resilience, and actively responding to the national "dual carbon" goals. We have benchmarked against Part D "Climate-related Disclosures" of the Stock Exchange's ESG Code and refer to the framework recommendations of the International Financial Reporting Standard S2: Climate-related Disclosures ("**IFRS S2**") issued by the International Sustainability Standards Board ("**ISSB**") to continuously identify and analyse climate change factors affecting our operations. We have systematically constructed a climate risk management mechanism around four core dimensions: governance, strategy, risk management, and metrics and targets.

Governance

B&K Corporation places high importance on climate governance, is committed to continuously optimising its internal management mechanisms, and has set clear carbon emission management targets. The Board, as the highest decision-making body for the Company's climate matters, assumes ultimate responsibility for climate-related strategies and reporting. The Board authorises the ESG Working Group to supervise the identification, assessment, and management process of climate risks, provide professional advice on the formulation and implementation progress of climate targets, and supervise relevant departments in implementing response actions. When considering the Company's strategy, major transaction decisions, and risk management processes, the ESG Working Group comprehensively considers climate-related risks and opportunities and weighs relevant trade-offs. The Working Group holds at least one meeting annually and reports annual work progress to the Board in the form of a written special report, ensuring that information on climate risks and opportunities is regularly and standardly communicated to the decision-making level. At the execution level, each major execution department is responsible for the daily management and supervision of ESG governance status, holding at least one meeting annually to communicate and coordinate with members of the ESG Working Group, and integrate with other internal functional departments if necessary, ensuring that all strategies, targets, and management policies are properly implemented.

To implement environmental targets and long-term sustainable development, the Company has formulated a regular training plan, offering ESG-themed courses to all employees to promote sustainable development concepts and environmental technology knowledge, and to encourage employees to integrate environmental awareness into their daily work. During the Reporting Period, we conducted targeted training for the Board and the ESG Working Group, focusing in particular on the ISO 14001 environmental management system certification. Led by the Company's environmental management personnel, relevant members were organised for in-depth explanations and exchanges on the core requirements of the system, environmental and extreme weather management process standards, and emissions control-related knowledge. Through such internal training, the professional competence of the management and execution team in environmental management has been further strengthened, laying a solid foundation for achieving green operations. For details on the governance structure, please refer to the "ESG Governance Framework" section above.

Strategy

The Company actively identifies and manages climate-related risks and opportunities, assessing their direct or indirect financial impacts over short-term (within 3 years), medium-term (3–5 years), and long-term (over 5 years) horizons. Currently, we have identified a total of 5 climate risks (including 3 transition risks and 2 physical risks) and 1 climate opportunities. To mitigate negative effects, we have formulated specific preventive measures and regularly review their timeliness and effectiveness, continuously consolidating our professional capacity to address climate change. By continuously optimising the risk control mechanism, we ensure that we maintain proactivity and foresight in management, comprehensively enhancing corporate resilience.

Climate-related Risks

Risk Category	Impact on Business and Value Chain	Potential Financial Impact	Time Horizon	Response Measures
Physical Risks				
Acute Risks (Extreme weather events such as floods, heavy rains, typhoons)	Extreme weather events such as floods, heavy rains, and typhoons can damage infrastructure, laboratory equipment, etc., leading to damage or scrapping of the Company's fixed assets. The health and safety of suppliers, customers, or business partners may be affected by extreme weather, business operations may be interrupted, and extreme weather may also affect supply chain stability.	Increased insurance premiums Increased operating costs Decreased operating income	Short-term, medium-term	• Established the Emergency Preparedness and Response Control Procedures and the Emergency Measures Manual (Emergency Response Plan). During extreme weather, we implement flexible work arrangements and duty systems to ensure employee safety and uninterrupted operation of core equipment, and coordinate responses with local emergency agencies. • We have established a robust supplier management process to ensure that CMO and CDMO suppliers have a comprehensive environmental management system to properly handle extreme environmental events.
Chronic Risks (Rising average temperatures)	Rising average temperatures may lead to increased water consumption by employees, the need for more cooling equipment in office buildings, or increased operating time for existing cooling equipment, thereby increasing energy consumption.	Increased operating costs	Medium-term, long-term	• During the site selection process for its offices and laboratories, B&K Corporation considers the environmental benefits of geographical location and supporting facilities as a core factor. The Company's office premises are located within a specialised medical biotechnology park, fully utilising the park's uniformly planned energy-saving infrastructure and centralised cooling and heating systems. All of our facilities are located in China. By optimising laboratory energy consumption, introducing energy-saving technologies to improve energy efficiency, implementing regular equipment maintenance to ensure operational performance, and combining scientific site selection with rational layout to enhance site resilience, we effectively reduce the long-term potential impact of climate change on operations.

Risk Category	Impact on Business and Value Chain	Potential Financial Impact	Time Horizon	Response Measures
Transition Risks				
Policy and Regulatory Risks	Governments are implementing stricter environmental regulations, carbon pricing mechanisms, and more comprehensive reporting requirements. Furthermore, regulations concerning the disposal of medical, biological, and chemical waste are also becoming increasingly stringent.	Increased compliance costs	Medium-term, long-term	• Establish a compliance monitoring team to dynamically track domestic and international climate policies and regularly assess the impact of policy and regulatory risks on the Company; Implement waste management procedures, particularly for biohazardous waste and chemical waste related to wound care research.
Technology Risks	The transition to a low-carbon economy requires a shift from traditional systems to high-efficiency, low-emission and digital technologies, which entails substantial upfront costs. Existing high-carbon laboratory assets may require financial impairment before the end of their useful lives. If we fail to adopt digital, low-emission clinical trial technologies (such as decentralised trials) in its drug R&D and design, it may be at a competitive disadvantage compared to technologically advanced peers.	Increased operating costs Decreased revenue	Medium-term, long-term	• Implement a phased capital allocation plan to progressively replace outdated laboratory equipment with energy-efficient models; Invest in AI-driven predictive modelling (in silico trials) and digital data collection to reduce physical footprint and resource consumption during pre-clinical and clinical phases.
Reputation Risks	Stakeholders, including customers, investors and employees of large pharmaceutical companies, increasingly demand strong climate commitments from enterprises. If a company fails to fulfil its corresponding social responsibility by taking appropriate measures to manage the potential impacts of climate change, it may affect the evaluation of the company by various stakeholders, including investors.	Reduced investment Decreased revenue	Long-term	• Establish an effective risk assessment system and evaluation model to regularly assess the impact of climate change-related matters on our reputation. • Improve climate information disclosure mechanisms, benchmark against internationally recognised frameworks such as IFRS S2, enhance information transparency, and actively respond to the concerns of investors, customers and other stakeholders on climate issues.

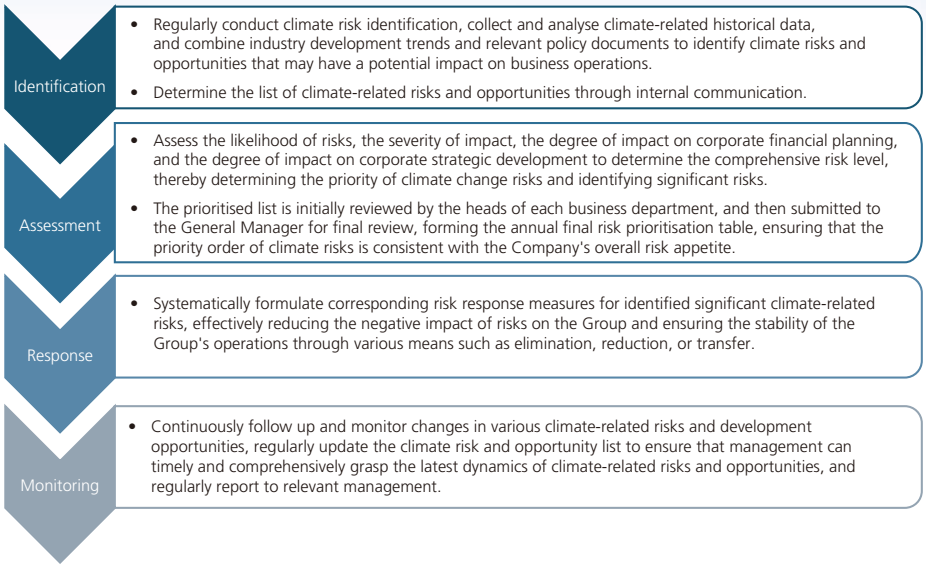
Climate-related Opportunities

Opportunity Type	Impact on Business and Value Chain	Potential Financial Impact	Time Horizon	Response Measures
Product Opportunities	Climate change is altering the epidemiological characteristics of wounds. Severe burns from wildfires, traumatic wounds from extreme weather events, and the spread of tropical ulcers/infections to new geographic regions are increasing. Furthermore, heat stress exacerbates chronic diseases such as diabetes, leading to a higher incidence of diabetic foot ulcers ("**DFUs**").	Increased revenue	Medium-term, long-term	The Company continues to invest in new product R&D, focusing on clinical trials for skin diseases and complex wounds induced or exacerbated by climate change. Through forward-looking technology layout, we are committed to capturing new market opportunities brought by climate change early on, addressing environmental challenges with innovative solutions, and expanding space for sustainable development.

Risk Management

B&K Corporation is committed to establishing a sound governance structure and has integrated climate risk management requirements into core systems such as the Comprehensive Risk Management Measures and the Quality, Environment, Occupational Health and Safety Management Manual, clearly defining departmental responsibilities and work interfaces. Given the current business model of "R&D-focused, with outsourced manufacturing", we systematically identify the potential impacts and development opportunities of various climate-related risks. By comprehensively assessing the likelihood of risk occurrence and its degree of impact on finance and operations, the Company prioritises various issues and formulates targeted response measures.

At the strategic level, we incorporate climate factors into long-term development planning, prioritising the effective reduction of climate-related risks by optimising R&D plans, introducing energy-saving and low-carbon concepts, and strengthening supplier management. During the Reporting Period, following comprehensive identification and assessment, the Company did not identify any significant climate-related risks that would have a material impact on its operational development, business operations, or financial condition.



Climate Risk Management Process

Metrics and Targets

B&K Corporation is currently in the clinical research stage. As a Marketing Authorisation Holder ("**MAH**"), all product manufacturing is outsourced to qualified CMO and CDMOs, while the Company itself primarily engages in laboratory R&D, pilot-scale trials, and clinical-related research. As we have not yet entered the product commercialisation delivery stage, current operational data is insufficient to establish a greenhouse gas emission baseline with long-term reference value. Therefore, we plan to establish detailed quantitative climate targets (including but not limited to energy use targets and water use targets) based on actual operational scale once the products enter the commercialisation stage. Based on the above reasons, we do not have any climate-related transition plans for the time being. Nevertheless, the Group has set clear qualitative targets for waste disposal and environmental management. We are committed to achieving best industry practices in environmental protection by optimising R&D processes and strengthening the supervision of outsourced manufacturing. We will continue to monitor various environmental indicators, actively respond to national green development policies, implement carbon neutrality strategies at the source, and lay a solid foundation for achieving sustainable coexistence between the enterprise and the environment.

Annual Targets	2025 Status
No major complaints from relevant parties due to loss of control over significant environmental factors or other reasons, with zero complaints from relevant parties.	No complaints regarding environmental incidents or issues were received during the Year.
General R&D waste and household waste are collected separately, and then sent to contracted units for harmless treatment or resource utilisation, achieving 100% separate collection.	All general R&D waste and household waste were collected separately during the Year.
100% harmless treatment of hazardous waste	All hazardous waste was harmlessly treated during the Year.

The Company will continue to disclose key metrics such as greenhouse gas emissions, energy consumption, waste disposal volume and intensity. For details, please refer to the "ESG KPI Performance Table" in the Appendix to this Report.

To achieve the above targets, the Company actively promotes the upgrading of energy-saving equipment and process optimisation. During the Reporting Period, we invested over RMB3.2 million in the procurement of low-energy-consumption equipment to reduce energy consumption and greenhouse gas emissions. This is an important initiative for us to proactively address climate risks and seize green development opportunities. Although climate factors have not yet been incorporated into the remuneration incentive system or set up internal carbon pricing strategy, the Company will continue to monitor industry trends, actively explore the feasibility of various carbon reduction measures, and continuously improve its carbon reduction management system, striving to achieve the vision of sustainable development.

4.2 Green Operations Management

B&K Corporation is committed to ensuring the compliant operation of its R&D and laboratory activities, strictly adhering to laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Appraisal of Environment Impacts, the Law of the People's Republic of China on Prevention and Control of Water Pollution, the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, the Measures for the Administration of the Transfer of Hazardous Waste, and the Regulations on the Safety Management of Hazardous Chemicals. We have established and implemented an ISO 14001 environmental management system to regulate environmental and climate management behaviours in a standardised and institutionalised manner, continuously improving energy conservation, emission reduction, and pollution prevention levels.

The Company's EHS department is dedicated to identifying, assessing, and managing potential environmental hazards, and is committed to enhancing environmental awareness among all employees. For environmental emergencies, we have formulated the Emergency Preparedness and Response Control Procedures and the Emergency Measures Manual (Emergency Response Plan), categorising environmental issues by level and establishing corresponding prevention, reporting, and handling mechanisms to ensure rapid response and minimise adverse impacts. During the Reporting Period, given the nature of our current business, the impact of our activities on the environment and natural resources is limited, and the Company did not identify any serious violations of environmental protection laws and regulations, continuously practising green and low-carbon development.

4.3 Energy Management

The Company understands the importance of energy management for environmental sustainability. Given that the manufacturing aspect adopts an outsourced processing model, we work closely with our partner manufacturers to strictly control and implement according to process specifications, ensuring efficient and energy-saving production processes. The Company's internal energy consumption is primarily concentrated on electricity usage in offices and laboratories. To this end, we have established the Monitoring and Measuring Resource Control Procedures to ensure that all measuring instruments and gauges are within their valid operating cycles, achieving a 100% inspection rate for measuring instruments and gauges to accurately monitor energy usage.

Regarding energy use, we adhere strictly to energy conservation principles to prevent unnecessary resource waste. The Company has implemented several substantive actions focusing on process optimisation and energy conservation and emission reduction. In terms of process optimisation, by reducing the frequency of equipment start-ups/shutdowns, heating, and cooling, we have significantly reduced the consumption of energy such as water, electricity, and steam, leading to continuous optimisation of comprehensive energy consumption per unit product.

Furthermore, we are committed to standardising daily electricity usage, requiring employees to implement the practice of "turning off lights when leaving" and cutting off power when not in working condition. While ensuring the safety of the laboratory environment, we implement energy-saving operation modes for the laboratories. The HVAC system is controlled by zones based on cleanliness levels, with non-clean areas strictly adhering to temperature control standards of no lower than 26°C in summer and no higher than 20°C in winter. Through the above measures, the Company deeply integrates green and low-carbon concepts into R&D and operational details, actively practising corporate social responsibility.

4.4 Water Resource and Packaging Material Management

The Company's water resources are primarily used for drug R&D and office premises, with water supplied stably by local government authorities. During the Reporting Period, we did not encounter any difficulties in sourcing water. Adhering to the principles of "water conservation, total quantity control, planned water use, comprehensive utilisation, and emphasis on efficiency", we have established the Monitoring and Measuring Resource Control Procedures to ensure accurate water consumption measurement and strengthen daily inspections to promptly address issues of "leakage, overflow, dripping, and seepage". In addition, we post water-saving slogans in restrooms, encouraging employees to turn off taps promptly, embedding the concept of water conservation into daily behaviour.

In terms of packaging material management, the Company is responsible for the procurement of packaging materials and exercises strict control over CDMOs through a comprehensive documentation system. We have formulated and implemented packaging material standards, process specifications, and batch record management requirements, clearly defining the packaging consumption quota per unit product and recovery rate targets. By standardising the use of packaging materials at the source and implementing full-process control, we effectively reduce resource waste and are committed to achieving green management of packaging materials and maximising resource utilisation.

4.5 Waste Emission Management

The Company strictly implements its primary responsibility for environmental protection, formulating and implementing the Waste Management System, the Pollution Source Emission Control Procedures, the Responsibility System for the Prevention and Control of Environmental Pollution by Waste, and the Laboratory Waste Disposal Procedures. Any non-compliant emissions that may potentially cause environmental damage are strictly prohibited.

In terms of waste gas treatment, for volatile organic compounds ("**VOCs**") and non-methane total hydrocarbons generated from operations, we properly dispose of them through technical systems such as biosafety cabinets and activated carbon adsorption, effectively reducing waste gas generation. Regarding wastewater management, domestic sewage from offices and laboratories is treated in septic tanks before being discharged into the park's pipeline network; laboratory waste reagents are uniformly included in the hazardous waste system for disposal.

For solid waste, including hazardous waste such as chemicals and sharps (needles), as well as infectious waste such as gloves and cultures, we implement strict segregation, sealing, labelling, and registration management, storing them in dedicated compliant areas. We entrust qualified third-party organisations for transportation and disposal, with designated management personnel supervising the weighing process and signing confirmation forms, ensuring the entire waste disposal process is transparent, accurate, and compliant.

The Company is committed to source reduction, integrating green process design into the core of R&D. By introducing advanced chromatography packing technology, we have completely eliminated the use of organic reagents and successfully achieved a significant increase in single-batch product yield. This technological breakthrough has enabled a substantial reduction in the number of production batches by up to 50% while maintaining the same total output, thereby reducing raw material consumption and intermediate waste generation at the source. This initiative not only significantly reduces the treatment costs of organic waste and its derived treatment emissions but also effectively lowers the risk of explosion and fire at the production site, consequently saving construction costs for explosion-proof workshops, achieving a win-win situation for environmental benefits and safe production.

In terms of daily operations, we fully promote a paperless office, using electronic platforms for administrative approvals and document circulation. Necessary paper documents are required to be used on both sides and recycled. Through the above measures, the Company continuously improves resource utilisation efficiency and minimises its environmental footprint.

APPENDIX 1: ESG KPI PERFORMANCE TABLE

Environmental Aspect	Unit	2025
Air Pollutant Emissions[1]		
Nitrogen Oxides (NOx)	Kilograms	0.93
Sulfur Oxides (SOx)	Kilograms	0.02
Particulate Matters	Kilograms	0.07
Greenhouse Gas ("**GHG**") Emissions		
Direct Greenhouse Gas Emissions (Scope 1)[2]	Metric tons of CO_2 equivalent (tCO_2e)	4.30
Indirect Greenhouse Gas Emissions (Scope 2)[3]	Metric tons of CO_2 equivalent (tCO_2e)	163.60
Indirect Greenhouse Gas Emissions (Scope 3)[4]	Metric tons of CO_2 equivalent (tCO_2e)	1.50
Total Greenhouse Gas Emissions	Metric tons of CO_2 equivalent (tCO_2e)	169.41
Greenhouse Gas Emission Intensity (per square metre)	tCO_2e/square metre	0.04
Energy Use		
Total Energy Consumption	Megawatt-hour (MWh)	321.24
Energy Intensity (per square metre)	MWh/square metre	0.08
Purchased Electricity	Megawatt-hour (MWh)	308.32
Gasoline Consumption	Megawatt-hour (MWh)	12.92
Water Consumption		
Water Consumption	Cubic meters	5059.77
Water Consumption Intensity (per square metre)	Cubic metres/square metre	1.33
Packaging Material Consumption		
Packaging Material Consumption	Kilograms	1885.75
Packaging Material Consumption Intensity (per square metre)	kg/square metre	0.49
Waste Emissions		
Medical Waste	Metric tons (t)	1.81
Medical Waste Emission Intensity (per square metre)	t/square metre	0.47
Non-hazardous Waste	Metric tons (t)	3.75
Non-hazardous Waste Emission Intensity (per square metre)	t/square metre	0.98
Wastewater Discharge		
Total Wastewater Discharge	Cubic meters	378.77
Chemical Oxygen Demand ("**COD**")	Kilograms	5.87
Biochemical Oxygen Demand ("**BOD**")	Kilograms	1.26
Wastewater Discharge Intensity (per square metre)	Cubic metres/square metre	0.10

1 Air emissions primarily come from the use of unleaded petrol by mobile vehicles.

2 The calculation methodology for Scope 1 during the Reporting Period referenced the "Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Hong Kong Stock Exchange and the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004).

3 The calculation methodology for Scope 2 during the Reporting Period used the location-based method, with factors referencing the "Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factors" issued by the Ministry of Ecology and Environment.

4 Scope 3 greenhouse gas emissions include emissions from Category 5 waste generated during operations. The calculation methodology referenced the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

Social Aspect		Unit	2025
Number of Employees			
Total number of employees[5]		Persons	100
By gender	Female employees	Persons	58
	Male employees	Persons	42
By age group	Employees aged 30 or below	Persons	15
	Employees aged 31–50	Persons	59
	Employees aged 51 or above	Persons	26
By region	Employees in Mainland China	Persons	96
	Employees in Hong Kong, Macau and Taiwan of China	Persons	4
Employee Turnover[6]			
Total employee turnover rate		%	18.7%
By gender	Female employee turnover rate	%	14.7%
	Male employee turnover rate	%	23.6%
By age group	Employee turnover rate for those aged below 30	%	28.6%
	Employee turnover rate for those aged 30–50	%	20.3%
	Employee turnover rate for those aged above 50	%	7.1%
By region	Employee turnover rate for Mainland China	%	15.0%
	Employee turnover rate for Hong Kong, Macau and Taiwan of China	%	60.0%
Occupational Health and Safety			
Number of work-related fatalities		Persons	0
Rate of work-related fatalities		%	0
Lost days due to work injury		Days	0
Employee Training			
Overall percentage of employees trained		%	87.0%
Percentage of employees trained by gender	Female employees	%	54.0%
	Male employees	%	46.0%
Percentage of employees trained by employee category	Senior management	%	9.2%
	Middle management	%	26.4%
	General staff	%	64.4%
Average training hours per employee			
Overall average training hours per employee		Hours	30.4
Average training hours per employee by gender	Female employees	Hours	27.7
	Male employees	Hours	34.1
Percentage of employees trained by employee category	Senior management	Hours	24.0
	Middle management	Hours	25.9
	General staff	Hours	32.6
Supply Chain Management			
Total number of suppliers		Number	102
By region	Mainland China region	Number	102

5 All employees during the Year were full-time.

6 Employee turnover rate: Number of full-time employee departures during the Reporting Period / (total number of employees at the beginning of year + number of employees employed during the Reporting Period) x 100%.

APPENDIX 2: HONG KONG STOCK EXCHANGE ESG REPORTING CODE INDEX

Indicator	Hong Kong Stock Exchange ESG Reporting Code Requirements	Section/ Remarks
A. Environment		
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 remuneration and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.	4.2 Green Operations Management 4.5 Waste Emission Management
Key Performance Index A1.1	Types of emissions and respective emissions data.	ESG KPI PERFORMANCE TABLE
Key Performance Index A1.3	Total hazardous waste produced and, where appropriate, intensity.	ESG KPI PERFORMANCE TABLE
Key Performance Index A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	ESG KPI PERFORMANCE TABLE
Key Performance Index A1.5	Description of emission target(s) set and steps taken to achieve them.	4.5 Waste Emission Management
Key Performance Index 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.	4.1 Addressing Climate Change 4.5 Waste Emission Management
Aspect A2: Use of Resources		
General Disclosure	Policies on effective use of resources (including energy, water and other raw materials).	4.3 Energy Management 4.4 Water Resource and Packaging Material Management
Key Performance Index A2.1	Direct and/or indirect energy consumption by type in total and intensity.	ESG KPI PERFORMANCE TABLE
Key Performance Index A2.2	Water consumption in total and intensity.	ESG KPI PERFORMANCE TABLE
Key Performance Index A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	4.1 Addressing Climate Change 4.3 Energy Management
Key Performance Index 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.	4.1 Addressing Climate Change 4.4 Water Resource and Packaging Material Management
Key Performance Index A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	ESG KPI PERFORMANCE TABLE

Indicator	Hong Kong Stock Exchange ESG Reporting Code Requirements	Section/ Remarks
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's material impact on the environment and natural resources.	4.2 Green Operations Management
Key Performance Index A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.2 Green Operations Management
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 remuneration and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.	3.1 Employment and Labour Standards 3.2 Employee Welfare Protection
Key Performance Index B1.1	Total workforce by gender, employment type (e.g., full-time or part-time), age group and geographical region.	ESG KPI PERFORMANCE TABLE
Key Performance Index B1.2	Employee turnover rate by gender, age group and geographical region.	ESG KPI PERFORMANCE TABLE
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to remuneration and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.	3.4 Employee Health and Safety
Key Performance Index B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	ESG KPI PERFORMANCE TABLE
Key Performance Index B2.2	Lost days due to work injury.	ESG KPI PERFORMANCE TABLE
Key Performance Index B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.4 Employee Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3.3 Employee Development and Training
Key Performance Index B3.1	Percentage of employees trained by gender and employee type (e.g., senior management, middle management).	ESG KPI PERFORMANCE TABLE
Key Performance Index B3.2	Average training hours completed per employee by gender and employee type.	ESG KPI PERFORMANCE TABLE

Indicator	Hong Kong Stock Exchange ESG Reporting Code Requirements	Section/ Remarks
Aspect B4: Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to remuneration and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.	3.1 Employment and Labour Standards
Key Performance Index B4.1	Description of measures to review employment practices to avoid child and forced labor.	3.1 Employment and Labour Standards
Key Performance Index B4.2	Description of steps taken to eliminate such practices when discovered.	3.1 Employment and Labour Standards
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	1.5 Standardised Procurement Management
Key Performance Index B5.1	Number of suppliers by geographical region.	ESG KPI PERFORMANCE TABLE
Key Performance Index 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.	1.5 Standardised Procurement Management
Key Performance Index B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	1.5 Standardised Procurement Management
Key Performance Index B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	1.5 Standardised Procurement Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to remuneration and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.	2. Quality Service and Product Quality
Key Performance Index B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reason.	2.1 Quality and Safety Management System
Key Performance Index B6.2	Number of products and service related complaints received, and how they are dealt with.	2.2 Quality Customer Services
Key Performance Index B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.6 Intellectual property protection

Indicator	Hong Kong Stock Exchange ESG Reporting Code Requirements	Section/ Remarks
Key Performance Index B6.4	Description of quality assurance process and recall procedures.	2.1 Quality and Safety Management System
Key Performance Index B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.3 Protecting Customer Information Security
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to remuneration and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.	1.4 Business Ethics
Key Performance Index 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.	1.4 Business Ethics
Key Performance Index B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.4 Business Ethics
Key Performance Index B7.3	Description of anti-corruption training provided to directors and staff.	1.4 Business Ethics
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	3.5 Community Investment
Key Performance Index B8.1	Focus areas of contribution.	3.5 Community Investment
Key Performance Index B8.2	Utilised resources to the focus area.	3.5 Community Investment

Indicator	Hong Kong Stock Exchange ESG Reporting Code Requirements	Section/ Remarks
Part D: Climate-related Disclosures		
Governance	19(a) Information on the governance body(ies) (which can include a board, committee or other equivalent governance body) or individual(s) responsible for overseeing climate-related risks and opportunities. Specifically, the issuer shall identify the relevant body(ies) or individual(s) and disclose the following information: (i) How the body or individual determines whether appropriate skills and competencies are available or will be available to oversee strategies that respond to climate-related risks and opportunities; (ii) How and how often the body or individual is informed about climate-related risks and opportunities; (iii) How the body or individual considers climate-related risks and opportunities when overseeing the issuer's strategy, major transaction decisions, and risk management procedures and related policies, including whether the body or individual has considered trade-offs associated with such climate-related risks and opportunities; and (iv) How the body or individual oversees the setting of targets related to climate-related risks and opportunities and monitors progress towards those targets, including whether and how related performance metrics are incorporated into the compensation policy.	1.1 ESG Governance Framework 4.1 Addressing Climate Change — Governance
	19(b) Management's role in the governance processes, controls, and procedures used to monitor, manage, and oversee climate-related risks and opportunities, including information on: (i) Whether that role is delegated to a specific management-level person or management-level committee and how that person or committee is overseen; and (ii) Whether management uses controls and procedures to assist in overseeing climate-related risks and opportunities; if so, how those controls and procedures are integrated with other internal functions.	1.1 ESG Governance Framework 4.1 Addressing Climate Change — Governance

Indicator		Hong Kong Stock Exchange ESG Reporting Code Requirements	Section/ Remarks
Strategy	20	The issuer shall disclose information to enable an understanding of the climate-related risks and opportunities that could reasonably be expected to affect its cash flows, access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: (a) Describe the climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, access to finance or cost of capital over the short, medium or long term; (b) For each climate-related risk the issuer has identified, explain whether the issuer considers the risk to be a climate-related physical risk or a climate-related transition risk; (c) For each climate-related risk and opportunity the issuer has identified, specify the time horizon over which it could reasonably be expected to affect the issuer (short, medium or long term); and (d) Explain how the issuer defines short, medium and long term, and how these definitions are linked to its strategic planning horizon.	4.1 Addressing Climate Change — Strategy
	21	The issuer shall disclose information to enable an understanding of the current and expected impacts of climate-related risks and opportunities on its business model and value chain. Specifically, the issuer shall disclose: (a) Describe the current and expected impacts of climate-related risks and opportunities on the issuer's business model and value chain; (b) Describe where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (e.g., geographical areas, facilities, and asset types).	4.1 Addressing Climate Change — Strategy
	22(a)	The issuer shall disclose information to enable an understanding of the impact of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose information about how the issuer has and plans to address climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set, and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose: (i) Changes to the issuer's business model (including resource allocation) as a result of climate-related risks and opportunities, both currently and expected in the future; (ii) Any adaptation or mitigation efforts (direct or indirect) that are underway or expected to be undertaken; (iii) Any climate-related transition plan of the issuer (including information on key assumptions used in developing the transition plan, and the factors on which the plan depends), or an appropriate negative statement if the issuer does not have such a plan; (iv) How the issuer plans to achieve any climate-related targets described in paragraphs 37 to 40 (including any greenhouse gas emissions targets, if any).	4.1 Addressing Climate Change — Strategy

Indicator	Hong Kong Stock Exchange ESG Reporting Code Requirements	Section/ Remarks
	22(b) The issuer shall disclose information about how the issuer currently and plans to resource the actions disclosed in accordance with paragraph 22(a).	
	23. The issuer shall disclose the progress of the plans disclosed in accordance with paragraph 22(a) in previous reporting periods.	4.1 Addressing Climate Change — Strategy
	24 The issuer shall disclose the following qualitative and quantitative information:	Qualitative information:
	(a) How climate-related risks and opportunities have affected the issuer's financial position, financial performance and cash flows during the Reporting Period; and	4.1 Addressing Climate Change — Strategy
	(b) When there is a significant risk that could result in a material adjustment to the carrying amounts of assets and liabilities in the related financial statements for the next reporting year, information about the climate-related risks and opportunities identified in paragraph 24(a).	Quantitative information: Application of financial effect relief. Company currently does not have the capability to track and record the relevant financial data in a complete and accurate manner.
	25(a) The issuer shall disclose the following qualitative and quantitative information: how the issuer expects its financial position to change over the short, medium and long term, taking into account its strategy for managing climate-related risks and opportunities, and considering:	Qualitative information: 4.1 Addressing Climate Change — Strategy
	(i) Its investment and disposal plans; and (ii) Its planned sources of funding to implement the strategy.	Quantitative information: Application of financial effect relief. Company currently does not have the capability to track and record the relevant financial data in a complete and accurate manner.
	25(b) The issuer shall disclose the following qualitative and quantitative information: based on the issuer's strategy for managing climate-related risks and opportunities, how it expects its financial performance and cash flows to change over the short, medium and long term.	

Indicator	Hong Kong Stock Exchange ESG Reporting Code Requirements	Section/ Remarks
	26(a) After considering the identified climate-related risks and opportunities, the issuer shall disclose information to enable an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments or uncertainties. The issuer shall use climate-related scenario analysis to assess its climate resilience, using an approach commensurate with its circumstances. When providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose its assessment of its climate resilience as of the reporting date, which helps to understand: (i) The impact of the issuer's analysis results on its strategy and business model (if any), including how the issuer needs to respond to the impacts identified in climate-related scenario analysis; (ii) The scope of significant uncertainties considered in the issuer's assessment of climate resilience; and (iii) The issuer's ability to adjust its short, medium and long-term strategies and business model in response to climate developments.	Adoption of reasonable information and capabilities relief. Company currently does not have the capability to conduct climate scenario analysis in a complete and accurate manner.
	26(b) The issuer shall disclose how and when climate-related scenario analysis was performed, including: (i) The inputs used, including: (1) The climate-related scenarios used in the issuer's analysis and their sources; (2) Whether the analysis covers multiple different climate-related scenarios; (3) Whether the climate-related scenarios used in the analysis relate to climate-related transition risks or climate-related physical risks; (4) Whether the issuer has used scenarios in its analysis that are consistent with the latest international agreements on climate change; (5) Why the issuer considers the selected climate-related scenarios relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) The time horizon used by the issuer in the analysis; and (7) The operational scope covered by the issuer's analysis (e.g., the operational locations and business units covered by the analysis); (ii) The key assumptions made by the issuer in the analysis; and (iii) The Reporting Period in which the climate-related scenario analysis was performed.	Adoption of reasonable information and capabilities relief. Company currently does not have the capability to conduct climate scenario analysis in a complete and accurate manner.

Indicator	Hong Kong Stock Exchange ESG Reporting Code Requirements	Section/ Remarks
Risk Management	27(a) Risk Management The issuer shall disclose information on the processes and related policies used by the issuer to identify, assess, prioritise and monitor climate-related risks, including information on: (i) The inputs and parameters used by the issuer (e.g., the sources of data and the scope of operations covered by the process); (ii) Whether and how the issuer uses climate-related scenario analysis to identify climate-related risks; (iii) How the issuer assesses the nature, likelihood and magnitude of the impacts of such risks (e.g., whether the issuer considers qualitative factors, quantitative thresholds or other criteria used); (iv) Whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) How the issuer monitors its climate-related risks; and (vi) Whether and how the issuer has changed the processes it uses compared to the previous Reporting Period.	4.1 Addressing Climate Change — Risk Management
	27(b) The processes used by the issuer to identify, assess, prioritise and monitor climate-related opportunities (including information on whether and how the issuer uses climate-related scenario analysis to identify climate-related opportunities).	4.1 Addressing Climate Change — Risk Management
	27(c) How and to what extent the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into the issuer's overall risk management process.	
Metrics and Targets	28. The issuer shall disclose its absolute total greenhouse gas emissions for the Reporting Period (expressed in metric tons of CO2 equivalent), disaggregated into: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	ESG KPI PERFORMANCE TABLE

Indicator	Hong Kong Stock Exchange ESG Reporting Code Requirements	Section/ Remarks
	29 The issuer shall: (a) Unless otherwise required by the relevant jurisdiction or another exchange on which the issuer is listed, measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004); (b) Disclose the methodology used to measure its greenhouse gas emissions, including: (i) the measurement methodology, inputs and assumptions used by the issuer to measure its greenhouse gas emissions; (ii) why the issuer chose that measurement methodology, inputs and assumptions to measure greenhouse gas emissions; and (iii) any changes made by the issuer to the measurement methodology, inputs and assumptions during the Reporting Period and the reasons for those changes; (c) For the Scope 2 greenhouse gas emissions disclosed under paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions and provide information on any required contractual instruments that help understand such emissions; and (d) For the Scope 3 greenhouse gas emissions disclosed under paragraph 28(c), disclose the categories included in the issuer's measurement of Scope 3 greenhouse gas emissions in accordance with the categories of Scope 3 described in the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	ESG KPI PERFORMANCE TABLE
	30. The issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	As Company have not yet entered the product commercialisation delivery stage, the reasonable information relief is adopted.
	31. The issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	As Company have not yet entered the product commercialisation delivery stage, the reasonable information relief is adopted.
	32. The issuer shall disclose the amount and percentage of assets or business activities associated with climate-related opportunities.	As Company have not yet entered the product commercialisation delivery stage, the reasonable information relief is adopted.

Indicator	Hong Kong Stock Exchange ESG Reporting Code Requirements	Section/ Remarks
	33. The issuer shall disclose the amount of capital expenditure, financing or investment directed towards climate-related risks and opportunities.	4.1 Addressing Climate Change — Metrics and Targets
	34. The issuer shall disclose the following: (a) Explain whether and how the issuer applies carbon pricing in its decision-making (e.g., investment decisions, transfer pricing and scenario analysis); and (b) The price per metric ton of greenhouse gas emissions used by the issuer to assess the cost of its greenhouse gas emissions; or an appropriate negative statement confirming that the issuer does not apply carbon pricing in its decision-making.	4.1 Addressing Climate Change — Metrics and Targets
	35. The issuer shall disclose whether and how climate-related considerations are incorporated into its compensation policy, or provide an appropriate negative statement. This may form part of the disclosure made under paragraph 19(a)(iv).	4.1 Addressing Climate Change — Metrics and Targets
	36. The Exchange encourages an issuer to disclose industry metrics relevant to one or more specific business models and activities, or to common features of participation in the relevant industry. When deciding which industry metrics to disclose, the Exchange encourages an issuer to refer to the industry metrics relevant to the disclosure topic described in the IFRS S2 Industry-based Guidance on Implementing Climate-related Disclosures and industry disclosure requirements set out in other international environmental, social and governance reporting frameworks, and consider their applicability.	ESG KPI PERFORMANCE TABLE
	37. The issuer shall disclose (a) its qualitative and quantitative climate-related targets set to monitor progress towards achieving its strategic objectives; and (b) any targets that the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) The metric used to set the target; (b) The objective of the target (e.g., mitigation, adaptation, or science-based initiative); (c) The scope of the target (e.g., whether the target applies to the entire issuer or a part thereof (e.g., only to a specific business unit or geographic region)); (d) The period over which the target applies; (e) The base period against which progress is measured; (f) Any interim or medium-term targets (if any); (g) If a quantitative target, whether it is an absolute target or an intensity target; and (h) How the latest international agreements on climate change (including the jurisdictional commitments arising from such agreements) have helped the issuer set the target.	4.1 Addressing Climate Change — Metrics and Targets

Indicator	Hong Kong Stock Exchange ESG Reporting Code Requirements	Section/ Remarks
	38. The issuer shall disclose its methodology for setting and reviewing each target, and how it monitors progress towards achieving the target, including: (a) Whether the target itself and the methodology for setting the target have been verified by a third party; (b) The issuer's process for reviewing the target; (c) The metrics used to monitor progress towards achieving the target; and (d) Any revisions to the target and the reasons for such revisions.	4.1 Addressing Climate Change — Metrics and Targets
	39. The issuer shall disclose information on the performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	4.1 Addressing Climate Change — Metrics and Targets
	40. For each greenhouse gas emissions target disclosed under paragraphs 37 to 39, the issuer shall disclose: (a) Which greenhouse gases the target covers; (b) Whether the target covers Scope 1, Scope 2 or Scope 3 greenhouse gas emissions; (c) Whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If it is a net greenhouse gas emissions target, the issuer shall additionally disclose the related gross greenhouse gas emissions target; (d) Whether the target was derived using an industry decarbonisation method; and (e) The issuer's plan to use carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. Regarding the plan to use carbon credits, the issuer shall disclose: (i) the extent and manner of reliance on using carbon credits to achieve any net greenhouse gas emissions target; (ii) which third-party programmes will verify or certify the carbon credits; (iii) the type of carbon credits, including whether the related offsets are nature-based or technology-based carbon removals, and whether the related offsets are achieved through emissions reductions or carbon removals; and (iv) any other material factors necessary to understand the credibility and integrity of the carbon credits the issuer plans to use (e.g., assumptions about the effectiveness of carbon offsets).	4.1 Addressing Climate Change — Metrics and Targets
	41. In preparing disclosures to comply with paragraphs 21 to 26 and 37 to 38, the issuer shall refer to (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry metrics (see paragraph 36) and consider their applicability.	4.1 Addressing Climate Change — Metrics and Targets